



# SPAWNING NEWS

SOUTHERN SOUTHEAST REGIONAL  
AQUACULTURE ASSOCIATION

Vol. 36 No. 2

April 2014

PRSR-STD  
U.S. Postage  
PAID  
Ketchikan, AK  
Permit No. 19

14 Borch Street  
Ketchikan, AK 99901

www.ssraa.org

## SSRAA changing cost recovery methods after nearly 20 years

By **JOHN BURKE**

SSRAA General Manager

This summer, SSRAA will conduct cost recovery in Neets Bay much as DIPAC and NSRAA have done cost recovery for the past several years—with the exception of NSRAA's Hidden Falls program.

This is a dramatic change for SSRAA.

Last summer, SSRAA harvested and tendered cost recovery ourselves, processing and retaining about half of that harvest for later sale. This summer, we will license Trident Seafoods to harvest about 5.5 million pounds of summer chum in Neets Bay SHA. SSRAA will not harvest, tender, custom-process or retain any of these fish for later sale.

### HOW WE GOT HERE

In the mid 1990s, SSRAA was able to produce significant numbers of summer and fall chum, coho and chinook for common-property harvest. At the same time, we had two serious problems: we needed revenue to meet significant operating costs and debt, but the primary cost-recovery opportunity was based on pale-meated terminal chum salmon for which there was little or no market value. Facing significant operating costs and debt coupled with insufficient revenue, the board of directors realized it was possible SSRAA was not a sustainable corporation. It's a story some of you know. Some people reading

this lived it. Here is a shortened version of how we got through the those next 20 years.

In the early to mid-1990s, the existing salmon processor community wasn't willing to participate in SSRAA's Neets Bay cost recovery in a way that would cover SSRAA's immediate needs for revenue. Few processors showed any interest and those that did were not willing to pay enough for the fish to generate the revenue we needed. In order for SSRAA to survive, the board took cost recovery into their own hands. At the time, there was no apparent alternative. The board chose to custom-process the fish and roe and sell much of the finished product themselves.

### ABUNDANT CHUM

It was fortunate that the largest returns we have ever seen at Neets Bay—the best survival of summer chum we ever experienced—occurred at the same time as we harvested and custom-processed the fish. There was an unanticipated upside to these huge returns. Ward

### Change in chum market and IRS ruling result in a format like NSRAA's



A past harvest at Neets Bay.

Cove (and Norquest to some extent), the only processor at the time willing to work with the large poundage of pale-meated chum caught in the Neets Bay SHA, was able to diversify their effort to find value in this product that was inexpensive to buy from fishermen.

### FLAKE DEVELOPMENT

While there was no immediate significant impact on the value of terminal pale-meated chum, they found something that worked: pale-meated chum salmon could be used for fish flake, which had a market in Japan. The ability to utilize carcasses made recovery of roe products more reasonable, as roe products have always had value.

SSRAA had two long-term partners in this operation: Signature Seafoods, the custom processor, and Franco Fish/Nosui, which processed and purchased the roe products. The original contractual relationship was complex and was modified  
*See 'Cost recovery' on 2*

## POWHA getting back on track with successful coho returns

SSRAA has been involved for years with Prince of Wales Hatchery Association (POWHA), operators of the Klawock and Port St. Nicholas hatcheries. We've provided technical advice when they asked for it and each year we supplied chinook eggs for incubation at Port St. Nick Hatchery. Involvement increased through the past five years as we recognized the possibility that the association and its permit for 5 million coho could disappear.

The situation required significant changes that had to result in positive outcomes. They had to work. There were several glaring issues: POWHA's debt and inability to borrow more funds; the shortcomings of cost recovery based solely on fall coho returns; and inconsistent application of high-quality fish culturing methods.

There is no blame here. It was the sort of bleak picture that results when well-meaning endeavors run short of human and fiscal resources.

There were several large meetings involving the State of Alaska, SSRAA and the Prince of Wales Island community. Discussions led to a pointed effort to do whatever could be done, with input from the state and SSRAA, to maximize

production and survival of the coho. POWHA board members attended SSRAA board meetings. SSRAA directors got more involved with POWHA issues. A management-level SSRAA fish culturist joined the POWHA board.

The issue came to a critical point last year. POWHA couldn't borrow enough from the state to get past cost recovery this summer. It was 11:59 p.m. Without help,

POWHA had no clear path to another year. The longer story is better told by POWHA.

The first return of fish from improved procedures would be in the summer of 2013. There was uncertainty and some skepticism. Would this make any difference?

The POWHA coho return returned equal to or better than expected. The return comprised about 8.2 percent of the troll fleet's harvest of fall coho. In addition, these fish returned in the early part of the coho fishery, when they made up a much greater percentage of catches.

The smolts that grew into these returning adults were of high quality at release. The tagging was well done. Harvest estimates were accurate. There was no question. This production was real.

*See 'POWHA coho' on 8*

The POWHA coho return returned equal to or better than expected ... about 8.2 percent of the troll fleet's harvest of fall coho.

## IN THIS ISSUE

- **Fire hazards** | Loss of Crystal Lake Hatchery compels culturing improvisation and rebuilding plans | 3
- **Fishing calendars** | Access to special harvest areas outlined | 4-5
- **Neets Bay SHA** | Summer chum are the linchpin for common-property harvests and cost recovery | 6
- **Returns on investment** | Table summarizes commercial and sport catches, broodstock use and cost-recovery harvest of SSRAA salmon during last year | 8
- **Web feat** | SSRAA rebuilding the Internet site to improve usability | 8

ssraa.org

ELECTRONIC COPIES OF THIS AND PAST EDITIONS ARE AT OUR WEB SITE

## Cost recovery *continued from 1*

often over the first few years, finally resolving in a situation that was good for all parties. Signature moved the floating processor Lucky Buck to Neets Bay. The agreement gave SSRAA half the carcass product: generally, larger fish and a greater portion of the fish with normal meat color. Signature retained half the product: generally, smaller fish and more of the pale-meated product. The roe was sold to Franco/Nosui, which processed Ikura on the Lucky Buck. Ikura was shipped frozen to Japan and H&G carcasses were frozen and moved by Northland to cold storages on Puget Sound. SSRAA worked with a fish broker who sold the carcasses for us. There were also several significant traditional customers for SSRAA fish through this entire period and a number of long-term business relationships evolved.

The model was simple. SSRAA retained most of the product that had a value greater than the costs of processing, transport and storage; Signature took product of lesser value and utilized it, as their costs were less than SSRAA's. SSRAA paid harvest and tendering costs. Even in the beginning, before fish flake, we made some profit from carcasses and a more significant profit from roe. Within the next seven years, we prepaid our debt—about \$17 million—and met operational costs. As long as returns were sufficient, this model worked to SSRAA's benefit.

### PALE-MEAT VALUE AND I.R.S. ALTER THE MODEL

Then two things occurred: Pale-meated carcasses became worth more than the costs of processing them and moving them to sale, and the IRS issued a determination that SSRAA's cost recovery was unrelated to our exempt purpose. In short, the IRS deemed our cost-recovery income to be "unrelated taxable business income." These changes came after 2008-2009.

As the value of pale-meated fish increased, the initial advantage of not retaining these carcasses for sale became a disadvantage. It is possible we could have re-worked our custom-processing agreement to reflect the increasing value; regardless, it was not possible to custom-process the harvest and avoid the IRS characterization of our activity.

NSRAA and SSRAA underwent the same IRS audit process. Both associations appealed the IRS ruling. SSRAA realized significant relief from the decision in a drawn-out arbitration, but there was still a significant tax bill. NSRAA pursued independent arbitration that enabled them to label their cost-recovery method as "royalty," making it tax-exempt. Because SSRAA, on the other hand, did the harvest, tendering and custom processing, our cost-recovery revenue was not royalty, but revenue.

As these issues were clarified, we had two years remaining on our contracts with Signature and Franco/Nosui. SSRAA has always honored contracts, and we did. The board decided after our obligation was complete to "go out to bid" in the same fashion as DIPAC and NSRAA. Last fall and winter, Trident was selected to do the 2014 cost recovery.

There is a second new piece to this process. It took a long time to resolve SSRAA's debt and to build reserves. Though our reserves are short of what they should be, they are adequate in the near term. Prior to this time—lacking sufficient reserves—we pretty much harvested whatever we could at Neets Bay and sometimes even that was not enough. Because we were trying to build reserves and didn't have a comfortable cushion to absorb the sometime negative financial outcomes of "fishing," we have never had a specific revenue goal for cost recovery.

This year, we set a revenue goal and allocated to the cost-recovery account the fish that we must harvest to meet that goal. As it turns out, in 2014—between early-season net rotations, a chum troll target, a cost-recovery target to meet the revenue goal, and broodstock requirements—we have probably slightly over-allocated the forecast return to Neets Bay. It will be close. If there is a shortfall, it will come from the cost-recovery fish.

While a lot of fishermen and processors not intimately involved in the survival of SSRAA have for years wanted to see this change, for others it is bittersweet. SSRAA has had successful business relationships with tenders, fishermen, Signature and Franco/Nosui for 17 years. We've also had relationships with Northland, Bellingham Cold Storage, our broker and long-term customers. By the nature of what we were proposing, it wasn't likely these people would be able to compete with larger processors in open bidding.

We are indebted to these relationships. They enabled SSRAA's survival. At the same time, Trident has been a long-term partner as a second-place processor. And what we are going to do in 2014 may make harvest in Neets Bay a little simpler for a few of us. We are optimistic and, to some degree, excited to see how it plays out. It is, after all, still "fishing," and hidden well behind all the other activities of SSRAA. That's why most of us are involved.

## ATTENTION SOUTHEAST PERMIT HOLDERS!

### Nominees needed for board ballot

Nominations for the board of directors of Southern Southeast Alaska Aquaculture Association are open through Oct. 16, 2014.

Five board terms expire at the end of 2014. With everyone busy during salmon season, fall elections will come fast. As in the past, we will send out nomination notifications to permit holders in September, but nominations will be accepted any time through Oct. 16 from those who would like to nominate another permit holder or those who want to put themselves on the ballot.

Up for election:

- Seine seat currently held by John Peckham;
- Seine seat currently held by Mitch Eide;
- Gillnet seat currently held by Rudy Franulovich;
- Power troll seat currently held by Tom Sims;
- Hand troll seat currently held by Craig Ring.

Nominations must be in writing and must include the permit holder's name; address; vessel name; phone number; and a brief statement.

These are three-year terms beginning in January 2015. For further information, contact Cindy Walters at the SSRAA office, 907-228-4385.

### SSRAA Board of Directors

#### SEINERS

Dan Castle	Ketchikan	F/V Little Lady
Russ Cockrum (pres.)	Ketchikan	F/V Viking Maid
Mitch Eide	Petersburg	F/V Rose Lee
John Peckham	Ketchikan	F/V Alsek

#### GILLNETTERS

Brennon Eagle	Wrangell	F/V Danegeld
Rudy Franulovich	Ketchikan	F/V St. Raphael
Chris Guggenbickler	Wrangell	F/V Maranatha
Bob Martin	Petersburg	F/V Sumner

#### POWER TROLLERS

Tom Fisher	Ketchikan	F/V Carol W
David Otte	Ketchikan	F/V Sarah E.
Charles Piercy (v. pres.)	Ketchikan	F/V Tuckahoe
Tom Sims	Wrangell	F/V Arctic Nomad

#### HAND TROLLER

Craig Ring	Ketchikan	
------------	-----------	--

#### APPOINTEES

John Clifton (treas.)	Ketchikan	Sport fish
Paul Cyr	Ketchikan	Processor
David Landis (sec.)	Ketchikan	Chamber of Comm.
Cindy Lasiter	Ketchikan	Public at Large
Nick Ohmer	Petersburg	Municipality
Mike Painter	Ketchikan	Municipality
John Scobic	Ketchikan	Public At Large
John Yeager	Wrangell	Subsistence

The 21-member SSRAA Board of Directors includes 13 commercial fishers along with representatives of interest groups and the public.

### SSRAA Staff

#### ADMINISTRATION AND OPERATIONS

John Burke	General Manager
Bill Gass	Production Manager
Bret Hiatt	Operations Manager
Leslie Brewer	Bookkeeper
Cindy Walters	Administrative Assistant

#### RESEARCH & EVALUATION

Susan Doherty	Research & Evaluation Manager
Michelle Leitz	Research & Evaluation Assistant Manager
Alan Murray	Technician III

#### WHITMAN LAKE HATCHERY

Jay Creasy	Hatchery Manager
Mark Tollfeldt	Assistant Hatchery Manager
Mike Blanchard	Maintenance Manager
Ted Addington	Assistant Manager for Special Projects
Jesse Knock	Fish Technician II
Cody Pederson	Fish Technician III

#### NEETS BAY HATCHERY

Matt Allen	Hatchery Manager
Brian Lundeen	Assistant Hatchery Manager
Shane Ewalt	Maintenance & Constr. Supervisor
Maria Adams	Fish Technician II
Jared Jillie	Fish Technician II
Mike Moreno	Fish Technician II
Chris Lundeen	Maintenance Technician III

#### BURNETT INLET HATCHERY

Steve Reid	Hatchery Manager
Vacant	Assistant Hatchery Manager
Jon Thorington	Fish Technician III

#### CRYSTAL LAKE HATCHERY

Loren Thompson	Hatchery Manager
Kevin Chase	Assistant Hatchery Manager
Don Franklin	Fish Technician III

SSRAA Spawning News is published by the Southern Southeast Regional Aquaculture Association, a private, non-profit aquaculture corporation based in Ketchikan, Alaska. Our web site is [www.ssraa.org](http://www.ssraa.org).

This publication is mailed free to all limited-entry salmon permit holders for purse seine, drift gillnet, power troll and hand troll in Alaska Districts 1-8. It is also mailed free to any person interested in SSRAA.

To receive Spawning News, send a request with your name, your organization's name and your address to: Spawning News / 14 Borch St. / Ketchikan, AK 99901.

For changes of address for permit holders, notify: Commercial Fisheries Entry Commission / 8800-109 Glacier Highway / Juneau, AK 99801. The CFEC fax number is 907-789-6170.

SSRAA uses mailing labels from the CFEC. If your address is wrong, please contact CFEC; SSRAA cannot correct your address for CFEC.

# Staff drafting workarounds in aftermath of hatchery fire

## CRYSTAL LAKE BLAZE AFFECTS FUTURE RELEASES OF CHINOOK AND COHO SALMON

By **BILL GASS**

SSRAA Production Manager

After a year of close calls, SSRAA production took a direct hit on the night of March 3 when the incubation building at the Crystal Lake Hatchery in Petersburg burned to the ground.

The building and everything inside was completely lost, including a significant percentage of the facility's salmon production. The building dates to 1973; it is owned by the State of Alaska and operated by SSRAA.

The cause of the fire was under investigation by the state fire marshal's office and was unknown as we published this newsletter.

As is often the case, timing was critical in the fire. In virtually every other year of operation, a fire on March 3 would wipe out 100 percent of the eggs at Crystal Lake, but fall and early winter were unusually warm, which led to an early start for the ponding season. If the fire had occurred two weeks later, it is likely that all of the king salmon would have been outside the building and the only losses would have been 200,000 coho.

As it is, the total losses were:

— *All of the 2013 brood Chickamin River stock king salmon* at Crystal Lake Hatchery. These eggs are taken at Whitman Lake and transported to Crystal Lake, where they would have been reared for one year prior to being transported to Neets Bay as a portion of the total release at that site. This would have been 500,000 Chinook smolts. An additional 250,000 reared at Whitman Lake Hatchery are also released at Neets Bay. Spring 2015 the release at Neets Bay will be 250,000 instead of 750,000.

— *All Andrew Creek stock king salmon* scheduled for release in 2015 from a saltwater rearing pen at the mouth of City Creek in Petersburg. The City Creek project is a new program for Crystal Lake designed to release 200,000 yearling king salmon. There will be an initial release in 2014, but the second release will be delayed until 2016.

— *A portion of the Andrew Creek stock king salmon* for release in 2015 in Anita Bay. Crystal Lake transports Chinook smolts to Anita Bay for an annual release of 500,000. Some of the Anita Bay fish had already been moved out of



The incubation building at the Crystal Lake Hatchery was fully involved in flames and beyond saving before Petersburg Fire Department could muster to the site, nearly 20 miles from town. PHOTO BY KEVIN CHASE



The site was already cleared and prepped for reconstruction within weeks of the fire. PHOTO BY KEVIN CHASE

**We will rebuild and Crystal Lake Hatchery will remain an important part of the SSRAA program. This hatchery's importance to the SSRAA program, the community of Petersburg and the State of Alaska is well understood and the state is fully committed to rebuilding.**

hatchery's importance to the SSRAA program, the community of Petersburg and the State of Alaska is well understood and the state is fully committed to rebuilding. SSRAA is currently working with representatives from the state to develop plans for a new incubation building. We hope that something might be completed in time for the spawning season of 2014, which occurs in August. If a permanent facility is not in place, SSRAA will set up a temporary incubation system for one year while the permanent building is finished.

One thing is certain: The fish at sea right now have set the schedule and will not wait for us, so we will just have to be ready for their return.

the incubation building before the fire, but some were lost. The expected release in 2015 will be reduced to around 350,000 because of the loss.

— *The Crystal Creek coho eggs for brood year 2013*. Since coho return as one age class and this stock is not reared in any other hatchery, steps will have to be taken to preserve the program. The current plan is to hold some of the fish scheduled for release in 2014 for an extra year at the hatchery so that there will be a release in 2015 and a subsequent return in 2016. This release is typically 200,000 smolts.

Fortunately, all releases for spring 2014 were unaffected by the fire. For 2015, production at the hatchery will be 600,000 Andrew Creek kings for release at Crystal Lake and 350,000 kings for release at Anita Bay.

There is a chance that a small number of additional Chickamin River fish can be obtained from either Whitman Lake Hatchery or Port Saint Nicholas Hatchery on Prince of Wales Island, but it is too early to confirm either of these options. While every little bit helps, potential fish from either location will not be significant enough to come close to a typical full release for Chickamin River Chinook stock at Neets Bay in 2015.

Aside from the losses and the potential returns we cannot get back, we will rebuild and Crystal Lake Hatchery will remain an important part of the SSRAA program. This

## GOOD NEWS HIGHLIGHTS / SPRING 2014

**ADF&G** The 2014 all-gear *treaty quota for Southeast Alaska chinook salmon* is 439,400, an increase of 263,400 fish from last year. The 2014 troll harvest allocation is 325,411, two and a half times last year's allocation of 129,862.

**ADF&G** The private nonprofits' (PNP) 2014 *enhanced return projections* for Southeast Alaska chinook in 2014 is 117,000, in addition to the treaty chinook opportunity available in 2014.

**NOAA** The listing of Pacific herring under the endangered species act (ESA) is not warranted.

**ADEC** Alaskan waters and beaches have not been affected by Fukushima nuclear reactor damage.

**Spring Southern RPT** The southern Southeast regional planning team (RPT) approved SSRAA's *permit alteration request (PAR)* for an increase of 600,000 chinook eggs. The RPT also allowed a new release of 100,000 chinook smolts into Ketchikan Creek. (Final approval of PARs is pending at the office of the commissioner of ADF&G.)

**More spring Southern RPT** POWHA got a thumbs-up for a *remote release site at Port Asumcion* on Baker Island, with an increase in permitted capacity to include 8 million chum eggs to be reared and released. In another PAR for POWHA, the association was allowed a release of 250,000 coho with no change in permitted capacity.



# FISHING CALENDAR

## May 2014 - NEETS BAY Special Harvest Area Rotation Calendar

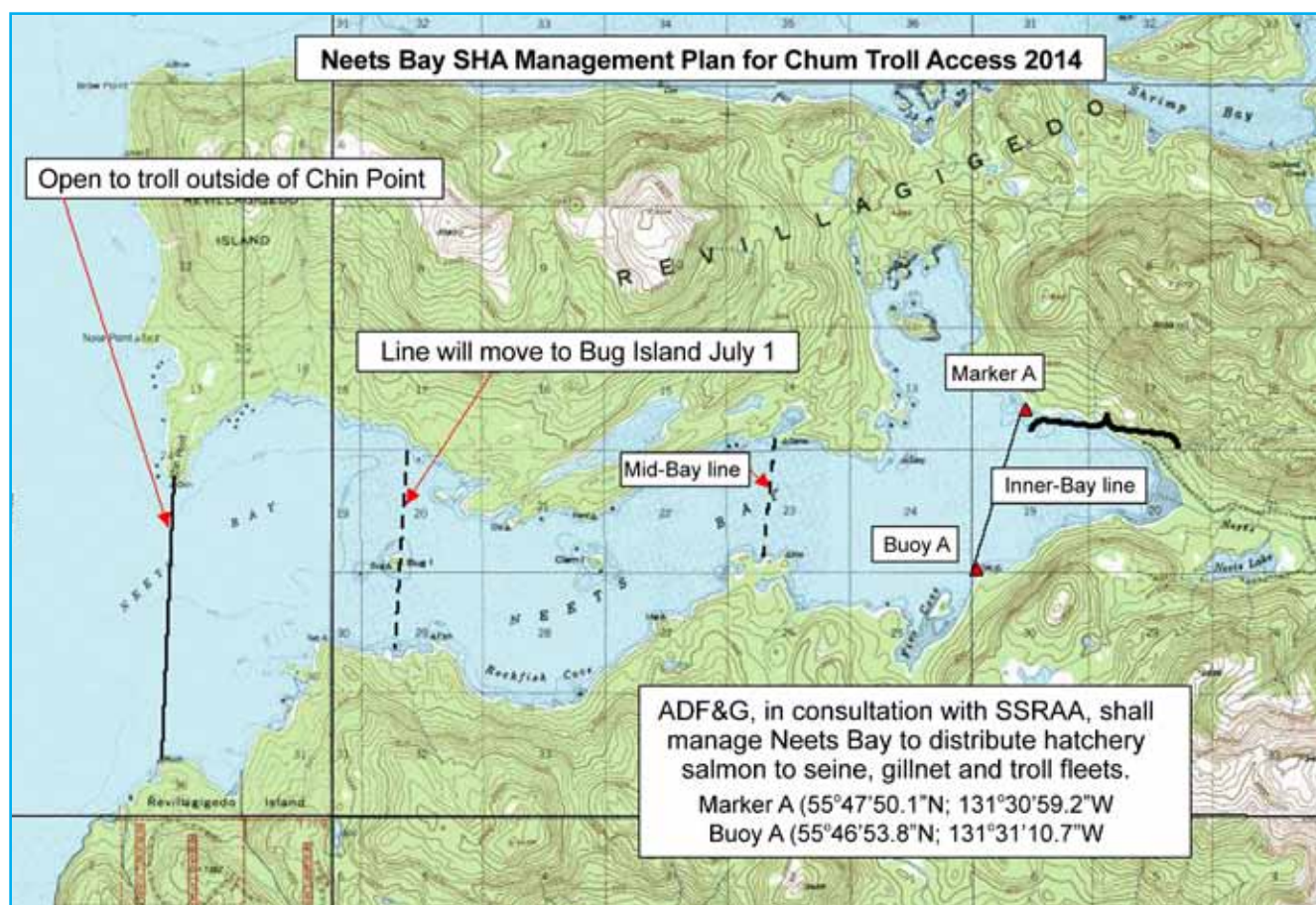
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
4	5	6	7	8	9	10
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
11	12	13	14	15	16	17
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
18	19	20	21	22	23	24
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
25	26	27	28	29	30	31
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						

## JUNE 2014 - NEETS BAY Special Harvest Area Rotation Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
8	9	10	11	12	13	14
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
15	16	17	18	19	20	21
Seine Noon	Noon	Gillnet Noon	Noon	Noon	Seine Noon	Gillnet Noon
22	23	24	25	26	27	28
Gillnet Noon	Noon	Seine Noon	Noon	Gillnet Noon	Noon	Seine Noon
29	30					
Noon	Gillnet Noon					

## July 2014 - Neets Bay Special Harvest Area Rotation Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
6	7	8	9	10	11	12
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
13	14	15	16	17	18	19
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
20	21	22	23	24	25	26
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
27	28	29	30	31		
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						



## NEETS BAY

### SPECIAL HARVEST AREA OPENING

The Neets Bay SHA will be open to the harvest of salmon by troll, drift gillnet and purse seine gear from 12:01 a.m. Thursday, May 1, through noon on Tuesday, June 10, 2014, followed by gear rotations.

Note: TROLLERS are allowed to fish 24 hours a day, 7 days a week during the opening. The total return of chinook is forecast at 18,000; summer chum at 1,800,000; fall chum at 140,000; and coho at 296,000 fish.

Any additional gear rotations at Neets Bay or other pertinent fishing announcements will be available by calling the fish hotline at (907) 228-4399.



**May 2014 - Anita Bay**  
Special Harvest Area Rotation Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
				OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER		
4	5	6	7	8	9	10
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
11	12	13	14	15	16	17
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
18	19	20	21	22	23	24
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						
25	26	27	28	29	30	31
OPEN AT ALL TIMES TO ALL FISHERS UNTIL CLOSED BY EMERGENCY ORDER						

**June 2014 - Anita Bay**  
Special Harvest Area Rotation Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
OPEN CONTINUOUSLY TO ALL FISHERS						
8	9	10	11	12	13	14
OPEN CONTINUOUSLY TO ALL FISHERS				Ends Noon	Troll	
15	16	17	18	19	20	21
Noon Gillnet Noon		Noon Seine Noon		Noon Gillnet Noon		Seine Noon
22	23	24	25	26	27	28
Troll						
Seine Noon	Noon Gillnet Noon		Noon Seine Noon		Noon Gillnet Noon	
29	30					
Troll						
Noon Seine Noon						

**July 2014 - Anita Bay**  
Special Harvest Area Rotation Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
Troll						
		Noon Gillnet Noon		Noon Seine Noon		Gillnet Noon
6	7	8	9	10	11	12
Troll						
Gillnet Noon	Noon Seine Noon		Noon Gillnet Noon		Noon Seine Noon	
13	14	15	16	17	18	19
Troll						
Noon Gillnet Noon		Noon Seine Noon		Noon Gillnet Noon		Seine Noon
20	21	22	23	24	25	26
Troll						
Seine Noon	Noon Gillnet Noon		Noon Seine Noon		Noon Gillnet Noon	
27	28	29	30	31		
Troll						
Noon Seine Noon		Noon Gillnet Noon		Noon Seine Noon		Noon Break Noon

**August 2014 - Anita Bay**  
Special Harvest Area Rotation Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
					Troll	
				Noon Break Noon	Noon Gillnet Noon	Seine Noon
3	4	5	6	7	8	9
Troll						
Seine Noon	Noon Break Noon	Noon Gillnet Noon	Noon Seine Noon	Noon Break Noon	Noon Gillnet Noon	Noon Seine Noon
10	11	12	13	14	15	16
Troll						
Break Noon	Noon Gillnet Noon	Noon Seine Noon	Noon Break Noon	Noon Gillnet Noon	Noon Seine Noon	Noon Break Noon
17	18	19	20	21	22	23
Troll						
Gillnet Noon	Noon Seine Noon	Noon Break Noon	Noon Gillnet Noon	Noon Seine Noon	Noon Break Noon	Noon Gillnet Noon
24	25	26	27	28	29	30
Troll						
Seine Noon	Noon Break Noon	Noon Gillnet Noon	Noon Seine Noon	Noon Break Noon	Noon Gillnet Noon	Noon Seine Noon
						END Rotation 31

**September 2014 - Anita Bay**  
Special Harvest Area Rotation Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
OPEN CONTINUOUSLY TO ALL FISHERS						
7	8	9	10	11	12	13
OPEN CONTINUOUSLY TO ALL FISHERS						
14	15	16	17	18	19	20
OPEN CONTINUOUSLY TO ALL FISHERS						
21	22	23	24	25	26	27
OPEN CONTINUOUSLY TO ALL FISHERS Until closed on November 10 or by emergency order						
28	29	30				

## SPECIAL HARVEST AREAS

### KENDRICK BAY SPECIAL HARVEST AREA OPENING

The return at Kendrick Bay in 2014 is expected to be about 700,000 chum salmon. Kendrick Bay terminal harvest area is an exclusive purse seine fishery. Kendrick Bay will open on June 15, 2014, and will remain open through Sept. 30, 2014.

### NAKAT INLET SPECIAL HARVEST AREA OPENING

The Nakat Inlet special harvest area opens on June 1, 2014, and is an exclusive gillnet / troll fishery. Projected returns are approximately 280,000 summer chum; 10,000 fall chum; and 24,000 coho. The SHA will remain open until Nov. 10, 2014.

### ANITA BAY SPECIAL HARVEST AREA OPENING

The Anita Bay special harvest area opens on May 1, 2014, to all fishers. Gear access changes throughout the time period until it closes on Nov. 10, 2014. Approximately half of the anticipated 500,000 return of summer chum is expected to be harvested in the terminal area. Additionally, 11,000 of the anticipated 15,500 chinook are anticipated to be caught in the terminal area and 2,500 of the anticipated 15,500 coho are expected to be caught in the terminal area.

Any additional gear rotations at Neets Bay or other pertinent fishing announcements will be available by calling the fish hotline at 907-228-4399.

# Neets Bay special harvest area guidelines for 2014

## Anticipated returns that guide Neets Bay SHA management in 2014

Summer and fall chum, chinook and fall coho all return in large numbers to the Neets Bay special harvest area (SHA). Though all of these species are harvested in common-property SHA openings, the dominant fish is the summer chum. This will probably be more the case than usual in 2014, when we expect few fall chum.

The total 2014 return forecast for Neets Bay summer chum is 1.8 million fish. About 500,000 of these fish, or roughly 30 percent, will be harvested in

traditional common-property fisheries in the corridors these fish follow back to Neets Bay. This harvest will occur in Districts 101, 102 and 107 seine and 101 and 106 drift gillnet. In some years, harvest has also occurred in District 104 seine. We expect about 1.3 million of these fish to reach the immediate area of the SHA, including Behm Canal just outside the SHA.

## Targets and dates underlying Neets Bay SHA management in 2014

- *Early-season net rotations* (see rotation schedules on pages 4 and 5) will again be extended to July 2, rather than the historic ending date of June 20. There is significant variation in chum abundance in these rotations, dependent on how early the fish reach the SHA.
- *We have set a target of 425,000 chum* for the troll fishery in the SHA and immediately in front of the SHA. We anticipate this opportunity will come almost entirely from the summer run. The outer SHA will be open to Bug Island from July 1 forward as shown on the Neets Bay management plan map on page 4.
- *Broodstock is the absolute priority* for summer chum and about 160,000 fish will be required to meet egg-take goals.
- *Cost-recovery fish will be sold in the round* this year to Trident Seafoods, which is "licensed" to harvest fish for SSRAA. Dependent on the average weight of summer chum and the price per pound, we expect that meeting our revenue target will require 550,000 to 600,000 fish.

## Cost recovery and broodstock needs influencing harvest rotations in 2014

Looking at the numbers above, the anticipated return is fully allocated—and may even be over-allocated. Management of Neets Bay is not as straightforward as the bullet points above suggest. There are several important qualifications.

Our forecasts are not perfect; the error is sometimes large and can vary in either direction. If the return is short of the forecast, cost recovery will absorb the shortfall and that difference will be made up with the Neets Bay Harvest Fund (a SSRAA reserve). Another consideration is that SSRAA has a specific cost-recovery revenue goal of about \$6.3 million in 2014. The price per pound and the average size of the fish will determine how many must be harvested. At this time, lacking any knowledge of the average weight of summer chum, we don't know how many fish will be needed.

The early net rotations through July 2 will occur regardless of the return. The chum troll target of 425,000 fish will also remain intact, regardless of run

strength; the number of fish caught will depend on troll effort.

We will open at least the outer part of the SHA, from Chin Point inward to the Bug Island line, from July 1 forward in order to facilitate trollers' reaching the target.

Attaining the necessary broodstock is the absolute priority. About 140 million fertilized eggs are required to meet our goal for summer chum eggs. This will require placing at least 160,000 adult fish over the barrier net at the head of Neets Bay. This is the gateway for fish entering the hatchery. While the troll fishery may harvest a significant number of fish, trollers operating on the outside of the SHA do not "stop the run." If the run is short of forecast, some cost-recovery harvest will be forgone until we are assured of meeting the egg-take goal.

## Outline for common-property harvests within SHA

It is equally possible that the summer chum return will exceed the forecast. In this case, we will direct excess fish toward common-property harvest opportunities. If summer broodstock is assured and the Neets Bay revenue goal is met, the SHA will be opened as follows:

### FIRST 72 HOURS ...

- Open to troll only from Seal Rocks (called the Sims line or mid-bay line) outward to the outside of the SHA, either Bug Island or Chin Point;
- 24 hours seine inside of Seal Rocks to the barrier or another marker near the barrier;
- 24 hours troll only for the entire SHA;
- 24 hours gillnet inside of Seal Rocks to the barrier or another marker near the barrier.

### FOLLOWED BY ...

- 24 hours troll only for the entire SHA;
- 24 hours seine only for the entire SHA;
- 24 hours troll only for the entire SHA;
- 24 hours gillnet only for the entire SHA.

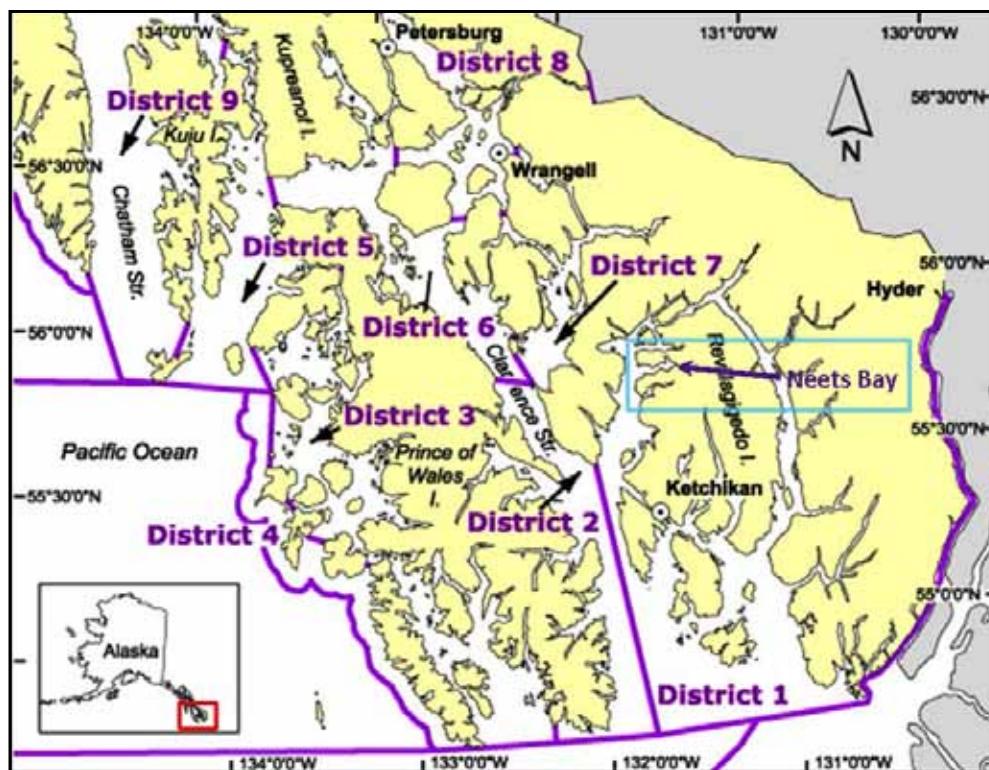
This rotation would continue until fall chum begin to enter the bay, about Aug. 25 to Sept. 1. At that point, the SHA will again be closed to all common-property harvest.

Note that this rotation plan will not take place unless the revenue goal is met and the egg-take goal is assured.

We anticipate a very poor fall chum return in 2014.

We don't think this return will be much greater than what is required for broodstock. Broodstock management will be the priority in the fall. Once the egg-take goal is met, the SHA will be open to our traditional fall rotational fisheries—which should happen by Sept. 25 or before, as it has the past several years.

A strong coho return is possible in 2014. Since coho returns cannot be statistically forecast, we will not know the coho abundance in



This is a map of the southern Southeast districts. SSRAA expects about half a million of these chum to be harvested in traditional common-property fisheries in districts 101, 102, 106 and 107, as these fish make their return to Neets Bay.



Cost-recovery harvest by SSRAA is changing in 2014, after nearly 20 years of the same basic method. See the article at the top of page 1 for a detailed history of SSRAA cost recovery and how the new program will play out.

the SHA until sometime in mid-September, as it occurs.

Coho abundance will not influence opening the SHA since the fall chum broodstock is an absolute priority for SSRAA. Attaining the fall chum egg-take goal will be the single trigger starting fall rotational fisheries in the SHA.

# Enhanced salmon catches set regional record in 2013

## STATE STATS INDICATE STRONG YEAR FOR SALMON RETURNS AND VALUES

Preliminary tallies of Southeast commercial salmon catches in 2013 show a record harvest of enhanced chinook, cohos and chums and the second-best year for ex-vessel values.

Preliminary 2013 prices by species are lower for pink and chum, flat for chinook and higher for coho and sockeye, compared to 2012 prices.

The Alaska Department of Fish & Game presented catch statistics at the Southern, Northern and Joint Regional Planning Team meeting in Juneau on April 8. The preliminary 2013 and final 2012 enhanced salmon allocations and the updated five-year rolling allocation averages were also announced at the meeting.

**Preliminary enhanced salmon allocation estimates for 2013 are:**

- Seine, 40 percent;
- Gillnet, 36 percent;
- Troll, 24 percent.

Compared to the final 2012 allocations, seine catches decreased by 9 percent, gillnet catches decreased by 3 percent and troll catches increased by 13 percent.

**Preliminary five-year rolling allocation averages (2009-2013)**

by gear group:

- Gillnet, 40 percent (target allocation range 24-29 percent);
- Seine, 43 percent (target allocation range 44-49 percent);
- Troll, 17 percent (target allocation range 27-32 percent).

The final 2008-2012 rolling allocation averages were: gillnet, 41 percent; seine, 43 percent; and troll, 16 percent.

Commercial fishers realized a record catch of enhanced chinook, coho and chum in 2013, and an increase in pink and sockeye over 2012. Preliminary 2013 prices are lower for pink and chum, flat for chinook and higher for coho and sockeye compared to 2012.

The preliminary 2013 total ex-vessel value for all enhanced salmon was \$53.4 million, the second highest on record.

*There was a record catch of enhanced chinook, coho and chum, and an increase in pink and sockeye ... The preliminary 2013 total ex-vessel value for all enhanced salmon was \$53.4 million, the second highest on record.*

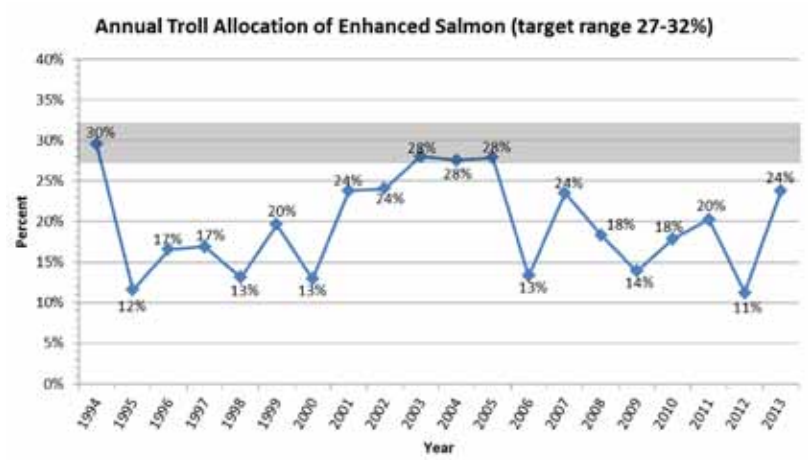
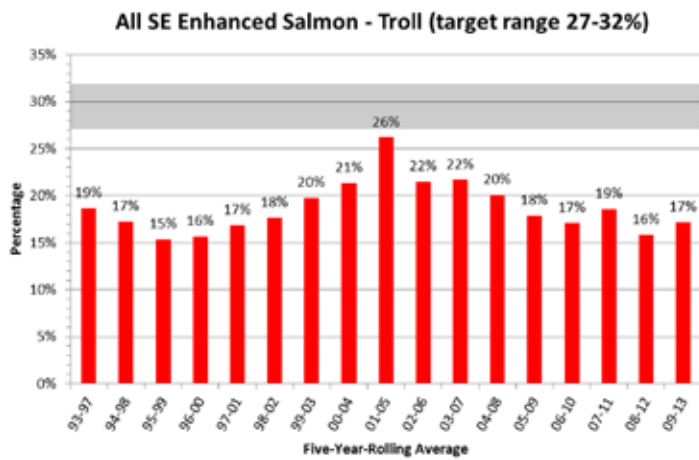
Enhanced coho salmon harvest was calculated at just more than \$8 million, an increase of \$2.6 million over the previous high in 2008 and 1992. The value of the chum harvest is estimated at \$38.8 million, second only to the record \$64.1 million in 2012.

In 2013, the preliminary ex-vessel value of enhanced salmon harvested by gear group was: troll, a record value of \$12.7 million, seine, \$21.6 million, and gillnet, \$19.1 million.

The 2013 preliminary returns to all Southeast Alaska enhancement projects are: 8.6 million chum, 925,000 coho, 1.45 million pink, 130,000 sockeye and 66,800 chinook. This total of 11.2 million salmon exceeds by 1.8 million fish the previous high in 1999.

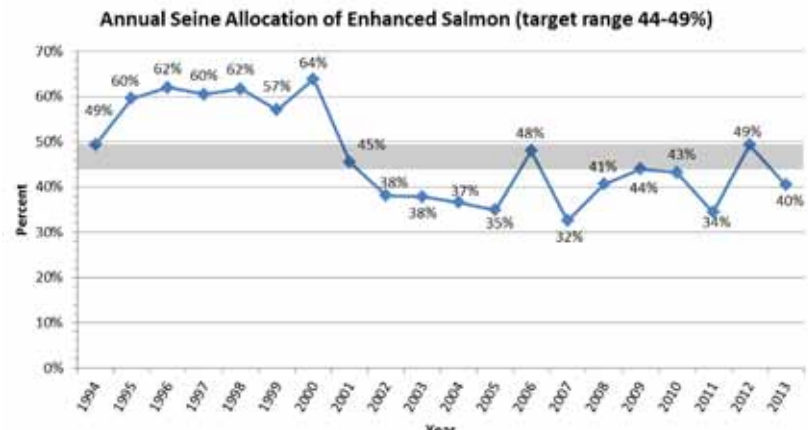
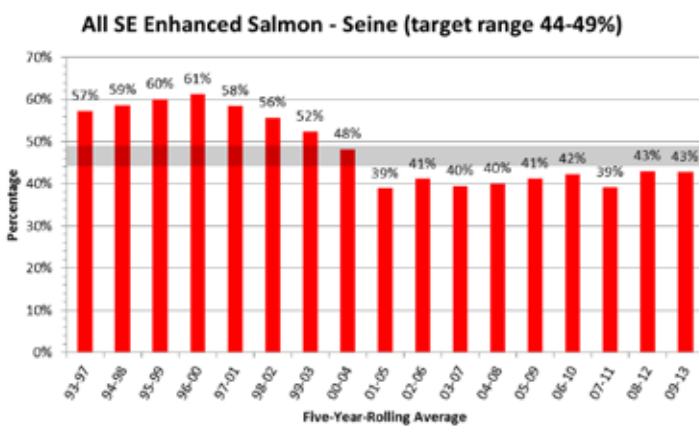
A complete summary of the 2013 Alaska salmon enhancement program is available on the ADFG web site: [www.adfg.alaska.gov/index.cfm?adfg=fishingHatcheriesOtherinfo.reports](http://www.adfg.alaska.gov/index.cfm?adfg=fishingHatcheriesOtherinfo.reports).

### TROLL



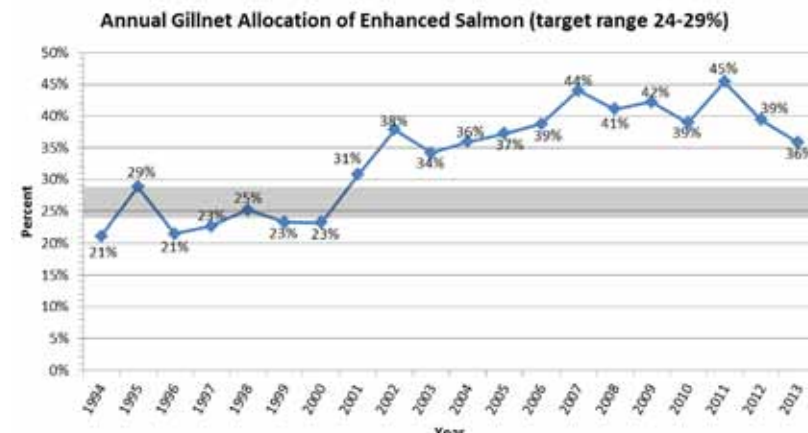
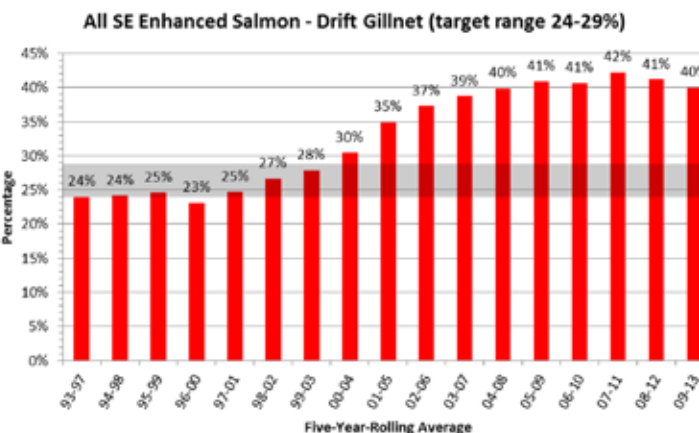
Source: ADF&G

### SEINE



Source: ADF&G

### GILLNET



Source: ADF&G

# SSRAA returns CONTRIBUTIONS TO FISHERIES 2013

Coho Release Site	Common Property			Sport	Special Harvest Area			SSRAA Brood	Cost Recovery	Other	Total
	Gillnet	Seine	Troll		Gillnet	Seine	Troll				
BAKEWELL	7,565	2,750	23,635	590						1,000	35,540
BURNETT INLET	5,090	670	1,855	1,000				3,350	17,000	1,000	29,965
NECK LAKE	12,575	980	2,100	10,000					14,225	545	40,425
ANITA BAY	3,070	540	6,840	125	4,235	235	5				15,050
CRYSTAL LAKE	3,000	590	5,405	155				5,400	0		14,550
HERRING COVE	4,430	2,115	14,500	860				4,485	4,550	100	31,040
NAKAT	16,860	2,510	16,125	450	3,785						39,730
NEETS BAY	41,320	13,110	119,340	6,790	1,715	1,945	3,265	1,465	25,380	13,000	227,330
% By Group	22%	5%	44%	5%	2%	1%	1%	3%	14%	4%	100%
<b>Total</b>	<b>93,910</b>	<b>23,265</b>	<b>189,800</b>	<b>19,970</b>	<b>9,735</b>	<b>2,180</b>	<b>3,270</b>	<b>14,700</b>	<b>61,155</b>	<b>15,645</b>	<b>433,630</b>

Chinook Release Site	Common Property			Sport	Special Harvest Area			SSRAA Brood	Cost Recovery	Other	Total
	Gillnet	Seine	Troll		Gillnet	Seine	Troll				
ANITA BAY	8,020	45	1,970	175	8,430	4,850	175				23,665
CRYSTAL LAKE	330		465	10				1,465		1,400	3,670
HERRING COVE	280	190	2,515	1,670				1,680	4,840		11,175
NEETS BAY	1,180	35	2,390	225	2,260	5,225	100		3,775		15,190
% By Group	18%	1%	14%	4%	20%	19%	1%	6%	16%	3%	100%
<b>Total</b>	<b>9,810</b>	<b>270</b>	<b>7,340</b>	<b>2,080</b>	<b>10,690</b>	<b>10,075</b>	<b>275</b>	<b>3,145</b>	<b>8,615</b>	<b>1,400</b>	<b>53,700</b>

S Chum Release Site	Common Property			Sport	Special Harvest Area			SSRAA Brood	Cost Recovery	Other	Total
	Gillnet	Seine	Troll		Gillnet	Seine	Troll				
ANITA BAY	117,290	203,075	12,720		58,455	43,920	5,057				440,517
NAKAT	120,075	19,295	110		88,785						228,265
NEETS BAY	31,385	137,850	100,655		1,775	18,240	66,405	164,000	427,425		947,735
KENDRICK	16,455	354,915	520		0	78,840					450,730
% By Group	14%	35%	6%	0%	7%	7%	3%	8%	21%	0%	100%
<b>Total</b>	<b>285,205</b>	<b>715,135</b>	<b>114,005</b>	<b>0</b>	<b>149,015</b>	<b>141,000</b>	<b>71,462</b>	<b>164,000</b>	<b>427,425</b>	<b>0</b>	<b>2,067,247</b>

F Chum Release Site	Common Property			Sport	Special Harvest Area			SSRAA Brood	Cost Recovery	Other	Total
	Gillnet	Seine	Troll		Gillnet	Seine	Troll				
NEETS BAY	4,460	8,950	4,825					41,000	26,300		85,535
NAKAT	16,430	990			2,695						20,115
% By Group	20%	9%	5%	0%	3%	0%	0%	39%	25%	0%	100%
<b>Total</b>	<b>20,890</b>	<b>9,940</b>	<b>4,825</b>	<b>0</b>	<b>2,695</b>	<b>0</b>	<b>0</b>	<b>41,000</b>	<b>26,300</b>	<b>0</b>	<b>105,650</b>

Sockeye Release Site	Common Property			Sport	Special Harvest Area			SSRAA Brood	Cost Recovery	Other	Total
	Gillnet	Seine	Troll		Gillnet	Seine	Troll				
BURNETT	1,030	60									1,090
McDonald	115	430								820	1,365
% By Group	47%	20%								33%	100%
<b>Total</b>	<b>1145</b>	<b>490</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>820</b>	<b>2,455</b>

## POWHA coho *continued from 1*

Several factors come into play. POWHA has a debt of about \$5 million. It costs about \$1 million a year to operate their facilities and make debt payments.

Last summer, they made \$600,000-\$700,000 in cost recovery. It is unreasonable to anticipate more revenue from their current cost-recovery operation. Allocation of enhanced fish has a long-term imbalance—a significant shortfall to troll. These fish contributed almost 200,000 coho to the troll fleet in 2013.

It is strongly in SSRAA's interest to take reasonable action to support successful production that is pointed at the troll fleet—production that could help bring the allocation back into balance—and that is what the SSRAA board did.

In its March meeting, the SSRAA board made this commitment: "SSRAA commits to help finance POWHA for three years, up to \$500,000 annually, and provide management and technical support during these three years without negatively impacting SSRAA's long-term financial strength and is consistent with the SSRAA strategic plan."

Following this commitment, SSRAA and POWHA appealed to DIPAC for additional assistance. In March, the DIPAC board also contributed \$500,000 to POWHA through SSRAA.

These monies are not an end, but they enable going forward toward resolution—sustaining POWHA and its coho production. We don't have a clear picture of how this will eventually occur, but it is likely SSRAA will be involved. We are providing management and technical support as we try to figure out what the sustainability of POWHA will entail. The POWHA board and current staff at the site have gone well beyond normal expectations to turn this situation around. Credit should go to these individuals for the 8.2 percent of the troll coho harvest that is due to POWHA's improved fish culturing practices.

## SSRAA web site re-do debuts in July with an aim of improved accessibility

AN ALASKAN WEB DEVELOPER is building a new SSRAA web site that will be more informative and interactive for all of our user groups.

In addition to all the useful information you have come to expect within our existing web site, the new site will feature a secure portal that staff and board members can use to retrieve internal documents and forms. This capability is in line with the board's wish that SSRAA become more accessible electronically.

Check on July 1  
to see the new look  
at [www.ssraa.org](http://www.ssraa.org)

SSRAA has found a good partner in OTC Web Design, the Alaskan company based in Girdwood that is redeveloping our website. The site is expected to go live on July 1.

THE NEW PLATFORM WILL ALSO improve administrative interaction with our remote sites. Our relationship with OTC Web Design has also expanded to hosting our email system.

Staff have been pleased with the responsive customer service we now receive.

Check on July 1 to see the new look at [www.ssraa.org](http://www.ssraa.org).