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COMMUNITY DEVELOPMENT

The Feasibility of Pescatourism in Southeast Alaska

Assessing the opportunity for transformative tourism

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Introduction

In the spring and summer of 2019, Ecotrust investigated the feasibility of pescatourism in Southeast Alaska. Specifically, our study focused on understanding the prospects for building a robust pescatourism sector, including identifying the potential supply and demand for pescatourism services. The funding to conduct this study was generously provided by the Edgerton Foundation. Their support of this work comes from a deep interest in enabling Alaska to transition its economy away from natural resource extraction and towards a more diverse range of non-extractive industries. Tourism, including pescatourism, is a potentially important strategy in catalyzing this transition. However, new forms of tourism are subject to economic and social uncertainty and may be detrimental to Southeast Alaska if not well executed. As a result, it is important to examine the potential market size and attributes of new forms of tourism. Therefore, we conducted this study by assessing how this industry should take shape, what activities are appropriate in specific communities, who is interested in pursuing this work, and what is their capacity to develop a new market.

To accomplish this work, we conducted research on commercial fishing and tourism in Alaska. Then, we interviewed experienced fisheries policy experts to provide high-level thinking and insight about the industry and how tourism fits into commercial fishing in Alaska. With these insights, working through the Sustainable Southeast Partnership's (SSP) broad network, we identified potential operators who were interested in pursuing business opportunities built around this new form of tourism; identified the range of activities that potential entrepreneurs are interested and willing to provide; and assessed the capacity of local actors, including entrepreneurs, tribes, and municipal governments, to develop this market through targeted marketing, financing, and technical assistance. The following report details our approach to this investigation, and summarizes our findings.

What is Pescatourism?

Our focus for defining pescatourism was to ensure its appropriateness to life and culture in Southeast Alaska. We started by reviewing what is included in the definition in parts of the world where pescatourism industries are established, which are mainly located in Europe. In these areas, pescatourism is a branch of sustainable tourism similar to agritourism. According to Piasecki et al. (2016)[1], pescatourism is a relatively new concept, first demonstrated in Italy in 1982. It is the intersection of tourism and commercial or subsistence fishing, including aquaculture. Activities vary widely and may include homestays with fishermen, assisting with onshore chores like mending or preparing nets and gear, sailing to fishing grounds and participating with the crew, and/or preparing and eating local catch with the fishermen or their families. It is a different set of activities from recreational, charter, or sport fishing. The danger of pescatourism is that it does not benefit commercial fishers or fisheries; in fact, Piasecki et al. (2016) found that pescatourism can "be a commercial activity which does not provide any benefits to fishers and sustainability of marine living resources if the license right is given to charter operators rather than to [commercial] fishers".

[1] Piasecki W., Głąbiński Z., Francour P., Koper P., Saba G., Molina García A., Ünal V., Karachle P.K., Lepetit A., Tservenis R., Kızılkaya Z., Stergiou K.I. 2016. Pescatourism—A European review and perspective. Acta Ichthyol. Piscat. 46 (4): 325–350.

For this study, we included most of the established definition, maintaining the focus on commercial fishing. Through our research we determined that subsistence fishing should not be included in Alaska due to both state and federal regulations; and the complications it would impose. Piasecki et al. (2016) also made it clear that activities and regulations varied widely as they examined the practice in southern versus northern latitudes, finding it more heavily regulated and seasonal in northern Europe. Developing this form of tourism in Alaska obviously has similar concerns. The safety of guests as well as crew and boat captains came up regularly in our interviews with potential operators and others in the broader commercial fishing industry. Our definition of pescatourism for Southeast Alaska includes homestays with commercial fishermen, dockside tours, assisting with onshore chores, sailing to fishing grounds and participating with the crew, and/or preparing and eating local catch with the fishermen or their families. However, the inclusion of these activities was to stimulate thinking and assist with exploring this concept through interviews and conversations. The reality of what is actually put into practice when this industry gets going in earnest will refine this definition and its associated activities much further.

DEFINITION:
Pescatourism refers to all commercial visitation for which the principal activity relates to commercial fishing or fish consumption, including homestays with commercial fishers, dockside tours, assisting with onshore chores, sailing to fishing grounds and participating with the crew, participating in mariculture activities or tours, and/or preparing and eating local catch with the fishermen or their families.

Regional context - Commercial fishing and Tourism in Southeast Alaska

Determining the feasibility of a pescatourism industry in Southeast Alaska required that we first seek to understand both commercial fishing and tourism in the region. To do this, we researched public surveys and reports produced by the State of Alaska and McDowell Group; conducted an analysis of informal interviews with over a dozen local experts including fishermen, fishing regulatory industry personnel, and visitor industry providers; and reviewed relevant literature. Commercial fishing plays a large role in shaping Alaska's communities and economy. The seafood industry is the largest private-sector employer in both Southeast Alaska and across the state; commercial fishing itself employs tens of thousands of individuals[2]. In recent years, commercial fishing in Southeast Alaska has proven unpredictable. This section explores the historic and economic context of commercial fishing in the region, then dives into tourism and its impact on the economy to situate how a pescatourism industry may fit into the economic landscape.

Commercial Fishing

The commercial fishing industry is central to the economy of the State of Alaska. The Alaska Seafood Marketing Institute (ASMI) estimates the impact of the seafood industry on Alaska's economy at $5.2

[2] United Fishermen of Alaska. 2018. Accessed March 12, 2019. http://www.ufafish.org/fishing-facts/.

billion; the labor income of commercial fishing itself is $824 million[3]. In a state with a population of roughly 740,000, the Southeast panhandle, largely composed of remote island communities, is home to about 10% (71,000) of the state's population. Of that 71,000 inhabitants, the seafood industry employs about 15% and is the largest private sector industry in the region[4]. Commercial fishing employs both residents and non-residents, however the vast majority of vessel-owners are based in Alaska. A 2014 study of the Alaskan fleet determined by vessel registration that of the 7,760 registered Alaskan vessels, 5,326, or 69%, were commercial fishing vessels. Southeast Alaska's 2,337 commercial fishing vessels make up about 73% of the 3,221 fleet[5].

The Alaska Department of Fish and Game (ADF&G) reports an overall decline in commercial salmon harvest since the late 1990s and significant annual variability since the early 2000s.[6] As a result, the profitability and reliability of the commercial fishing industry has declined. The 2018 yields illustrated the declining stock. An ADF&G report from March 2019[7] provided insight into the trends: in Southeast Alaska, the chinook/king harvest was below both the 10 year average and 57 year report (when data started being gathered regularly); the sockeye/red harvest was below both averages, ranking 53rd; coho/silver ranked 36th (bottom tier, though less significant), humpy/pink ranked 51st. The chum/dog salmon harvest, however, was the 10th largest in history; the size of stock is largely attributed to hatchery production that became significant in 1984. The overall 2005 season harvest was exceptionally large; however, the overall trend since the 1980s is decline. The decrease in stock has been significant in recent years. And the gross earnings of resident Southeast commercial fishermen has decreased by almost 29% since 2011[8]. While the average earnings of processors and the regional harvest has fluctuated over time due to demand and market prices, since 2011 the earnings for commercial fishermen has only declined.

The economic impact of the commercial fishing decline is significant. Of the 8,966 fished permit holders in Alaska, nearly 70% (6,274) of the permit holders are residents[9]. Harvest numbers have fluctuated largely

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[3] Alaska Seafood Marketing Institute. 2017. The Economic Value of Alaska's Seafood Industry. 4, 26. Accessed April 8, 2019. https://www.alaskaseafood.org/wp-content/uploads/2015/10/AK-Seadfood-Impacts-Sep2017-Final-Digital-Copy.pdf

[4] Alaska Seafood Marketing Institute. 2017. The Economic Value of Alaska's Seafood Industry. 4, 26. Accessed April 8, 2019. https://www.alaskaseafood.org/wp-content/uploads/2015/10/AK-Seadfood-Impacts-Sep2017-Final-Digital-Copy.pdf

[5] McDowell Group. 2014. Trends and Opportunities in the Alaska Maritime Industrial Support Sector. *Alaska Department of Commerce, Community & Economic Development Division of Economic Development*, 14. Accessed June 11, 2019. https://www.commerce.alaska.gov/web/Portals/6/pub/Trends%20and%20Opportunities%20in%20the%20Alaska%20Maritime%20Industrial%20Support%20Sector.pdf. Note that the cruise and passenger vessels that frequent Alaska in the summers are not titled in Alaska, and thus not part of the Alaskan fleet.

[6] Conrad, S. & Gray, D. 2018. Fishery Management Report. No. 18-01: Overview of the 2017 Southeast Alaska and Yakutat Commercial, Personal Use, and Subsistence Salmon Fisheries. *Alaska Department of Fish and Game Division of Sport Fish and Commercial Fisheries*, 26. http://www.adfg.alaska.gov/FedAidPDFs/FMR18-01.pdf. Figures with projections and catch data can be found in the report.

[7] Brenner, R., Munro, A., & Larsen, S. 2019. Special Publication 19-07: Run Forecasts and Harvest Projections for 2019 Alaska Salmon Fisheries and Review of the 2018 Season. *Alaska Department of Fish and Game Division of Sport Fish and Commercial Fisheries*, 5-6. https://www.adfg.alaska.gov/FedAidPDFs/SP19-07.pdf.

[8] Alaska Seafood Marketing Institute. 2017. The Economic Value of Alaska's Seafood Industry. 27. Accessed April 8, 2019. https://www.alaskaseafood.org/wp-content/uploads/2015/10/AK-Seadfood-Impacts-Sep2017-Final-Digital-Copy.pdf.

[9] State of Alaska Commercial Fisheries Entry Commission. 2018. Accessed March 12, 2019. https://www.cfec.state.ak.us/pstatus/14052017.htm. It should be noted that the number of permits fished in Alaska have declined in recent years, with a high of 10,022 in 2011.

due to past fishing activity and fisheries management decisions. Recent years have not provided robust stocks, and fishermen and the industry feels precarious[10]. This lack of predictability and smaller harvest has proven an economic hardship, particularly on smaller, fishing-dependent communities. The McDowell Group reported in a 2015 Alaska Seafood Marketing Institute (ASMI) report, Southeast residents own more commercial fishing boats and individual fishing quota shares than any other region in the state[11]. In Southeast Alaska in 2017, 1152 permits were fished, a 40% decrease from the 1985-2016 average[12]. ASMI reports that the economic foundations of the communities of Sitka, Petersburg, Wrangell, Prince of Wales Island, Hoonah, Haines, and Yakutat are based in seafood.

Tourism

According to 2016 and 2017 studies commissioned by the Alaska Department of Commerce, Community, and Economic Development (DCCED), the visitor industry market included 2,242,900 individuals in the $2.2 billion industry.[13] Tourism is increasing in Alaska: from 2010 to 2017, the state saw a 27% growth in the visitor industry by volume; and a 9% growth since 2015[14]. Tourism plays a large role in Southeast's regional economy, representing 23% of total employment and 14% total labor income[15]. Across the Alaskan tourism market, two-thirds of visitors spent time in Southeast Alaska.

In general, the tourism industry spending can be broken into a few sectors: the 2017 season visitors spending totaled $2.2 billion. The division breaks down into tours ($394 million, or 18%); gifts/souvenirs ($427 million, or 20%), food/beverage ($438 million, or 20%), lodging ($454 million, or 21%), transportation ($258 million, or 12%), and other ($217 million, or 10%). About 32% of the total spending, $705 million, was collected in Southeast[16]. This disparity between two-thirds of the visitors but only one-third of the revenue is largely credited to the abundance of cruise ship passengers who visit the region, but spend less money in the region's communities due to travel packages that often include lodging and meals on board the ship.

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[10] Further reading on the precarity of the industry can be found reported on by local media, including Laine Welch's "Trifecta of falling fish revenue is heading for Alaska fishermen, coastal communities," published in Anchorage Dispatch News on April 1, 2018 which can be found at https://www.adn.com/business-economy/2018/04/01/trifecta-of-falling-fish-revenue-is-heading-for-alaska-fishermen-coastal-communities/.

[11] Alaska Seafood Marketing Institute. 2017. The Economic Value of Alaska's Seafood Industry. 26. Accessed April 8, 2019. https://www.alaskaseafood.org/wp-content/uploads/2015/10/AK-Seadfood-Impacts-Sep2017-Final-Digital-Copy.pdf.

[12] Conrad, S. & Gray, D. 2018. Fishery Management Report. No. 18-01: Overview of the 2017 Southeast Alaska and Yakutat Commercial, Personal Use, and Subsistence Salmon Fisheries. *Alaska Department of Fish and Game Division of Sport Fish and Commercial Fisheries*, 21. http://www.adfg.alaska.gov/FedAidPDFs/FMR18-01.pdf.

[13] McDowell Group. 2018. Economic Impact of Alaska's Visitor Industry 2017. *Alaska Department of Commerce, Community, and Economic Development, Division of Economic Development*, 8. https://www.commerce.alaska.gov/web/Portals/6/pub/TourismResearch/VisitorImpacts2016-17Report11_2_18.pdf?ver=2018-11-14-120855-690.
McDowell Group. Alaska Visitor Statistics Program (AVSP) 7 - Summer 2016. *Section 1: Executive Summary*. https://www.commerce.alaska.gov/web/Portals/6/pub/TourismResearch/AVSP/2016/1.%20AVSP%207%20Executive%20Summary.pdf?ver=2017-06-06-133939-01.

[14] McDowell Group. 2018. Economic Impact of Alaska's Visitor Industry 2017. *Alaska Department of Commerce, Community, and Economic Development, Division of Economic Development*, 8. https://www.commerce.alaska.gov/web/Portals/6/pub/TourismResearch/VisitorImpacts2016-17Report11_2_18.pdf?ver=2018-11-14-120855-690.

[15] Ibid, 14.

[16] Ibid, 9.

Table 1: 2016-18 state-wide visitor breakdown - an increase in visitors and a slight trend away from cruise travel.

Year	Total Alaska Visitors	Cruise Ship	Air	Highway/Ferry
2015-2016	2,095,500	55%	40%	5%
2016-2017	2,174,100	49%	47%	4%
2017-2018	2,248,300	49%	47%	4%

Data provided by DCED, Alaska Visitor Statistics Program (AVSP) 6 & 7.

In the pool of visitors to Southeast, 86% participated in cruise ship excursions; this percentage is significantly larger than the 49%-55% of total visitors to the state that engaged in cruises over the period 2015-2018 (see Table 1 above). Of those visitors, a 2016 study showed that 89% purchased a multi-day package, which includes a cruise, and 79% of those who purchased a multi-day vacation package purchased a fishing lodge package[17]. Among the smaller group that participated in personalized/small-group experiences, including fishing lodge operations, guests reported a higher satisfaction and higher likelihood of return compared to other Southeast visitors. One percent of the total Alaska tourism market participated in an Adventure Package - a designation that includes hiking, biking, kayaking, and the like - of that population, only 20% visited Southeast Alaska[18]. This number is significantly lower than the average 66% of state-wide visitors that spend time in the Southeast region. While this specific data should be considered with caution because of the small sample size, this statistic further illustrates that most Southeast Alaskan visitors do not participate in multi-day packages. The data suggests that the lure of multi-day outdoor activities including fishing adventures is not likely to be a draw to the current Southeast visitor demographic.

Another way to look at the data relevant to fishing operations is through breakdown of analogous activities. Of the Alaskan statewide visitor market, 16% participated in fishing-related activities (10% in guided operations, and 8% in unguided)[19]. However, the Southeast Alaska visitor market, 10% participated in fishing activities while visiting anywhere in the state: nine percent participated in fishing while in Southeast Alaska; six percent participated in guided operations, and three percent participated in unguided excursions[20]. In the 2016 season, over 110,000 visitors participated in fishing excursions in

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[17] McDowell Group. Alaska Visitor Statistics Program (AVSP) 7 - Summer 2016. *Section 12: Summary Profiles - Southeast Region and Communities*, 12-2, 12-3. https://www.commerce.alaska.gov/web/Portals/6/pub/TourismResearch/AVSP/2016/12.%20AVSP%207%20Summ%20Profiles%20Southeast.pdf?ver=2017-06-06-133940-030.

[18] McDowell Group. Alaska Visitor Statistics Program (AVSP) 7 - Summer 2016. *Section 15: Summary Profiles - Adventure, Culture, and Fishing Markets*, 15-1, 15-4. https://www.commerce.alaska.gov/web/Portals/6/pub/TourismResearch/AVSP/2016/15.%20REV%20AVSP%207%20Summ%20Profiles%20Adv%20Cult%20Fishing.pdf?ver=2017-06-06-143654-693.

[19] Ibid, 15-5, 15-1.

[20] McDowell Group. Alaska Visitor Statistics Program (AVSP) 7 - Summer 2016. *Section 12: Summary Profiles - Southeast Region and Communities*, 12-6.

Southeast Alaska. It should be noted that changes in interest/activity is not reflected in these data. However, as this study is two years old, it seems reasonable to assume comparability.

Of the 14% of Southeast visitors that did not purchase a cruise ticket package but did purchase another type of package, 49% purchased a fishing lodge package in 2016[21]. Only 14% of Southeast visitors traveled to Alaska by air and highway/ferry; these guests are those that would most likely participate in a homestay and/or multi-day pescatourism excursion. The 2016 McDowell Group report shares that those who participated in the smaller community packages including those on Prince of Wales (POW) Island, Petersburg, and Wrangell (all non-large cruise ship ports) reported higher spending in the communities compared to the baseline of Southeast spending, and higher annual incomes. These guests also reported a higher likelihood of returning to Alaska within the next five years. While the market of independent travelers is significantly smaller, the quality of the experience seems to speak well of the interest in small, personalized tours. Of the one percent of Alaska market visitors that visited Prince of Wales Island, 70% participated in fishing activities; other communities with sizable participation events include Gustavus and Petersburg. The study found that POW visitors were more than twice as likely to visit Alaska again in the next 5 years, and rated the trip as a much better value for the money. Visitors in these communities stayed longer than elsewhere: in Southeast Alaska, the longest average stay in Wrangell was the largest at 17.2 nights. As a comparison, the average stay on POW was 9.6 nights, and the average stay in Southeast as a whole was 8.6, These visitors also reported higher annual incomes than other visitors to Southeast, were slightly younger than cruise ship guests, and were predominantly white and male. The overall economic impact of this form of visitation is still relatively minor.

In 2016, according to the McDowell Group report, spending in Southeast was generally lower than spending elsewhere in the state. While in the Southeast region, visitors spent an average of $487 but, those same visitors indicated that they spent an average of $760 during their stay elsewhere in the state[22]. This is significantly lower than the statewide average spending of $1,057. However, the same 2016 report notes that spending by visitors who participated in fishing excursions was higher than both the Southeast and overall visitor average. Spending on guided fishing trips statewide averaged to $2,464; unguided fishing trips garnered an average of $1,554 per person.[23] Cultural spending averaged $1,134 per person and Native Cultural spending was $997.

The 2016 McDowell Group report outlined that of the visitors who participated in Cultural/Native Culture activities (12% of the total Alaskan Market), 29% also participated in Guided Fishing activities, and 31% participated in Unguided Fishing activities. Conversely, of those that participated in fishing activities (both guided and unguided), 12% also participated in Cultural activities, and 6% participated in Native Culture

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https://www.commerce.alaska.gov/web/Portals/6/pub/TourismResearch/AVSP/2016/12.%20AVSP%207%20Summ%20Profiles%20Southeast.pdf?ver=2017-06-06-133940-030.

21 Ibid, 12-2.

22 Ibid.

23 McDowell Group. Alaska Visitor Statistics Program (AVSP) 7 - Summer 2016. *Section 15: Summary Profiles - Adventure, Culture, and Fishing Markets*, 15-3, 15-7.
https://www.commerce.alaska.gov/web/Portals/6/pub/TourismResearch/AVSP/2016/15.%20REV%20AVSP%207%20Summ%20Profiles%20Adv%20Cult%20Fishing.pdf?ver=2017-06-06-143654-693.

activities. Thus, one can see that the size of visitors in Southeast Alaska who currently participate in both Cultural activities and Fishing activities is relatively small, indicating that the number of visitors who may be interested in a pescatourism-related activity, which includes both fishing and local-focus operations, is not large.

The purpose of this literature review was to provide context for what is feasible when developing a new pescatourism sector. This research reveals a notable shift in tourist demand: there has been a global increase in interest in “sustainable” and “adventure” tourism, as well as experiences that center on meaningful interactions with locals in their communities[24]. This shift, in combination with the well-appreciated current fishing-related operations, indicate that pescatourism may be supported by market demand in Southeast Alaska. Current conversations about pescatourism are broad and inclusive. As such, and without specific delineations, a pescatourism industry may be feasible in that an industry that utilizes the expertise of fishing industry personnel and capitalizes on the visitor industry market may be appealing to the changing interests of the tourism market. Furthermore, an industry that aims to respond to the growing expectation toward cultural awareness, environmental sustainability, and personalized experiences may be timely.

Establishing Pescatourism

The intention of pescatourism is to supplement the income of commercial fishermen and their families, and to provide an attractive alternative activity for tourists to enjoy while visiting coastal communities. In European countries where this industry has existed for a few decades, pescatourism has helped educate tourists and create public awareness about the health of marine ecosystems while shedding a new light on traditional fishing culture. To achieve this outcome in Southeast Alaska, we recognized early-on that we need to follow a deliberate and intentional path. Piasecki et al. (2016) provides good guidance on how to establish this industry. Some of the lessons learned from the European market include:

- Creating clear regulations and guidelines at state and municipal levels to ensure the safety of guests and operators
- Developing localized approaches - what works in one community will not necessarily work in others; finding the right fit for each community is key to success
- Clearly defining who can operate business (*i.e.* commercial vs. charter or sport)

Having established a clear definition[25], we proceeded with our feasibility investigation by working to understand the supply and demand for this service. To explore the supply side, we identified nine candidate fishermen, and developed a survey to identify their interest and capacity to host pescatourists in some form. On the demand side, we relied on literature review as our primary research. We consulted visitor reports and studies to explore the likelihood that a tourist would take up this form of tourism and the attributes of a vacation experience they desire.

[24] Paulauskaite, D., et al. 2017. Living like a Local: Authentic Tourism Experiences and the Sharing Economy. *International Journal of Tourism Research*. https://onlinelibrary.wiley.com/doi/full/10.1002/jtr.2134.

[25] Pescatourism in Southeast Alaska homestays with commercial fishers, dockside tours, assisting with onshore chores, sailing to fishing grounds and participating with the crew, participating in mariculture activities or tours, and/or preparing and eating local catch with the fishermen or their families.

Determining Supply and Demand

Working through the Sustainable Southeast Partnership's catalyst network, we identified fisheries experts and fishermen to survey. We surveyed a total of 17 people, nine of whom were fishermen who were either willing to or already engaged in some type of pescatourism. The other six respondents were fisheries experts who provided high-level insight on fisheries in Southeast Alaska. Our engagement with experts was focused on gaining their perspective on the commercial fishing industry. As noted above, commercial fishing in Southeast Alaska has proven unpredictable in recent years. The Alaska Department of Fish and Game reports an overall decline in commercial salmon harvest since the late 1990s, including some increases and significant annual variability since the early 2000s.[26] This lack of predictability and smaller harvest has proven an economic hardship, particularly on smaller, fishing-dependent communities. These conditions are part of what is motivating the nine fishermen we surveyed about pescatourism. Each of them pointed to the uncertainty of fishing in their reasons for being interested in tourism.

The general consensus among our interviewees was that alternative revenue generation will be integral to the sustainability of Alaska's commercial fishing communities. Interviewees noted that the mariculture industry may be an attractive alternative to address some of the concerns. But, the marrying of commercial fishing and tourism intrigues our respondents because it provides a strategic direction toward sustainable economic development. Below are summarized responses from our interviewees.

Table 2: supply side survey responses

Survey Questions	Response summaries and examples
Does pescatourism appeal to you as an alternative source of income?	Yes, if done right. Don't want it to overwhelm community or take away from commercial fishing opportunity, need to consider opportunity costs.
What appeals to you about pescatourism and why?	Could help boost the economy by drawing-in tourists; revenue diversification opportunity; desire to augment income; sharing the experience, meeting new people and having cultural exchange; building ambassadors for fishing.
What does not appeal to you?	A business that doesn't benefit the community; dealing with tourists when issues arise that prevents fishing such as weather or regulatory action; having guests at fish camp when weather is bad; dealing with dietary restrictions.
Which activities associated with pescatourism do you consider reasonable/appropriate?	Trolling, purse seining, onshore assistance, participating as crew, dockside tours, dinner with fisherman, crew, and family, fish camp stay (set net sites)
How many guests can you accommodate overnight?	The Keex' Kwaan Lodge can accommodate 12 - 48 (12 rooms with 1-4 per room); 2 to 4 guests at fish camp; 5 guests at fish

[26] http://www.adfg.alaska.gov/FedAidPDFs/FMR18-01.pdf, 26.

	camp; 8 guests on board.
What is the length of stay that you prefer?	4 - 6 hour day trips; one or two nights; 5 day/4 night trips to set-net camps.
What price would you seek to charge per guest, per trip or overnight?	$150; $200 - $250; $950 (fish camp)
Can your boat accommodate one or more additional passengers? If so, how many?	Yes; 2 to 10 guest crew (depending on the operation)

Based on the interview responses, fishermen expressed both interest and capacity to host guests in a commercial fishing-based tourism operation in various locations across Southeast Alaska. The exact form and itinerary of the visit, including the range of activities that comprise the experience, will vary by operation; but these potential operators have identified and expressed interest in an array of options. Having interest, however, is only part of the equation. The operators will need guidance and thoughtful planning to be successful. Additionally, they will need a clear understanding of the visitor market.

For the demand side we explored visitor industry reports and studies to identify promising signs of visitor interest in pescatourism. In Southeast, the vast majority of visitors arrive via cruise ship, indicating that currently a minority of visitors would be interested in pursuing overnight excursions. As such, a pescatourism industry that provides day-long activities would likely be more viable with the current demographic of regional visitors. We looked into analogous industries to understand the profile of a potential pescatourism guest. Sport-fishing and fishing lodge activities were the closest existing industry and the likeliest to have overlapping participants. Those who participate in these activities spend more money and time than the average visitor, indicating that there is some pairing of fishing-related interest and revenue-generating possibility. Furthermore, those who participate in the smaller, more personalized activities have indicated that they received a higher value and are more likely to return. Research shows that the demand for locally driven and personalized experiences is rising.

Another area of potential interest to explore includes the demand for pescatourism services from local Alaskans who do not work in commercial fisheries but are interested in how they work. An informal survey of individuals around the region indicates that there may be a market for short-term tour operations on commercial fishing vessels for not just out-of-state visitors, but locals as well. Previous research regarding the pescatourism industry's[27] application in European countries explored visitors participating in both commercial and subsistence fishing activities. In Alaska, subsistence fishing, hunting, or resource harvesting activities can only be carried out by Alaskan residents. Thus the larger visitor industry cannot partake in such activities. This type of intrastate tourism may present a learning opportunity for local Alaskans, similar to the fishing camp experience. Overall, the feasibility of a profitable pescatourism

[27] Piasecki W., Głąbiński Z., Francour P., Koper P., Saba G., Molina García A., Ünal V., Karachle P.K., Lepetit A., Tservenis R., Kızılkaya Z., Stergiou K.I. 2016. Pescatourism—A European review and perspective. Acta Ichthyol. Piscat. 46 (4): 325–350.

industry exists but is currently limited due to the current visitor trends. The size of communities and limited revenue sources indicate that small businesses have the ability for large impact in the region. There is opportunity to capitalize on the draw of locally-based, sustainable businesses. Small-scale pescatourism operations that fishers conduct as supplemental to their base-line income may add value to the businesses and communities.

Pescatourism Feasibility Determination

The 2018 Organization for Economic Cooperation and Development (OECD)[28] report on tourism trends states that the potential for tourism to serve sustainable and inclusive growth depends on its ability to adapt to emerging economic, social, political, environmental, and technological trends. The report highlights culture and natural heritage as central to visitor appeal in many communities. It goes on to say that successful ecotourism initiatives in Central and Eastern Europe have created "resilient networks of relevant stakeholders"[29]. Locally led pescatourism operations can provide an avenue to embody such opportunities in Alaska. Utilizing the awe-inspiring value of the Alaskan commercial fishing industry, in hand with local and indigenous practices and values, will serve as a resource in the state. As smaller communities strive toward self-determination and seek to shape their economic and community wellbeing, pescatourism may be able to fill this niche by utilizing the expertise of community-members.

Tourism in Alaska is slowly shifting to more independent travelers and Southeast Alaska is well situated to fill the demand for personalized experiences. The 2018 OECD report points out that millennials are more likely to go on trips they consider to be "authentic" and where they get to "live like a local"[30]. The data suggests that millennials consider travel to be a priority more than other generations; and the size of this generation coupled with their interest in adventure travel could translate to independent excursions such as pescatourism. In short, there is latent demand for community-focused pescatourism sufficient to establish a niche market. Based on studies of the agritourism industry, the long-term success of a pescatourism industry is more likely if supported by participatory networks of local actors[31]. The interconnections and relationships between actors through a network like the Sustainable Southeast Partnership suggest that such connections would be likely and could manifest to support such an industry. The numbers of visitors and dollars spent in small communities through pescatoruism could be significant for communities. Furthermore, the available data suggests that the experiences of visitors in smaller communities for longer-term stays are more rewarding, and these visitors spend more money than those that arrive only for the day. If the intent of a pescatourism industry is to complement commercial fishing activities and provide supplemental income, data suggests such an activity could support this aim.

Through our research, we have identified fishermen who are interested in hosting pescatourism guests for experiences that include homestays fishing activities on boats and on land, and conversations with local commercial fishing industry experts. Our conversations with fishermen and fisheries experts indicate

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[28] 2018 OECD. 2018. OECD Tourism Trends and Policies 2018. *OECD Publishing*. https://doi.org/10.1787/tour-2018-en.

[29] Ibid, 44.

[30] Ibid, 67.

[31] Karempela, S. K. & Kozos, T.D. 2017. Agritourism networks: empirical evidence from two case studies in Greece. *Current Issues in Tourism*. DOI: 10.1080/13683500.2017.1379475.

that pescatourism experiences are a viable tourism option in this region. The components of this industry, both supply and demand, are in place for a market to emerge. And as fish stocks continue to fluctuate, community members are seeking adaptations to augment income streams. Based on our study of local commercial fishing practices, economic needs, visitor industry demand, and relevant regulatory frameworks, we have determined that pursuing pescatourism opportunities is a viable future economic development initiative. However, further analysis and marketing should be conducted to grow the variety of pescatourism-related opportunities in Southeast Alaska. Understanding these facets of the industry will help us customize an approach considerate of the diversity of smaller communities and fishermen in the region.

Tools and Guidance for Pescatourism Operators

The subsequent sections of this report provide guidance for potential operators by detailing what we learned about the known barriers to entry and some recommendations for getting started.

Regulatory Framework

Navigating the permitting and regulatory frameworks in Alaska can be tricky. Fishing and mariculture-related businesses in Alaska are operated in coordination with national and international organizations like the International Pacific Halibut Commission, the National Marine Fisheries Service, a division of the National Oceanic and Atmospheric Administration (NOAA), and the United States Coast Guard, and by state departments including the Alaska Department of Fish and Game (ADFG); The Commercial Fisheries Entry Commission, Department of Commerce, Community, and Economic Development (DCCED); and Department of Natural Resources (DNR). Some overlap exists between departments, as well as between international, national and state bodies, illustrating the layering involved in regulatory and permitting processes. In short, it’s a complicated regulatory environment to navigate with a number of agencies at multiple levels of government.

Broadly speaking, business licensing and operations are regulated by DCCED; fish and ecosystem operations, including sports fishing guiding licenses are regulated by ADFG, and the Commercial Fisheries Entry Commission; and the lands and waters in which these operations occur are regulated by DNR. Depending on the specific operation, the permitting process may be straight-forward or circuitous, largely due to the type and impact of different operations: commercial salmon trolling and kelp cultivation are managed significantly differently. Fisheries-only related businesses are not required to hold an Alaska business license, however engaging in tourism-related activity does require an Alaska business license. Operations may be able to utilize current policies including seven-day crewmember licenses ($35) to support tourism activity on commercial fishing vessels, however, personnel safety factors including the risk and severity of particular fishing operations, and ecosystem risk factors, may lead to further regulatory and permitting process issues, be they through statute, procedure, insurance processes, or best practice. Operating a pescatourism business rooted in the “awesome” factor of fishing in Alaska (e.g. Deadliest Catch) may prove inadvisable and costly due to the risk associated with these activities. Other fishing or mariculture operations like trolling, set-netting, and shellfish harvesting are more realistic as opportunities to supplement income for fishermen.

Visitors from other states and Alaskans can participate in both commercial and sport fishing. Subsistence fishing is legal only for Alaska residents. Each fishing type is regulated by different state agencies, which may result in confusion as this new industry takes shape. Operators of a pescatourism business will need ancillary permits to commercially process fish ($25) for selling or transporting for guests. Fishing licenses are required for any individuals who participate in commercial fishing operations; to obtain a license, a social security number is required, and thus international visitors are not able to participate in such activities. Guests can purchase short-term crewmember licenses[32] for $35 that allow seven (7) days of activity per calendar year, or $280 for an annual crew license if they are active for more than 7 days. Exempt participants include Commercial Fisheries Entry Commission (CFEC) permit holders, some processing workers on floating fish processing vessels, and guests or visitors who do not directly or indirectly participate in the taking or transporting of fish. CFEC entry or interim-use permit from any fishery can be used as a crewmember license. Residents may purchase a sport fishing license for $29; king stamps for $10; and an annual crew member license for $60.

As a relatively new and evolving industry, the specific permitting processes and regulatory frameworks of mariculture are sometimes unclear. While ADF&G and Alaska DNR have guidelines for permitting along with a timeline, the specific players vary based on the agencies bandwidth. Navigation of a bureaucratic maze is required to start an operation, and at the time this report was written, ADF&G reported no additional permitting would be required for visiting workers.

To host guests as an operation, fishermen must procure an Alaska state business license. The annual license cost is $50; additional licenses may be required depending on the intended operation. For example, a food permit and commercial kitchen approval (through the Department of Environmental Conservation) will likely be required. Temporary and locally operated businesses, like AirBnB, are newer and the permitting processes and legal avenues for operating may prove an opportunity, but at this point are unknown.

Regulatory Framework Highlights & Takeaways

- Commercial Fishing licenses are regulated by the Alaska Department of Fish & Game (ADFG) and the Commercial Fisheries Entry Commission.
- Fishing licenses are required for any individuals who participate in commercial fishing operations; to obtain a license, a social security number is required.
- Guests can purchase short-term crewmember licenses for $35 that allow 7 days of activity per calendar year, or $280 for an annual crew license if they are active for more than 7 days.
- Visitors from other states can participate in commercial fishing but subsistence fishing is only allowed for Alaska residents.
- Operators of a pescatourism business need ancillary permits to commercially process fish ($25) for selling or transporting for guests.
- No additional permitting is required for visiting mariculture workers.
- Fishing-only businesses are not required to hold an Alaska business license, however, to host guests in any form, fishermen must procure an Alaska state business license. The annual

[32] Requires Social Security Number

license cost is $50; additional licenses may be required depending on the intended operation.

- ❖ Business licensing and operations are regulated by the Department of Commerce, Community, and Economic Development (DCED). https://www.commerce.alaska.gov/web/
- ❖ Temporary and locally operated businesses, like AirBnB, are newer and the permitting processes and legal avenues for operating may prove an opportunity, but at this point are unknown.

Operational Models

Through our outreach and interviews with potential pescatourism operators and fisheries experts, we identified operational models that seem likely to succeed given the current circumstances. There are other ways to engage in this type of tourism but the following represents our recommendations for entry into the market.

1. *On-boat fishing experience*

- The boat-based operational model is the one that comes most easily to mind in association with pescatourism. It's also the model most often utilized in Italy and southern Europe. However, this model will have the highest bar for entry in Alaska, at least initially. Barriers include the cost of insurance, the safety of guests, and the opportunity cost of having inexperienced people onboard during important harvesting time. Our recommendation for pursuing this model is to start with single-day excursions in a fishery like salmon trolling or longlining, where the skipper is willing to work with guests, could return to port if needed, and will err on the side of safety. The guests will need a crew license and the skipper will need to thoroughly explore the insurance costs around this model.
- As pescatourism grows, a safety training for on-boat experiences should be developed. The Alaska Longline Fishermen's Association (ALFA) has an apprenticeship training for people interested in becoming commercial fishermen. A program based on that model where guests could be trained on basic safety and the operations of commercial fishing could help bolster the entire industry. With the right structure, a program like this could encourage visitors to return to achieve additional levels so they could participate further afield. This program could also help reduce the insurance liability for operators.

2. Set-net fish camp

- Set-net operations can easily lend themselves to a tourism model. These operations use a gillnet set across the mouth of a river and catch salmon as they return to their natal streams. The operators typically have a camp with cabins and facilities where guests could stay. The fishing operations are also more amenable to varying levels of experience. This type of commercial fishing eliminates the safety concerns that arise in a boat-based model as guests are not in open-water on a small fishing-vessel. This model also provides a bevy of ancillary activities like hiking, kayaking, or sightseeing, that guests could participate in when fishing isn't possible due to weather or management closures. The operators will need a fishing processing license if they want guests to take fish home with them. There does not appear to be any additional crew licensing for this type of fishing. Hosting guests, however, would require a state business license.

3. Dockside tour and dinner

- Boat-based commercial fishermen looking to diversify their revenue could take a different approach with guests. Through our interviews we heard that some fishermen might not have the operational flexibility to have an inexperienced guest onboard while at sea. Additionally, the opportunity cost of missing potential harvest time to accommodate guests is a barrier to entry for some interested fishermen. However, offering an experience to tourists through a dockside tour and dinner could become an entry-level model for operators. This model could take advantage of cruise ship traffic by offering an experience to guests who are in town for a short period. The operation could include a tour of the boat, an opportunity to view catch being off-loaded, and a meal with the captain and his/her family or crew. The primary barrier to this would be coordinating the timing with guests and returning from fishing. The permitting and licensing would depend on what is offered to guests. Sharing a meal, for example, would require a food preparation permit.

4. Mariculture

- While the lure of fishing in Alaska does not necessarily apply to mariculture, multiple factors indicate that kelp and shellfish farming may provide a stable platform for tourist demand. First, tourists may be able to participate in the life cycle of the operation - seed/spat stage, juvenile stage nursery operation, or adult to marketable size. While the scheduling of fishing provides more challenges, aquatic farming would address these challenges. Second, DNR and ADF&G personnel suggested that the permitting/regulatory framework for visitors to explore and contribute does not provide a barrier to entry, which differs from the temporary crew license necessary for finfish fishing. Third, the industry boasts sustainable economic development, which fits in alignment with the aim of such a pescatourism project. However, as a new industry, it is likely that most operators are fully focused on the cultivation of their product and not looking to diversify into the realm of tourist demand. Furthermore, the demand does not currently exist, so it may not be advisable to promote the marketing needed to get to the place where it would be economical.

Barriers

From our research, we identified a handful of barriers that may prevent interested fishermen from pursuing this opportunity. The primary feedback we received from industry experts and fishermen was that insurance and safety will be a potential roadblock. We interviewed a representative of a fishing association that pools fishermen together to create self-insured structure, their response to pescatourism was alarm and they indicated that they would not insure any fishermen who pursued this business. However, we also discussed the idea with an insurance representative who thought this would be a reasonable business to pursue. In other words, there is no clear guidance available on pescatourism insurance, and the unknowns about cost may prevent people from pursuing this business. Alternatively, a pescatourism business may be able to operate through AirBnB Experiences, a new option available from AirBnB where local hosts take guests on adventures in their area. If a pescatorusim operation qualifies through AirBnB to host an “experience”, AirBnB provides $1Million liability insurance coverage. The process for qualifying, however, is not clear at this point and may not be available for pescatourism. The other barriers we identified include:

- navigating the permitting process (see above),
- variability of commercial fishing operations,
- lack of marketing,
- opportunity costs associated with hosting guests

Additional Resources

Launching a pescatourism venture will take a lot of work and will need thoughtful planning. The following are some resources for any reader considering this new business:

Budgets -

Building a budget that helps pescatourism operators consider multiple facets of this business is key to success. These links will provide guidance for developing a budget. There is also specific fishing business guidance from Alaska Sea Grant.

- https://www.thebalancesmb.com/business-budget-2948312
- http://fishbiz.seagrant.uaf.edu/manage-your-business.html

Permitting -

Understanding what permits are required for operating a business is important. Above you can find more specific guidance on the regulatory framework but here are some links to the crew member permit as well as hospitality information for hosting guests.

- Fishing - https://www.adfg.alaska.gov/index.cfm?adfg=fishlicense.crewmember
- Hospitality- https://www.commerce.alaska.gov/web/Portals/6/pub/TourismResearch/TrainBusiness/B&B_Requirements%202013.pdf

Business planning guidance -

Learning opportunities for business planning are often expensive endeavors. The Alaska Small Business Development Center (AKSBDC) offers free business planning services. Spruce Root offers similar services and coordinates Path to Prosperity, an annual business development competition for businesses with a positive economic, environmental, and community impact on Southeast Alaska. This is an unprecedented resource to get business coaching and guidance.

- AKSBDC - https://aksbdc.org
- Path to Prosperity - https://www.spruceroot.org/path-to-prosperity

Conclusion

The uncertainty surrounding commercial fishing operations necessitates future planning for economic opportunities to serve the sustainability of Alaska’s coastal communities. The rise of unique, individual tourism in Southeast Alaska presents an opportunity for communities. The interest of visitors in the fishing industry suggests there may be market demand for pescatourism. The Southeast region should serve as a venue to begin such operations. The size of this potential market indicates that the initial revenue generation will not be great, though the potential for impact on these small communities may be significant. The strength and longevity of a pescatourism industry, and defining the scope of what is included in such an industry, requires further analysis, flexibility, and trial and error by practitioners.