



September 8, 2020

Julie Anderson, Commissioner  
Department of Commerce, Community, and Economic Development  
550 W. 7<sup>th</sup> Avenue, Suite 1535  
Anchorage, Alaska 99501

Governor Dunleavy  
Office of the Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Commissioner Anderson and Governor Dunleavy,

The Petersburg Borough Assembly respectfully seeks the following actions:

1. Pursuant to AS 44.33.285, Commissioner Anderson reviews the facts described herein, (and any additional facts she may deem relevant) and recommend to the Governor that Southeast Alaska be declared an area “impacted by an economic disaster”, i.e., an economic disaster based on fishery losses. (The legislature may then appropriate money for assistance grants).
2. The Governor request his Department of Fish and Game to gather data to date regarding prices, amount of salmon landings, value losses to Southeast Alaska salmon fishermen, provide the information, and update it immediately after the salmon season officially closes in October. The goal is to provide the Governor with the data necessary to immediately request a federal fishery disaster declaration for Southeast Alaska salmon from the Secretary of Commerce.
3. Request the Alaska Congressional Delegation to seek and support an appropriation from Congress in the annual Department of Commerce FY 21 budget bill (or another vehicle) for the looming Southeast salmon fishery disaster.
4. Request President Trump to direct Secretary Perdue to provide access to Alaska fishermen for relief from impacts of unfair trade tariffs and policies. Such relief was recently provided Maine Lobstermen. <https://www.whitehouse.gov/presidential-actions/memorandum-protecting-united-states-lobster-industry/>

Alaska fishermen have also been hurt by trade issues, as described below:

### **Southeast Salmon Returns and Negative Impacts to Date**

As you are likely aware, salmon returns in Southeast are far below forecasts. Low returns, low prices, and unfair trade practices have all combined with the impacts of the pandemic to hammer all commercial fishing gear groups in the region. Commercial fishing is the dominate industry in our community and the negative impacts are substantial.

Ex-vessel value of the purse seine and drift gillnet salmon fisheries appear to be the lowest on record in Southeast since 1976. The 2019 southeast salmon harvest value was \$101.8 million, and the 2018 southeast salmon harvest value was \$133.6 million. Nearly all this value came from the purse seine and drift gillnet fisheries.

The 10-year average for southeast seine salmon value is \$73M and the drift gillnet fishery is \$27M. This year, with most of the season over, harvest values to date are \$8M and \$7M respectively. While final harvest data will not be available for several weeks, the preliminary data shows us the impact on fishermen and the community will be severe. Harvest values for this year do not include the troll fleet, which has also had a very poor season and adds to the severity of impacts.

Clearly, when a commercial seine boat's gross income this late in the season is less than a crew share from previous years, a fishery disaster exists. While we do not yet know the final financial impact on Petersburg and all Southeast fishermen, we know it will be devastating.

### **Timing of Federal Appropriations**

Timing for federal appropriations is also critical for our local economy and the Southeast Alaskan fishermen. It took nearly four (4) years after the 2016 pink salmon disaster for relief funds to make it to fishermen, with checks distributed in 2020. If the process takes that long again, there may not be many fishermen left in the fleet.

### **Trade Issues**

With regards to relief based on trade, there are two different issues:

- First, retaliatory tariffs imposed by China on Alaska seafood, including salmon. The average tax imposed by China on Alaska seafood is 38%. This has hurt our salmon sales and prices.
- Second, unfair trade practices imposed by Russia. Russia has exported nearly \$700 million in seafood to the U.S. while imposing a complete trade embargo on exports of seafood from the U.S. This has also hurt prices.

**Borough Administration**

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Our community and fishermen are extremely thankful for the \$50 million in federal fishing disaster relief that was included in the CARES Act for Alaska. However, this amount will clearly be insufficient when one considers that \$50 million represents just a small fraction (1/8th) of the value of just one salmon species caught in 2019 to commercial fishermen alone. Sockeye salmon accounted for \$421 million in value to fishermen in 2019 as reported in the November 13, 2019, edition of the Alaska Journal. In 2018, Alaska's commercial fisheries had an estimated value of nearly \$1.8 billion dollars. Alaska represented 32% of \$5.6 billion in commercial fishing value nationwide according to NOAA's 2018 annual commercial fisheries report.

Our understanding is the \$50 million in CARES Act disaster relief funds will be spread across all species, in all parts of the state, to all commercial fishing groups, to charter fishermen, communities losing fish landing taxes, processors, and others without taking into account specific regions and gear groups that have suffered a disastrous 2020 season. With so many participants eligible to receive these funds, the \$50 million will be heavily diluted.

We ask for your support and help in all the above areas. Permit holders in the troll fleet, purse seine and drift gillnet salmon fisheries represent the engine that drives our local and regional economy. These small businesses combined with the processors and the support industries make our community one of the best places to live and prosper in Alaska. We need your help.

Respectfully,



Mark Jensen  
Mayor

Cc: Senator Bert Stedman  
Representative Jonathan Kreiss-Tomkins  
Senator Lisa Murkowski  
Senator Dan Sullivan  
Congressman Don Young  
Amy Daugherty, Executive Director, Alaska Trollers Association  
Max Worhatch, Executive Director, United Southeast Alaska Gillnetters  
Susan Doherty, Executive Director, Southeast Alaska Seiners Association  
Megan O'Neil, Executive Director, Petersburg Vessel Owners Association  
Frances Leach, Executive Director, United Fishermen of Alaska  
Scott Kelley, Executive Administrator, United Fishermen of Alaska  
Nils Andreassen, Executive Director, Alaska Municipal League  
Robert Venables, Executive Director, Southeast Conference