

Bottom fish study slammed

By LAURY ROBERTS

The soundness of an expensive consultant's report, upon which Alaska's bottomfish development program is largely based, "highlights the need to analyze" studies contracted by the state, according to a noted Alaskan economist.

"My general conclusion is that as a source of data and insights, the . . . report adds nothing to what was already available and in more useable form," said Dr. George Rogers of Juneau in a critique of a \$215,000 study on the development of an Alaskan bottomfish industry. The report was authored late last year by consultants of Arthur D. Little, Inc. (ADL) of San Francisco.

"I'm afraid it points to a pattern in our state government," Rogers said in an interview with the **Tundra Times**. "It's almost an unconscious thing. When you work for clients you want to tell them what they want to hear, I have to be on guard all the time."

More than \$1 million in professional services contracts has been paid out by the Office of the Governor since last summer. All but \$284,000 went to the d-2 battle in Congress. About \$230,000 of that balance was allotted to bottomfish projects, with the ADL report taking most of the money.

According to an official in the financial division of the Department of Administration, close to \$5 million has been doled out by state agencies for professional services contracts since last June. Results and findings of the dozens of studies done for the state are rarely analyzed by impartial outside sources.

In an unusual move, the legislative Interim Committee on Bottomfish (then chaired by Rep. Al Osterback, D-Sand Point) paid Rogers \$1,600 to evaluate the ADL report. Rogers' critique, released in late April, indicates the state did not receive nearly a quarter of a million dollars worth of bottomfish information.

"It could've been done by the Legislative Research Agency," Rogers told the

Tundra Times. "I am not objecting to the plan, but the report itself. We agree with most of the objectives but the statements don't get us any distance from where we were."

An early 1978 report by Rogers recommended that all state bottomfish activities come under the auspices of one coordinator. That led to the hiring of Jim Edenso, a Native from Craig, then serving as deputy commissioner of the Department of Revenue. In April 1978 a basic bottomfish strategy was outlined by the Division of Policy Development and Planning. "The idea was that money for bottomfish would funnel through the coordinator to the agencies," said Rogers. "But when Jim came in he just announced to us he was turning it over to ADL and there would be no work through the agencies."

The bottomfish development, released a year later by Edenso, is indeed patterned after ADL. The introduction to the thick program plan states "This document is an effort to correlate the A.D. Little plan . . . and other elements of program and planning design with a set of policies reflecting the direction, goals and objectives of the Hammond Administration."

Edenso refused to comment to the **Tundra Times** on Rogers' appraisal, and said the Hammond administration would not release any statement, either.

But, Edenso is quoted in the May issue of the **Alaska Fisherman** as saying (See FISH page Sixteen)

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Rogers critique was a "Cheap shot" and that "my position is to ignore it."

"If that's his attitude, that's o.k. with me," said Rogers. "It really was a 'cheap shot'," he joked, referring to his small consultant's fee.

Lauren Ward, an ADL consultant who worked on the bottomfish report, agreed with the Tundra Times that such a simplistic-looking study probably could have been done through existing state agencies. "But then why didn't anyone do it? Nobody did it," he pointed out.

Here is a summary of Rogers' criticism of the ADL study.

Most of the analysis applies to Unalaska, not the entire Alaskan coast. It assumes fish will be available uniformly.

The report concludes bottomfish will be processed onshore. However, a study by Washington consultant Earl R. Combs, for the U.S. Department of Transportation recommends that a majority of bottomfish investment go into high seas catcher/processors. While Rogers figures shore-based processing would be the most profitable route, the commercial feasibility of getting those operations on line is questionable. The ADL report touts the potential of onshore processing, but Rogers cites "overly simplistic accounting analyses which bias the results in favor of the alternatives Alaskans want."

Assumptions used to determine the catch rate of bottomfish harvesters are by Rogers characterized as "hurried, back-of-the-envelope calculations . . .

The ADL assumption of one fishing vessel steaming back and forth between port and fishing grounds like clockwork and always coming up with the same catch weight and composition for every single tow and haul is not a same basis for making investment decisions."

The super encouraging cost-benefit of bottomfishing portrayed is unrealistic, according to Rogers. ADL counted only internal costs, leaving out the huge expenses of setting up support facilities in coastal communities, he said. Rogers noted the lack of adequate technical backup in the ADL appendices. He concluded that, like the Danes, the Alaskan bottomfish industry will probably require a substantial state subsidy.

Barriers to getting into a full-fledged bottomfish industry are barely discussed, although that area was

to be the ~~aux~~ of the study, said Rogers. "A grand total of 69 words, excluding the use of 'etc.," is used in telling us that we need to know more about . . . all the things to which the original contract with ADL was addressed. All this section tells us is that the contractor hasn't been able to do what they said they would do," Rogers blasted.

Goals outlined by ADL are "restatements of what has been stated earlier and better by the legislature and governor," according to Rogers. "Missing is the goal of promoting the economic welfare of Alaska residents and coastal communities which has been stressed in all other state policy and program statements."

Although the sub-title of the ADL bottomfish report is: "Strategies for the State of Alaska," alternatives are not thoroughly investigated or costed out. And, ADL wants another \$30,000 to map out more detailed strategy. While the money was not included in the 1980 budget, Edenso says he could use discretionary funds under his control to pay for the supplement.