SB

69

<TARGET><BILL>SB 69</BILL><SUBJECT>SB
69</SUBJECT><COMM>SRES28</COMM></TARGET>

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/28/13

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 3/18/13

Resources Committee considered SENATE BILL NO. 69

SB 69-CHINOOK RESEARCH & RESTORATION ENDOWMENT

"An Act establishing the Alaska Chinook salmon research and restoration endowment fund and relating to grants from the fund."

and recommends:

[✓] be **replaced** with **CS** SB69 (RES) [✓] *Same Title* [ ] *New Title*

[ ] adopt **previous CS** _____ (_____) [ ] *Same Title* [ ] *New Title*

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
REV	✓			1
CED	✓			2
DFG			✓	3
ADM			✓	4

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
Fred Dyson	Dyson	✓			
Anna Fairclough	FAIRCLOUGH	✓			
Click Bishop	Bishop	✓			
	French			✓	
	MICCICHE				✓
CHAIR: Giessel	Giessel	✓			

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

DATE: March 4, 2013

TO: Sen. Cathy Giessel, Chair
Senate Resources Committee

FROM: Senator Donald Olson

RE: SB 69 CHINOOK SALMON RESEARCH & RESTORATION ENDOWMENT

I respectfully request that SB 69 "An Act establishing the Alaska Chinook research and restoration endowment fund and relating to grants from the fund" be heard in the Senate Resources Committee at your earliest convenience.

SB 69 creates an Alaska Chinook salmon research and restoration fund in the Dept. of Revenue. Grants from the fund would be issued to qualifying organizations. A 7-member board, including the Commissioner of Fish & Game and 6 public members from across the state, would administer the grants.

With this legislation, Alaska can increase its understanding of Chinook salmon and learn how to best target remediation efforts in order to restore this vital resource.

If you have any questions or need additional information, please contact me or my staff Freddie Olin at 465-3707.

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

Session
Alaska State Capitol, Rm. 508
Juneau, AK 99801
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Committee Member
Finance
Judiciary
Labor & Commerce
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Finance Subcommittee Chair
Dept of Health & Soc Svcs
Dept of Public Safety

SB 69 – CHINOOK RESEARCH & RESTORATION ENDOWMENT SPONSOR STATEMENT

SB 69 creates the Alaska Chinook salmon research and restoration endowment fund. Grants from the fund would be issued to qualifying organizations. A 7- member board, including the Commissioner of Fish & Game and 6 public members from across the state, would administer the grants.

Chinook salmon, the state fish of Alaska, is an important staple food for Native villages of Alaska. Moreover, they are an economically important species for a number of commercial fisheries and a prized sport fishery resource. Nowhere else are wild Chinook salmon stocks more valued and essential to the basic way of life than in Alaska.

Chinook salmon populations in Alaska have undergone significant shifts in abundance during the past 40 years, yet little is known about the factors influencing these shifts. Eight of the 14 currently listed "stocks of concern" are Chinook salmon stocks.

Recent declines of salmon abundance have caused severe hardship in some areas and anxiety for the fishery-dependent communities of Alaska. Limited commercial fishing on Chinook salmon has occurred in recent years and earnings have deteriorated sharply. Poor Chinook salmon returns can exacerbate allocation tension and conflict between fishery user groups competing for a fully allocated fishery resource.

Over the past twenty-five years, there has been considerable variability in Yukon Chinook salmon population dynamics. Available harvest data show a thirty-six year period of sustained abundance early on, with significant declines during the past fifteen years.

To understand the trends and causes of variation in abundance of Chinook salmon, information concerning biology, freshwater ecology, marine ecology, and population

dynamics are needed to understand the variables controlling population abundance and trends.

Knowledge gaps remain across the State of Alaska indicating that a multi-disciplinary research effort is needed to investigate the role of physical habitat, climate induced environmental variability, and biological response in Chinook salmon populations if we are to meet the needs of Alaskans that depend upon this resource.

This legislation would create a stable, long-term source of funding to support high quality interdisciplinary research. The Alaska Chinook Salmon Research and Restoration Endowment Fund stakeholder board would, along with the Alaska Department of Fish & Game, direct research monies to priority areas and topics based on an adopted Chinook Salmon Action Plan.

These funds may also be used to leverage additional funding by providing necessary matching funds.

With this legislation, Alaska can demonstrate we have the best-managed resources in the world. I urge your support.

28-LS0596\A.1
Bailey
3/15/13

AMENDMENT

OFFERED IN THE SENATE BY SENATOR MICCICHE

TO: SB 69

Page 5, line 26, following "Board":

Insert "and the National Fish Habitat Board"

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

Session
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Finance Subcommittee Chair
Dept of Health & Soc Svcs
Dept of Public Safety

SECTIONAL ANALYSIS

SB 69 – ALASKA CHINOOK SALMON RESEARCH AND RESTORATION ENDOWMENT FUND

Section 37.14.650 Establishes the Fund in the Dept. of Revenue. The Fund includes:

- appropriations to the Fund;
- donations to the Fund;
- income earned on investments of Fund assets.

Commissioner of Revenue manages the Fund sustainably, with a goal of 5% real rate of return.

Section 37.14.655 Establishes the account in the General Fund.

Section 37.14.660 After July 1 of each year, the Commissioner of Revenue identifies as available for appropriation to the grant account the greater of:

- 5% of the Fund averaged over the 3 preceding years;
- ½ the Fund's earnings averaged over the 3 preceding years; or,
- if the Fund is valued at over $50,000,000, the total earnings of the Fund for that year.

The legislature may then appropriate to the Grant Account amounts from any of the 3 preceding calculations or from any other source.

Section 35.14.665 Appropriations to the Grant Account may be used for:

- grants for research and restoration projects for Alaska Chinook salmon stocks;
- reimbursement to the Dept. of Revenue for the costs of establishing or managing the Fund;

- reimbursement to DCCED for the costs of establishing and administering the Board and the grant program;
- matching funds for private and federal grants; and
- solicitation of contributions for purposes consistent with establishment of the Fund.
- The Board may also expend private donations for uses consistent with purposes of the Fund.

Section 37.14.670 Establishes the Fund Board in DCCED.

Section 37.14.675 Governor appoints the Fund Board Members including:

- the Commissioner of Fish & Game;
- six public members, who are engaged in subsistence, personal, commercial, or sport use of Chinook salmon and reside in:
    - Southeast,
    - Southcentral,
    - Southwest,
    - Western,
    - Arctic, and
    - Interior.

Section 37.14.680 The Board shall:

- within 90 days after the appointment of the last Board member, adopt bylaws governing its operation, and
- identify an organization incorporated in Alaska to support the Board in performing its duties, and
- monitor projects for compliance, and
- keep electronic recordings of each meeting, and
- adopt regulations creating a process for soliciting, awarding, and monitoring grants, and
    - consider the North Pacific Research Board while adopting these regulations.
- On February 1 of each year, the Board shall prepare a report for the Governor and Legislature that includes:
    - the number of applicants and types of grants awarded, and
    - dollar amount of grants awarded, and
    - projects funded and results of those projects, and
    - expense to administer the Fund, the grants, and the Board; and
    - how any private contributions were expended.

Section 37.14.685 When reviewing grant applications, the Board shall consider:

- whether the Chinook salmon targeted in the grant are significant to Alaskans, and
- whether the applicant has appropriate experience; and

- the recommendations of state agencies or organizations involved in Chinook salmon management.

The Board shall give priority to grants that:

- target Chinook salmon stocks that were, within the previous ten years:
  - listed by Dept. of Fish & Game as stocks of concern, or
  - subject to a state or federal fisheries disaster declaration, or
  - declined significantly from historic yields.

Section 37.14.695 Lists definitions.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSSB 69(RES)
Fiscal Note Number: 1
(S) Publish Date: 3/19/13

Identifier: SB069-DOR-TRS-03-11-13
Title: CHINOOK RESEARCH & RESTORATION ENDOWMENT
Sponsor: OLSON
Requester: SEN RES

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2014**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
Personal Services							
Travel							
Services	13.0		13.0	13.0	13.0	13.0	13.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**13.0**	**0.0**	**13.0**	**13.0**	**13.0**	**13.0**	**13.0**
Fund Source (Operating Only)							
1178 temp code	13.0		13.0	13.0	13.0	13.0	13.0
Total	**13.0**	**0.0**	**13.0**	**13.0**	**13.0**	**13.0**	**13.0**
Positions							
Full-time							
Part-time							
Temporary							
Change in Revenues							

Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version.

Prepared By: Angela Rodell, Deputy Commissioner — Phone: (907)465-3669
Division: Treasury — Date: 03/10/2013 05:46 PM
Approved By: Alicia Egan, Legislative Liaison — Date: 03/11/13
Department of Revenue

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA **BILL NO.** CSSB 69(RES)
2013 LEGISLATIVE SESSION

Analysis

This bill provides for the Chinook Research and Restoration Endowment Fund to be established as a separate account and managed by the Commissioner of Revenue. This fiscal note assumes a fund balance of $50 million in order to estimate costs and therefore the total earnings of the fund for the previous fiscal year may be appropropriated to the grant account in the general fund (per Sec 37.14.660 (a) (3)). Services expenditures represent the incremental external management fees for managing this fund, to achieve the 5% real rate of return (per Sec 37.14.650 (b)). Note that this bill establishes that the grant fund, an account fund to be established in the general fund, will pay for the costs of establishing and managing the fund which will include the services expenditures above as well as its share of other Treasury costs as identified through the Treasury cost allocation plan.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSSB 69(RES)
Fiscal Note Number: 2
(S) Publish Date: 3/19/13

Identifier: SB069-DCCED-DCRA-03-01-13
Title: CHINOOK RESEARCH & RESTORATION ENDOWMENT
Sponsor: OLSON
Requester: Senate Resources

Department: Department of Commerce, Community and Economic Development
Appropriation: Community and Regional Affairs
Allocation: Community and Regional Affairs
OMB Component Number: 2879

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2014**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
Personal Services	18.7						
Travel	32.5		32.5	32.5	32.5	32.5	32.5
Services	3.5		1.5	1.5	1.5	1.5	1.5
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**54.7**	**0.0**	**34.0**	**34.0**	**34.0**	**34.0**	**34.0**
Fund Source (Operating Only)							
1005 GF/Prgm	54.7		34.0	34.0	34.0	34.0	34.0
Total	**54.7**	**0.0**	**34.0**	**34.0**	**34.0**	**34.0**	**34.0**
Positions							
Full-time							
Part-time							
Temporary							
Change in Revenues							

Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 03/01/14

Why this fiscal note differs from previous version:

Not applicable, initial version

Prepared By: Scott Ruby — Phone: (907)269-4569
Division: Community and Regional Affairs — Date: 03/01/2013 04:00 PM
Approved By: JoEllen Hanrahan, Director — Date: 03/09/13
Administrative Services Division

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSB 69(RES)

Analysis

This bill establishes an endowment fund with the purpose of funding research and restoration projects for Chinook salmon stocks located in the state. Earnings from the fund may be used for block grants to Alaska organizations for projects, as matching funds for private and federal grants, and to reimburse the Departments of Revenue and Commerce for costs associated with program administration.

The bill also establishes a seven member board consisting of the Commissioner of Fish and Game and six public members from various regions of the state.

The Department of Commerce, Community, and Economic Development is responsible for administration of the board and disbursal of funds through grants or reimbursements. The Department will be required to adopt regulations enacting a block grant program as outlined in the bill.

Personal Services includes the cost of hiring a short term non-perm position (Range 17) for 120 days to develop and finalize regulations. Ongoing personnel costs of supporting the board will be absorbed by the Division.

Travel includes costs for seven board members for two face to face meetings per year at $21.0 (average cost of $1,500 per trip); travel for staff board support of $3.0 ($1,500 per trip); and travel of $9.5 for grant administrators to monitor grants.

Services costs include $2.0 for one time cost of legal review of the regulations and for publication of the public notice of adoption of regulations. Annual services costs include board teleconferences at $1.5.
The bill allows all costs to be paid from proceeds of the endowment fund.

The Department will need to enact regulations to implement this program. The regulations will provide guidance for the Division to solicit, evaluate, and award grants. Based upon two projects completed in FY13 by the division to implement new programs, it is anticipated that if the regulation process is started in July 2013, they would not be enacted until March 1, 2014.

A capital appropriation is necessary to provide funding for the Department to make grants under this program. The capital appropriation amount is unknown at this time.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSSB 69(RES)
Fiscal Note Number: 3
(S) Publish Date: 3/19/13

Identifier: SB069-DFG-CO-03-08-13
Title: CHINOOK RESEARCH & RESTORATION ENDOWMENT
Sponsor: OLSON
Requester: Senate Resources Committee

Department: Department of Fish and Game
Appropriation: Administration and Support
Allocation: Commissioner's Office
OMB Component Number: 2175

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2014**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Fund Source (Operating Only)							
None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Positions							
Full-time							
Part-time							
Temporary							
Change in Revenues							

Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This is the initial fiscal note.

Prepared By:	Ben Mulligan, Legislative Liaison	Phone:	(907)465-6137
Division	Commissioner's Office	Date:	02/22/2013 10:20 AM
Approved By:	Kevin Brooks, Deputy Commissioner	Date:	03/08/13
	Department of Fish and Game		

FISCAL NOTE ANALYSIS #3

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSB 69(RES)

Analysis

Senate Bill 69 creates the Alaska Chinook Salmon Research and Restoration Endowment Fund and the Alaska Chinook Salmon Endowment Board. The endowment will provide the funding that the board will utilize to administer grants for Chinook salmon research and restoration projects.

The Department of Fish and Game anticipates no additional funding needed to carry out our duties as laid out in the bill.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSSB 69(RES)
Fiscal Note Number: 4
(S) Publish Date: 3/19/13

Identifier: SB069-DOA-DOF-3-09-13
Title: CHINOOK RESEARCH & RESTORATION ENDOWMENT
Sponsor: OLSON
Requester: Senate Resources

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Finance
OMB Component Number: 59

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2014**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Fund Source (Operating Only)							
None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Positions							
Full-time							
Part-time							
Temporary							
Change in Revenues							

Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version

Prepared By: Scot Arehart, Director — Phone: (907)465-3435
Division: Finance — Date: 03/01/2013 04:52 PM
Approved By: Curtis Thayer, Deputy Commissioner — Date: 03/09/13
Department of Administration

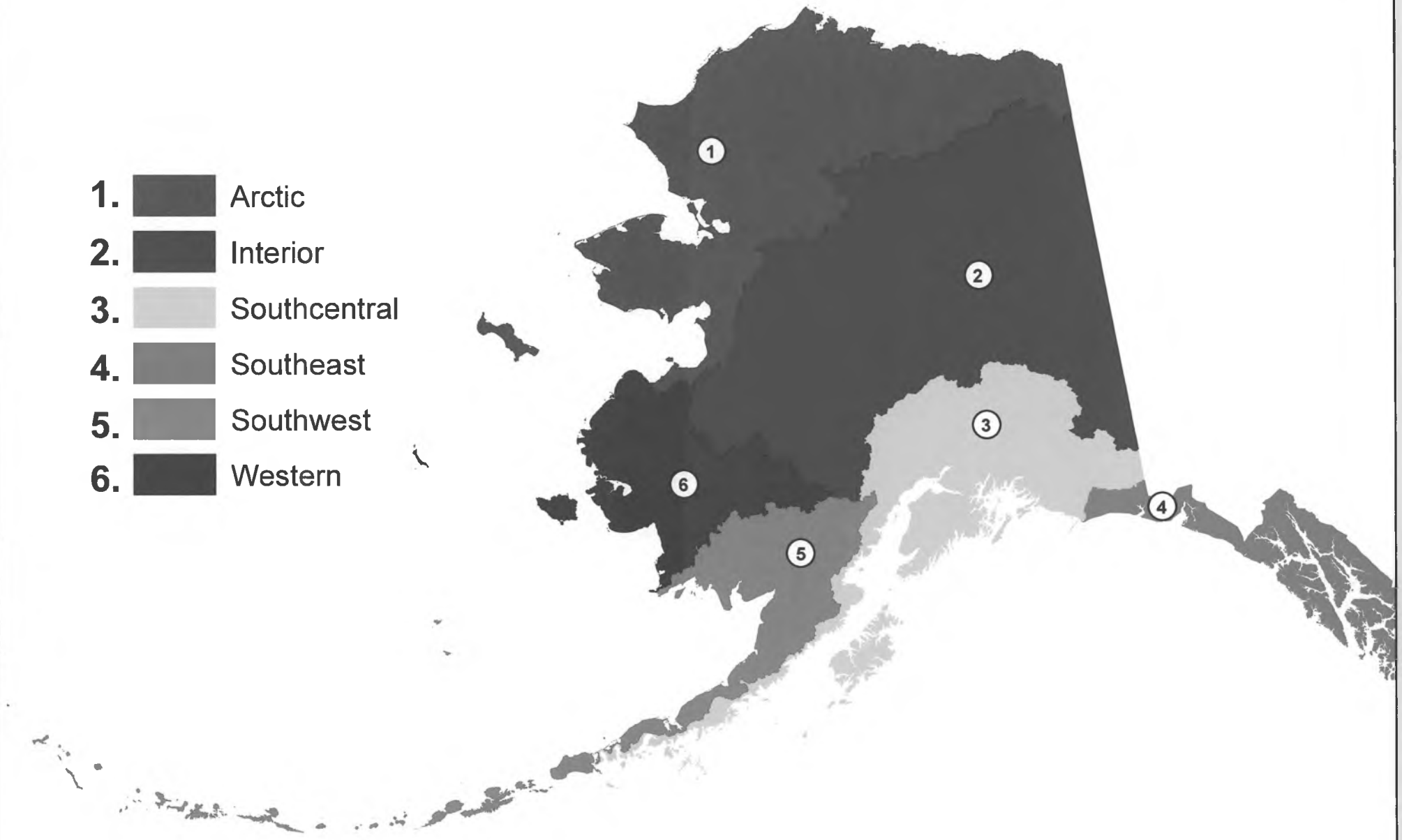
FISCAL NOTE ANALYSIS #4

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSB 69(RES)

Analysis

Establishing funds created by legislation such as this is performed in the normal course of business by the Division of Finance.



HB 49 Proposed Regions for the Public Members of the Alaska Chinook Salmon Research and Endowment Fund Board
Rep. Bob Herron

Bering Sea Fishermen's Association
1130 W. 6th Avenue, Suite 110
Anchorage, Alaska 99501
(907) 279-6519 or (888) 927-2732
FAX (907) 258-6688

NEED FOR A DEDICATED CHINOOK SALMON RESEARCH FUND

The decline of Chinook salmon runs throughout the state is troubling from an economic, social and ecological perspective and deserves careful attention from both the science community and policy makers.

Despite considerable declines in various regions of Alaska, there is no dedicated research program prepared to further address the Chinook salmon variations or work toward developing better tools for managers.

ADF&G continues their in-river stock assessment work and in-season management efforts. However, on its own, ADF&G is not capable of understanding the causes of the decline, or able to reliably forecast or produce a range of possible actions for responding to these declines.

To understand the trends and causes of variation in abundance of Chinook salmon, information concerning population biology, freshwater ecology, marine ecology, and population dynamics are needed to understand the variables controlling population abundance and trends.

Knowledge gaps remain across the State of Alaska indicating that a multi-disciplinary research effort is needed to investigate the role of physical habitat, climate induced environmental variability, and biological response in Chinook salmon populations if we are to meet the needs of Alaskans.

Until we better understand the drivers of the decline:

- We don't know if the ADF&G management approach is making things better or worse.
- We don't know if escapement goals are adequate.
- We don't know if declines are being driven by human impacts or by large scale environmental shifts in ocean productivity.
- We cannot forecast or respond to these major shifts in salmon abundance.

Stable, long-term funding is needed for an integrated science-based program of research focused on Chinook salmon.

- We need a dedicated program to understand and address the causes of the declines of Chinook salmon throughout both the freshwater and marine environments,
- This research program must draw on the best available peer-reviewed science, synthesizing information from diverse fields including: population biology, freshwater and marine ecology, oceanography, genetics, modeling and statistics.
- It must facilitate coordinated efforts among diverse partners in Native organizations, state agencies, federal agencies, universities and private sector.

This legislation would create a stable, long-term source of funding to support high quality

interdisciplinary research to gain an improved understanding of, for example, the dynamics of marine ecosystems - essential to providing fisheries managers with better forecasts and improved responses to changing environmental conditions.

Eight of the 12 currently listed "stocks of concern" are Chinook salmon stocks, as defined by the Alaska Board of Fisheries in 5AAC 39.222. A stock of yield concern is defined as "a concern arising from a chronic inability, despite the use of specific management measures, to maintain expected yields, or harvestable surpluses, above a stock's escapement needs; a yield concern is less severe than a management concern" (5 AAC 39.222(f)(42)).

Table 1. Current stocks of concern

Stock	Species	Concern Level	Year began
Norton Sound subdistrict 1 (Nome)	Chum	Yield	2000
Norton Sound subdistrict 2 (Golovin)	Chum	Yield	2000
Norton Sound subdistrict 3 (Moses Point)	Chum	Yield	2000
Norton Sound subdistrict 4 (Shaktoolik)	***Chinook***	***Yield***	***2004***
Norton Sound subdistrict 5 (Unalakleet)	***Chinook***	***Yield***	***2004***
Yukon River	***Chinook***	***Yield***	***2000***
Susitna River (Yentna)	Sockeye	Yield	2008
Chuitna River	***Chinook***	***Management***	***2011***
Theodore River	***Chinook***	***Management***	***2011***
Lewis River	***Chinook***	***Management***	***2011***
Willow and Goose Creeks	***Chinook***	***Yield***	***2011***
Alexander Creek	***Chinook***	***Management***	***2011***

In the Arctic- Yukon-Kuskokwim region and more recently Cook Inlet, poor runs of Chinook salmon, plus concurrent declines of chum salmon, have led state and federal agencies to declare fishery disasters in 1997, 1998, 2000, 2001, 2002, 2008, 2009, 2011 and 2012.

In total there have been 23 disaster declarations since 1997 (Table 2). This information alone requires that the State of Alaska elevate the need for sound science in order to establish a reversal of this trend of declines. Sixteen years have passed with few efforts on the part of the State of Alaska to address the problem which is now turned into a crisis.

Table 2. Fishery disasters across Alaska

Watershed	Year	Declaration Source	Declaration Type
Kuskokwim Region	1997	Federal	Commercial Fishery Failure
Kuskokwim River Watershed	1997	State of Alaska	Economic Fish Disaster
Yukon River Watershed	1997	State of Alaska	Economic Fish Disaster
Kuskokwim River Watershed	1998	State of Alaska	Economic Fish Disaster
Yukon River Watershed	1998	State of Alaska	Economic Fish Disaster
Yukon, Kuskokwim & Norton Sound	2000	Federal	Fisheries Disaster
Kuskokwim River Watershed	2000	State of Alaska	Economic Fish Disaster
Yukon River Watershed	2000	State of Alaska	Economic Fish Disaster
Norton Sound Watershed	2000	State of Alaska	Economic Fish Disaster
Kuskokwim River Watershed	2001	State of Alaska	Economic Fish Disaster

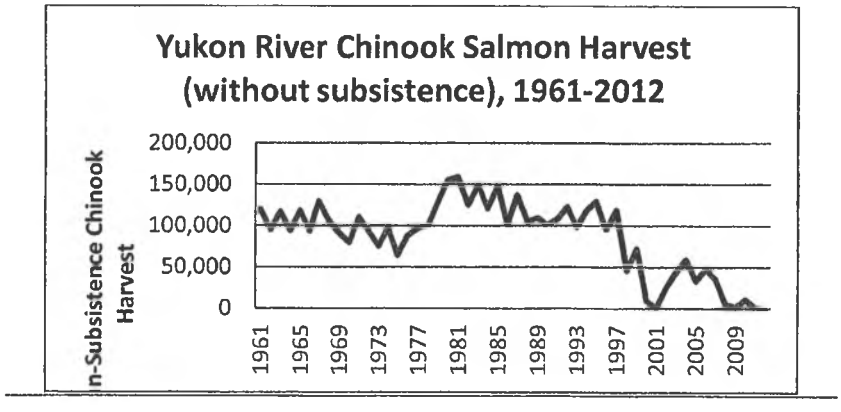
Yukon River Watershed	2001	State of Alaska	Economic Fish Disaster
Norton Sound Watershed	2001	State of Alaska	Economic Fish Disaster
Kuskokwim River Watershed	2002	State of Alaska	Economic Fish Disaster
Yukon River Watershed	2002	State of Alaska	Economic Fish Disaster
Norton Sound Watershed	2002	State of Alaska	Economic Fish Disaster
Yukon River Watershed	2008	Federal	Commercial Fishery Failure
Yukon River Watershed	2009	Federal	Commercial Fishery Failure
Yukon River Watershed	2010	Federal	Commercial Fishery Failure
Kuskokwim Region	2011	Federal	Commercial Fishery Failure
Yukon River Watershed	2011	Federal	Commercial Fishery Failure
Kuskokwim Region	2012	Federal	Commercial Fishery Failure
Yukon River Watershed	2012	Federal	Commercial Fishery Failure
Cook Inlet	2012	Federal	Commercial Fishery Failure

YUKON RIVER

Beginning in the late-1990's, the Yukon River Chinook salmon stocks entered a period of serious, steep decline, which appears to be worsening at this time. This sharp decline is evidenced by the following:

- Escapement goals to Canada, where approximately 50% of the total run spawns, were not met in 2007, 2008, or 2010.

- Commercial harvests of Chinook salmon has been largely or completely curtailed in four out of the last five years, and the same is expected for 2013. While overall commercial fishery earnings on the Yukon may be small when compared to other commercial salmon fisheries in the state, the income is quite significant to residents of the region where cash incomes are scarce. Chinook have historically represented approximately 65% of the commercial fishery revenue on the Yukon (1977-2011 average) however in the past 4 years, this has shrink to only 15% of the fishery value.



Despite having some of the highest subsistence dependence and lowest incomes in the state, state and federal managers have had to implement numerous subsistence harvest restrictions each year in an effort to reach minimum escapement targets. Due to these poor runs and fishery restrictions, **subsistence harvest of Chinook Salmon for the period 2008 to 2010 declined 22%** compared to the period 1982-1997 and for the years 2008, 2009 and 2010 the subsistence harvest of Chinook

salmon on the Yukon River has fallen below the amount necessary for subsistence (ANS) by the Alaska Board of Fisheries (ANS = 45,500-66-704 Chinook salmon, 5 AAC 01.236). The 2011 subsistence harvest estimates are not yet available, however it is highly likely that the harvest once again fell below the amount needed.

ADFG has documented a decrease in the proportion of large Chinook salmon returning and also decreasing trends in the proportion of returning 6- and 7-year old Chinook salmon.

Most significantly, the key measure of productivity shows that the Yukon Chinook salmon runs which spawned in the years 2002 – 2004, whose offspring have now returned to the river as adults—have a productivity around **one return per spawner**.

- This means that in the **absence of any fishing**, the population is just barely able replace itself, with each spawner producing, on average, one prodigy surviving to return to the spawning grounds. **With harvest, the population is below replacement.**

The Yukon River populations which sustained an average combined commercial and subsistence harvest of over 150,000 Chinook salmon from the 1960's to the 1990's, is now no longer able to consistently meet the Amounts Necessary for Subsistence nor have they met treaty obligations to Canada in 3 out of the last 5 years. Expected returns have not been realized since 2007 – even though restrictions have been implemented.

KUSKOKWIM RIVER

The Kuskokwim River hosts the largest subsistence fishery for Chinook salmon in the state (Fall, et. al., 2009). A similar pattern of steep decline has occurred for Kuskokwim River Chinook, as evidenced by the following:

- The 2010, 2011 & 2012 Chinook runs are the lowest recorded in 35 years.

- In 2010 and 2011, abundance was not sufficient to meet escapement goals in the region, despite some restrictions to the subsistence fishery.

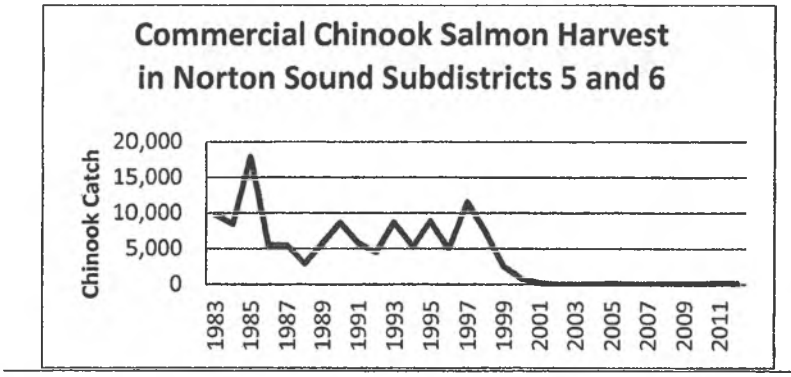
The recently completed ADFG Kuskokwim Chinook run reconstruction- funded by the AYK Sustainable Salmon Initiative – documents that the Kuskokwim stocks are in worse shape than the Yukon Chinook. This key measure of productivity shows that the Kuskokwim River Chinook salmon runs which spawned in the years 2004-2006, whose offspring are just now returning to the river as adults - have productivity well below one return per spawner.

- This means that in the **absence of any fishing**, the population is just barely able replace itself, with each spawner producing, on average, one prodigy surviving to return to the spawning grounds. **With harvest, the population is below replacement.**

Kuskokwim River Chinook salmon stocks are in a period of low productivity and abundance, insufficient to meet necessary escapement levels, and to provide subsistence users with the opportunity to harvest "amounts necessary for subsistence" as established by the Alaska Board of Fish. ANS =64,500-83,000 Chinook for the Kuskokwim River drainage (5 AAC 01.286 (b)(1)).

UNALAKLEET RIVER

The Unalakleet River produces the largest Chinook salmon run in Norton Sound, and continues to be in a period of sustained decline since 1999. There have been no directed commercial fisheries for Chinook salmon in eastern Norton Sound since 2000. Commercial harvests that averaged 7,118 Chinook salmon in the 1980's and 1990's averaged only 130 fish from 2000-2009. See Figure 3, below.

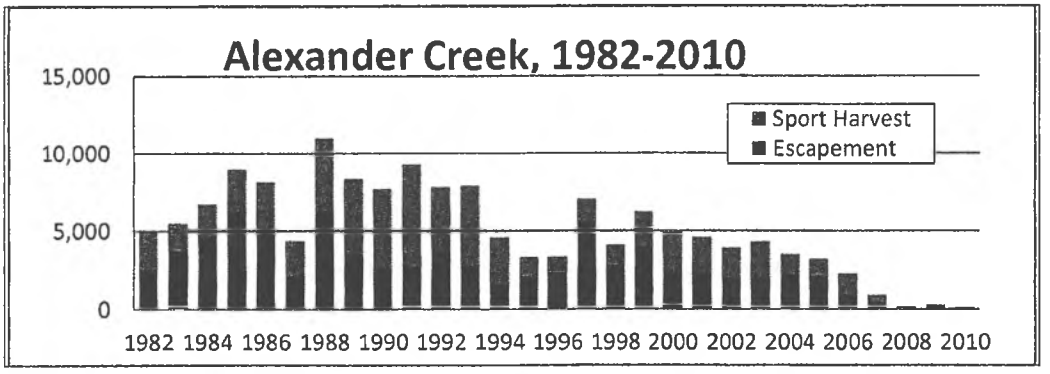


NUSHAGAK

The Nushagak River system is the fifth largest river in Alaska by volume of water discharged. The Nushagak River hosts the largest sport fishery for Chinook salmon in the United States, with the third-largest Chinook run in the country. In recent years the spawning escapement has reached the lower end of the escapement goal representing a lower than expected return. The commercial harvest of Chinook salmon has been 67% below the anticipated harvest, estimated based on an average exploitation rate of 35% in the Nushagak District commercial salmon fishery from 2003-2007. The commercial harvest in 2008 was one of the smallest harvests of Chinook salmon in the Nushagak District since 1966; only Chinook salmon harvests in 1999 (10,893), 2000 (12,055) and 2001 (11,568) have been smaller. The Nushagak River Chinook salmon run appears to have declined to a low point in 2010, where harvests were below average in all districts.

ALEXANDER CREEK, Upper Cook Inlet

Alexander Creek once hosted a thriving sport fishery for Chinook salmon on the lower westside of the Susitna River, but recent returns to this river have fallen to perilously low levels. It is believed that northern pike were illegally introduced to a lake in the Susitna River watershed and have spread throughout the drainage, including into Alexander Creek and are the likely cause for the Chinook salmon's decline. The sport fishery for Chinook salmon was closed by regulation in 2008. The decline and closure of the sport fishery on Alexander Creek has most likely resulted in increased fishing pressure on other area rivers that have Chinook salmon runs like Lake Creek, Deshka River and the Little Susitna River.



FISHERY VALUES AROUND THE STATE

Statewide, the commercial value of Chinook salmon is relatively small as a proportion of all salmon landings (6.17% of the 2002-2011 average exvessel value) but in some areas of the State, Chinook is very important to the commercial fisheries. Nowhere is this relative importance more apparent than on the Yukon River, where commercial fishing is one of the few sources of cash in one of the most economically depressed areas of the State. Chinook salmon represents 66% of the commercial fishery value (1977-2011 average) and as much as 86% in the 1990's…a time when troubled chum salmon runs frequently limited commercial fishing opportunity in the fall season. However, this number has dropped to only 15% as poor returns have severely limited or closed commercial Chinook salmon fishing.

In Prince William Sound, Chinook salmon are quite important to the drift gillnet fleet fishing on the Copper River flats. As a proportion of their total income, kings represent 13.75% of the drift gillnet fleet's overall exvessel earnings (1999-2008 average), and are an especially important part of their early-season income. Copper River Chinook salmon, along with the early sockeye salmon, command a world reputation as one of the first fish to arrive in the spring. Media reports anxiously await the arrival of these fish each May as the first fishery opener approaches and fishermen can sometimes fetch 8 to 9 dollars a pound for these early fish.

Chinook salmon are an incredibly important fishery resource to the commercial troll fleet in southeast Alaska. Since 1996, the troller's annual harvest has averaged 230,718 Chinook salmon. In 2011, Chinook salmon comprised 46% of the $28.3 million exvessel value of all salmon species caught by trollers. The winter troll fishery is also an important source of fishery income for during the slower times of year and these fresh fish often fetch upwards of $30/pound or more in Seattle.

SPORT FISHERY

The sport fishery of Chinook salmon to Alaska is immense. While estimates for the dollar value of Chinook salmon to sport fishing is not available, total sport fishing and related expenditures in Alaska are estimated at $1.4 billion, annually (Southwick Associates, 2008). Beside the dollar value, of course, is the recreational value to Alaskans and the immeasurable value of the allure of catching a world-record sized fish.

End of Document

NATIONAL FISH HABITAT PARTNERSHIP

Approved by the National Fish Habitat Board
October 19-20, 2011

NFHAP Funding Allocation

1. During each fiscal year, up to $400,000 in NFHAP funds will be allocated to the Board in support of the national fish habitat assessment, a data delivery system, communications, outreach, and other efforts essential to NFHAP and FHPs. To minimize its use of NFHAP funds the Board will focus on meeting as many needs as possible through other funding and in-kind sources. However, if an essential NFHAP need cannot be funded or addressed by any other means, the amount of NFHAP funding allocated to the Board's annual budget may exceed the $400,000 cap.

2. NFHAP funds that are available to support the operations and projects of the FHPs will be allocated through 3-tier framework. FHPs are authorized to use the allocated funds for operations (coordination, outreach, travel, etc.) and for priority fish habitat conservation projects (habitat restoration, assessment, planning, etc.) to maximize results, with no restrictions on how the funds are split between operations and projects.

   a. Tier 1 consists of funds that will be allocated to each FHP at a level of $75,000/year as stable base funding.

   b. Tier 2 consists of funds that will be allocated annually to support 3-year strategic implementation plans submitted by each FHP. These plans will contain the following information:

      i. The NFHAP and/or FHP priorities, goals, and objectives that plan addresses.

      ii. The approach that will be used to accomplish the identified NFHAP and/or FHP priorities, goals, and objectives.

      iii. The geographic area(s) covered by the plan.

      iv. The types of operational functions and/or projects to be funded under the plan and how each identified item relates to implementing the plan.

      v. The process that will be used to identify high quality projects, including a proposed timeline for solicitation, project sub-award, and initiation of on-the-ground implementation.

      vi. The anticipated outputs and outcomes the plan is expected to produce (acres restored or stream miles to be made accessible to diadromous fish, ecological and socioeconomic outcomes, or other measures).

      vii. The education and/or outreach method(s) that will be used to disseminate information on the plan's outputs and outcomes.

      viii. The FHP's resources and capabilities to administer the NFHAP funds allocated to the plan.

ix. The amount of NFHAP funds requested in support of the plan and the anticipated amount of matching funds.

The minimum amount of Tier 2 funding an FHP would receive is 1% of the available funding and the maximum is 20% of the available funding. The level of NFHAP funding an FHP receives in support of its 3-year strategic implementation plan will be based on a quantitative scoring process conducted by a Board appointed panel that will evaluate the following factors on a scale of 1 [lowest] to 10 [highest]:

i. The potential of the plan to implement priority conservation actions that would result in long-term improvements in ecologically and regionally significant aquatic systems.

ii. The potential of the plan to provide sustainable, long-lasting benefits including realistic goals for monitoring and maintenance to ensure longevity of conservation actions.

iii. The extent to which the plan involves multiple partner groups and operates across jurisdictional boundaries.

iv. The degree to which the individual project selection process used by the FHP is competitive.

v. The capabilities of the measures being used to demonstrate the effectiveness of conservation actions implemented under the plan.

vi. The level of administrative resources and capabilities available to the FHP to support and successfully manage grant-type funding, and the FHP's track record on project accountability and tracking.

vii. The capacity of the plan's education and outreach methods to advance public awareness of the FHP and NFHAP and transfer knowledge on lessons learned.

viii. The extent the plan leverages the investment of NFHAP funds through matching contributions and/or use of partnerships, including the amount of cash or in-kind match available to support implementation of conservation actions.

c. Tier 3 consists of funds that will be allocated to FHPs for a 3-year period based on past performance, as evaluated by application of the *Fish Habitat Partnership Performance Evaluation Measures* approved by the Board. FHPs that receive less than 50% of the performance evaluation measure points will be eligible for 1% of the available funds; FHPs that receive between 50% to 75% of the available performance evaluation measure points will be eligible for up to 10% of the available funds; and, FHPs that receive more than 75% of the performance evaluation measure points will be eligible for up to 20% of the available funds.

For the initial round of allocation, 90% of the available funds will be apportioned to Tier 2 funding and 10% to Tier 3 funding. As FHPs performance records mature, this funding allocation will shift to apportioning 75% of the available funds to Tier 2 funding and 25% to Tier 3 funding in the second round, and then to a 50/50 split between Tier 2 and Tier 3 funding in the third and subsequent rounds.

Katie Williams
Bering Sea Fishermen's Assoc.
AYK SSI
Testimony supporting Senate Bill No. 69

Alaska has declared and/or accepted 23 salmon-related disaster declarations since 1997.

Some of Alaska's salmon fisheries are models of success, with management structures that have maintained biomass, stock diversity, and biological yield.

At the same time there are fisheries facing severe challenges. Alaska has lost the ability to provide an abundance of resources to meet the needs of Alaskans.

A two-prong approach is required. There is a distinct difference between monitoring & management (what ADFG typically does) and research & restoration of Alaska's salmon stocks. Both are necessary and important components of how we understand and therefore manage salmon stocks.

In order to identify the causes of the declines and recoveries of salmon returns to Western Alaska, native regional organizations, joined with state and federal agencies to form an innovative partnership to cooperatively address salmon research and restoration needs. This partnership includes the Association of Village Council Presidents, the Tanana Chiefs Conference, Kawerak, Inc., Bering Sea Fishermen's Association, the ADFG, NOAA, US Fish and Wildlife Service, plus additional native, governmental and non- governmental ex-officio partner institutions. In 2001, the partners established the Arctic-Yukon-Kuskokwim Sustainable Salmon Initiative (or AYK SSI) through a Memorandum of Understanding and created a process and structure to ensure the coordinated expenditure of research funds. Governed by an eight-member Steering Committee and advised by a six-member Scientific Technical Committee, the AYK SSI is the largest salmon research coalition in the state and one of the largest most diverse groups on the entire Pacific coast working to rebuild Alaska's salmon runs.

Federal disaster money and appropriations were the sole contributors to the research & restoration efforts in the AYK until 2010 when state legislators began fully appreciating the potential benefits of these efforts. Through the AYK SSI the State of Alaska has appropriated a total of $5.5M in to the research & restoration of AYK salmon stocks.

What we have learned is that although we've been researching salmon stocks in the AYK since 2002 we are just now beginning to understand the myriad of variables such as the role of ocean temperatures and currents on Chinook salmon. What we've found is these variables may be

inhibiting restoration. An endowment will permit the continued building of knowledge about these variables and this information then can be used to improve management decision making.

We've learned that with understanding....return predictions will improve.
With improved predictions comes better management.
With improved management, extreme levels of variation seen recently in the salmon populations should be reduced.

Long-term forecasts of the implications of climate change and fisheries management in Alaska are highly speculative, given present levels of understanding.

Uncertainty increases as conditions (such as temperature or percent of sea ice cover) move outside the range of historical observations. Under science-based management, increasing uncertainty typically translates into more precaution.

Predictions of future changes of ecosystems for the Gulf of Alaska, Aleutian Islands, and eastern Bering Sea are uncertain, partly owing to gaps in our understanding of mechanisms affecting the dynamics of resources and partly due to uncertainties in climate forecast models at the level of detail necessary for the Alaska region. A combination of improved monitoring, process-oriented studies, modeling, and policy development are necessary to improve our ability to forecast and address likely future marine ecosystem changes in Alaska.

Establishing this endowment can produce answers to effectively address the causes of the declines of Chinook salmon and provide direction for how the State of Alaska can manage in the face of such uncertainty and chaos.

With consistent funds the program becomes independent of the ebb and flow of Chinook salmon abundance in any one particular year, and hence the ebb and flow of political pressures to react. Consistent funds mean a long-term effective program focused on the research and restoration needs of Chinook salmon. In addition, projects can be as short or as long in length as necessary. Consistent funds allow undertaking projects with a time length that are biologically relevant.

With consistent funding project length can match the Chinook salmon life cycle, allowing the ability for the program to undertake research projects that require consistent funding over one or more life cycles of the Chinook salmon (7 or more years). For example, some research questions can only be answered by following a brood year (cohort) from egg to returning adult. Most programs limit project lengths to time periods much less than the Chinook salmon life cycle, such as 2-3 years,

primarily because of uncertain funding in the future. Thus, this fund will allow scoping project lengths to best match their research and restoration purposes.

Research at every life stage helps policymakers determine what course of action to take in order to maintain or rebuild salmon populations.

To achieve this we require multidisciplinary research across the full salmon life cycle, especially in the marine environment where Chinook salmon spend three-fourths of their life and complete 90% of their growth.

For the record we've already been warned that the 2013 season for Chinook salmon on the Yukon River may be even worse than 2012, which likely was the worst return ever so far.

The Alaska Chinook Salmon Research and Restoration Endowment is the approach necessary to provide for the STABILITY needed to restore and protect the future of our stocks. This endowment is not duplicative of the recent Chinook salmon stock assessment proposal, it is to provide the research & restoration mechanism required for today's crisis.

Senator Donny Olson
District T
Alaska State Capitol, Room 508
Juneau AK 99801

March 13, 2013

Dear Senator Olson:

We submit this letter of support for the Alaska Chinook Research & Restoration Endowment Fund (SB69). This fund will provide critical reinforcement to one of our most important fisheries, and strengthen the communities throughout Alaska that are sustained by the Chinook salmon. We advocate for scientific based research that will improve our Chinook stocks across the state. The recent declines in Chinook salmon runs have created hardship on many communities and fear that nothing will be done to change this trend. We applaud the effort taken in this legislation and the state-wide approach to solving our declining Chinook salmon runs.

The signers of this letter are committed to securing healthy fish stocks and protecting the water and surrounding habitat the fish need to thrive. We continue to advocate for a clean environment that will protect all our sustainable resources. We believe the Alaska Legislature is right to create this new legislation and provide necessary funds to protect the Chinook salmon, one of our most treasured renewable resources. This endowment will promote food security, strengthen subsistence, and bolster our commercial and sport fisheries. We urge the Alaska Legislature to pass Senate Bill 69 and Governor Parnell to sign it in to law.

Thank you,

ALASKA CENTER FOR THE ENVIRONMENT
ALASKA COMMUNITY ACTION ON TOXICS
NORTHERN ALASKA ENVIRONMENTAL CENTER
PACIFIC ENVIRONMENT
SIERRA CLUB
SOUTHEAST ALASKA CONSERVATION COUNCIL

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BRISTOL BAY NATIVE ASSOCIATION
P.O. BOX 310
DILLINGHAM, ALASKA 99576
PHONE (907) 842-5257

February 20, 2013

RE: Letter of Support for **House Bill 49** that creates the ALASKA CHINOOK SALMON RESEARCH AND RESTORATION ENDOWMENT FUND

To Whom It May Concern:

On behalf of the Bristol Bay Native Association (BBNA), it is with great pleasure I provide a letter of support for the ALASKA CHINOOK SALMON RESEARCH AND RESTORATION ENDOWMENT FUND. BBNA is a Tribal consortium of 31 Bristol Bay Tribes. BBNA has much in common with its neighbors to the north and partners and supports its counterparts in the Arctic, Yukon, and Kuskokwim regions.

Chinook salmon is an important staple food for the Alaska Native people and others in the Western Alaska. They are also an economically important species for a number of commercial fisheries and a prized sport fishing resource. Chinook salmon stocks are highly valued and essential to the basic way of life in Western Alaska.

Chinook salmon populations have suffered significant fluctuations in abundance during the past 40 years, yet little is known about the factors influencing their populations. Eight of the 14 currently listed "stocks of concern" are Chinook salmon stocks and there are no forecasts suggesting this trend is reversing anytime soon.

A decline in Chinook salmon causes severe hardship and anxiety for the salmon-dependent people in Western Alaska. Limited commercial fishing on Chinook salmon has occurred in recent years and earnings have declined significantly. Poor Chinook salmon returns produce tension and conflict between fishery user groups competing for the same fishery resource.

The bill creates a stable, long-term source of funding for high quality interdisciplinary research such as the Arctic-Yukon-Kuskokwim Sustainable Salmon Initiative (AYK SSI). AYK SSI Research results and information is being utilized in a wide variety of ways to support sustainable salmon management. It analyses escapement goals and helps to gain better an understanding of marine ecosystems. It helps to provide fisheries

managers with better forecasts and improved responses to changing environmental conditions.

BBNA fully endorses the Alaska Chinook Salmon Research and Restoration Endowment Fund. I respectfully request your support of the bill when it comes before your legislative body.

Sincerely,

Ralph Anderson
President & Chief Executive Officer
Bristol Bay Native Association

YUKON RIVER DRAINAGE FISHERIES ASSOCIATION

March 13, 2013

Re: Support for Senate Bill 69 that creates the Alaska Chinook Salmon Research and Restoration Endowment Fund

To Whom It May Concern:

The Yukon River Drainage Fisheries Association (YRDFA) appreciates the opportunity to support Senate Bill 69 establishing the Alaska Chinook research and restoration endowment fund. YRDFA is an association of commercial and subsistence fishermen and women on the Yukon River in Alaska with a mission of promoting healthy, wild fisheries and cultures on the Yukon River. The region we represent is home to some of the world's most magnificent salmon resources, and the world's furthest migrating salmon runs on the Yukon River. These salmon provide a primary source of food and are essential to the continued viability of the subsistence way of life in Western Alaska. For many residents the commercial salmon harvest also provides the only means of income for those who live in the remote villages of the Yukon River. Salmon represents an essential part of the culture, diet and economy in our region.

Subsistence harvest opportunities have been severely reduced in recent years, and in 2008, 2009, 2010 and 2011 (2012 data not yet available) harvests were below the BOF-determined Amounts Reasonably Necessary for Subsistence (ANS). To protect king salmon, directed commercial fishing for king salmon was eliminated, commercial chum salmon fishing was restricted, and sale of king salmon caught in the chum salmon fishery was at times prohibited. Even when escapement goals have been met, subsequent returns from these escapements have been poor. While the direct cause is unknown, poor runs have low recruits-per-spawner.

Declines in Chinook salmon runs have had dramatic effects on Yukon River communities. Subsistence fisheries have been greatly reduced, disrupting the culturally important practices of going to fish camp in the summer. The commercial Chinook salmon fishery—one of the more profitable fisheries in many of these communities—has been virtually eliminated.

While we know that all of these reductions in harvest have been necessary to meet escapements and protect the Yukon River Chinook salmon stock, very little information is available to indicate the reason for these huge declines in run sizes. Theories on causation abound, but much additional research is needed to determine the cause and either reverse the decline or plan for future run sizes.

To investigate the causes of these declines it is critical that there is a dedicated and consistent source of funding for Chinook salmon research. This type of research needs to be well-coordinated and funded over an extended time-period. To study and understand the impacts and effects of population biology and

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FAX: 907-272-3142 • EMAIL:info@yukonsalmon.org
WWW.YUKONSALMON.ORG

dynamics, freshwater and marine ecology, physical habitat and the many other factors impacting Chinook salmon populations it is essential that long-term funding is dedicated to these purposes.

We are well aware that there have been recent efforts to work toward understanding the trends in variability and we are grateful for the federal funds that were made available to achieve that goal. However, there are extensive gaps in Alaska, and while these recent efforts contributed very valuable information, much more research is needed to understand and reverse these trends. In addition, recent efforts have been focused on only a portion of the state, and a statewide approach to this issue is important. A statewide effort, such as SB 69, would be an important step towards providing Alaska's residents with a better understanding of our Chinook salmon stocks and the security of knowing that the State of Alaska is thoroughly engaged in investigating the current declines. It is critical that we take this kind of proactive approach to addressing our stock declines now.

There is no fish more iconic to Alaskans than the Chinook salmon. On the Yukon River this fish is not merely an icon, but a critical component of physical and cultural survival. It is vital and essential that the State of Alaska invest in understanding and recovering our Chinook salmon runs by establishing a dedicated research and restoration endowment fund via Senate Bill 69.

Thank you for your consideration of our comments. If you have any questions or would like additional information please feel free to contact me.

Sincerely,

Jill Klein
Executive Director

NATIONAL FISH HABITAT PARTNERSHIP

Approved by the National Fish Habitat Board
October 19-20, 2011

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