



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of Commerce, Community,
and Economic Development**

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November 8, 2012

The Honorable Lisa Murkowski
United States Senate
709 Hart Senate Building
Washington, DC 20510

The Honorable Mark Begich
United States Senate
111 Russell Senate Office Building
Washington, DC 20510

The Honorable Don Young
United States House of Representatives
2314 Rayburn House Office Building
Washington, DC 20515

Dear Senator Murkowski, Senator Begich, and Congressman Young,

I write in support of your efforts to secure federal fishery disaster funds to help mitigate the impacts of Chinook salmon conservation measures put in place due to low Chinook salmon returns. As you know, Acting Secretary of Commerce Rebecca Blank declared a fisheries disaster on September 12, 2012, for the following fisheries: the 2010-2012 Yukon River Chinook salmon fishery, the 2011-2012 Kuskokwim River Chinook salmon fishery, and the 2012 Upper Cook Inlet setnet fishery. In response to your request for information on impacts of the disaster in these areas to commercial permit holders, sport fishing businesses, and subsistence users, the Department of Fish and Game (DF&G) and Department of Commerce, Community, and Economic Development (DCCED) prepared the following.

Commercial Fisheries

National Marine Fisheries Service (NMFS) issued policy guidance for disaster declarations under the Magnuson-Stevens Fishery Management and Conservation Act (MSA), which calls for comparison of commercial fishery revenues during the year(s) in which a disaster declaration is requested to the revenues across the five years preceding the disaster. Using this approach, commercial fishery permit holders lost an estimated \$16.8 million in direct ex-vessel revenue across the areas and years included in the disaster declaration; a breakdown by fishery is in the table below.

Please note this analysis does not reflect the total economic, cultural, and spiritual value of salmon to Alaskans. Harvesting crew and support businesses have been severely impacted by the loss in ex-vessel revenue and fishing opportunity; processors and their workforces also suffered from lower throughput and unexpected loss of market share. Additionally, fishing communities suffered from a loss in fish and sales tax revenues. These represent a few of the numerous indirect ways unexpectedly low Chinook salmon returns affect Alaska's economy.

Table 1. Ex-vessel value of commercial fisheries in September 12, 2012 federal fisheries disaster declaration. Yellow borders represent pre-disaster annual data, disaster declaration data is marked with a red border.

| | Yukon River Chinook salmon | Kuskokwim River Chinook salmon | Upper Cook Inlet (CI) set gillnet all salmon | Northern district CI set gillnet all salmon |
|--|----------------------------|--------------------------------|--|---|
| 2003 | \$ 1,912,159 | | | |
| 2004 | \$ 3,101,957 | | | |
| 2005 | \$ 1,976,524 | | | |
| 2006 | \$ 3,319,552 | \$ 13,660 | | |
| 2007 | \$ 1,966,304 | \$ - | \$ 9,156,584 | \$ 310,722 |
| 2008 | \$ 325,470 ¹ | \$ 69,987 | \$ 8,562,591 | \$ 422,410 |
| 2009 | \$ 20,970 ¹ | \$ 58,557 | \$ 6,046,866 | \$ 394,106 |
| 2010 | \$ 639,230 | \$ 41,024 | \$ 12,070,615 | \$ 646,879 |
| 2011 | \$ 4,925 | \$ 411 | \$ 18,669,836 | \$ 526,850 |
| 2012 | \$ - | \$ - | \$ 1,102,547 | \$ 260,566 |
| 5-year pre-disaster avg.* | \$ 2,455,299 | \$ 36,646 | \$ 10,901,298 | \$ 460,193 |
| Avg. ex-vessel value across year(s) in current declaration | \$ 214,718 | \$ 206 | \$ 1,102,547 | \$ 260,566 |
| No. of years in current declaration | 3 | 2 | 1 | 1 |
| Estimated direct impact to commercial fisheries** | \$ 6,721,743 | \$ 72,880 | \$ 9,798,751 | \$ 199,627 |

¹ For the Yukon River Chinook salmon fisheries, the current disaster declaration is an extension of a 2008-2009 disaster determination.

²The 5-year pre-disaster average ex-vessel value is used here in calculating impacts for consistency with National Marine Fisheries Service guidance on commercial fishery disaster declarations. As shown above, annual ex-vessel value is highly variable. The 2012 Upper Cook Inlet revenue in 2011 was 70 percent higher than the 2006-2011 5-year average and the 2012 fishery was projected to be similar.

³ Estimated direct impact: (5-year average revenue – average actual revenue) × number of years in declaration.

While MSA disaster declarations and assistance are typically focused on commercial fishing activity and associated revenue, the impact of low Chinook salmon returns and fishing restrictions affects all sectors in Alaska's fishery-dependent communities. The economic contribution from Kenai Peninsula and Susitna River Drainage sport fishing activity and the vital importance of subsistence salmon harvests in Western Alaska also must be considered.

Sport Fisheries

Lost sport fishing opportunity affected sport fishing guides, lodges, and support businesses in both freshwater and saltwater fisheries in Cook Inlet. Based on the loss of 29,630 angler days for both guided and unguided sport fishing, losses from direct spending are estimated at \$10.4 million. Indirect spending adds an additional \$7.3 million to estimated losses. A more complete analysis of economic impacts to business that support sport fishing is enclosed.

Table 2. Estimated economic losses from guided and unguided sport fishing for Cook Inlet Chinook salmon

| Fishery | Direct Spending | Indirect Spending |
|---|-----------------|-------------------|
| Cook Inlet Kenai Peninsula Freshwater Fishery | \$ 6,076,217 | \$ 4,253,352 |
| Cook Inlet Saltwater Fishery | \$ 1,960,062 | \$1,372,043 |
| Northern Cook Inlet Freshwater Fishery | \$2,335,262 | \$1,634,683 |

Subsistence Fisheries

Chinook salmon serve an integral cultural, spiritual, nutritional, and economic role in the lives of Alaska Native people and others who live in rural communities. Throughout western and interior Alaska, harvesting and eating wild subsistence foods are essential to personal, social, and cultural identity; salmon comprise the majority of subsistence foods harvested and used. In addition, commercial fishing for Chinook and chum salmon provide a significant source of income for many people who live in remote villages, which often supports the ability to engage in subsistence harvests.

Under the State of Alaska's subsistence statute, the Alaska Board of Fisheries (BOF) must identify fish stocks that support subsistence fisheries; if there is a harvestable surplus of these stocks, BOF must determine the amount of harvestable surplus that is reasonably necessary for subsistence uses. The first priority for State management is to meet spawning escapement goals to sustain salmon resources for future generations. Under both State and federal law, subsistence is the highest priority use for salmon that are excess to the escapement needs

The BOF must adopt regulations that provide reasonable opportunities for these subsistence uses to take place. The BOF establishes “amount reasonably necessary for subsistence use” (ANS) findings to aid in evaluating whether reasonable opportunities for subsistence are made available. ANS findings provide perspective on the importance of salmon harvests to subsistence economies of rural Alaska given that these findings are based upon historical harvest patterns within each fisheries management area.

Table 3. ANS ranges by species, Yukon Area and Kuskokwim River drainage.

| | Chinook | Summer Chum | Fall Chum | Coho |
|--------------------------|---------------|----------------|----------------|---------------|
| Yukon Area | 45,500-66,704 | 83,500-142,192 | 89,500-167,900 | 20,500-51,980 |
| | Chinook | Chum | Sockeye | Coho |
| Kuskokwim River drainage | 64,500-83,000 | 39,500-75,500 | 27,500-39,500 | 24,500-35,000 |

In years of the declared fisheries disaster, low Chinook salmon returns required subsistence fishing restrictions and closures to achieve adequate escapements. Harvest estimates from subsistence surveys for the most recent years are not yet available, but restrictions resulted in much lower Chinook salmon harvests than traditional for many communities. Subsistence users had opportunity to harvest other more abundant salmon species such as chum, sockeye, and coho, which could be used to supplement any reduction in their Chinook salmon harvests. Many have reported some level of success in this regard. However, given the typical early harvest timing, and high harvest levels associated with subsistence Chinook salmon fishing, and the overall high reliance subsistence users have on Chinook salmon, supplementing their needs with other species still presented significant cultural and practical challenges.

Starting in 2008 on the Yukon River and 2010 on the Kuskokwim, fishery managers have had to take progressively restrictive actions in the subsistence fishery to reduce Chinook salmon harvest to ensure escapements were adequate to sustain future runs. Actions taken in 2012 were among the most restrictive ever implemented in these rivers and included gear restrictions, reduced subsistence fishing time, and complete closures for extended periods of time. Primary gear restrictions included requiring live boxes and live release of Chinook salmon from fish wheels, and gillnet mesh size restrictions of six inches or less to provide for Chinook salmon conservation while allowing for harvest of other species. The six inch mesh restriction prevents harvest of salmon by subsistence fishers who own gillnets with larger mesh; they must refrain from fishing until they obtain a gillnet of the mesh size in alignment with subsistence salmon fishing restrictions.

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Research Needs

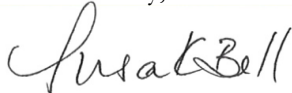
Most certainly, federal fishery disaster assistance will not make Alaskans who have been affected by low Chinook salmon returns and resulting fishing restrictions whole. We need to better understand what is causing low returns. This summer, Governor Sean Parnell and DF&G Commissioner Cora Campbell called for a team of fisheries scientists to develop a comprehensive research plan to better understand Chinook salmon abundance and productivity, and to increase understanding of the causes behind recent declines. DF&G hosted a Chinook Salmon Symposium in October to identify and discuss key knowledge gaps and assemble a list of potential research priorities to fill these gaps. The symposium included scientific presentations and panel discussions with experts from State, federal, and academic backgrounds on the current status of Chinook salmon stocks in Alaska and the kinds of information needed to understand and respond to the declines. A draft knowledge gap analysis prepared for the symposium is enclosed for your review. Input from the symposium will be used in drafting a long-term Chinook Salmon Research Plan that reflects the most current scientific knowledge and priorities of the people of Alaska.

The DF&G Chinook salmon research team recognized potential value of nearshore trawl research cruises in the Bering Sea and Gulf of Alaska, directed specifically at Chinook salmon. Data from marine surveys would help identify key biological and oceanographic factors affecting salmon growth and may also be used in connecting climate to fish productivity. Maximum benefits from are best realized from a long-term commitment to these efforts, but significant value could be realized from a \$4.8 million investment, \$1.6 million for three years.

I urge you to consider the responsibility federal agencies have in filling salmon science knowledge gaps, particularly in the marine environment. I expect the long-term research plan to help inform State of Alaska and federal budget discussions over the next several years, and to show the value of continuing support for NMFS Alaska Science Center's salmon program.

Please contact Stefanie Moreland at stefanie.moreland@alaska.gov, Glenn Haight at glenn.haight@alaska.gov or myself if you need additional information as you pursue federal fishery disaster funds for Alaskan fisheries.

Sincerely,



Susan K. Bell
Commissioner
Department of Commerce, Community, and Economic Development

Enclosures

cc:

Mr. Kip Knudson
Director of State and Federal Relations, Office of the Governor
The Honorable Cora Campbell, Commissioner, Department of Fish and Game
Ms. Stefanie Moreland, Special Assistant, Office of the Governor