



SPAWNING NEWS

SOUTHERN SOUTHEAST REGIONAL
AQUACULTURE ASSOCIATION

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14 Borch Street
Ketchikan, AK 99901
www.ssraa.org

Exact terms for Neets Bay SHA are TBA

BUT FOUR COMMON PROPERTY OPPORTUNITIES ARE PENCILED INTO PRELIMINARY PLANS

By **JOHN BURKE**

SSRAA General Manager

We have yet to decide precisely what will happen in the Neets Bay special harvest area (SHA) this summer in terms of specific common property gear rotations; the processor to license for cost recovery; and a chum troll target for the 2015 harvest. But all the same, there are some things we can say about opportunity in 2015.

Cost Recovery

The primary cost recovery harvest will be directed at the summer chum return. A processor will be licensed to harvest the poundage required to meet SSRAA's revenue target of about \$5 million. We will send out RFPs in March with a shorter response time than we allowed last year. There will be two smaller independent cost recovery opportunities; the fall chum and coho harvested during fall chum broodstock collection and the egg-take carcasses. It isn't possible to predict what will be harvested while we manage the area around the barrier collecting fall chum broodstock. This depends in large part on whether the chum return before the coho; and once the coho have reached the barrier, the relative abundance of coho to chum. In short, the harvest will be small if the chum get back before the coho; but if the coho are early and numerous, the harvest can be as much as the 300,000 pounds caught in 2014.

Finally, we are interested in developing a long-term relationship with a processor to utilize the egg-take carcasses. We don't expect this will be a significant revenue generator, at least initially; and it is possible initially that simply breaking even may work. The near-term goal would be to develop a program to utilize this protein, as opposed to simply disposing of it as we are presently permitted to do. Requests for proposals for these three separate opportunities will go out in early March.

The short of it: Cost recovery in Neets Bay will occur much as it did in 2014.

Common Property Opportunities

At their meeting in January, the SSRAA Board of Directors set a \$6.5 million revenue target for cost recovery in Neets Bay. In essence, this would zero out revenue against the SSRAA operational budget. Last



The sun shone on broodstock harvest at Neets Bay in 2014. The picture for chum cost recovery and broodstock takes in the summer of 2015 may look very much the same. PHOTO BY MATTHEW ALLEN

March, SSRAA received \$1.5 million from DIPAC to purchase the equivalent amount of cost recovery harvest and direct those fish at common property opportunity in Neets Bay. We will provide that opportunity this summer as soon as both broodstock and cost recovery needs are assured. We can't precisely predict when that will occur, and we can't be sure at this time how we might design the opening in terms of time and area so that common property harvest can take place while protecting some fish for broodstock needs.

There will likely be four distinct common property opportunities in Neets Bay: chum troll; early-season gear rotations (prior to cost recovery); mid-summer gear rotations (as cost recovery and broodstock goals are met); and late-season rotations (once fall chum brood and eggs are in hand).

• **CHUM TROLL** A chum troll target will be suggested by the

SSRAA Board in March. We can never assure that the target will match harvest, but a larger target will relate to greater opportunity. We anticipate opening the SHA to the Bug Island Line through the entire summer run. Last year, with a run similar to what is forecast for this season, about 150,000 chum were harvested by trollers. There is also late season (September) fall coho opportunity concurrent with the fall chum harvest.

• **EARLY-SEASON GEAR ROTATIONS** Neets Bay opens to all fishers on May 1. Though there are few fish available in May, some chinook may be present.

See 'Neets Bay SHA' on 7

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Three new members seated on association's board of directors

The winter ballot and a last-minute resignation put three new members on the SSRAA board of directors as of January 2015.

David Klepser won election to the single gillnet seat on the board ballot.

Incumbent Mitch Eide and Leif Dobszinsky were first and second in ballots returned by seiners, but Eide told the board in December that he would be unable to serve another term. Dobszinsky was seated in January and Jim Castle took the other seine chair due to his third-place finish in the election. Power troller Tom Sims and hand troller Craig Ring were re-elected without opposition on the ballot.

GILLNET

[1 seat up for election]		GILLNET ballots mailed	466
David Klepser	63	Ballots returned	91
Jeff McKean	16	Percent turnout	16.9%
Write-ins	0		

SEINE

[2 seats up for election]		SEINE ballots mailed	314
Mitch Eide	51	Ballots returned	91
Leif Dobszinsky	43	Percent turnout	28.9%
Jim Castle	37		
Jerome Dahl Jr.	27		
Write-ins	2		

POWER TROLL

[1 seat up for election]		POWER TROLL ballots mailed	941
Tom Sims	86	Ballots returned	88
Write-ins	0	Percent turnout	9.3%

HAND TROLL

[1 seat up for election]		HAND TROLL ballots mailed	976
Craig Ring	42	Ballots returned	46
Write-ins	4	Percent turnout	4.7%

Nominees sought for four board seats

SSRAA encourages salmon fishers to turn in nominations for four gear seats on the board of directors.

A seine seat, two gillnet seats and a power troll seat come open in January 2016. Nominations for the ballot are due Oct. 16, 2015.

Nominations must be in writing and must include the permit holder's name; address; vessel name; and phone number. Include a brief statement of interest with a self-nomination. If you're nominating another fisher, provide a short summary of the nominee's background. Limited-entry permit holders nominate only people in their gear groups. Nominees must be active southern Southeast commercial salmon permit holders.

If you're interested in serving on the SSRAA board of directors or you want to nominate a fellow gear-group fisher, please mail a nomination to SSRAA, Attn: Liz Jones at 14 Borch St., Ketchikan, Alaska 99901; or send an email to lizj@ssraa.org.

For more information, call the association at 907-225-9605.



March 12 Production Committee meeting / 9 a.m. / Ketchikan
Landing Best Western Plus Sunny Point Conference Center

March 13 Board of Directors meeting / 9 a.m. / Ketchikan
Landing Best Western Plus Sunny Point Conference Center

April 8 Regional Planning Team (RPT) / Ketchikan

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.

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.

FEDS HOLD OFF DISCHARGE REGS

The EPA in December 2014 issued an additional three-year moratorium on individual small vessel discharge permits—a welcome decision considering the onerous task for vessel owners who otherwise would have to meet individual permitting requirements. In place of individual permits is a general permit for discharges incidental to normal operation of vessels less than 79 feet in length. The effective date of the general permit was Dec. 19, 2014, and it is good through Dec. 18, 2019.

But what does this mean? The final 2014 small vessel general permit (sVGP) sets forth best management practices for all non-recreational and non-military small vessels. Fortunately, vessel owners who would be subject to the general permit are not required at this time to apply for a notice of intent (NOI). However, there are requirements within the sVGP that vessel owners need to be aware of and it is important to review the permit to know what owners are subject to. One of those requirements is maintaining a signed sVGP PARI form onboard at all times. Check your documents before the coming season! For more information, go to www.epa.gov/npdes/vessels.

U.S. Sen. Lisa Murkowski, R-Alaska, reported in a February release that she had introduced legislation to permanently block the incidental discharge regs and to make the three-year moratorium permanent.

We shall wait and see whether common sense outweighs nonsensical regulation.

SSRAA Board of Directors

SEINERS

Dan Castle	Ketchikan	F/V Little Lady
Jim Castle	Ketchikan	F/V Miss Ada
Russ Cockrum	Ketchikan	F/V Viking Maid
Leif Dobszinsky	Port Townsend, Wash.	F/V Chasina

GILLNETTERS

Brennon Eagle	Wrangell	F/V Danegeld
Chris Guggenbickler (v.p.)	Wrangell	F/V Maranatha
David Klepser	Ketchikan	F/V Hannah Point
Bob Martin	Petersburg	F/V Sumner

POWER TROLLERS

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

HAND TROLLER

Craig Ring	Ketchikan
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APPOINTEES

John Clifton (treas.)	Ketchikan	Sport fish
Paul Cyr	Ketchikan	Processor
David Landis (sec.)	Ketchikan	Native Corp.
Cindy Lasiter	Ketchikan	Public at Large
Nick Ohmer	Petersburg	Chamber of Comm.
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
Bret Hiatt	Operations Manager
Bill Gass	Production Manager
Vacant	Assistant Production Manager
Cindy Walters	Executive Administrative Assistant
Liz Jones	Administrative Assistant
Jay Johnson LLC	Accounting Services

RESEARCH & EVALUATION

John Holt	Research & Evaluation Manager
Stephanie Sangunetti	Lab Supervisor
Alan Murray	Fish Technician III
Whitney Walters	Fish Technician III

WHITMAN LAKE HATCHERY

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

NEETS BAY HATCHERY

Matt Allen	Hatchery Manager
Brian Lundeen	Assistant Hatchery Manager
Shane Ewalt	Maintenance & Constr. Supervisor
Chris Lundeen	Maintenance Technician III
Mike Moreno	Fish Technician II
Stan Rice	Fish Technician II
Gavin Roa	Fish Technician II
Dale Wainscott	Seasonal Fish Technician II
Caitlin Brady	Fish Tech. II / Otolith Lab
Stephan Smith	Seasonal Fish Technician II

BURNETT INLET HATCHERY

Steve Reid	Hatchery Manager
Jon Thorington	Maintenance Supervisor

CRYSTAL LAKE HATCHERY

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

NECK LAKE REARING AND HARVEST FACILITY

JR Parsley	Facility Manager
Delores Loucks	Fish Technician II

DEER MOUNTAIN HATCHERY

Vacant	Assistant Hatchery Manager
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ssraa PEOPLE

Retiring director is pleased that debt's down and opportunities are up

John Peckham left the SSRAA board of directors in January after 18 years. He's still running a seine boat and reaping rewards of decisions that SSRAA directors and staff made in those years.

The association freed itself from deep debt. Enhanced salmon improved harvest volumes. Battles over allocation of hatchery fish got tamer. And wild stocks remained robust.

Peckham came to the board in 1997 with relevant experience both on boat decks and in fish politics. He had skippered seiners for more than a dozen years and was a veteran of fisheries-related politics and lobbying: a member and onetime president of Southeast Alaska Seiners Association; a member of the Pacific Salmon Commission; an appointee to the state Board of Forestry; and a member of the Ketchikan Fish and Game Advisory Committee.

"A seiner who was leaving the SSRAA board recommended that I get into a seat," Peckham said. "I was reluctant because of the amount of effort that I knew would be involved, but I knew seiners would be best represented by having at least one Ketchikan representative on the board. It's harder for out-of-town directors to stay well-informed and involved in the day-to-day activities of the association."

Peckham's foremost concern was SSRAA's debt to the state, which was putting the brakes on hatchery development.

"My intent was to help make SSRAA a healthy organization, and there were some serious issues," he said. "For seiners, the only way we were going to get any benefit was to get us out of debt." He credits SSRAA management for negotiating debt reduction with the state and credits the board of directors for tightening budgetary belts and setting the right priorities for the association. At the same time, favorable chum returns and improving chum prices lifted common-property fisheries and

We've made decisions that allowed us to produce a lot more fish. We couldn't have done that with a heavy debt load, nor without a board that learned how to set priorities.

John Peckham



John Peckham

That was the Alaska adventure that landed Peckham in Ketchikan from California. A native of Whittier, Cal., he graduated from the University of California Santa Cruz. "My passion was coaching rugby, but that didn't pay. My job at Sears wasn't interesting or fulfilling," he said. He was also a competitive sailor on Monterey Bay.

"It was time to make a change and Alaska was constantly in the news because of the building of the pipeline. I got to Ketchikan and I got a job right away" on a seine boat, he said. He took to the work.

"It was a lot like sailing: the camaraderie, the pressure, the competition and the challenges of keeping the boat operating in the conditions the ocean and weather provide," he said. By 1983 he was skippering a boat in the Whitney-Fidalgo fleet. Three years later, he bought the FV Alsek. Along the way, he married school teacher Tina Peckham; they have a son, Mark.

Peckham said he's proudest of his work as a SSRAA member on the Regional Planning Team (RPT). "The RPT has fairly successfully dealt

SSRAA's revenues.

Peckham estimated that hatchery chum make up a fifth to a quarter of his catches on the FV Alsek, with a particularly strong pulse of enhanced fish early in the season. "There's no question that the Southeast fishing economy has been improved" by hatchery production across the region, he said.

Peckham has run his 56-foot seiner since 1986, when he bought the boat from Larry Painter. He'd put in several years of Southeast seining as a crew member and cannery-boat lessee.

See 'Peckham' on 6

Gillnetter steps aside from the board after leading from the inside

After 45 years of commercial fishing in Alaska on the same boat, Rudy Franulovich knows that, without the hatchery system, gillnetters wouldn't be in the same boat.

He learned that in the wheelhouse and in the boardroom.

Franulovich has fished on the gillnetter St. Raphael since 1969. During most of those years, he took advantage of SSRAA's enhanced chum runs in the Tree Point fishery.

He also looked at salmon harvests from the supply side, serving three terms on the SSRAA board of directors, ending in January. He said he used those nine years to understand and to influence the association's forward momentum.

"It was a great experience," Franulovich said. "Really, every gillnetter who's able to do it should serve some time on the board. You find out what's going on, you see how



Rudy Franulovich

Really, every gillnetter who's able to do it should serve some time on the board. You find out what's going on, you see how SSRAA works.

Rudy Franulovich

SSRAA works. You work on the budget, you work on allocations."

Franulovich was elected to a gillnet seat in 2005. Fellow board members made him president of

the association for 2011-2012.

He acknowledges that he went into the boardroom determined to look out for himself and other gillnetters who consider Tree Point chum indispensable.

"I wanted to protect Tree Point and those Nakat fish," he said. "There are about 50 gillnetters who fish Tree Point."

SSRAA's distribution of enhanced fish between Nakat Inlet and Kendrick Bay has for the most part diffused competition for hatchery-bred

runs—seen in the past in rotational fisheries for gillnet and seine boats.

The progress in SSRAA's productive capacity has made "tussles with seiners" much less likely.

"The Kendrick release, which is mostly for seiners, is part of that give and take," Franulovich said. "It's a compromise. We slowly increased production and we added Burnett" to boost overall chum numbers for the net fleets.

Franulovich also commended SSRAA's efforts to enhance troll fisheries via coho and Chinook production. He leaves the board as the association prepares to take over Deer Mountain Hatchery on Ketchikan Creek and he's optimistic that the Chinook program there will benefit trollers in the long term.

Franulovich has fished widely in Alaska aboard the St. Raphael: Kodiak Island, Norton Sound, the Bering Sea and southern Southeast. That experience and nearly a decade in SSRAA leadership schooled him in broad perspectives and long terms.

Gillnetters have recently enjoyed

See 'Franulovich' on 6



FINANCIALS

2013

2014

Southern
Southeast
Regional
Aquaculture
Association

FINANCIAL STATEMENTS

For the years ended June 30, 2014, and June 30, 2013

CASH FLOWS

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from fish marketing, tours, and other sources	\$ 5,529,810	\$ 13,630,208
Cash received (paid) from enhancement taxes, contracts and agreements	6,816,233	(695,616)
Cash paid to employees and vendors	(9,895,194)	(10,965,306)
Net cash provided by operating activities	<u>2,450,849</u>	<u>1,969,286</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,345	565
Purchase of investments, net	(91,094)	(17,616)
Purchase of property and equipment	(2,979,353)	(880,214)
Net cash used for investing activities	<u>(3,069,102)</u>	<u>(897,265)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	247,230	42,804
Deferred interest payment	(245,590)	(245,590)
Net cash provided by (used for) financing activities	<u>1,640</u>	<u>(202,786)</u>
Net increase (decrease) in cash and cash equivalents	(616,613)	869,235
Cash and cash equivalents at beginning of year	<u>7,541,279</u>	<u>6,672,044</u>
Cash and cash equivalents at end of year	<u>\$ 6,924,666</u>	<u>\$ 7,541,279</u>
RECONCILIATION OF CHANGE IN NET ASSETS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets from operations	\$ (1,240,169)	\$ 5,514,116
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	960,925	814,333
Loss on disposal of assets	- 0	49,012
(Increase) decrease in:		
Accounts receivable, net	382,769	(465,806)
Income taxes receivable	537,449	(915,329)
Grants and contracts receivable	(514,056)	(243,102)
Inventory	88,442	(9,840)
Prepaid expenses	60,575	(16,890)
Increase (decrease) in:		
Accounts payable	227,690	14,877
Payroll and payroll taxes payable	45,794	11,542
Accrued vacation payable	15,030	22,517
Accrued pension payable	2,400	1,942
Accrued income tax payable	- 0	(2,808,086)
Deferred revenue	1,884,000	- 0
Net cash provided by operating activities	<u>\$ 2,450,849</u>	<u>\$ 1,969,286</u>

These statements represent only a part of the audited financial statements of SSRAA as of and for the year ended June 30, 2014, which can be obtained by contacting the SSRAA offices.

907-225-9605
admin@ssraa.org
14 Borch St. Ketchikan AK 99901

INCOME STATEMENT

	2014	2013
OPERATING REVENUE		
Direct fish marketing	\$ 4,917,689	\$ 13,954,207
Grant revenue, fisheries enhancement tax	2,856,085	2,209,653
Contract and agreement revenue, restrictions satisfied:		
Crystal Lake operations	375,300	394,660
Chinook Enhancement	-	200,000
Deferred Maintenance Grant	28,438	328,060
KPU Lake	454,070	42,852
Crystal Lake maintenance and improvements	130,439	95,676
City Creek grant	89,938	-
Whitman Lake Water upgrade	633,315	-
Deer Mountain expansion	163,077	-
Crystal Lake state fire insurance	62,178	-
DIPAC cost recovery income	116,000	-
Tours	183,602	151,630
Other	45,750	(9,823)
Total operating revenue	10,055,881	17,366,915
OPERATING EXPENSES		
HATCHERY OPERATIONS		
Harvest and marketing	3,179,057	5,015,128
Hatcheries and rearing facilities	4,386,511	3,431,830
Maintenance and improvements	283,338	674,494
Rearing, release, and transport	850,362	719,393
Tagging and otolith laboratory	265,648	236,123
Research and planning	180,383	152,683
Prince of Wales Hatchery Association	116,000	-
Total hatchery operations	9,261,299	10,229,651
GENERAL AND ADMINISTRATIVE EXPENSES		
GENERAL INCOME TAXES	1,858,991	1,720,458
FEDERAL INCOME TAXES	175,760	554,102
STATE INCOME TAXES (REFUNDS)	-	(651,412)
Total operating expenses	11,296,050	11,852,799
Change in net assets from operations	(1,240,169)	5,514,116
OTHER REVENUE		
Investment and interest income	1,345	565
Change in net assets	(1,238,824)	5,514,681
Net assets, beginning of year	14,037,218	8,522,537
Net assets, end of year	\$ 12,798,394	\$ 14,037,218

BALANCE SHEET

	2014	2013
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,924,666	\$ 7,541,279
Investments	253,033	252,358
Accounts receivable, net	148,081	530,850
Income taxes receivable	377,880	915,329
Grants and contracts receivable	948,843	434,787
Inventory	81,008	169,450
Prepaid expenses	37,443	98,018
Total current assets	8,770,954	9,942,071
PROPERTY AND EQUIPMENT, NET	9,745,080	7,727,887
OTHER ASSETS		
Restricted investments - State of Alaska performance bonds	476,865	386,446
Loan fees, net of amortization	6,568	5,333
Total assets	\$ 18,999,467	\$ 18,061,737
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 474,215	\$ 246,525
Payroll and payroll taxes payable	97,862	52,068
Accrued vacation payable	153,871	138,841
Accrued pension payable	37,996	35,596
Deferred interest payable, current	245,590	245,590
Deferred revenue	1,884,000	-
Total current liabilities	2,893,534	718,620
LONG-TERM LIABILITIES		
Deferred interest payable	2,455,724	2,701,314
Long-term debt	851,815	604,585
Total long-term liabilities	3,307,539	3,305,899
Total liabilities	6,201,073	4,024,519
NET ASSETS		
Unrestricted, undesignated	7,519,887	6,528,711
Unrestricted, designated by the Board	5,278,507	7,508,507
Total net assets	12,798,394	14,037,218
Total liabilities and net assets	\$ 18,999,467	\$ 18,061,737

POWHA accelerating contributions of coho

STAFF UPGRADING FACILITIES AND RELEASES WITH AID FROM OTHER SOUTHEAST HATCHERIES

By **KLAWOCK HATCHERY STAFF**

Prince of Wales Hatchery Association

Between 1997 and 2012, POWHA contributed 471,000 coho to common property fisheries. In just the years 2013 and 2014, POWHA contributed 370,000 coho to common property fisheries. This is evidence that current hatchery staff has turned production around. In the last two years alone, coho returns were 79 percent of what had returned in the previous 16 years combined.

THE PERMITTED capacity of 5 million eggs was achieved in November for broodstock and we currently have 4.9 million coho alevins incubating in the hatchery. Due to another winter of warm water temperatures, we anticipate early ponding in mid-April. The previous brood year (2014) is large and healthy.

Current hatchery activities include tagging the brood year 2014 coho, which will be released this spring. We tag 110,000 fish in three codes. We have three release strategies and volumes: the early release of 1.2 million fish goes out on May 15; the saltwater release of 900,000 fish is on May 15; and the remainder of our production, approximately 2.7 million fish, goes out on June 1.

WE HAVE APPLIED for an amendment to our saltwater permit to have a release date of May 15-20, which would allow us to release all of the smolts from saltwater at the optimum time to increase survivals. Survival data show that smolts released from saltwater around mid-May

survive better. We hope this change will provide another uptick in our increased returns.

CAPITAL UPGRADES include the construction of a new work float for Klawock Lake, where we rear coho in net pens. The new float is possible through a DIPAC grant administered by

SSRAA and replaces a 40-year-old float that had become a safety hazard. We use this float to wash and inspect nets and tag the fish.

After 20 years of neglect, the hatchery and site are continually being improved.

It doesn't happen overnight, but every year we get a bit better. But even as good as operations are now, and as substantial as our contributions are to fisheries, the incredible interception rate on returning fish makes it difficult to support this operation. We are at this point of operational success because of our dedicated staff and board as well as generous financial assistance from DIPAC and SSRAA. With continued support from SSRAA for the rest of this fiscal year and the next, POWHA will be OK. The future is uncertain,

In the last two years alone, coho returns were 79 percent of what had returned in the previous 16 years combined



The float array for POWHA's Klawock Lake operations sat ready for decking and equipment. Staff and seasonal workers tagged three coded groups for release this spring.

but we are hopeful that with help our coho will continue to provide significant opportunity here on the west coast.

AS ALWAYS, if you are on Prince of Wales Island, stop by and visit.

Peckham CONTINUED FROM 3

with the thorny issues of enhanced allocation and wild stock/hatchery fish interactions," he said.

He leaves the SSRAA board optimistic that continued investments to expand Burnett Inlet production, along with taking over Deer Mountain Hatchery and increasing its production, will bring substantial benefits to commercial fisherman.

"We've made decisions that allowed us to produce a lot more fish. We couldn't have done that with a heavy debt load, nor without a board that learned how to set priorities," he said.

Peckham said increased releases of enhanced fish didn't bear out worries that he shared with some other fishers: that hatchery salmon might impair wild stocks or compromise commercial fishing.

"There were some worries that hatchery stocks could affect the viability of wild fish. There was concern about overfishing wild stocks while targeting hatchery salmon. And there was another worry: that hatcheries would alter traditional fisheries to protect cost-recovery runs," he said. "But the negatives haven't shown up."

Peckham is pleased that SSRAA got out of self-marketing salmon.

"I opposed it," he said. "I thought we could've made more money putting all those fish out to bid and concentrating our efforts on producing salmon."

Peckham said he leaves the SSRAA board without having decided when to stop catching wild and hatchery salmon.

"It's still fun, it's still challenging," Peckham said. "I'm planning to fish as long as I'm healthy, I can make money and I can keep my operation safe."

Franulovich CONTINUED FROM 3

disproportionate benefits from Southeast hatchery production, he said—due in part to catches of summer chum produced by DIPAC and in part to weak returns for NSRAA's Hidden Falls Hatchery—fish targeted by seiners.

Although Franulovich served terms on the Southeast regional planning team (RPT) and believes the body does essential work, he thinks PNP aquaculture associations and their constituent fishers are adequately addressing allocation issues as they arise.

"Everybody deserves a fair share" of enhanced fish, he said—and the long arc of the system bends toward equity. At times the balance straddles the region, as when DIPAC chum go to gillnetters and Kendrick Bay salmon go toward helping seiners make up for soft returns elsewhere.

But fish remain a live commodity, subject to myriad contingencies of nature and to vagaries of "the price structure," as Franulovich puts it.

"The hatchery system is great. It's the best thing that ever happened" to commercial fishing—which Franulovich can see from the before-and-after perspectives. He has no concerns about SSRAA's staffing. He said the hatcheries are well-run and HQ personnel are consistently "good-quality people—and they stay for a long time."

As he departs the board this winter, Franulovich busies himself beachlogging and cutting firewood for Pennock Island neighbors, puttering around the house with his wife and ferrying his daughter to high school. He has no plans to quit fishing.

"It gets more fun as you get older," he said. "You're not driven by economics as you were before."

Biggest-ever coho release in 2013 yields record return

Coho smolt releases last year and for years to come surpass that mark

The fall coho run in 2014 established a new SSRAA record for adult returns, with more than 500,000 fish accounted for regionwide.

This best-ever return was the result of strong survival and a record-setting release of 4.5 million smolts in 2013.

The return in 2015 will be from a release of 5.76 million smolts in the spring of 2014—a 50 percent increase over the 2012 release. Smolt releases increased at three of SSRAA's four release sites in 2014: Neets Bay's coho smolt release was at 4.3 million, up from 3 million; Nakat bumped up to 600,000 from 300,000; and Anita Bay increased to 600,000 from the prior 225,000. Whitman Lake remain unchanged at 300,000 and will continue to serve as the primary broodstock site.

There are no further changes in coho production slated at this time.

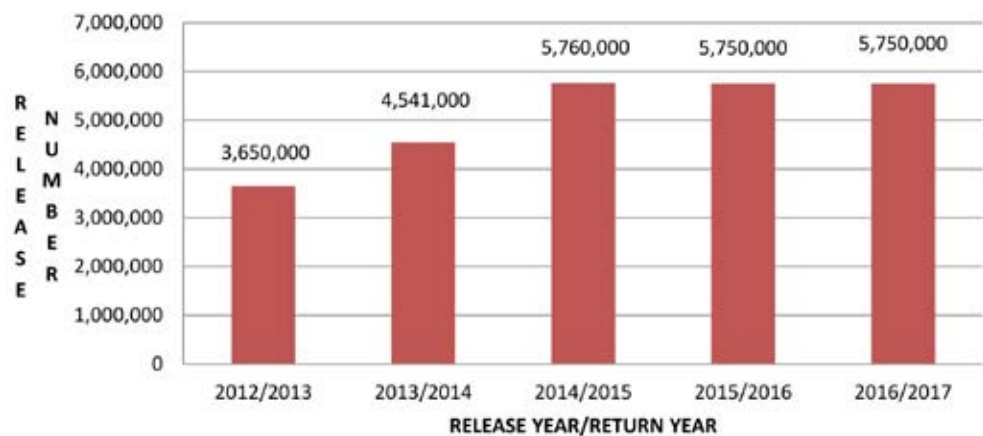
Questions have come up recently regarding where the coho program stands in terms of expansion and returns and the numbers cited above may just cloud the picture—so a graphic representation is provided here as well.

The main point to emphasize is that coho returns lag release by only one year. Smolt released in May of one year return as adults in August of the following year.

SSRAA reached full production with the release of 2014, so full return potential will be realized in 2015.

COHO SMOLT RELEASES ALL SITES

Past and forecast

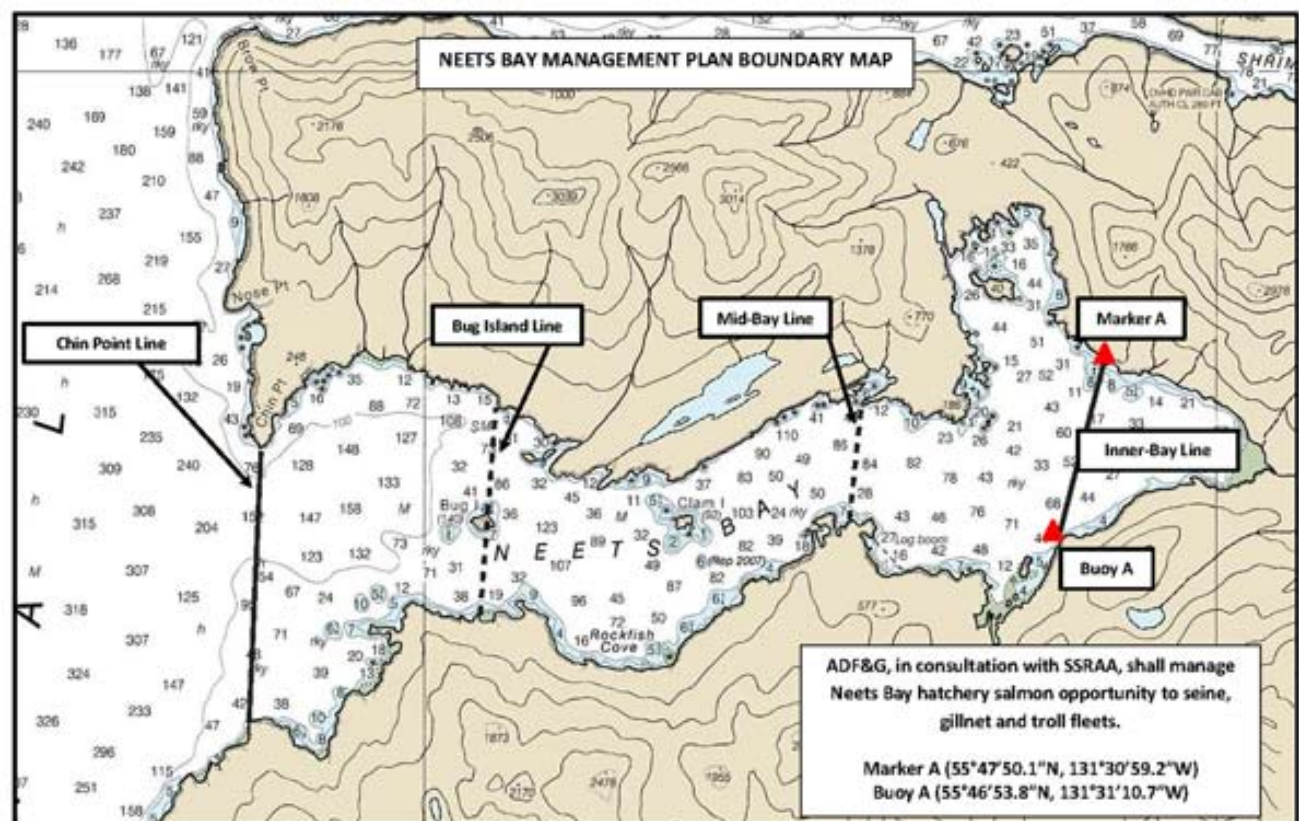


Neets Bay SHA

CONTINUED FROM 1

Actual rotational fisheries will begin on June 10. We don't yet know what the rotation will look like, but it has been much the same for a number of years. It is possible these rotations will be slightly modified to avoid Unuk River chinook, a current stock of concern. The SSRAA Board will establish the rotational schedule and date of the last rotation at its meeting on March 13. For every year but one since 1998, this was pretty much an exclusive chinook fishery. There was a significant harvest of summer chum in 2012, but that was the only time since 1998 that this occurred.

• **MID-SUMMER GEAR ROTATIONS** This fishery will occur when the cost recovery goal (revenue goal) is met and summer chum broodstock is secure. The first time SSRAA scheduled a mid-summer rotation was in 2014. The return last year was only about 70 percent of what was forecast and mid-summer rotations were not initiated until mid-August. The abundance of summer chum is usually much diminished by mid-August, and that was the case last year. If the run returns as forecast or exceeds forecast, there could be substance to this harvest. But of the four opportunities, this is the most uncertain. There was an unanticipated mid-summer single rotation in 2012, with a substantial chum harvest. This was conducted because the return far exceeded cost recovery needs and it was necessary to reduce the abundance to a controllable level in the inner SHA. This was an anomaly and is not anticipated in 2015—just as it was not anticipated three years ago. The 2015 rotation itself has not been determined. In 2014, troll was given several days with exclusive access to the inner bay, followed by net rotations; seine led these rotations because seiners are below their agreed allocation level. We anticipate something similar in 2015. This fishery will end as the first fall chum enter the SHA, generally around Aug. 25.



The SSRAA Board will establish the rotational schedule and date of the last rotation at its meeting on March 13

• **LATE-SEASON ROTATIONS** For some years, we have opened the SHA to net rotations as soon as fall chum broodstock was secure and egg-take goals were assured. In four of the past seven years, late-season storms killed a portion of our fall chum broodstock. Because this is a recurring issue, we are reluctant to open the SHA until the last of the broodstock has moved from saltwater into the hatchery raceways. This occurs about Sept. 25 every year. We would like to open the SHA sooner, but we haven't been able to get the fish to cooperate. This is in part why the fall chum broodstock are being moved to Burnett Inlet Hatchery—but it will be another two or three years before that move is completed. Generally, there are two or three rotations with relatively large numbers of fall coho and chum harvests.

Fall coho return well into October, but processors haven't wanted these fish after the first several days in October. The fall coho return in 2014 was the largest we have ever experienced and we anticipate a strong return again in 2015.

We also anticipate a larger fall chum return than we have experienced in several years.

Estimated value of SSRAA production to the fleets 2014

	Troll	Drift	Seine	Total	% By Species
Chinook	\$ 767,900	\$ 864,200	\$ 401,000	\$ 2,033,100	13%
Coho	\$ 2,642,300	\$ 1,835,300	\$ 363,900	\$ 4,841,500	30%
Chum	\$ 1,622,100	\$ 2,657,700	\$ 4,986,200	\$ 9,266,000	57%
Total	\$ 5,032,300	\$ 5,357,200	\$ 5,751,100	\$ 16,140,600	100%
% By Gear	31%	33%	36%	100%	

SSRAA forecast for all species / all sites 2015

Species	Site	5 YR	4 YR	3 YR	CP	Terminal	Total
S Chum	Neets	115,000	800,000	265,000	318,600	861,400	1,180,000
S Chum	Nakat	20,000	150,000	50,000	110,000	110,000	220,000
S Chum	Anita	50,000	250,000	70,000	185,000	185,000	370,000
S Chum	Kendrick	45,000	600,000	100,000	521,500	223,500	745,000
F Chum	Neets	10,000	165,000	35,000	52,500	157,500	210,000
F Chum	Nakat	no release	60,000	15,000	26,250	48,750	75,000

Species	Site	6 YR	5 YR	4 YR	CP	Terminal	Total
Chinook	Whitman	200	8,000	3,800	3,600	8,400	12,000
Chinook	Neets	500	10,000	11,000	6,450	15,050	21,500
Chinook	Anita	1,400	9,000	4,600	4,500	10,500	15,000
Chinook	Crystal	700	2,500	1,600	2,400	2,400	4,800

Species	Site	CP	Terminal	Total
Coho	Whitman	19,500	6,500	26,000
Coho	Neets	238,000	102,000	340,000
Coho	Nakat	43,200	4,800	48,000
Coho	Anita	37,600	9,400	47,000
Coho	Neck	45,000	45,000	90,000
Coho	Burnett	9,200	13,800	23,000
Coho	Crystal	2,500	2,500	5,000