



Draft Spending Plan for funds appropriated to address the 2016 Gulf of Alaska pink salmon disaster declaration.

Guiding principles for disaster funds distribution: disbursement of funds will be prioritized based on the following criteria: 1) funds will be allocated to improve fishery information to better assess and forecast future fishery performance; 2) fishery participants directly involved and harmed by the 2016 pink salmon disaster; 3) funds will be disbursed to positively affect the broadest number of people possible; and 4) address losses to primary business and infrastructure that directly support pink salmon fisheries and that incurred the greatest losses as a result of the disaster.

Categories of entities eligible to receive disaster relief funds:

- **Research:** Funds will be used for applied research or research activities to improve the resource managers ability to better understand pink salmon ecology and abundance, and improve pink salmon forecasts in the future.
- **Fishery participants:** Defined based on Commercial Fishery Entry Commission permit holders named on fish tickets for the 2016 salmon fishing season, in the affected management areas.
- **Municipalities:** Municipalities must be located within the affected areas and must have had pink salmon landed in the community. Disbursement of disaster funds will be based on the value of the State of Alaska's Fishery Resource Landing tax.
- **Processors:** Defined as processors that processed pink salmon in 2016 in the affected management areas. To be eligible to receive disaster funds, processors must be able to demonstrate a minimum first wholesale revenue of pink salmon of \$10,000 in 2016. For processors to receive full payment of disaster funds, each processor must submit a spending plan outlining a process to compensate processing employees for lost wages, as defined by criteria (see below).

Distribution process: Distribution of disaster funds will follow the following steps.

Step One – Research - \$4,180,000: Research funds will be deducted from the total amount of disaster funds prior to any distribution to the other entities. Disaster funds will be allocated to the following research projects.

Prince William Sound juvenile salmon survey

This project would re-deploy a juvenile pink salmon trawl survey in Prince William Sound (PWS) to forecast pink salmon returns. Such a survey would closely follow the methods and gear used for the Southeast Coastal Monitoring Survey (SECM), conducted annually in Southeast Alaska since 1997. An identical survey was successfully initiated in PWS for two full seasons (2014 and 2015), but it was discontinued due to state budget cuts before sufficient data could be collected to produce a reliable forecast.

Given large interannual fluctuations in pink salmon harvests in PWS, which have ranged from 54,000 to 90 million since 1960, pre-season indications of run strength are important to the resource stakeholders who rely upon this species. Pink salmon forecasts produced from the PWS juvenile salmon trawl survey would help seafood processors and commercial fishermen prepare for harvest expectations the following year. Such a survey would also be useful for ADF&G and hatchery managers until inseason abundance indices are available.

Total cost for the PWS trawl survey is approximately \$1,000,000 and would include participation by the Prince William Sound Science Center (PWSSC), ADF&G, and NOAA. Salary for PWSSC staff (\$340,000), vessel costs (\$468,000), and ADF&G salary (\$100,000) would make up the bulk of the annual costs, with the remainder for net repairs, travel, expendables, and some equipment. NOAA personnel will have a substantial advisory role but are not requesting salary. This project is not currently funded. Total requested funds for this project is \$1,000,000.

Alaska Hatchery Research Program

The Alaska Hatchery Research Program was established in 2011 to study the interaction of hatchery fish straying into wild systems for pink and chum salmon in Prince William Sound and for chum salmon in Southeast Alaska. This program has been funded by the State of Alaska, private-non-profit hatchery operators, processors, and competitive grants, and is overseen by a science panel composed of current and retired scientists from ADF&G, University of Alaska, aquaculture associations, and National Marine Fisheries Service.

The results of this ambitious project will examine genetic population structure among hatchery and natural fish, determine hatchery proportions in wild systems, and measure differences in fitness between hatchery- and natural-origin fish. This information is a critical element of assessing the impact of hatchery fish on wild production. Previous studies have been conducted on other Pacific salmon species with different life histories in locations where wild habitat has been compromised. This makes inferences from those studies to Alaskan circumstances tenuous.

To date the available funding (\$9.1M) has covered the first two components of this project: all the field work associated with the Prince William Sound and Southeast Alaska components. However, available existing funding is only sufficient for laboratory analysis in two of three generations at two of the five study streams in Prince William Sound. The program has not secured funding to complete the last generation at two streams and all generations for the three additional streams. Proposed work would support any fieldwork, laboratory analyses, statistical evaluations, and reporting necessary to complete this portion of the project. The anticipated cost of the remaining work, and the requested amount of disaster funds is \$2.5 million.

Southeast Alaska Coastal Monitoring Survey

The Southeast Alaska Coastal Monitoring (SECM) project has operated since 1997, whereby it surveys juvenile pink salmon abundance in three annual surveys from June through August. Surveys focus on the primary seaward migration corridors of the Inside Northern Southeast region including Icy Strait and upper Chatham Strait.

The results are essential to reliably forecasting Southeast pink salmon harvest. For most years the SECM project has shown a strong relationship between juvenile pink salmon abundance and harvest the following year. Because the pink salmon harvest in Southeast has a high interannual variability (harvest

has ranged from 3 to 95 million since 1960), information gained from the SECM project is essential in aiding seafood processors to form and prepare for harvest expectations the following year. It is also useful for ADF&G managers until inseason abundance indices are available.

Total cost for the SECM project is approximately \$1,200,000. Of this amount, NMFS has agreed to continue funding their staff's salary cost and expertise moving forward, which is approximately \$520,000. That leaves approximately \$680,000 of needed funds to cover the remaining project costs for the vessel and ADF&G personnel. Current project funding expires in 2018.

Step Two – Fishery Participants – \$32,044,231: Funds allocated to fishery participants will be calculated based on the loss of exvessel value to each management area as compared to the area's five even year average exvessel value. For each management area, disaster funds will be distributed such that each area's fishery value is equal to 82.5% percent of their respective five even year average exvessel value. The table below illustrates the amount of money necessary for each management area to achieve a total fishery value of 82.5% of each areas respective five even year average fishery value.

Providing each area the necessary funding to reach 82.5% of the average five even year exvessel value will compensate each areas participants, consistent with historical fishery performance, as defined by the five even year average fishery value.

Area	2016 final estimated exvessel value	Five year even average exvessel value (2006-2014)	2016 decrease in value relative to five-year even average value	Dollar difference between 2016 Final and Five year average	82.5% of 5 year average	Funds needed to reach 82.5% of 5 year average
Southeast	\$21,360,942	\$28,485,487	-25%	\$7,124,545	\$23,500,527	\$2,139,585
Yakutat	\$21,741	\$78,234	-72%	\$56,493	\$64,543	\$42,802
Lower Cook Inlet	\$110,512	\$454,796	-76%	\$344,284	\$375,207	\$264,695
Prince William Sound	\$23,031,536	\$52,668,063	-56%	\$29,636,527	\$43,451,152	\$20,419,616
Kodiak	\$6,959,984	\$16,832,087	-59%	\$9,872,103	\$13,886,472	\$6,926,488
South Alaska Peninsula	\$974,813	\$3,315,540	-71%	\$2,340,727	\$2,735,321	\$1,760,508
Chignik	\$121,373	\$741,711	-84%	\$620,338	\$611,912	\$490,539
Total						\$32,044,231
% of total funds						57%

Fishery participants must meet all of the following criteria to be eligible to receive disaster funds;

- a) Hold a Commercial Fisheries Entry Commission permit card for salmon in 2016,
- b) CFEC permit holder must have fished for pink salmon in 2016,
- c) CFEC permit holder must be able to document ADF&G fish ticket landings equal to or greater than 1,000 pounds of pink salmon,

Participants fishing within the Annette Island Reserve that do not hold a CFEC permit card are eligible, contingent upon demonstrating having fished for pink salmon in 2016 and landed equal to or greater than 1,000 pounds of pink salmon.

CFEC permit holders and Annette Island Reserve participants must be able to document a loss of 2016 pink salmon exvessel revenue compared to their average pink salmon exvessel revenue during the most recent five even years.

Step Three – Municipalities – \$2,437,039: Municipalities are recipients of tax revenues from commercial fisheries, including pink salmon. These tax revenues are a direct function of the amount of pink salmon landed and the exvessel value of those pink salmon. Therefore, municipalities incurred lost tax revenue similar to fishery participants, but proportionally smaller based on the tax rate. To compensate for these losses each community within the affected management areas that received pink salmon landings in 2016 will be eligible to receive disaster funds. Communities that received pink salmon landings in 2016 will be eligible to receive funds equal to 1.5% of the five even year average exvessel value of pink salmon landed in the community. The 1.5% is the State of Alaska Fishery Resource Landing Tax that is normally collected and distributed to these communities.

Step Four – Processors – \$17,700,062: Processing facilities and workers were impacted by the low pink salmon returns in 2016. Some processing facilities received less volume of pink salmon and generated less revenue from pink salmon compared to previous years. The total amount of disaster relief funds available for processors is determined by comparing each processing companies 2016 pink salmon gross revenue, and their five even year pink salmon average gross revenue. Disaster funds will be distributed pro rata to the difference between the 2016 pink salmon gross first wholesale value and each processors five even year average gross first wholesale value for pink salmon. To be eligible to receive disaster relief funds, processors must meet the following criteria;

- a) Processors must have processed pink salmon in 2016,
- b) Processors must demonstrate a 2016 first wholesale value of \$10,000 or greater (determined based on COAR data),
- c) Eligible entities must demonstrate a revenue loss in 2016 as compared to the five even year average (based on COAR data).

Distribution to processors will be done in two steps. Twenty-five percent of each processors overall distribution will be provided in step one, based on the above criteria. The second installment of funds is contingent upon each processor providing Pacific States Marine Fisheries Commission a plan identifying the amount and methods for distributing disaster funds to processing workers. Each processors distribution plan must include:

- a) the number of workers employed during the 2016 pink salmon season,
- b) number of workers eligible to receive payments,
- c) hours worked in 2016 and average hours worked during previous five even year pink salmon seasons,
- d) estimated total loss of wages to processing workers,
- e) methods for distributing funds to processing workers.

Following receipt of this information, the second and final installment of funds will be provided to processors.