



EASTSIDE CONSOLIDATION ASSOCIATION

Senate Bill 82: Cook Inlet: New Admin Area: Permit Buyback

2023

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 82: 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 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



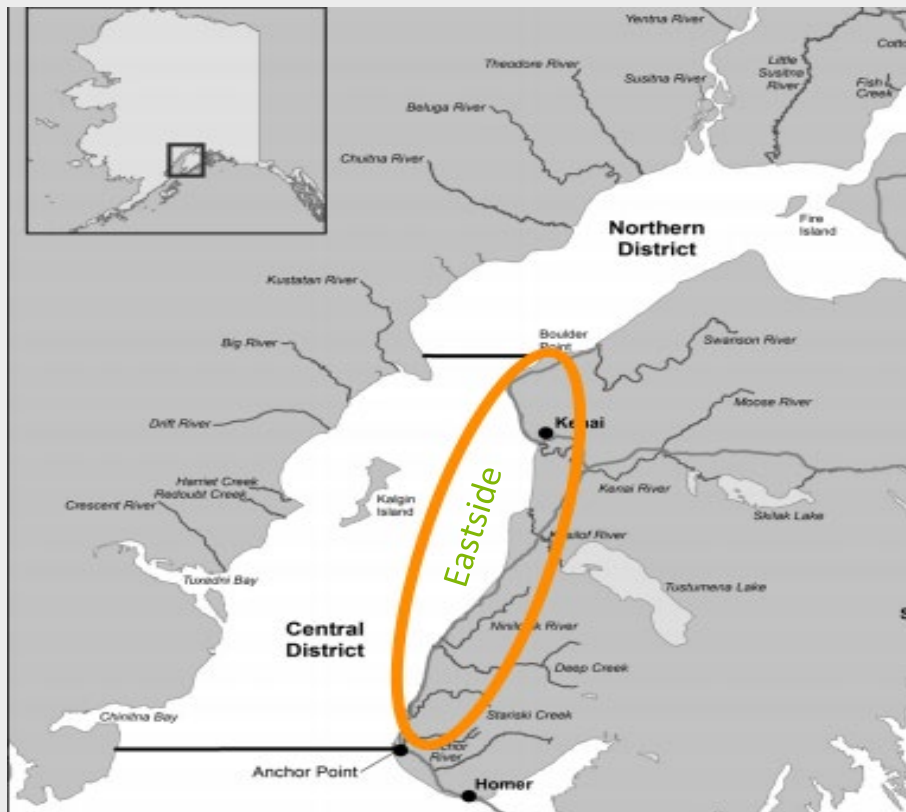
For over 150 years these salmon have been feeding people both locally and all over the world. This rich, renewable resource was first exported in the 1840's when ships from America and other nations began fishing in Alaskan waters and delivering salted salmon to ports around the world.

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. **Setnetters fished between traps in the early days.** After fish traps were outlawed, independent fishermen continued to catch salmon with gillnets to be sold at the canneries.

UPPER COOK INLET SETNET AREA



- ❑ 736 Set net permits in Upper Cook Inlet
- ❑ 5 districts:
 - *Northern District*
 - *Kalgin Island District*
 - *Western District*
 - *Southern District*
 - *Central District Upper (Eastside)*
- ❑ The Eastside spans approximately 60 miles and is home to the two most popular rivers in the State of Alaska: The Kenai and Kaslof Rivers.
- ❑ The Cook Inlet fleet reduction opportunity will only be available to the Eastside setnet fishery.



1973

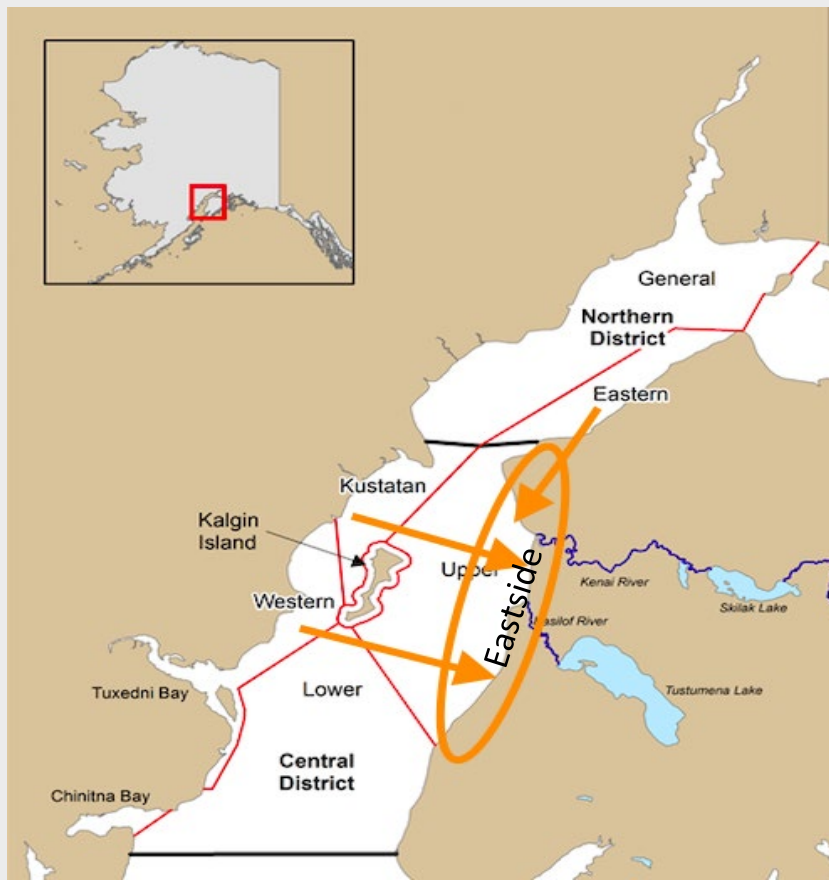
LIMITED ENTRY

In 1972, Alaskan's 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 2022 there were 736 Cook Inlet Setnet permits registered.

One Cook Inlet setnet permit allows you to fish three nets, when regulations provide.



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. However, in the upper subdistrict known as the Eastside Setnet site, the permittee is required to register their intent to fish a specific statistical area.

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 82

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

- ❑ 736 Cook Inlet Permits
- ❑ 440 permits registered to the Eastside (2022 Season)
- ❑ Senate Bill 82 currently proposes to remove 200 or more Eastside permits
- ❑ 440 permits = 1,320 nets on the Eastside today
- ❑ 200 permits = 600 nets on the Eastside removed
- ❑ After fleet reduction: some 240 permits or less = 720 Eastside nets or less could 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 82 is closing vacated tideland waters on the Eastside

If a setnetter voluntarily decides to participate in the gear reduction program that SB 82 creates, the immediate tideland area associated with their permit will be retired. It is important to note that without the closure of the associated immediate tideland area, the result could be a re-migration into vacated net locations. It is important that there be no re-migration or backfill of permits and nets into the retired net locations. Without the “closed water” feature of SB82, 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

In 2021, former Senator Micciche conducted a survey of the registered permit holders in the Eastside Setnet fleet. 56% (229) responded to 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?

An astounding 92.4% responded that they were in support



ESTIMATED VALUE

When a setnet permit and the accompanying tidal areas 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. Equivalent to an average of \$20,000 per year, per permit. Adding a number for tax implications, if volunteer participating fishermen are included in a buyback program, they would exit the fishery with a \$200,000 sale for a small business that in many cases has been in existence for generations.

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

For 46 years Upper Cook Inlet Setnet permits have seen a decrease from 746 to 736 permits today. 84% of those permits are owned by Alaska residents.

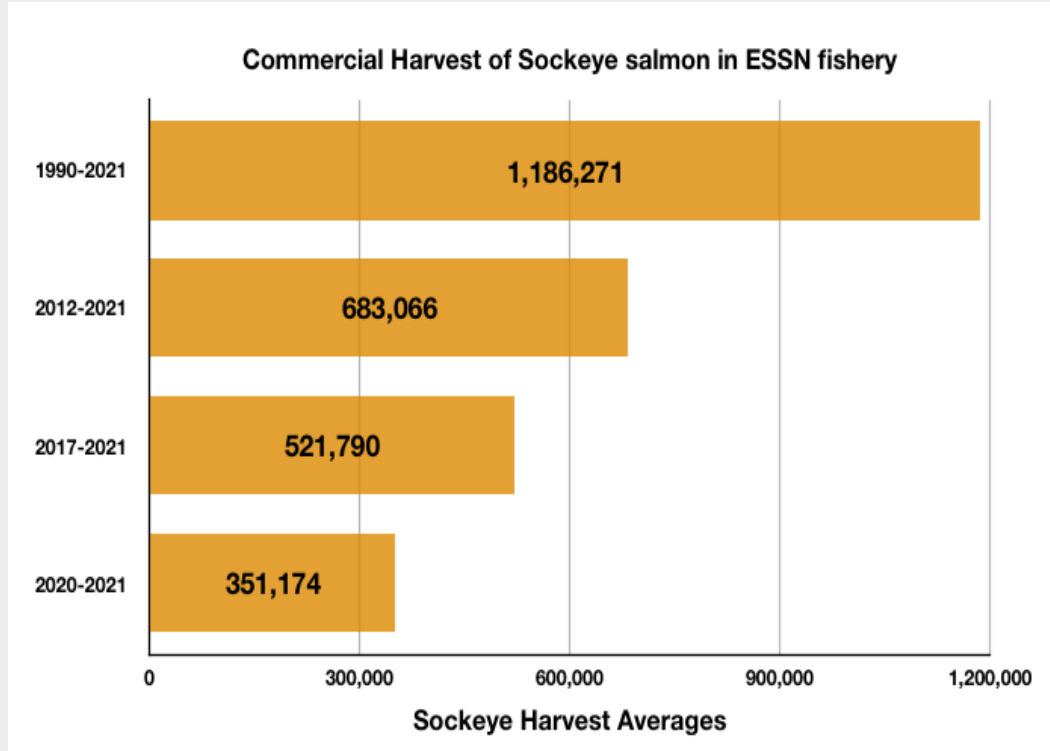
As a set net permit is retired, three nets will be permanently removed from the waters on the Eastside of Cook Inlet.

As a result, a higher percentage of the available fish on a certain day may be harvested by the remaining sites, yet will provide a higher percentage of fish moving to the rivers overall. Reducing the nets by 600 will result in a Chinook and Sockeye harvest savings.

SB 82 is the mechanism moving forward to provide the Eastside set net fleet the opportunity and the capability of harvesting sockeye while reducing the harvest of non targeted Chinook salmon in accordance with current regulations.

Fighting to remain viable - ESSN Sockeye Harvest

15



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 46 years. An Eastside setnet fleet reduction will be a start to the 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.**

LETTER TO ERIN

I have fished every Upper Cook Inlet salmon season of my life. Forty-five years, minus however long I was in diapers. I have never lived without fishing. I have never lived without fish.

Seasons have been bountiful. Nets sunk. Fighting against wind and tide and regulations to get our gear in on time. Long hours spent bent over picking sockeye after sockeye until my hands were sore, my back was sore, my being was sore — and I smiled. It was the best kind of sore. Seasons have been bleak. Waterhauls and a narrative running from, “it’s still early,” to “everything is running late this year,” to “well, there’s always next year.”

Good years or bad, it has all been satisfying. Fishing is not just something I do, it is who I am. It is my passion. And my identity. Political pressures grew along with the population. Our voice doesn’t carry. What does this one little fishery matter? But to those of us who grew up in it, those whose families have fished these beaches since the Territorial days of Alaska, it seems like everything.

Most of us work other jobs in the off-season. I strove to become a veterinarian, and it is a profession I am extremely proud of. I love my work, yet here is the difference. I became a veterinarian. I was born a fisherman. People ask what it is like, being a woman commercial fisherman. I tell them I don’t know. I am not trying to be cryptic; the truth is, I knew I was a fisherman before I knew I was a woman.

I am not naive. I see the handwriting on the wall. One of these days, my fishery will merely be a small anecdote in Alaskan history. My most terrifying day of fishing hasn’t happened yet. But I fear it is close. The day they close our fishery, the day I have to figure out who I am when I am not a fisherman... That will be my most terrifying day.

QUESTIONS?



Contact:
Ken Coleman, President
Eastside Consolidation Association
(907)398-4084

kenacoleman@gmail.com

References Cited

20

- Growth of ADF&G Cook Inlet Salmon Personal Use Fisheries:
<http://www.adfg.alaska.gov/index.cfm?adfg=PersonalUsebyAreaSouthcentralKenaiSalmon.harvest>
- Growth of ADF&G Cook Inlet Salmon Sport Fisheries:
<https://www.adfg.alaska.gov/sf/sportfishingsurvey/index.cfm?ADFG=region.results>
- State of Alaska- Commercial Fisheries Entry Commission:
https://www.cfec.state.ak.us/fishery_statistics/earnings.htm
- State of Alaska- Commercial Fisheries Entry Commission Salmon Set Gillnet Permits and DNR Shore Fishery Leases in Prince William Sound, Cook Inlet, Kodiak, Alaska Peninsula, and Bristol Bay 1975-2013:
<https://www.cfec.state.ak.us/RESEARCH/14-1N/14-04.pdf>