



CITY AND BOROUGH OF SITKA
FISHERIES ENHANCEMENT FUND

CHINOOK FUTURES COALITION
\$5,000 REQUEST FOR SUPPORT

Howard Pendell – Board President

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Dear Mayor McConnell and Assembly Members of the City and Borough of Sitka,

In 2012, I started a group called the Chinook Futures Coalition. Randy Nichols and Gary Mulligan, also Trollers, joined with me to incorporate our organization. Our purpose is to:

1. To promote the availability of Chinook salmon in Southeast Alaska for harvest by commercial and recreational fishermen.
2. To promote and enhance the economic value of Chinook salmon harvested in Southeast Alaska to seafood consumers, visitors to the region and local communities.
3. To engage in activities directed at the improvement of business conditions for southeast Alaska businesses engaged in the harvest of Chinook salmon.
4. To conduct scientific and public policy research about Chinook salmon ecology and fishery management and provide information, outreach and education services to members and the public.
5. To seek, receive and maintain funds for the above purposes.
6. To pursue other appropriate action to promote the interests of its members to the extent consistent with the Alaska Non-profit Corporations Act and § 501(c) of the Internal Revenue Code as amended, which allows for exemption from federal income taxes, and § 170(a) of the Internal Revenue Code of 1986, which allows for tax deductible contributions to the organization.

I am the Alaska Troll industry representative on the Northern Panel of the Pacific Salmon Commission and I see firsthand, from inside the process, how the State of Alaska struggles each year to get a reasonable amount of fishing opportunity through the Pacific Salmon Commission. The States of Washington and Oregon, the Pacific Northwest Tribes and Canada are united in their efforts to keep Alaska from fishing, despite the fact the abundance of Chinook salmon in our waters are at record high levels. The goal of our group is to assist the State with additional research, public support and legal advice. We have been successful so far and are asking for your support to continue to provide additional legal and scientific support to the State of Alaska Department of Fish and Game and the US Canada Salmon Commission Treaty team.

During the 2008 Pacific Salmon Treaty negotiations, the State of Alaska agreed to a 15% reduction in Chinook harvest from the levels agreed to in 1999. The reduction was made in response to pressure from Canada, the Pacific Northwest Tribes and the States of Washington and Oregon. The other participants in the Pacific Salmon Treaty argued that some Chinook salmon stocks were thought to be performing poorly and could be helped if Alaska reduced harvest. Alaska's role in the 2008 Treaty Agreement was a good faith effort to respond to the concerns of the other parties and to protect all the Alaska fisheries subject to the terms of the Treaty.

The 15% reduction in harvest made in good faith by Alaska now appears to be for unfounded conservation concerns and has deprived Alaska of 77,500 fish in 2014. These are fish that the State and our fishermen have been working to rebuild since 1976. The loss of 57,425 Chinook from the troll fishery represented a loss of \$2,331,355 dollars.

Last year the July troll season lasted one week. True, the catch was very high but this fishery traditionally began in June and was open continuously until the fall. Trollers and recreational fishermen are the home guard residents of our rural communities. Now that the salmon runs are restored to health, the fisheries should be restored as well. We are working with the state to increase the level of chinook harvest allocated to Alaska.

In writing this letter to ask for support I struggled with how much detail to include. This is a long and complicated fish story so I will just summarize the most important points.

On January 16, 2015 Chinook Futures Coalition filed a petition with the National Marine Fisheries Service asking them to open a review of the status of Snake River Fall Chinook. This specie occurs in small numbers in our fisheries. On the basis of the scientific evidence that CFC presented, the NMFS agreed that a review is justified and that there is a possibility that the SRFC Chinook salmon are no longer threatened with extinction. The review period is now underway and a decision will be made within a year. This is a hugely positive step and we are encouraged that our very thoughtful, deliberate and cautious approach; our reliance on expert advisers and known allies to Alaska are bringing positive results.

NSRAA, DIPAC, Sitka Sound Seafoods, Seafood Producers Coop and the Alaska Trollers Association are all in support of CFC efforts. Enhancement has played a major role in the comeback story of SRFC and our local aquaculture associations think that success should be celebrated. We are also in communication with the members of Alaska's Treaty team and are working to support them.

Just a few fish that are from Pacific Northwest stocks listed as endangered are caught in the Southeast Alaska fisheries. However the presence of Endangered Species brings great scrutiny, caution and conservative management. Last year over 60,000 Snake River Fall Chinook returned to their spawning grounds, the year before over 50,000. These stocks are rebuilt and healthy and should be celebrated as such, instead the National Marine Fisheries Service is insisting that the State of Alaska accept a much reduced harvest level for our Chinook fisheries in the coming year. This debate, currently underway, involves a wider spectrum of issues than just one purportedly endangered stock that occurs in very small numbers in our harvests. CFC's efforts to have one stock recognized as healthy and rebuilt seems small but we are doing what we can to turn the tide of opinion that is currently running against our fisheries. Please assist our efforts work within the regulatory framework of the Pacific Salmon Commission and the Endangered Species Act to increase access to Chinook salmon for our fisherman and to bring these hard won economic benefits to the community of Sitka.

Chinook Futures efforts to date include:

- CFC Commissioned an extensive and thorough research paper by Dr. David Bernard investigating the possibility of petitioning National Marine Fisheries Service to delist Snake River Fall Chinook under the ESA with funding provided by NSRAA;
- On January 16th 2015 CFC submitted a ten page petition letter to remove Snake River Fall Chinook from threatened status under the Endangered Species Act. A 15 page background paper was also submitted. This action was taken based on the findings of the research paper and the advice of our attorney, George Mannina of Nossaman, LLP, a Washington DC firm experienced in ESA-related litigation.
- CFC is a non-profit 501(c)(6) and in good standing with the State of Alaska. The Annual Meeting was held on October 29, 2014 and the most recent Board

of Directors meeting was May 28th, 2015. A port meeting is planned for June 15, 2015.

- CFC received a grant of \$100,000 from DIPAC last year. It has been used exclusively for the attorney's fees and legal and scientific document preparation, over half of the funds have been spent and these costs are ongoing.
- CFC has signed an agreement letter with FISHSPEAK Services to help organize our non-profit, keep books and file taxes. We are modeling our support of the State on the Pacific Salmon Treaty Coalition efforts of 1996 - 2000.
- CFC is currently working with the Southeast Conference Fisheries Committee and communities in Southeast Alaska to increase awareness on the issue chinook salmon abundance. Hundreds of thousands of healthy rebuilt runs of Chinook swim past our shores this past season and the region's fishermen should have had more opportunity to harvest them. Delisting could help increase access to healthy Chinook stocks in our fisheries.
- CFC is working with the State of Alaska Pacific Salmon Treaty Commissioner Charles Swanton and with the Alaska Trollers Association. We are in support of the State's efforts in the US/Canada arena.
- We are developing a strategy to support the State of Alaska's efforts on behalf of fishermen and processors and will continue to provide legal, scientific and professional assistance to the State.

Thank you Mayor, and Assembly members. Please do not hesitate to give me a call if you have questions.

Howard Pendell

CFC Board President
738-3137

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05/28/15
Accrual Basis

Chinook Futures Coalition
Balance Sheet
As of May 28, 2015

	<u>May 28, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash	
1010 · WF Gold Bus Checking	44,524.71
Total 1000 · Cash	<u>44,524.71</u>
Total Checking/Savings	44,524.71
Other Current Assets	
12000 · Undeposited Funds	2,204.86
Total Other Current Assets	<u>2,204.86</u>
Total Current Assets	<u>46,729.57</u>
TOTAL ASSETS	<u><u>46,729.57</u></u>
LIABILITIES & EQUITY	
Equity	
32000 · Unrestricted Net Assets	72,219.77
Net Income	<u>-25,490.20</u>
Total Equity	<u>46,729.57</u>
TOTAL LIABILITIES & EQUITY	<u><u>46,729.57</u></u>

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Accrual Basis

Chinook Futures Coalition
Statement of Financial Income and Expense
January 1 through May 28, 2015

	<u>Unclassified</u>	<u>TOTAL</u>
Ordinary Income/Expense		
Income		
43400 · Direct Public Support		
43410 · Corporate Contributions	5,000.00	5,000.00
Total 43400 · Direct Public Support	<u>5,000.00</u>	<u>5,000.00</u>
47200 · Program Income		
47230 · Membership Dues	250.00	250.00
Total 47200 · Program Income	<u>250.00</u>	<u>250.00</u>
Total Income	5,250.00	5,250.00
Expense		
60900 · Business Expenses		
60910 · Bank Charges	21.05	21.05
Total 60900 · Business Expenses	<u>21.05</u>	<u>21.05</u>
62100 · Contract Services		
62110 · Accounting Fees	1,334.25	1,334.25
62140 · Legal Fees	24,580.00	24,580.00
62150 · Outside Contract Services	4,804.90	4,804.90
Total 62100 · Contract Services	<u>30,719.15</u>	<u>30,719.15</u>
Total Expense	<u>30,740.20</u>	<u>30,740.20</u>
Net Ordinary Income	<u>-25,490.20</u>	<u>-25,490.20</u>
Net Income	<u><u>-25,490.20</u></u>	<u><u>-25,490.20</u></u>

Chinook Futures Coalition
Statement of Financial Income and Expense
 January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Income	
43400 · Direct Public Support	
43450 · Individ, Business Contributions	102,456.86
Total 43400 · Direct Public Support	102,456.86
45000 · Investments	
45030 · Interest-Savings, Short-term CD	1.13
Total 45000 · Investments	1.13
47200 · Program Income	
47230 · Membership Dues	750.00
Total 47200 · Program Income	750.00
Total Income	103,207.99
Expense	
60900 · Business Expenses	
60910 · Bank Charges	31.65
60920 · Business Registration Fees	1,435.00
Total 60900 · Business Expenses	1,466.65
62100 · Contract Services	
62110 · Accounting Fees	500.00
62140 · Legal Fees	45,928.08
Total 62100 · Contract Services	46,428.08
65000 · Operations	
65040 · Supplies	58.88
Total 65000 · Operations	58.88
65100 · Other Types of Expenses	
65120 · Insurance - Liability, D and O	665.00
Total 65100 · Other Types of Expenses	665.00
68300 · Travel and Meetings	
68320 · Travel	645.00
Total 68300 · Travel and Meetings	645.00
Total Expense	49,263.61
Net Ordinary Income	53,944.38
Net Income	53,944.38

Chinook Futures Coalition
Statement of Financial Position
As of May 28, 2015

	May 28, 15	May 28, 14	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1000 · Cash				
1010 · WF Gold Bus Checking	44,524.71	83,691.51	-39,166.80	-46.8%
1020 · Savings	0.00	2,054.71	-2,054.71	-100.0%
Total 1000 · Cash	<u>44,524.71</u>	<u>85,746.22</u>	<u>-41,221.51</u>	<u>-48.1%</u>
Total Checking/Savings	44,524.71	85,746.22	-41,221.51	-48.1%
Other Current Assets				
12000 · Undeposited Funds	2,204.86	2,000.00	204.86	10.2%
Total Other Current Assets	<u>2,204.86</u>	<u>2,000.00</u>	<u>204.86</u>	<u>10.2%</u>
Total Current Assets	<u>46,729.57</u>	<u>87,746.22</u>	<u>-41,016.65</u>	<u>-46.7%</u>
TOTAL ASSETS	<u><u>46,729.57</u></u>	<u><u>87,746.22</u></u>	<u><u>-41,016.65</u></u>	<u><u>-46.7%</u></u>
LIABILITIES & EQUITY				
Equity				
32000 · Unrestricted Net Assets	72,219.77	18,275.39	53,944.38	295.2%
Net Income	-25,490.20	69,470.83	-94,961.03	-136.7%
Total Equity	<u>46,729.57</u>	<u>87,746.22</u>	<u>-41,016.65</u>	<u>-46.7%</u>
TOTAL LIABILITIES & EQUITY	<u><u>46,729.57</u></u>	<u><u>87,746.22</u></u>	<u><u>-41,016.65</u></u>	<u><u>-46.7%</u></u>

Chinook Futures Coalition
Statement of Financial Position
 As of December 31, 2014

	Dec 31, 14	Dec 31, 13	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1000 · Cash				
1010 · WF Gold Bus Checking	70,014.91	11,971.66	58,043.25	484.8%
1020 · Savings	0.00	6,303.73	-6,303.73	-100.0%
Total 1000 · Cash	<u>70,014.91</u>	<u>18,275.39</u>	<u>51,739.52</u>	<u>283.1%</u>
Total Checking/Savings	70,014.91	18,275.39	51,739.52	283.1%
Other Current Assets				
12000 · Undeposited Funds	2,204.86	0.00	2,204.86	100.0%
Total Other Current Assets	<u>2,204.86</u>	<u>0.00</u>	<u>2,204.86</u>	<u>100.0%</u>
Total Current Assets	<u>72,219.77</u>	<u>18,275.39</u>	<u>53,944.38</u>	<u>295.2%</u>
TOTAL ASSETS	<u><u>72,219.77</u></u>	<u><u>18,275.39</u></u>	<u><u>53,944.38</u></u>	<u><u>295.2%</u></u>
LIABILITIES & EQUITY				
Equity				
32000 · Unrestricted Net Assets	18,275.39	9,255.17	9,020.22	97.5%
Net Income	53,944.38	9,020.22	44,924.16	498.0%
Total Equity	<u>72,219.77</u>	<u>18,275.39</u>	<u>53,944.38</u>	<u>295.2%</u>
TOTAL LIABILITIES & EQUITY	<u><u>72,219.77</u></u>	<u><u>18,275.39</u></u>	<u><u>53,944.38</u></u>	<u><u>295.2%</u></u>