



Email to Board of Fisheries 1-14-10

Dear Sirs,

Happy New Year! I wish you a prosperous and healthy 2010. I'm writing you today not to take issue with one proposal or another, nor to criticize prior actions, but rather to suggest a way to make things better.

First I would like to take a minute to acknowledge your individual commitment to increasing the degree of professionalism and discipline in BOF deliberations. It's working, it shows, and it is very welcomed. Your efforts are much appreciated and we support you 100%.

Now I would like to suggest an initiative that would complement the actions that you have already taken and perhaps result in another step forward. We have each had informal discussions about the economic and financial implications of your actions and I believe it's time to act. First a little background.

The impact of fish regulations reaches well beyond the fishing industry. Virtually every action you take, especially the ones involving allocation decisions, impacts not only the specific fishing interests involved but also the communities where we live and work. There are ample examples, ie Yukon salmon, Bering Sea by-catch, Upper Cook Inlet salmon closures, hatchery operations, and many more. I attached a recent example (unrelated to BOF deliberations) where I attempted to argue the economic implications of enacting a specific regulation on the sport fishery. Unfortunately I did not have the data to distinguish macroeconomic vs regulation impacts, nor pinpoint economic impact differences that I know exist between Juneau and Sitka, and more. My analysis could have been far more quantitative (and hopefully compelling) if I had appropriate data.

Further, in most cases today when you decide on proposals only rudimentary efforts are made to determine the financial and economic implications. I'm sure you would agree that the quality of financial analysis you receive falls way short especially when compared to the first rate science and biological information provided to you.

This is Not rocket science – If we had commercial and sport fish business models, unit profit and transaction cost data, and micro and macroeconomic models, we could create reasonable forecasts of the impact of regulations before they are implemented. Financial and economic information is a cornerstone of every successful enterprise and there is no reason to expect less of the BOF, especially when we know that your actions directly affect both the \$1.4B sport fishing and \$3.5B commercial fishing industries. Unfortunately today what happens is we implement regulations with little regard to economic considerations and deal with the consequences. If we had proper financial models we could construct regulations that maximized benefit and minimized negative economic impacts. The information I mentioned above could be compiled and made available, but for whatever reason, no one has ever pushed hard to make it happen.



You already have the mandate – The ADF&G mission statement includes the phrase “... *in the best interest of the economy...*” even before the sustainability message.

<http://www.adfg.state.ak.us/mission.php> .

I believe that you are in a unique position to demand that more rigorous financial considerations become a formal part of the BOF decision making process. I suspect that many years ago some BOF member finally put his foot down and refused to move forward until sound biological and scientific information was provided; and ADF&G responded by creating a world class operation to create that information. I believe it is time to do the same thing regarding the financial /economic aspects of your deliberations. But you have to ask.

How to - I recognize that there are budget and organizational considerations. You briefly touched on these issues during your October '09 meeting. At that time Commissioner Lloyd offered to use his office as the voice to request resources from the Department of Finance. As I am not well versed in State government operations, I need to leave it to you how best to implement, whether by adding resources within the BOF organization, at ADF&G, or taken from another State Department. Perhaps the best way to start is to request funding for a brief study/analysis to determine the best approach to implement?

No doubt this change will take awhile to implement but nothing will happen until the first step is taken. Both my organization and I personally fully support such an action. I firmly believe that once implemented, the Board of Fisheries process will be greatly enhanced, the people of the State of Alaska will benefit, and you will create a legacy of improvement during your tenure.

Many thanks in advance for your consideration. I would be pleased to help in any way to support this initiative.

Kind Regards,

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