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Thank you. Good morning Admiral, Commissioners. Let me add my welcome to you to come to Alaska. It's a distinguished group and so we're really pleased and proud that you could find time and the ability to come up here and listen to our testimony.

I appreciate the goals of the Commission, and in particular the efforts that the Commission has made to involve the broad public in moving towards these goals. The web site that the Commission has is really good. I spent some time going through that. It sort of demonstrates the thoroughness with which you're conducting your review of ocean policies. There's some -- points out some nine topics with 124 issues. All of these issues have multiple parts looking at practically all aspects of ocean policy and they present a great challenge to you to cover all of those I sit on a few University graduate student committees and when it comes time to examine those students I could take practically any of those issues or questions off of there and say here's a good thing for a thesis. So it's not like there's going to be short answers to these and I'm looking forward to seeing how your final document summarizes all of them, all of those.

I was asked today to talk a little about Stellar sea lions and the management problems that we have had with that. My submitted paper gives a brief history of this and it gives our agency's approach to addressing some of these problems

In addition to that paper that was submitted many of your panel members and speakers yesterday addressed the Stellar sea lion issues, the causes of those problems, the real reason that Stellars declined, whether or not it's a problem. So I'm going to skip all of that and so that ends my prepared remarks for this morning and I'm going to ad lib from now on based on what we heard yesterday and the solutions and suggestions that were offered. I'm going to suggest some things that we've made to fix some of these problems.

Let's start with the process. We heard yesterday that the National Marine Fisheries Service knew of Stellar sea lion problems a long time ago, but until we were sued we largely ignored it. There were questions of whether lawsuits are really helpful or not. Well, the part about NMFS not knowing about Stellar sea lions and not doing anything until we were sued, that's fixed. With some 140 lawsuits against us now we've learned that it doesn't work not to follow the law. So that part of its fixed, we're aware that the law is there and we're not going to

be caught with papers saying in 2000 we discovered something, we didn't work on it until 2010.

You heard yesterday that the Council and NMFS process is opaque and difficult for the public to follow. I think that was true, but this is also fixed now. We've prepared several biological opinions on the Stellar sea lions and those are identified and detailed in my written comments. They were produced by the agency. We produced them without allowing anyone to see them until they were finalized, signed off, all the way through Washington, D.C., and in November 2000 our third biological opinion, we called it Biop Three, and it shocked the industry. Shocking the Alaska fishing industry is not a good thing.

Senator Stevens mentioned yesterday that he fixed that thing. He didn't avoid the Endangered Species Act, but he did provide legislation that allowed the fishery to go on not the way that the agency wanted to do it, but rather in a different way while we fixed our process, did another biological opinion that clearly was not opaque and was transparent.

The fourth biological opinion, Biop Four, was produced in a series of public meetings chaired by a person that was appointed by the North Pacific Fishery Management Council. That group met several times, eight times or 10 times during the year. They had 11 industry members on that, six agency members, and three members of environmental groups. It wasn't easy. The product was better, it was much better. Biological Opinion Four produced by this process in less than a year offered better protection to Stellar sea lions and was much less costly to the industry. It was a challenge to do it partly because of the logistics of bringing together that many stakeholders and members of the public and members of agencies. But it clearly represented a better product. Incidentally, that fishery that's managed by that biological opinion, the biological opinion itself has been challenged in court, we're being sued on that so I can't talk about it. But nonetheless, the process I think I can demonstrate and say clearly that we have fixed that opaque process, we're doing things much more transparently now.

A common theme more -- that we heard a little bit yesterday has been conflicting laws. Well, there are some conflicting objectives of different laws. The Endangered Species Act wants us to protect Stellar sea lions, all marine mammals. The Magnuson Act wants us to provide economic opportunity, to provide protein for the nation's tables. But this rub between those two acts, if you call it that, is in fact the proper role for the politics of the Council, for the working groups of the agency to address. We don't want to get rid of either law. We don't want to get rid of the Magnuson Act; we don't want to get rid of the need and the requirement to produce protein, the need and the requirement to provide economic opportunities for fishers.

So more than the goals of the ESA, the NEPA, and the Magnuson Act, there's a rub there and there's a conflict, but it is that stress that brings about the proper product. So I think we all look forward to working under that. But the part that we have not quite fixed yet but it has part of the process as required by those different Acts.

Again, yesterday we heard that one person's process problem is another person's substance problem. I'm prepared to accept that that is true. We at the agency have tried to find a way to fit these two multiple processes today. Dr. Hogarth as head of the agency, the Fisheries Service, has proposed what we call a regulatory streamlining process, and of course we get laughed at a lot because the way we're doing it makes it much more work. And so in terms of streamlining we don't skip any steps, we don't make anything shorter, but what we are doing is trying to frontload the whole process. The North Pacific Council has accepted this and all Council decisions now through the North Pacific Council are being made in a NEPA and an ESA framework. So it's harder to do it this way, to get all the papers, the analysis together, the timelines matched before decisions are made. But we believe that this is the way that we're going to avoid future lawsuits on process. And the process is important because it does bring the stakeholders into it and allow the public to truly participate.

On that line, the -- my region, the Alaska region of the Fisheries Service, provided NEPA training to all of the people in the Fisheries Service but all of the people in the other agencies that were interested we provided to the Council members if they would participate, we provided NEPA training to the stakeholders. That was a good thing with the minor exception that now we've got about 250 NEPA experts in the Alaska region that attend the Council meetings and you can't get away with anything that isn't NEPA perfect.

So I think that -- time will tell I guess, but I'm prepared to say that that process is fixed, the processes where we said that NEPA didn't fit together with the Magnuson Act, I think we've found a way that that will work. This is new and so, as I said, time will tell.

The fourth thing I wanted to mention briefly is research. The submitted paper that I gave you showed that in 2000 we had roughly \$4,000,000.00 to work on -- to do Stellar sea lion research, in 2001 we had \$43,000,000.00, 2002 another \$40 some million. That's fixed; we've got the money now, so we're making process. What we see now is a dramatic need for coordination. We've got 175 research projects that are funded by this Stellar sea lion money, 26 different institutions around the country. Not all in this country by the way. There are researchers in Canada that are working on this.

When that money first became available we started a series of informal and formal meetings to coordinate this work. In 2001 we ran a \$19,000,000.00 request for proposals where anyone could submit proposals against the funds

that were provided with the language in the appropriations bill. We used approximately 50 stakeholders to review those proposals so that everyone felt a part of this; everyone was able to bring their information and knowledge to that process.

I'll skip briefly to some recommendations that I have. My first is that anything that can be done to improve cooperation and communication is great. We heard yesterday that you can't legislate intelligence and probably can't even legislate morality, but you can surely legislate communications. I think that's what we need. With this money here and other funds, other research funds that we heard about briefly yesterday and you'll hear some more of today, we need to coordinate and cooperate on these things. Out of the Stellar sea lion money we spent \$600,000.00 on communication and coordination. That's a start but we have to continue on that.

The second recommendation would be to promote ecosystem based management. We spent approximately \$7.5 million out of the Stellar sea lion money working on ecosystem based ideas, predator prey things, top up -- top down rather, bottom up.

My third point is that this research that has started is great, but most of these projects, the 175 that I mentioned, are multiple year projects, three years to 10 years for some of them. I think it's important that this research go on. This sounds a little self-serving to say we have to continue to have \$40,000,000.00. But I'm not asking for \$40,000,000.00 for the Fisheries Service, we need it for the ecosystem research here. We need it for the 26 different institutions that are pursuing this. Admiral Lautenbacher, now head of NOAA, has a goal that 50 percent of our research money ought to go outside the agency. We have roughly 60 percent of the Stellar sea lion monies outside the agency and we're happy with that. I think that we have the ability to coordinate and communicate and make that money work and solve some of these problems.

Finally I would like to mention as a fourth recommendation that we continue to partner with industry and with the Native Alaskans. As I mentioned briefly, the stakeholder input that we had on directing that first \$40,000,000.00 of Stellar sea lion money was good for us. It gave us different perspectives we hadn't thought, and even from a selfish perspective when the stakeholders are involved they are part of it and it helps us continue getting those funds on into the future.

So the tent's going down so I'm going to quit. I look forward to -- I appreciate the ability to speak to you. I look forward to answering any questions you may have, either orally or in writing. Thank you very much.