



EASTSIDE CONSOLIDATION ASSOCIATION

Senate Bill 29: Cook Inlet: New Admin Area: Permit Buyback and Gear Reduction Act

2021

Presentation to the Alaska State Legislature

GOALS

- ❑ Reduce the number of setnet permits and nets on the Eastside of Cook Inlet
- ❑ An economically viable and sustainable setnet fishery
- ❑ Sustainable escapements into our rivers
- ❑ Reasonable harvest opportunity for **ALL** user groups
- ❑ Work Collaboratively in Upper Cook Inlet for the FISH
- ❑ Passage of SB 29: Cook Inlet: New Admin Area: Permit Buyback and Gear Reduction Act

EASTSIDE CONSOLIDATION ASSOCIATION

The Eastside Consolidation Association. Who are we?

The Eastside Consolidation Association (ECA) is a Qualified Salmon Fishery Association as identified in AS 16.40.250.

The ECA was formed as a non-profit and is licensed by the State of Alaska as required by AS 10.20, in addition is registered with the federal and the Internal Revenue Code as a Section 501(c)(5) non-profit.

ECA was formed to promote the consolidation of the Cook Inlet setnet fishery, primarily by fleet reduction through buyback of permits and locations. Further, our position is that such reduction occurs in the Upper Subdistrict of the Central District, commonly known as the “Eastside Setnet Fishery”.

Our Board of Directors is comprised of Cook Inlet limited entry permit holders as required.



WE ARE EASTSIDE SETNETTERS

We are fathers and mothers, we are grandparents, we are children, sons and daughters, we are families. We are a community filled with generations of setnetting families. We are an important part of our local history. Setnetting is not just a job to us.

Setnetting defines us, it is who we are.

EASTSIDE SETNET HISTORY



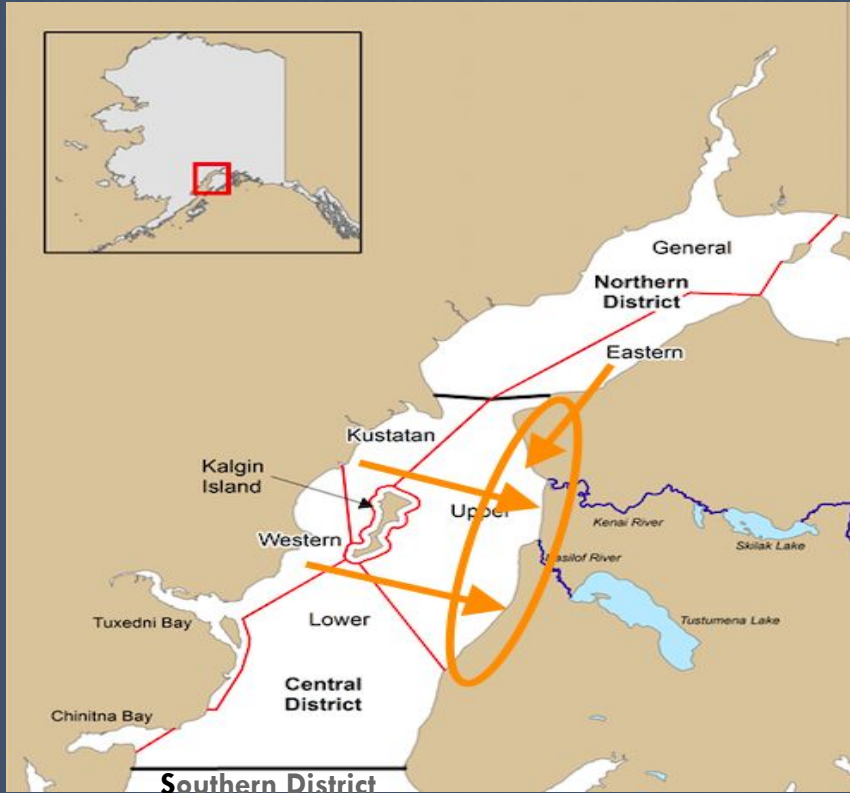
For over 150 years these salmon have been feeding people both locally and all over the world. This rich, renewable resource was first exported in the 1840's when ships from America and other nations began fishing in Alaskan waters and delivering salted salmon to ports around the world.

The first cannery in Cook Inlet was built at the mouth of the Kasilof River in 1882. Six years later the first salmon cannery was constructed on Kenai River. By 1892, thirty-seven canneries had been built in Alaska.

Gillnets had been used to some degree in the silty waters of Cook Inlet from the beginning. After fish traps were outlawed, independent fishermen caught the salmon with gillnets to be sold at the canneries.



UPPER COOK INLET SETNET AREA



- ❑ 735 set net permits
- ❑ 5 districts:
 - Northern District
 - Kalgin Island District
 - Western District
 - Southern District
 - **Central District Upper (Eastside)**
- ❑ The Eastside spans approximately 80 miles and is home to the two most popular rivers in the State of Alaska: The Kenai and Kasilof Rivers.
- ❑ The Cook Inlet fleet reduction opportunity will only be available to the Eastside



1973

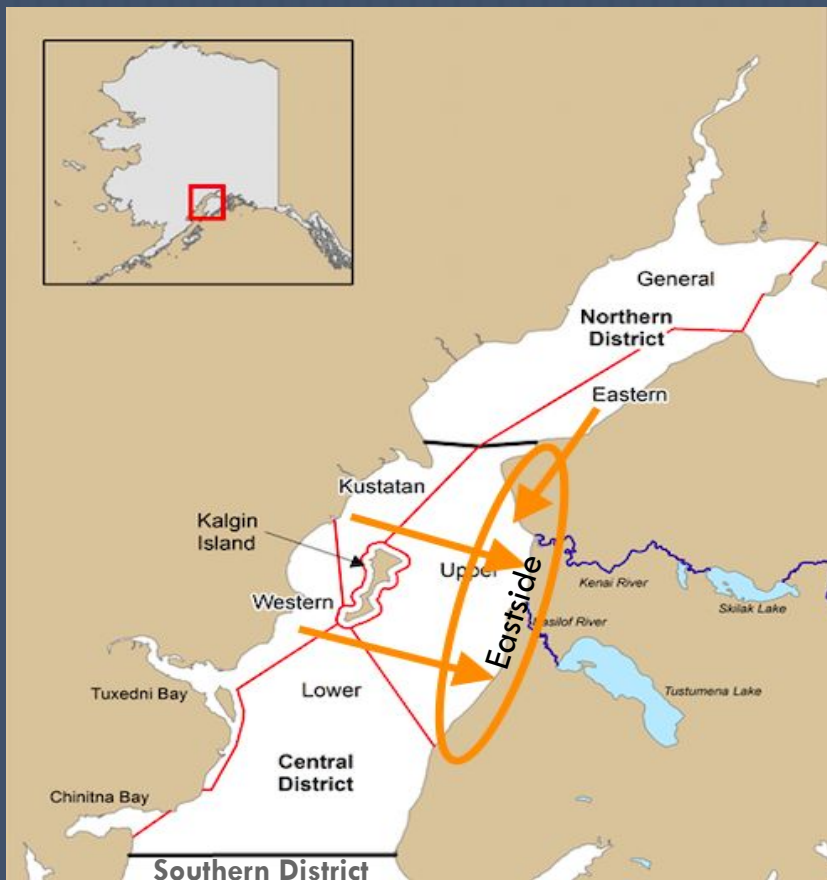
LIMITED ENTRY

In 1972, Alaskans voted to amend the constitution to create a fisheries limitation system (Article VIII, Sec. 15). The Alaska Legislature approved the Limited Entry Act in 1973 and created CFEC as an exempt and independent agency to carry out the mandate of the people and the legislature.

The mission of the Commercial Fisheries Entry Commission (CFEC) is to limit the number of participants in a particular fishery, to allow for sustainable and economic viability, and as a further product, conservation of the resource for the common property into the future.

As a result of Limited entry the number of Cook Inlet setnet permits has never grown from the original number of 746. In 2018 there were 735 Cook Inlet Setnet permits registered.

One Cook Inlet setnet permit allows you to fish three nets.



In the mid to late 1980's, after record breaking sockeye runs to the Kenai and Kasilof Rivers, there was a mass movement of Cook Inlet setnet permits to the Eastside from other Cook Inlet districts.

Setnetters at that time were looking for more lucrative fishing and processing capability. A Cook Inlet permit allows a permittee to move anywhere in Cook Inlet making the migration legal.

Although the total number of permits in Cook Inlet have not changed, the migration to the Eastside *doubled* the number of nets fishing around the Kenai and Kasilof Rivers.

1984

PERMIT MIGRATION TO THE EASTSIDE

MECHANISM FOR REDUCING PERMITS & CLOSING WATERS

SB 29

Cook Inlet: New Admin Area:
Permit Buyback and Gear Reduction Act

“An Act relating to the powers of the Alaska Commercial Fisheries Entry Commission; relating to administrative areas for regulation of certain commercial set net entry permits; establishing a buy-back program for certain set net entry permits; providing for the termination of state set net tract leases under the buy-back program; closing certain water to commercial fishing; and providing for an effective date.”

REDUCING PERMITS

- ❑ 735 Cook Inlet Permits
- ❑ 440 permits registered to the Eastside (2018 Season)
- ❑ Senate Bill 29 proposes to remove 200 Eastside permits (45%)
- ❑ 440 permits = 1,320 nets on the Eastside today
- ❑ 200 permits = 600 nets on the Eastside removed
- ❑ After fleet reduction: 240 permits = 720 Eastside nets may remain

CLOSING WATERS-REMOVING NETS

- Roughly 44% of fishing permits in Cook Inlet have leases assigned to them
- A lease is not mandatory to setnet in Cook Inlet
- The most crucial element of SB 29 is closing waters on the Eastside

If a setnetter voluntarily decides to participate in the gear reduction program that SB 29 creates, the immediate area associated with their permit will be retired. It is important to note that without the closure of the associated water, the result would be a re-migration into vacated net sites. It is important that there be no re-migration or backfill of permits and nets into that retired area. Without the “closed water” feature of SB29, it would result in a repeat of the 1980’s migration and the diluting of the financial prospects and stability for setnetters who remain.

VOLUNTARY REDUCTION APPROVED BY FLEET

A survey was sent to the Eastside Setnet fleet asking the following question:

1. Do you support the concept of voluntary fleet reduction program for the Cook Inlet set net fishery that would cost nothing to those who do not participate and remain fishing?

80 % YES

20 % NO

193 permit holders responded to the survey



ESTIMATED VALUE

When a setnet permit and the accompanying nets are retired, the result is a small business that will be retired forever.

The estimated value of \$260,000 was determined by taking the average earnings of a setnet permit each year over the prior ten years, an average of a little above \$20,000 per year per permit. Adding a number for tax implications, so that if volunteer participating fishermen are included in a state monitored lottery program, they would exit with a \$200,000 sale for a small business that in many cases, has been around for generations.

The remaining permits will gain value and will have a higher price point in their gross earnings per year.

For 45 years, Upper Cook Inlet Setnet permits have seen a decrease from 746 to 735 permits today. 84% of those permits are owned by Alaska residents.

As a set net permit is retired, three nets will be permanently removed from the waters on the Eastside of Cook Inlet.

As a result, a percentage of the available fish on a certain day, may be harvested by the sites around them and a higher percentage will move to the rivers. Reducing the nets by 600 will result in a Chinook and Sockeye harvest savings.

An ADF&G biologist indicated that with 45% of the commercial setnets removed, there would be an appreciable harvest reduction of Chinook Salmon. The Eastside set net fleet believes that we will still have the opportunity and capability of harvesting sockeye while reducing the harvest of Chinook salmon.

FUTURE GENERATIONS



The Cook Inlet Eastside Setnet fleet reduction will work to ensure a sustainable and financially stable setnet fishery that will be around for future generations.



We will continue to work with In-River user groups to ensure that the fish entering the rivers are harvested responsibly and sustainably.



Healthy limits on every user group will ensure there will be healthy sustainable fisheries for generations to come.

By forming partnerships between user groups through open dialog and collaboration, we can protect our resource while enjoying its many benefits well into the future.

COLLABORATION BY USERS

- ❑ Cook Inlet setnet permits have **decreased** in the past 45 years. An Eastside setnet fleet reduction will be a start to a solution.
- ❑ The Kenai River is home to the largest dipnet fishery in the State of Alaska. This fishery has **increased** in participation in the last 20 years. Eastside setnetters will continue to work with the Board of Fisheries to ensure healthy returns are achieved to maximize harvestable surplus.
- ❑ The Kenai River In-river Sport fishery has **increased** in the last 20 years. Eastside setnetters look forward to working with In-River user groups to ensure healthy, strong and sustainable runs.
- ❑ Eastside setnetters will step forward to work collaboratively to repair the contentious environment that surrounds Upper Cook Inlet Fisheries. We look forward to other users joining the conversation. The next generation and our State of Alaska deserve respectful dialog in the search for collaborative solutions.

QUESTIONS?



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