



FINAL REPORT

January 29, 2025

Senator Gary Stevens, PhD., Chair
Senator Jesse Bjorkman
Senator Jesse Kiehl
Senator Bert Stedman

Representative Bryce Edgmon
Representative Louise Stutes
Representative George Rauscher
Representative Sarah Vance

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Message from the Chair

The seafood industry, which includes fishermen, processors, and communities, is in a state of crisis. It has been called a perfect storm by many. That is not an exaggeration. Fishermen are experiencing truncated and reduced seasons. Processors face costly expenses due to production, labor expenses, and environmental obligations. Communities will face reduced raw fish taxes and increased costs of providing harbor facilities and support to the industry. Each is dependent on up-to-date and aggressive marketing programs. All the while, the industry must maintain a high-quality product in competition with foreign producers who do not have to meet the high production standards Alaskans face. In addition, overseas markets are forced to deal with the value of their money as compared to the value of the American dollar. All in all, it has been a trying time for an industry in crisis.

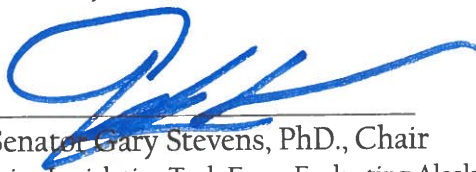
The Seafood Industry Task Force was appointed at the end of the session of the 33rd Alaska State Legislature (SCR 10) and charged with holding meetings to hear expert and public testimony on how the legislature can lend a helping hand to all segments of the industry. One of its goals has been to introduce a series of bills to the 34th Alaska State Legislature, which will go through the extensive legislative committee process in each body. It is our goal that several bills will make it through the legislature, the budgeting process, and the Governor's approval.

All of us Alaskans are rightly proud of the wild Alaska seafood products we produce. The industry will continue, despite the fact it is facing strong headwinds. The Seafood Industry Task Force is committed to providing as many options as possible to the Alaska State Legislature in the hope that a crisis may be ameliorated as much as possible, and that the seafood industry will once again thrive, providing jobs, careers, and opportunities for a healthy economy as well as high-quality seafood products to American and foreign markets.

However, these policy recommendations will not be the end. Our seafood industry is an everchanging sector of our economy and will need further evaluation and modernization. Even though this task force disbands on February 1, 2025, it is the goal and aspiration of each member to continue the work developed through the committee's efforts this past fall, and with these efforts, we can weather this perfect storm and rebuild a thriving seafood industry that is second to none.

I extend my gratitude to the members of the Task Force for their dedication and time, and to the many Alaskans who shared their insights with us. This collaborative effort underscores our shared commitment to safeguarding Alaska's fisheries and ensuring a vibrant future for all who depend on them. Together, we can navigate these challenges and secure a sustainable and prosperous future for our seafood industry and the communities it supports.

Sincerely,



Senator Gary Stevens, PhD., Chair
Joint Legislative Task Force Evaluating Alaska's Seafood Industry

Introduction

The Joint Legislative Task Force Evaluating Alaska's Seafood Industry was established by the 33rd Legislature with the passage of Senate Concurring Resolution 10 (SCR 10) on September 10, 2024. The Task Force was comprised of four members of the Senate and four members of the House of Representatives: Senator Gary Stevens, Senator Bert Stedman, Senator Jesse Bjorkman, Senator Jesse Kiehl, Representative Bryce Edgmon, Representative George Rauscher, Representative Sarah Vance, and Representative Louise Stutes.

The Task Force had two objectives: First, to identify the elements of the economic crisis in the state's seafood industry that can be solved through governmental policy and action on the part of the industry. And second, to develop a long-term vision for the state's seafood industry as a critical element of the state's economic future. To that end, the Task Force sought to objectively evaluate the needs of the industry as a whole, rather than a particular segment or region.

The Task Force held its first meeting at the Legislative Information Office (LIO) in Anchorage on September 19, 2024. Over the course of the subsequent five months, Task Force members held hearings on the challenges facing the industry, interviewed industry participants and subject matter experts, and considered proposals for potential legislation. In sum, the Task Force held 10 meetings and heard testimony from 74 witnesses who contributed 38 presentations.

SCR 10 directed the Task Force to "submit a report of its findings and recommendations" to the Legislature. Pursuant to SCR 10, this is the Task Force's final report.

Executive Summary

The Alaska seafood industry faces an unprecedented crisis that threatens its future, the stability of our coastal communities, and the livelihoods of tens of thousands of our fellow Alaskans. While Alaska's fisheries remain the "gold standard" for responsible, science-based management, the economic model that supported the industry for decades is buckling under immense strain. Without decisive action and long-term strategic vision, the industry is at risk of falling behind in a highly competitive global marketplace, with far-reaching implications for Alaska's economy, culture, and way of life.

The origins of the present crisis lie in two separate but related challenges. First, current market forces have contributed to higher costs, declining sales, and widespread financial losses across the industry. Since 2022, higher-than-expected inflation, rising interest rates, weak consumer demand, a strong U.S. dollar, and unfair trade practices have driven some ex-vessel prices to all-time lows and forced Alaska seafood businesses to cut costs, lay off workers, and sell assets. The recent collapse of one of the oldest and largest salmon processors speaks to the severity of these challenges.

Second, and perhaps more fundamentally, the industry faces long-standing structural constraints that inhibit greater efficiency and growth through capital investment and technological innovation. Alaska's aging infrastructure and the prohibitive cost of modernizing vessels, processing plants, and equipment inflate operating costs, frustrate quality improvement efforts, and deter businesses from pursuing upgrades. As a result, Alaska's seafood industry struggles to compete for capital, talent, and market share against foreign producers with lower costs, consistent quality, and year-round availability.

Pursuant to its mandate, the Task Force herein issues a series of recommendations to address the current and long-term challenges facing the Alaska seafood industry. In addition to 27 specific recommendations related to marketing, financing and taxes, labor and workforce development, research and development, and federal advocacy, which are included below, the Task Force also identified four primary recommendations. These aim to catalyze public and private investment, remove barriers to modernization and innovation, support critical infrastructure development, and create the requisite conditions for industry to thrive.

With regards to state fisheries management, the Task Force recommends reforming the Alaska Board of Fisheries to increase regulatory flexibility and regional representation. Potential reforms include the replacement of the three-year rotating cycle with annual meetings for each region, the addition of regional representatives to the Board, the adoption of statewide management standards modeled on the Federal National Standards, and the creation of a scientific committee staffed by fisheries biologists and marine scientists from the Alaska Department of Fish and Game (ADFG), the University of Alaska, and qualified research institutions.

The Task Force also recommends the modernization of current vessel, gear, and permit regulations, to support quality improvement and operational efficiency. Proposed changes include expanding CFEC staff capacity, modernizing CFEC's digital infrastructure, and reviewing limited entry permit policies as well as vessel and gear restrictions.

Additionally, the Task Force recommends the creation of a Seafood Working Group to study the long-term competitiveness of the Alaska seafood industry. As proposed, the Working Group would consist of members of the Alaska Legislature, representatives from ADFG and other state agencies, industry executives, community leaders, and independent subject matter experts. Members would lead the development of a statewide seafood strategy and identify opportunities for innovation, regulatory change, and investment with an emphasis on value-added products, underutilized species, and new forms of production.

Finally, we recommend the inclusion of a Division of Marine Resources within the proposed Alaska Department of Agriculture with sufficient staff, authority, and resources to pursue initiatives and projects focused on realizing the full potential of Alaska fisheries and maritime production.¹

The Task Force recognizes the need to support the Alaska seafood industry and improve overall competitiveness while simultaneously protecting the socioeconomic benefits of Alaska's fisheries. In formulating these recommendations, the Task Force sought to advance its vision, articulated below, of an Alaska seafood industry that is profitable, resilient, and accessible to both current and future generations of Alaskans.

Another important sector of Alaska's seafood industry acknowledged by the Task Force, but which fell outside the scope of this final report, was in regard to our hatcheries. Alaska's private non-profit salmon hatchery programs, in particular, contribute significantly to the production of salmon vital to the financial recovery of the seafood industry. Maintaining permitted production levels for all species is critical to provide stability in assisting these recovery efforts.

Recurring disasters to our fisheries, resultant from a range of events involving world economic and political turmoil, competing fishing interests, climate change uncertainties, rising ocean temperatures, shifting ecosystems, and changing water availability can affect not only the industry, but also the survival rates and growth patterns of the fish themselves. Recognizing and adapting to these changes requires significant investment in research, infrastructure, and operational and regulatory flexibility. Returning fish runs throughout Alaska is paramount to a successful industry. Without the fish, there would be no market upon which to build the industry.

Ultimately, success will require unprecedented cooperation from multiple stakeholders, including industry, coastal communities, Alaska Native corporations, Community Development Quota (CDQ) groups, investors, entrepreneurs, researchers, and government, guided by a shared vision of a modernized Alaska seafood industry that remains anchored in our coastal communities while competing successfully in global markets.

¹ *Governor Dunleavy Will Issue Executive Order to Bolster Food Security by Establishing Alaska Department of Agriculture*, Office of Governor Mike Dunleavy, Press Release, December 2024

Vision for the Future

The Task Force envisions an Alaska seafood industry that is profitable, resilient, and accessible to current and future generations of Alaskans, built on the following four principles:

- **Sustainability** must remain foundational—not just of fish stocks, but of the economic and community systems that depend on them. This means maintaining the biological health of our fisheries while ensuring their economic viability and supporting community resilience.
- **Value maximization** is essential for competitiveness. This requires increasing revenue per pound harvested through quality improvement, full utilization of catch, innovation in products and processes, and fair access to global markets.
- **Increased efficiency** is vital for competitiveness. Reducing operating costs for harvesting and processing may be realized through technological innovations, regulatory changes, modern compliance systems, or innovative business models.
- **Access and opportunity** must be preserved to maintain the industry's role in Alaska's economy and culture. This means supporting management systems that allow consistent fisheries access, fleet diversity, enabling new entrants, participation, and maintaining community connections to the fisheries.

Background

Recent analysis by NOAA's *Alaska Fisheries Science Center* identified \$4.3 billion in direct and indirect losses in the 2022 and 2023 period, along with 38,000 fewer jobs, and the loss of \$269 million in expected tax revenue.²

This downturn represents a convergence of near-term market forces and structural challenges that together threaten the industry's fundamental business model, with immediate negative impacts for fishermen and processors. In 2023, prices paid to fishermen fell 38%, while the value of some processed products dropped to 2015 levels. Unlike previous downturns, where individual species remained profitable, others experienced losses, and current price declines have affected every major species group.

The geographic distribution of impacts reveals the concentrated nature of the industry's economic footprint. The Aleutians East Borough has experienced a \$573 million decline in economic output and lost over 6,000 jobs, while the Bristol Bay Borough saw a \$404 million decline and nearly 10,000 job losses. These regions, heavily dependent on seafood processing, have been particularly impacted by plant closures and consolidation. Other Alaska regions, including Southcentral, and Southeast experienced a \$1.095 billion decline in economic output and 8,452 job losses, demonstrating the crisis extends well beyond high-volume fishing regions.

Table 1.0 Economic Losses in Alaska's Fisheries, 2022-2023

Region	Economic Output* (millions)	Jobs Lost	Tax Revenue** (millions)
Aleutians East Borough	-\$573	-6,036	-\$8
Bristol Bay Borough	-\$404	-9,713	-\$6
Aleutians West Census Area	-\$145	-961	-\$4
Dillingham Census Area	-\$92	-2,231	-\$6
Kodiak Island Borough	-\$66	-1,367	-\$4
Lake & Peninsula Borough	-\$11	-409	n/a
Other Alaska	-\$1,095	-6,952	-\$111
WA, OR, & CA	-\$680	-3,770	-\$58
At-sea	-\$44	-322	n/a
Rest of US	-\$1,199	-6,482	-\$78
Total	-\$4,308	-38,243	-\$269

* Includes direct and indirect economic impacts.

** Tax revenue allocation is approximate.

Source: AK Seafood Snapshot, Alaska Fisheries Science Center, National Oceanic and Atmospheric Administration, 2024

Editor's Note: no data was referenced specific to the southeastern Alaska region.

² *Alaska Seafood Snapshot*, Alaska Fisheries Science Center, National Oceanic and Atmospheric Administration, 2024

Operating costs have risen sharply across multiple categories. Processor labor costs have increased significantly, with the 25% wage increase impacting one of the largest operating costs for processors.³ Energy and transportation costs have also climbed, particularly challenging for an industry operating in remote locations with complex logistics requirements. Higher interest rates have increased borrowing costs at precisely the time when many operators need capital for modernization or simply maintaining operations.

The structural challenges facing the industry are equally concerning. Alaska's seafood producers compete against heavily subsidized foreign producers who operate with significantly lower costs and fewer regulatory requirements. The NOAA report notes that Russian producers have gained Marine Stewardship Council (MSC) certification and market access using the "Alaska pollock" trade name, eroding Alaska's traditional market advantages. Additionally, the global aquaculture sector continues to increase supply while achieving consistent quality, and year-round availability—often at lower cost than Alaska producers.

Infrastructure limitations compound these challenges. Insufficient cold storage capacity, transportation bottlenecks, and aging processing facilities increase operational costs and reduce competitiveness. The NOAA analysis indicates that the number of active processors has declined by 32% in the Bering Sea/Aleutian Islands region and 7% in the Gulf of Alaska since 2003. This consolidation reflects sharply lower margins and the challenges of maintaining manufacturing operations in remote locations.

Alaska's aging fleet of more than 9,000 fishing vessels is also a disadvantage. U.S. vessels face multiple barriers to replacement. While public data is limited, costs to build an equivalent vessel in the United States can be three to five times higher than foreign fisheries which enjoy access to lower costs of labor and materials. The disparity is further widened by subsidies, favorable tax structures, and other financial incentives supporting vessel construction in competing countries like Iceland, Norway, and Russia.

Climate change adds another layer of uncertainty to the industry's challenges. Marine heatwaves have contributed to fishery disasters like the 2017 Pacific cod decline in the Gulf of Alaska and the 2021 snow crab collapse in the Bering Sea. These environmental challenges require costly adaptation strategies at a time when the industry has limited capital for investment. Some regions have experienced unprecedented reductions in seasonal sea ice, affecting marine food web dynamics, resulting in additional operational challenges and financial risk.

The post-pandemic market environment has created additional complexities. Changes in retail strategy, including maintaining lower inventories and slower movement of cold storage product, have compressed margins throughout the supply chain. Consumer behavior has evolved, with price sensitivity increasing as household budgets face inflationary pressures. The strengthening of the U.S. dollar has further eroded international competitiveness, particularly in key markets like Japan where exchange rate movements have made Alaska seafood relatively more expensive.

³ *Quarterly Census of Employment and Wages*, Alaska Department of Labor and Workforce Development, 2024

Recommendations

The following recommendations represent options to support and strengthen Alaska's seafood industry. These recommendations emerged from extensive stakeholder input and careful consideration of how to balance the industry's need for modernization with our shared commitment to maintaining broad access and opportunity. They are varied in specificity, with some offering immediate changes to statute while others highlight opportunity for future development. A roadmap for implementation and study is offered, with recommendations categories by: Near-term (a priority for 2025); Mid-Term (2026-27); and Long-Term (>2027). While not exhaustive, these recommendations align with our vision of an Alaska seafood industry that is profitable and resilient while remaining accessible to current and future generations of Alaskans.

General

The Task Force recognizes that addressing the current crisis requires both immediate support and thoughtful reform of Alaska's fisheries management system. These general recommendations aim to modernize our regulatory framework and create new mechanisms for adaptation, focusing on reforms that can increase operational efficiency and value creation while maintaining broad access to opportunity. A guiding principle for these recommendations is to encourage consideration of economic efficiency and quality into Alaska's management of its fisheries.

Near-Term (2025)

- 1) Create a Seafood Working Group to study the long-term competitiveness of the Alaska seafood industry. As proposed, the Working Group would consist of members of the Alaska Legislature, representatives from ADFG and other state agencies, industry executives, community leaders, and independent subject matter experts. Members would lead the development of a statewide seafood strategy and identify opportunities for innovation, investment and growth, with an emphasis on value-added products, underutilized species, and new forms of production.
 - a) **Action Point:** Senate/House Joint Resolution calling for the creation of such a body with directives, timeline, and a line-item budget component.
- 2) Establish a Division of Marine Resources (or similar) within Governor Mike Dunleavy's proposed Alaska Department of Agriculture (EO-136) with sufficient staff, authority, and resources to pursue initiatives and projects focused on realizing the full potential of Alaska seafood and marine resources.
 - a) **Action Point:** While an EO itself cannot be amended by the legislature, a separate bill establishing a seafood-related division within the statutes (AS 44.38) proposed by EO-136, could be passed to coincide with and be contingent upon enactment of EO-136.

- 3) Alaska's unique limited entry program, administered by the Commercial Fisheries Entry Commission (CFEC) requires continuous management. CFEC is required to conduct optimum number studies and to ensure the limited entry system does not create an exclusive privilege in Alaskan fisheries. CFEC may establish voluntary buyback programs when necessary to correct market optimum numbers.
 - a) Action Point: Amend AS 16.43 or establish uncodified law encouraging the CFEC to proactively study and report on fiscally challenged fisheries in the state, including a report on the optimum number of permits, and voluntary buyback program(s).

Mid-Term (2026-27)

- 4) Modernize existing vessel, gear, and permit regulations, including the Limited Entry Permit System administered by the Commercial Fisheries Entry Commission (CFEC), with the express goal of reducing costs, improving quality, and ensuring "maximum benefit" for the people of Alaska. Potential changes include modifications of vessel length and gear restrictions; permit stacking; permit leasing; cooperative ownership; permit collateralization; and permit buyback programs, among other reforms.
 - a) Action Point: Senate / House Bill amending AS 16.43 to effect regulatory changes such as limiting vessel lengths and modifications, gear restrictions, permit types and permit flexibility.

Long-Term (>2027)

- 5) Implement a broad-based reform of the Alaska Board of Fisheries. Potential reforms include the replacement of the three-year rotating cycle with annual regional meetings, the adoption of state statutory standards for fisheries management (modeled on the National Standards), the organization of regional advisory councils, and the creation of a scientific committee staffed by fisheries experts from the Alaska Department of Fish & Game, the University of Alaska, and other research institutions.
 - a) Action-Point: Senate/House Bill amending AS 16.05.221-320, and related technical or conforming amendments, effectuate broad reform of Alaska's approach to fisheries resource management.

Financing & Taxes

Access to capital and competitive tax structures are essential for supporting investments in modernization, quality improvement, and efficiency. Simultaneously, local communities require support to maintain local services. These recommendations create targeted incentives for strategic investments while providing mechanisms to help communities weather market disruptions.

The Commercial Fishing and Agriculture Bank (CFAB) has 700+ members across 80 Alaska fishing communities. CFAB also has a unique authority to lien Limited Entry Permits, and opportunities to maintain diverse capital sources and competitive financing terms for Alaska's seafood industry. Passage of HB 273 in 2024 benefitted fishermen with changes to the state's Commercial Fishing Revolving Loan Fund (CFRL), but created an unintended negative consequence for CFAB. An opportunity exists however, to align CFAB statutes with the CFRL changes for the benefit of all parties.

Meanwhile, in 2024 there were 57 small, land-based seafood processors in Alaska coastal communities. These small processors are the primary source of product for dozens of other small fisher direct marketers. This sector faces disproportionate financial constraints for their assets being fully leveraged, leaving little to no margin for cost fluctuations or delays in cash flow. The creation of a Pack Loan Program could help mitigate some of the financial risk for small processors, local economies, and strain on the entire industry.

Near-Term (2025)

6. Review opportunities to leverage CFAB and the state revolving loan fund to assist fishermen through access to competitive interest rates and loan terms. Evaluating potential coordination between CFAB and CFRL would better align these lending sources and more effectively serve Alaska's fishing industry.
 - a. **Action Point:** Amend AS 44.81 to reduce CFAB's interest rates and matching its loan terms to those in the CFRL for a certain limited timeframe, potentially with a sunset. Establish further provisions for CFAB to annually receive financial reimbursement of its lost interest income from the CFRL, with the CFRL becoming an investor in CFAB, partnering the two in the form of an earning-asset to CFRL.
 - b. **Action Point:** Amend the Commercial Fishing Loan Program to better support new entrants seeking to acquire permits, vessels, gear, and other assets, offering favorable rates for young and rural resident fishermen, potentially with mentorship requirements.
 - c. **Action Point:** Amend the CFRL under AS 16.10.300 and CFAB under AS 44.81 to offer a low interest Pack Loan Program from the state, making capital more readily available to Alaska's small processors.

7. Offer additional tax credits to incentivize modernization of existing facilities, reduce operating costs, and improve the Alaska seafood industry's global competitiveness.
 - a. **Action Point:** Amend the *Fisheries Product Development Tax Credit* program qualifiers under AS 43.75 to include all species, investment in new facilities, equipment, and technologies for quality improvements, process automation, and energy efficiency, with a fixed sunset of tax year 2035.
 - b. **Action Point:** Create new tax credit qualifiers under AS 43.75 encouraging value-added technological developments for waste streams and/or underutilized fisheries, e.g., for arrowtooth flounder, crab shells, herring fillets, fish meal, roe, etc.
8. Some Alaskan communities rely upon seafood-related taxes for 30-40% of their annual tax revenue to maintain key local services. Consider reallocating state-municipal revenue sharing of tax revenue generated by the *Fisheries Business Tax* (AS 43.75) and *Fishery Resource Landing Tax* (AS 43.77). A contingency scenario could be deployed when triggered by certain market or harvest downturns affecting city and borough budgets.
 - a. **Action Point:** Amend existing allocations of revenue sharing under AS 43.75 and AS 43.77 and related provisions. Consider including a 100% distribution to local governments under certain circumstances and for short-term fiscal relief.
9. Establish an emergency loan program through the Department of Commerce, Community, and Economic Development (DCCED) or the Alaska Industrial Development and Export Authority (AIDEA) to support industry participants during market disruptions with low interest rates and deferred payment terms.
 - a. **Action Point:** Add new sections to AS 44.88 (AIDEA), AS 16.10.300 (CFRL), and/or AS 44.81 (CFAB) offering contingencies for borrowers facing unanticipated negative market or harvest events out of their control.

Mid-Term (2026-27)

10. Enable cooperative insurance and risk pooling arrangements through new statutory framework, modeled after farm cooperatives, to reduce individual insurance costs, noting such things as need for critical mass of multi-gear operations and regional participants.
 - a. **Action Point:** Add new sections to AS Title 21 and related technical and conforming amendments to enable the establishment of a risk-sharing insurance pool for the Alaska fishing fleet.

Long-Term (>2027)

11. Create permit owner-financing protections through a statutory loan registry to enable seller financing options, using real estate transactions as a model.
 - a. **Action Point:** Amend CFAB (AS 44.81), Limited Entry (16.05), and/or Entry Commission (AS 16.43) and related provisions, to modernize the permitting process, find efficiencies for market entry, incentivize new entrants, and protect permit transfers.

Marketing

Alaska seafood's reputation for quality and sustainability remains one of our greatest competitive advantages, but maintaining market position requires consistent investment and strategic focus. These marketing recommendations aim to expand market share while differentiating our products from competitors and expanding the story of Alaska seafood.

Near-Term (2025)

12. Increase funding for the Alaska Seafood Marketing Institute (ASMI) by \$30 million over three years through the Governor's Fiscal Year 2025 supplemental budget proposal. A multi-year campaign is required to boost domestic market development and bolster Alaska seafood's market share in the U.S. relative to foreign competitors.
 - a. **Action Point:** This is a funding component that should be shepherded through the completion of FY26 budget process.

13. Allocate unrestricted general funds (UGF) to ASMI to match industry assessments, which would provide flexibility to increase domestic marketing programs currently restricted by federal match requirements.
 - a. **Action Point:** This is a funding component that should be shepherded through the completion of FY26 budget process.

Mid-Term (2026-27)

14. Support expansion of the Responsible Fisheries Management (RFM) certification program, especially for small-scale and/or developing fisheries, by providing funding for Alaska-based input and guidance to improve market access and ensure ample choice among third-party sustainability certificates.
 - a. **Action Point:** This is a funding component to coordinate with ASMI, the non-profit Certified Seafood Collective (CSC) that runs the RFM program, and future FY27+ budget negotiations.

Infrastructure

Aging and insufficient infrastructure significantly impacts operational costs, product quality, and competitive position. These recommendations prioritize strategic investments in port facilities, transportation networks, cold storage, and digital systems that can support economic activity and communities.

Near-Term (2025)

15. Establish a community infrastructure fund through DCCED and upgrade water and sewer infrastructure in coastal communities through the Village Safe Water Program. Where feasible, the State should encourage the development of cold storage facilities through public-private partnerships and a mix of federal, state, and private investment.
 - a. **Action Point:** Amend AS 46.07 relating to the Village Safe Water Program establishing a fund targeted for developing and sustaining community cold-storage facilities. Also, consider state funding options to mitigate the capital costs of launching these types of localized projects.
16. Encourage Alaska Industrial Development and Export Authority (AIDEA) and Alaska Energy Authority (AEA) to prioritize energy generation and grid development in coastal Alaska, with an emphasis on western regions of Alaska.
 - a. **Action Point:** Amend AS 44.83 (AEA) and/or AS 44.88 (AIDEA), and any other relevant statutes, to give weight to this prioritization. This may also require a funding component to help capitalize the effort.

Mid-to-Long-Term (>2027)

17. Modernize port infrastructure with an emphasis on loading/unloading efficiency and cold storage integration in high-volume fishing ports with access to multi-modal transportation infrastructure, e.g., airports, railroads, and roads.
 - a. **Action Point:** This is a capital budget component that should be pursued as allowed by the state's financial investment capabilities in the coming years.
18. Extend runways and airport infrastructure in major seafood processing hubs like Unalaska to improve transportation access and safety, reduce operating costs and complexities, and support the development of higher-value products and more resilient supply chains.
 - a. **Action Point:** This is a capital budget component that should be pursued as allowed by the state's financial investment capabilities in the coming years.

Labor & Workforce Development

A skilled and reliable workforce is critical for industry modernization and quality improvement, yet Alaska faces persistent challenges in workforce development and retention. Alignment of state resources with industry needs is a key strategy for expanding employment in Alaska while easing operational concerns of the industry.

Near-Term (2025)

19. Conduct a comprehensive review of Alaska Department of Labor & Workforce Development programs to better align state resources with the seafood industry's critical workforce needs, focusing on both traditional skilled trades and emerging technologies. Analyze how manufacturing work is expected to evolve due to automation and AI over the next decade to identify strategic opportunities and challenges for Alaska's seafood sector. Based on these findings, develop specific recommendations for program modifications, funding mechanisms, and industry partnerships that will position Alaska's seafood workforce for long-term competitiveness and technological adaptation.
 - a. **Action Point:** Consider a Joint Resolution calling for an Alaska Seafood Workforce study with follow up on its findings.

Mid-term (2026-27)

20. Support continued and expanded maritime workforce development programs through the Alaska Vocational Technical Center (AVTEC) with an emphasis on seafood processing technologies, vessel operations, and maintenance skills.
 - a. **Action Point:** This is an operating budget component that should be pursued as allowed by the state's financial investment capabilities in the coming years.
21. Utilize the Alaska Housing Finance Corporation's existing authorities and programs to provide workforce and seasonal housing options in seafood processing communities.
 - a. **Action Point:** This is a funding component that should be pursued as allowed by the state's and AHFC's financial investment capabilities in the coming years.
22. Modernize digital infrastructure and data-sharing across, UnivAK, DoLWD, ACPE, if not also ADF&G and CFEC and other data management divisions in the state, to improve such things as user accessibility, streamline permit processing, administrative cost reductions, labor statistics, and overall informed policy-making decisions.
 - a. **Action Point:** Amend AS 23.20.110 (Labor) and 14.42.035 (ACPE), for example, to lower restrictions between agencies in sharing disaggregated data about workforce training, fisheries, and permitting data.

Research & Development

Innovation and adaptation are essential for competitiveness in global seafood markets, requiring investment in research and development. These recommendations leverage Alaska's research institutions and industry organizations to address critical technical challenges while supporting development of new products and processes. By better coordinating R&D efforts and focusing on practical applications, adoption of efficiency-enhancing technologies while creating new value opportunities can be accelerated.

Near-to-Mid-Term (2025-27)

23. Encourage the University of Alaska to adopt a strategic goal which prioritizes applied research and projects aimed at solving technical and operational challenges in fisheries while supporting product development and quality improvement.

- a. **Action Point:** This is an operating budget component that should be pursued as allowed by the state's and UA's financial investment capabilities in the coming years.

24. Encourage Alaska Fisheries Development Foundation (AFDF), Southeast Conference (SEC), Southwest Alaska Municipal Conference SWAMC, and other non-profits to prioritize research and projects supporting fisheries modernization, including fishing gear development, harvesting and processing automation, product development, quality improvements, vessel design, and startup development.

- a. **Action Point:** This is a multi-agency and state capital budget (grant) component that should be pursued as allowed by the state's financial investment capabilities in the coming years.

25. Support the AFDF Seafood Modernization Initiative which is aligned with the goals of increasing efficiency, expanding marketing, developing new products, and valorization of side streams.

- a. **Action Point:** This is a multi-agency and state budget component that should be pursued as allowed by the state's financial investment capabilities in the coming years.

Mid-to-Long-Term (2026-27+)

26. Support mariculture industry development in acknowledgement of the *Mariculture Task Force Report (May 2021)* recommendations.

- a. **Action Point:** This is a multi-agency and state budget component that should be pursued as allowed by the state's financial investment capabilities in the coming years.

Federal Advocacy

Many of the most significant challenges facing Alaska's seafood industry require federal action, from trade policy to disaster relief to vessel construction modernization. These recommendations identify priority areas where coordinated advocacy from state government and industry can help support Alaska fisheries. By working closely with Alaska's Congressional delegation and building broader coalitions, essential policy changes can be pursued while ensuring Alaska's interests are protected in federal decision-making.

Near-Term (2025)

27. Advocate to improve the federal fishery disaster relief process by building on the FISHERS Act, which aims to establish clear triggering criteria and a streamlined process that defers to distribution plans created by the state.
 - a. **Action Point:** Coordinate with the AK Dept. of Commerce, other state agencies as appropriate, and AK's Congressional Delegation to ensure FISHERS Act implementation is going as promised in quickly distributing disaster relief funds to eligible recipients.

28. Advocate for the USDA and Farm Bill changes championed by the Alaska Congressional Delegation, which aim to elevate seafood to the same level as other food producers in terms of access to federal grants, loans, marketing, and research funds.
 - a. **Action Point:** Consider a Joint Resolution calling for the establishment of a component within the USDA with focused advocacy on US (and particularly Alaskan) Seafood.

29. Advocate for seafood trade priorities supported by the Alaska Congressional Delegation, including increased understanding and integration of seafood into national trade policy and the expansion of mandatory country of origin (COD) labels for seafood products.
 - a. **Action Point:** Consider a Joint Resolution in follow up to SJR 16-17 (2022) addressing US trade tariffs on foreign seafood entering the US market, and embargos of Alaskan seafood products entering foreign markets.

30. Advocate for federal vessel construction policies supported by the Alaska Congressional Delegation that reduce costs and increase manufacturing capacity in Alaska and the U.S.
 - a. **Action Point:** Consider a Joint Resolution supporting federal legislation and/or appropriations aiding in cost reductions of, and increasing vessel manufacturing in Alaska.

CONCLUSION

The depth and breadth of the current crisis require immediate interventions and longer-term structural solutions. The combination of market pressures, rising costs, infrastructure limitations, and environmental challenges creates a particularly challenging environment for industry adaptation and recovery. Without addressing both immediate and structural challenges, the industry's ability to maintain its role as a cornerstone of Alaska's economy and coastal communities is at risk.

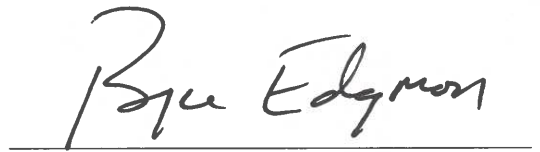
And while this report is not exhaustive, it does offer some solutions to a daunting set of problems faced by Alaskans.

Respectfully Submitted by the Members of the
Joint Legislative Task Force Evaluating Alaska's Seafood Industry

January 29, 2025



Senator Gary Stevens, PhD., Chair



Representative Bryce Edgmon



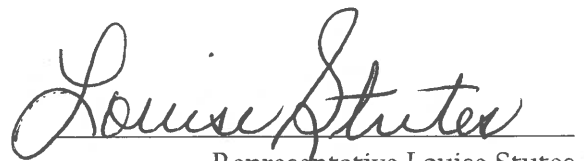
Senator Jesse Bjorkman



Representative George Rauscher



Senator Jesse Kiehl



Representative Louise Stutes



Senator Bert Stedman



Representative Sarah Vance

ADDENDUM: *Comments by TF Member: Rep. Sarah Vance, Homer, Alaska*

As we look toward the 2025 legislative session, we must focus on three critical priorities to ensure Alaska's seafood industry's long-term success and sustainability.

First, we need to raise the value of our seafood by incentivizing processors and harvesters to modernize their fish handling. By supporting investments in new technology and more efficient practices, we can increase the quality of our product, which benefits the businesses themselves and enhances the reputation of Alaska seafood on the global market. This modernization will ensure that our industry remains competitive and can provide the highest-quality seafood for years to come.

Second, we must improve the loan programs available to our harvesters and processors. Access to capital is essential to creating stability within the seafood industry. By expanding lines of credit and creating more opportunities for financial support, we can help these businesses weather market fluctuations and ensure they have the resources needed to grow and thrive. Stability for our harvesters and processors means stability for the communities they support.

Third, we should explore the potential of marine insurance pooling for the fleet. The fishing industry faces significant risks, from unpredictable weather to market volatility. By looking into options to pool marine insurance, we can reduce costs for our fleet and provide more reliable coverage, directly benefiting both small and large-scale fishing operations across the state.

In the mid-term, over the next two years, we must pass legislation that provides immediate relief to stabilize our fishing fleet and coastal communities. These communities depend on a thriving seafood industry to survive, and they need our support now. Whether it's rebuilding fleets, supporting infrastructure, or stabilizing local economies, we must act quickly to ensure the fishing industry continues providing jobs and a strong economic foundation for our coastal regions.

It is essential that we effectively communicate the statewide importance of the seafood industry to legislators from districts with little direct connection to fishing. We need to open our doors to these legislators, share the industry's impact on small communities, and emphasize how vital it is to Alaska's economy as a whole. Social media, newsletters, op-eds, and personal connections can be powerful tools in spreading this message.

Looking to the future, our long-term goal must be to maintain the viability of our seafood industry for generations to come. This means safeguarding the resources that make Alaska's fishing industry so successful and ensuring it continues to benefit all Alaskans. The health of this industry is vital to preserving Alaska's way of life, and it is our responsibility to protect it for the future.

These priorities reflect my commitment to strengthening Alaska's seafood industry and supporting the people and communities that depend on it.

Respectfully, Rep. Sarah Vance

ADDENDUM: *Comments by Rep. Louise Stutes, Kodiak, Alaska*

- 1) Short-Term: What are the three most critical elements you recommend be emphasized in the 2025 legislative session?
 - a) Adequate funding for both ASMI and the Department of Fish & Game;
 - b) Increase product value by expediting legislation that sets forth a process for direct marketing by fishermen;
 - c) A temporary tax deferral or hiatus of the Fisheries Business Tax and the Fisheries Resource Landing Tax that provides protections for lost revenue among fishing communities;
 - d) A thorough review of the industry by the Alaska Department of Labor and Workforce Development with the goals of:
 - i) Better alignment between the department and the Seafood Industry's critical workforce training needs and the industry's training efforts, and promotion of new technologies such as automation, innovation, and artificial intelligence; and
 - ii) A greater understanding of how the industry, specifically manufacturing is expected to change pursuant to new technology and modernization and how Alaska can position itself to adapt and benefit from these changes.

- 2) Mid-Term: What should be accomplished legislatively in 2026-2027?
 - a) Promote legislation to expand the Fisheries Product Development Tax Credit to include the modernization of equipment and new technologies used to produce value-added products, through improving equipment utilization, energy efficiency, and automation with new technologies that ensure high-quality seafood throughout the cold chain;
 - b) Protect the monetary interests of permit sellers by facilitating legislation that sets forth a process whereby a permit that is in the process of being sold can be held in escrow until the sales contract has been satisfied. The intent of the legislation is to protect a seller's interest in their permit, should the buyer renege on their contractual payments; and
 - c) Establishing an industry-wide insurance pool to help combat high insurance premiums and instability throughout the industry, creating more favorable insurance terms and lower premiums.

- 3) How can the statewide economic importance of the seafood industry be best communicated to legislators whose districts have minimal direct connections to the fishing industry?
 - a) Emphasize that the industry provides direct and indirect benefits, such as, jobs, cash into communities, secondary jobs, which promote economies of scale that reduce the cost of living for all Alaskans;
 - b) Emphasize the commonalities of the seafood industry with other resourced-bases industries (oil& gas, mining, and timber). For example, the needs of these resource industries include access to the resource, regulatory stability, continued investment, a well-trained workforce, minimal operating costs, maximization of the value of the resource, public support, and recognition that the industry in Alaska is highly regulated and well managed; and
 - c) Seek awareness of the Seafood Modernization Initiative spearheaded by the Alaska Fisheries Development Foundation (AFDF).

- 4) Long-Term: What do you think should be the key strategic priorities for Alaska's seafood industry over the next 10-15 years?
 - a) Promote better global competition by stabilizing the ASMI operating budget as well as State marketing budget that promotes Seafood marketing abroad;
 - b) Promote a mentorship program for young fishermen entering the industry; and
 - c) Realize that the industry is entering into a new era of increased global competition with rapid technological changes. Alaska's fishing industry needs to be modernized, status quo is not a sustainable option. The State of Alaska needs a vision of a vibrant seafood sector that is profitable and generates returns to reinvest in operations, infrastructure and communities, drawing interest from young Alaskans to enter the industry, and continues to recognize the independence of fishermen, processors and communities.

ADDENDUM: *Comments by Rep. George Rauscher, Sutton, Alaska*

1. Short-Term: What are the three most critical elements you recommend be emphasized (passed) in the 2025 legislative session?
 - A. Energy Cost Relief for Processing Plants: Legislation addressing high energy costs impacting Alaska's seafood processing plants, such as subsidies or incentives for renewable energy adoption, coupled with streamlined permitting processes for renewable energy projects to reduce administrative hurdles and encourage rapid implementation.
 - B. Workforce Development Initiatives: Programs to train and retain workers in the seafood industry, including funding for technical education, housing, and visa support for seasonal workers, emphasizing partnerships with private industries to maximize efficiency and reduce government overhead.
 - C. Infrastructure Investments: Immediate funding to upgrade or maintain critical infrastructure such as docks, harbors, and roads in coastal communities to support the fishing fleet and processing industry, while ensuring these investments leverage public-private partnerships to minimize taxpayer burden.

2. Mid-Term: What should we accomplish legislatively over 2026-27?
 - A. Sustainable Fisheries Management: Enhance funding and research for fisheries science to ensure sustainable harvests and maintain the health of key fish stocks, prioritizing efficiency and collaboration with industry stakeholders.
 - B. Diversification and Value-Added Production: Support policies that encourage value-added processing and diversification of seafood products to increase market competitiveness and resilience, while ensuring minimal regulatory barriers to innovation.
 - C. Export Market Expansion: Work on trade agreements or marketing initiatives to open and expand international markets for Alaskan seafood, focusing on Asia and Europe, with an emphasis on reducing logistical and regulatory obstacles.

3. How can we most effectively communicate the statewide economic importance of the seafood industry to legislators whose districts have minimal direct connection to fishing?
 - A. Statewide Economic Impact Reports: Develop and distribute clear, concise reports highlighting the seafood industry's contributions to state revenues, employment, and economic activity, even in non-coastal areas, emphasizing how the industry's success supports the overall state economy.
 - B. Personal Stories and Testimonials: Share stories from individuals and businesses that rely on the industry, emphasizing the ripple effects on trucking, retail, and food services in inland districts.
 - C. Legislative Tours and Events: Organize site visits for legislators to coastal communities and processing facilities, as well as seafood tastings and informational events at the Capitol, showcasing the industry's broader significance.

4. Long-Term: What do you believe should be the key strategic priorities for Alaska's seafood industry over the next 10-15 years, or beyond?
 - a. Ocean Change Adaptation: Develop strategies to address the effects of Ocean change on fisheries, including research on shifting fish stocks and ocean conditions, focusing on science-driven solutions that work collaboratively with private stakeholders.
 - b. Modernization of the Fleet and Facilities: Incentivize investments in modern, efficient fishing vessels and processing facilities to remain competitive globally, including access to grants or low-interest loans through public-private partnerships.
 - c. Strengthened Coastal Economies: Ensure long-term viability of coastal communities by supporting local small-scale fisheries, improving education and healthcare, and fostering economic diversification while maintaining a focus on private-sector growth and self-sufficiency.



Joint Legislative Task Force Evaluating Alaska's Seafood Industry

Final Report

January 29, 2025

Compiled and Edited by the Office of Senator Gary Stevens, PhD.
Staffed by Tim Lamkin
E-Mail: Tim.Lamkin@akleg.gov
Tel: 907-465-4925