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Alaska Board of Fisheries

Mr Chairman, members of the Board:

What did Governor Jay Hammond and Governor Sarah Palin have in common? They were both set netters. There are a couple of set netters seated at the Board today. When you drive around the neighborhoods here in the NN KS area, you see set net skiffs parked in the driveways of many homes. Some of the homes are grand, some modest, many socio-economic tiers in close proximity. All fish set net.

I am a nonresident, but I own a home here. I buy all of the goods and services I possibly can in the local economy. I bought the trailer that carries my set net skiff at Napa Auto in Naknek. I pay my property taxes. I donate to and participate in local interests. I am a summer resident. It is an asset to the community to have nonresidents living, working, and maintaining capital here.

For people who can make a life in Naknek, a set net operation is the equivalent of a family farm. It gives direct access to a basic resource and the ability to market. A relatively large capital investment is not required to fish set net. Extreme intellectual capital is not needed. In Bristol Bay, set net is the best opportunity to maintain a sustainable local economy.

I like proposal 62. I support any effort which makes the process of bringing a restructuring proposal to the table more rigorous. I am opposed to structuring a system which turns commercial fishing operators into shareholders. I support an industry in which small scale owners who have control of their own capital can run independent operations and thrive.

When I sold my fish to Wynn and Harold Brindle at Red Salmon, it was all canned. I once called Harold to tell him that I had a load of one eyed salmon that I had allowed to land on the mud where the gulls could get at them. "We don't can the eyes, bring them in." he told me. In the mid-90s when the market and the fishery went sour, fish quality became the prime concern. Yardarm Knot bought Red Salmon and changed the paradigm. They don't want one eyed jacks. They don't want to buy any fish that has landed in the mud. Their tenders carry refrigerated water tanks and less fish. They imposed a delivery limit on each permit.

In 2006, 2007, 2008, set net fishing in the Kvichak was good and our tender was on limits. Those who were operating with dual permits, two permittees and one crew for instance, were able to fully realize their capacity for harvest. I had a two man crew who quit and left me on

the fishing grounds with my boats and gear in play when they realized that we were delivering at half capacity. I was appalled to contemplate the fact that I needed to buy another permit to harvest fully. At the time, I had no one close enough to me to trust with such an investment in their hands, an investment I would be powerless to recover if they decided to walk with it.

I presently hold two set net permits. I was issued the first in 1976 when limited entry was instituted. I purchased the second in 2009 for \$28,500 when we were allowed to stack permits. I operate them in this manner: two skiffs, two fishers in each, a shore fishery lease with two net lines, fifty fathoms each. Five people work this operation instead of six. The missing individual is the other permit holder. The new equipment which allows two persons to fish a net line in one skiff is the hydraulic roller. The roller is the other crew member.

In a changed economic environment, in a fishery with many variables, this is how I use two stacked permits:

1. Large harvest in Bristol Bay
Plant processing capacity and quality concerns = delivery limits at tender
My sites can catch 10 thousand pounds a tide; delivery limits are 2500 to 5000 pounds
I need two permits for two limits to fully exploit my sites.
At times, I am using less than the gear allowed by my two permits to get my limits.
2. Small harvest in Bristol Bay or the Kvichak No limits at tender
I use double gear, two permits allows me 100 fathoms, to recover a harvest on a poor year.
3. Special Harvest Area
No limits at tenders
I use double reduced gear to recover a poor harvest.

A word about markets: There are two markets, two tenders which operate in my area. YAK has been my market for many years. I went to AGS and asked them to buy my fish. They told me that they had their own fishermen in the Kvichak who were also on limits.

In good years, depending on processing capacity and distribution of fish throughout the districts, my second permit allows me to deliver the same catches as before. In bad years, we catch more, make more money and recover a decent harvest. The two permits have allowed me to get rid of ten year old two stroke outboards and upgrade to four stroke which now cost about \$7000 each. I have purchased a new hydraulic roller. I am able to maintain my facilities in town without stress. I have been able to operate and upgrade my operation regardless of run strength. Harlan Bailey