



Oregon Coastal Notes

Oregon Coastal Zone Management Association

June 28, 2006

Governor Kulongoski and the Oregon Legislature Throw a Life Line to Oregon's Commercial Salmon Fleet—Onno Husing, Director, OCZMA



Pictured at left at the Salmon Summit II held in Newport (City Hall) on June 2, 2006: Mike Carrier, Oregon Governor Ted Kulongoski's Natural Resources Advisor (left), Senator Betsy Johnson (center) and Senator Joanne Verger (right)

This year, the federal government closed 700 miles of fishing grounds in California and Oregon to commercial salmon fishing for most of the season. Why? For the last three years, the number of naturally-spawning Fall Chinook returning to the Klamath River fell below 35,000 fish. That forced the curtailment of commercial salmon fisheries on the West coast because Klamath River salmon are harvested in a mixed stock fishery in the ocean.

Almost all other Fall Chinook salmon runs on the West coast (the key species harvested by commercial fishermen) are in great shape. Indeed, the irony is there are plenty of salmon in the ocean. And today, because consumers prefer wild salmon, these fish are quite valuable.

IMPORTANT NOTE: The commercial salmon crisis has NOT been caused by overfishing!

Evidence is mounting that the Iron Gate Dam on the Klamath River, built in the 1950s for hydropower, is the main problem. During low water years, the Iron Gate Dam restricts spring water flows in the Klamath River. When that happens, stones and gravel in the riverbed don't get moved around like they should. That, in turn, allowed a worm population in the riverbed to expand exponentially. The worm hosts a parasite that releases spores into the Klamath River. At high enough concentrations, the spores infect and kill juvenile Fall Chinook salmon in a forty-mile stretch of the river below the Iron Gate Dam.

A Token Fishery Creates Hardship

The limited number of days the fleet gets to fish this year (only North of Florence) constitutes a token fishery. As a result, many of the commercial salmon fishermen in Oregon (there are approximately 450 vessels total) are teetering on the edge of bankruptcy. The impact has been profound on coastal communities in Oregon and California dependent on fishing.



For the last few months, OCZMA has worked closely with the Coastal Caucus (state legislators representing the Oregon coast), Oregon's Congressional Delegation, Governor Kulongoski's Office,

and the Oregon Salmon Commission, to craft a response. There has been unprecedented bi-partisan cooperation (at the local, state, and federal level) to develop a program to help the fleet make it through this summer and next summer. Most people agree the fleet should be back fishing for a full season by 2008.

Developing a fishery disaster program is time intensive and fact intensive. It takes countless meetings, phone calls, e-mails, memos and contacts with the media to keep information and ideas flowing. For instance, on a weekly basis, the Oregon Salmon Commission has been holding conference calls. They worked to create an industry consensus. The Oregon Salmon Commissioners are a great group of individuals. They bring years of hands-on industry experience to this historic task. And, because they come from different regions of the Oregon coast, they represent the needs of their communities.

The Long March To The Emergency Board

In early May 2006 we learned the Congressional Delegation could not attach a salmon disaster aid program to the Emergency Supplemental Bill working its way through Congress. That was disappointing news. At the time, it was our only hope for timely assistance. At that stage, we knew federal aid would NOT be available until the late Fall of 2006 (at the earliest). In response, Congressional staff asked OCZMA to inquire if the State of Oregon could step up and provide interim help to bridge the gap until federal help arrives.

OCZMA Director Onno Husing contacted Senator Joanne Verger (the Chair of the Coastal Caucus) and explained the situation. Senator Verger didn't hesitate. She worked with the Oregon Senate President's Office to place the issue on the agenda for the June 22-23, 2006 Emergency Board Meeting. Other members of the Coastal Caucus (Senators Betsy Johnson and Jeff Kruse; Representatives Deborah Boone, Alan Brown, Wayne Krieger, Arnie Roblan and Brad Witt) lent strong bi-partisan support.

Salmon Summit II was held in Newport (City Hall) on June 2, 2006. Governor Kulongoski attended. Also in attendance were many members of the Coastal Caucus and a number of state



agency heads, along with Oregon Congressional delegation staffers. Public pledges of support were offered to the salmon industry.

Pictured from left to right at the Salmon Summit II: Commissioners Scott Boley and Jeff Reeves, Oregon Salmon Commission; Scott Cook, Coos Bay Salmon Fisherman; Paul Heikkila, OSU Marine Extension Agent and Coos Bay Fisherman; Jeff Feldner, Newport Fisherman

After learning the State of Oregon only had a modest amount of money remaining in the Emergency Board fund, the Salmon Commissioners decided to ask the Emergency Board for \$2 million for a direct assistance program. What does \$2 million buy you in this context? Shared across the fleet (about 450 fishing vessels), \$2 million was estimated to provide about \$4,500 per fishing operation.

In addition, in May 2006, the Oregon Watershed Enhancement Board (OWEB) took action to place before the Emergency Board a \$2,211,391 request for five projects, which includes watershed restoration projects, and at-sea research projects on salmon. So, coming into the June 22-23, 2006 Emergency Board meeting, two funding packages were in play: (1) the \$2 million request for direct payments assistance to fishermen, and (2) the OWEB projects.

A Memorable Day in the State Capitol

Going before the E-Board can be nerve-racking. And, it better be an emergency when you ask the Oregon Emergency Board for money. Going in, we understood that what we were asking for—direct financial assistance to fishing families—was unprecedented in Oregon. Knowing this, we polished our arguments as to why direct assistance to commercial salmon fishermen would be good public policy.

In a nutshell, the main points can be summarized as:

- The long-term prospects for the commercial salmon fishery are good. The fleet is facing curtailments this summer and next summer. The problems in the Klamath Basin impacting juvenile salmon can be remedied (we are in a high water year, that will knock down the worm/parasite population in the river, and, we expect the Iron Gate Dam to be either removed or modified before the next low-water year, as Fall Chinook salmon populations in the Klamath River have a long history of rebounding).
- The requested funds would make a big difference to the fleet. The dollars would leverage local resources, and, help the Congressional Delegation get federal dollars to help the industry make it through this transition, and, "Fix the Klamath River."
- Oregon's salmon industry is worth saving. It is a "traded sector cluster," worth (conservatively) about \$30 million a year to vessel owners/crews and the directly-related businesses on the Oregon coast. A "cluster" is a collection of businesses and people with skill sets that do business with each other. Clusters are durable, and, they tend to provide above-average wages. "Traded sector" industries bring money into the state of Oregon. So, from an economic development perspective, if you can save or create a traded sector cluster in a rural region you are accomplishing something significant.
- And, finally, there is something special about Oregon's commercial salmon industry. It defines who we are as Oregonians. And, having working waterfronts boosts the retirement and tourism industry on the Oregon coast. The salmon fishery gives people a tangible human connection to the sea. Moreover, if we let the salmon industry in Oregon perish, it will send an awful signal to the outside world that Oregon's quality of life is deteriorating.

We believed that if the state legislators on the Emergency Board understood the commercial salmon industry, they would see direct payments to the fleet as a good investment for the State of Oregon.

In the days leading up to the Emergency Board meeting, we learned that the OWEB funding package was uncontroversial. OWEB dollars originate from Measure 66 funds, not the General Fund. In contrast, the direct assistance package was a different story. Those funds would come from the limited Emergency Board fund.

And, we learned influential state legislators were concerned that direct payments to the fleet would set a dangerous precedent for the state of Oregon. They reasoned, if the Emergency Board helps the fishermen, wouldn't there be a parade of other industries seeking cash assistance? When would it stop?

The Coastal Caucus rallied to help. They made many important contacts in the days leading up to the Emergency Board meeting. There were conflicting reports: (1) the direct assistance program was on the agenda, and then, (2) the direct assistance program was not on the agenda. The Coastal Caucus pushed hard to keep the direct assistance program in play.

The day before the Emergency Board meeting (June 21, 2006), Governor Kulongoski broke the deadlock and committed \$500,000 from the Strategic Reserve Fund (SRF)—the Governor’s economic development fund—toward the direct assistance program. Negotiations between the Governor’s Office and the Senate Leadership and the House Leadership continued on June 21st. Attempts were made to increase the dollars for the direct assistance to \$2 million. In the end, the decision was made to ask the Emergency Board to authorize the Oregon Department of Agriculture (ODA) to receive the \$500,000 from the SRF to distribute to the fleet in the form of direct assistance. The Emergency Board would then be asked to “reserve” an additional \$500,000 for direct assistance from the Emergency Board fund. The reserved amount would be taken up at the September Emergency Board meeting (presently scheduled for September 21-22, 2006).



Members of the salmon industry testified before the Emergency Board on the OWEB package. They did a great job. But again, the OWEB package was uncontroversial.

Pictured from left to right: Scott Boley, Oregon Salmon Commission; Jeff Feldner, Newport Fisherman; Paul Heikkila, OSU Marine Extension Agent and Coos Bay Fisherman; Gil Sylvia, Superintendent, Coastal Oregon Marine Experiment Station (COMES)

Then it was time to address the direct payments package. Katy Coba, the Director of the Department of

Agriculture, testified for the direct assistance program. When Katy Coba concluded, Representative Greg Smith, a Republican from Eastern Oregon serving on the Subcommittee, weighed in. Representative Smith focused on accountability. He asked Katy Coba, “Who would be eligible for funds? What expenses can the funds be spent on? Who is going to track this?” Representative Smith wanted assurances the funding would be timely. Representative Smith pressed Katy Coba, “Has the Attorney General been asked about this? Will they need to do a review? Can your Department get the funds out in a timely manner? Where’s the Employment Department on this? What do they think?” In closing, Representative Smith commented, “I can point to timber towns throughout Oregon that didn’t get help. I don’t see this as a fix. I think this sets a very scary precedent. I think this is good politics but poor public policy.”



Emergency Board General Government Subcommittee (pictured from left to right: Senators Ben Westlund and Margaret Carter; Paul Siebert, Legislative Fiscal Office; Representatives Susan Morgan (Chair), Greg Smith and Deborah Boone)

It was then Senator Margaret Carter's (a Democrat from Portland) turn to speak. Senator Carter said, "To me, this is an issue of human dignity. And, this is about saving an important industry in Oregon. They are not asking for a five-year fix. They are asking for temporary help." Senator Carter continued, "Is this precedent setting? Yes, maybe. But, do we allow precedents to stop us from doing the right thing? These people pay their taxes too. In Oregon, we need to take care of our own. At times, all of us need to help each other."



The Coastal Caucus then testified before the Subcommittee.

Pictured from left to right: Senator Joanne Verger, Chair, Coastal Caucus; Representatives Wayne Krieger, Alan Brown, Deborah Boone, and Arnie Roblan

They passionately urged their colleagues to act favorably on both funding packages. I was proud of them. There was a spirited discussion after they testified. Respected Subcommittee Chair Susan Morgan said, "Our hearts go out to these fishermen and their families. But, we have a responsibility to the taxpayers of Oregon. The financial situation of the

state right now, and the potential financial obligations we face are daunting. We have to put some sideboards on this and be completely transparent in what we do." Amen.

The Emergency Board General Government Subcommittee voted to pass the two packages, the OWEB package and the direct payments package.

Postscript

The next day, the Full Committee of the Emergency Board voted the two packages through. Two meetings have been held by state agency personnel and members of the salmon industry to work out the temporary rules that will allow dollars to get to the industry ASAP. Many fishermen have signed up to do the at-sea genetics work. On Sunday, June 25, 2006, Senator Gordon Smith met with some salmon fishermen in Coos Bay. Senator Smith sounded confident that a federal assistance package was in the works in Congress.

I'd like to share one other thing. After the Emergency Board Subcommittee meeting on Thursday afternoon, I visited with Representative Greg Smith in his office. I gave him copies of OCZMA's written testimony and the background reports. I also wanted to talk to him about his heartfelt concerns. Representative Smith said his main concern was that the assistance may not be timely. He explained, "We saw that during the timber crisis. Many months after our communities went broke, the state of Oregon showed up and said, 'We are here to help you.' It was way too late!"

I understood what he was saying. We shared anecdotes about how even relatively small amounts of money coming out of the Oregon Economic & Community Development Department (OECD), for instance, has to go through an Attorney General review. That slows things down tremendously. But, we both noted it was the Legislature that mandated those Attorney General reviews.

City of Cannon Beach Joins OCZMA



OCZMA welcomes the **City of Cannon Beach** as the newest city member to the Association. The City of Cannon Beach officially adopted a resolution joining OCZMA effective as of June 6, 2006. We look forward to the City of Cannon Beach's participation in OCZMA. Councilman Jay Raskin has been named as the designative representative to OCZMA for FY 2006-07, with City Manager Richard Mays as the alternative representative.

OCZMA's Web Site



We are pleased to announce that OCZMA's web site is now officially up and running. OCZMA's Home Page contains the logo at the left which was designed by Godsey & Associates of Nehalem, Oregon. OCZMA's web site address is as follows:
<http://www.oczma.org>

We encourage you to check out the web site as there are a number of OCZMA-sponsored reports that have been posted recently that affect the Oregon Coastal region which we feel you will find interesting. These include the following:

- *Oregon Ocean Salmon Fishing Expected Economic Impacts for 2006 Season (May 2006) funded by the Oregon Department of Fish & Wildlife—this report describes the expected economic impact estimates for this year's ocean salmon fisheries.*

- *A Demographic and Economic Description of the Oregon Coast: 2006 Update (March 2006) funded in part with a Northwest Oregon Economic Alliance grant from the State Lottery through the Regional and Rural Investment Fund administered by the Oregon Economic & Community Development Department (OECDD)—this updated report builds upon the landmark coastal economic study prepared by The Research Group in 1994. Data for the update is as current as possible using Year 2000 decennial census and 2003 economic information.*

- *Oregon Coast Telecommunications Economic Development Strategy (September 2005) funded by the Economic Development Administration (EDA) and the Oregon Economic & Community Development Department (OECDD)—this report outlines a comprehensive coastwide economic development strategy to retain and attract knowledge-based businesses to the Oregon coast.*

***Happy 2006 Summer to
OCZMA's Oregon Coastal
Notes Newsletter Readers***



Information about OCZMA

The Oregon Coastal Zone Management Association (OCZMA), formed in 1976, is a voluntary association of coastal counties, cities, ports, soil & water conservation districts, and the Coquille Indian Tribe on the Oregon Coast established to provide a forum for the resolution of issues of particular concern to the local governments of the coast and the people they represent.

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FY 2005-06

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Association Membership

Counties

Clatsop County
Coos County
Curry County
Douglas County
Lane County
Lincoln County
Tillamook County

Cities

City of Brookings
City of Coos Bay
City of Cannon Beach
City of Depoe Bay
City of Florence
City of Garibaldi
City of Lakeside
City of Lincoln City
City of Nehalem
City of Newport
City of North Bend
City of Port Orford
City of Reedsport
City of Rockaway Beach
City of Tillamook
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Port of Astoria
Port of Bandon
Port of Brookings Harbor
Oregon International Port of
Coos Bay
Port of Garibaldi
Port of Gold Beach
Port of Nehalem
Port of Newport
Port of Port Orford
Port of Siuslaw
Port of Tillamook Bay
Port of Toledo
Port of Umpqua

SWCDs

Clatsop SWCD
Coos SWCD
Curry SWCD
Lincoln SWCD
Siuslaw SWCD
Tillamook SWCD
Umpqua SWCD

Indian Tribes

Coquille Indian Tribe