



LUMMI INDIAN BUSINESS COUNCIL

2616 KWINA ROAD • BELLINGHAM, WASHINGTON 98226 • (360) 384-1489

**Testimony of the Honorable Henry M. Cagey,
Lummi Nation Chairman
on the FY 2010 Appropriations for the
US Department of the Commerce**

Good Morning to the distinguished Committee Members, thank you for this opportunity, I am honored to present the appropriations requests of the Lummi Nation for the FY 2010 Department of the Commerce.

The Lummi Nation Specific Total Request is: \$24,400,000

This is being requested under a Section 312(a) Magnusson Steven Act Economic Fisheries Disaster Declaration

- **In 2008, Carlos M. Gutierrez, Department of Commerce reissued the disaster declaration**

“I wish to inform you that I am making a determination that the disaster previously determined in 2002 under Section 312 (a) of the Act continues to exist for tribal and non-tribal fishermen of Washington State, and that this disaster resulted in a 2007 and 2008 commercial fishery failure due to a fishery resource disaster. This disaster was, and continues to be, the result of a combination of natural and unknown factors predominately outside the control of fisheries managers.”

- **See also –Congressional Research Services – CRS Report to Congress, Commercial Fishery Disaster Assistance, (RL-34209) May 2, 2008**

+ \$3.5 million - Fishermen Disaster Declaration Assistance for sustainable interventions
Itemized Breakdown includes:

- \$1.5 million Expanded Market Access
- \$1.5 million Fishermen Critical Grant Assistance
- \$500,000 – Fishermen’s Financial Revolving Loan Fund

+\$17. million - Salmon/Shellfish Hatchery (Skookum, Lummi Bay, Sea Ponds)

- \$8,000,000 Lummi Bay and Skookum Hatchery Improvements
- \$9,000,000 Lummi Shellfish Hatchery Improvements

+3.9 million - NICMRE Project

- \$3.9 million for NICMRE Facility project construction as a Center for Excellence affiliated with the National Oceanic Atmospheric Administration.

LUMMI NATION – Background Information

The Lummi Nation is located on the northern coast of Washington State, and is the third largest tribe in the State serving a population of over 5,200. The Lummi Nation is a fishing Nation. We have drawn our physical and spiritual subsistence from the marine tidelands and waters since

time immemorial. Now the abundance of wild salmon is gone. The remaining salmon stocks do not support commercial fisheries.

Our people are seeking a return to practicing our traditional healthy lifestyles. Our families are struggling to hold traditional values against the onslaught of poverty, drug abuse, and mental & physical illness. Domestic violence among our people is three times the rate experienced by our non-Indian neighbors. Our fishermen (41%) go without basic living needs and subsist at household incomes near or below the federal poverty level.

Today I am presenting a long-term, sustainable, strategic plan and set of coordinated proposals to address the prolonged economic and cultural disaster suffering of our people. This socio-economic hardship is a direct result of the declining sockeye salmon resource; starting over ten (10) years ago, in 1999. This strategy is a comprehensive approach combining the National Indian Center for Marine Environmental Research and Education (NICMERE Project) and Lummi Hatchery Infrastructure Improvements with direct Fishermen Critical needs grants for relief assistance.

The Lummi Nation's income from fishing has decreased by over 50% due to the lack of fish stocks. In 2002, 2007 and 2008 Sockeye salmon fisheries were cancelled. This has caused a cumulative annual loss of tribal fishermen licenses issued. The sockeye fishery resources disaster has reduced 260 tribal fishermen licenses during the Commerce Disaster declaration period. (In 2008 LIBC-540 fishermen licenses, down from 800 fishermen licenses in 2002).

Fisherman Disaster Declaration Assistance Needs

As stated above, in 2008, Carlos M. Gutierrez, Department of Commerce reissued the disaster declaration in a statement contained in a letter to Lummi Nation. This conforms with the findings of the Congressional Research Services – CRS Report to Congress, Commercial Fishery Disaster Assistance, (RL-34209).

In Partnership with Lummi Natural Resources, our strategy is to consolidate our native and scientific knowledge of fish biology, behavior and management into the Northwest Indian Center for Marine Environment and Research Education (NICMERE). We propose to merge our professional and traditional practitioners and field workers into a team to plan, design, finance, construct, and operate hatcheries. The same group would instruct and train hatchery workers needed by these facilities, through Northwest Indian College. Hatcheries insure future salmon stock populations large enough to support our families and our way of life. These salmon stock include *Chum, Coho and Chinook salmon species and other fishery resources*.

Our goal is to increase fish returns by improving hatchery production. This creates a reliable backup resource to salmon fishers by increasing other salmon stocks. Additionally, we seek to raise the value of these harvests through advanced marketing, the introduction of a fishermen's co-operative, and grow out operations for shellfish products. ***The Lummi Nation requests disaster assistance funding to support this strategic plan to eliminate the tribe's dependence upon Frasier River Sockeye salmon stock. The Lummi Nation appropriation requests represent an investment for a sustainable strategy and plan to maintain a future moderate living for fishermen as guaranteed by the treaty, decided the U.S. Supreme Court. (1979)***

Lummi Nation Specific Requests – Department of Commerce - NOAA

+ \$3,500,000. –Fishermen Disaster Declaration assistance for sustainable intervention

Lummi Nation is requesting funding to support sustainable and immediate relief services for our fishers. This assistance is needed to help fishers make the transition from sockeye salmon to other salmon species and other commercial fishery resources. Lummi Nation is requesting the Committee to provide the \$3,500,000 in sustainable fishermen disaster declaration assistance, services. Coordinated intervention activities consist of:

1. ***\$1.5 million to support Lummi Fishermen production and marketing capability:*** to market marine harvest products through a seafood outlet at the newly constructed LUMMI GATEWAY multi-purpose facility for Lummi fisherman.
2. ***\$1.5 Million for a Fishermens' Direct Grant:*** assistance for fishermen for operating expenses and critical needs relief for FY 2002-2008. This includes maintenance and upkeep of vessels. Fishermen's critical relief grant assistance needs include costs for boat moorage, boat insurance, and basic living needs. As a result of the fishing disasters since 1999, most fishermen have lost credit-worthiness and therefore cannot qualify for commercial operating loans.
3. ***\$500,000 to create a Fishers-Disaster Revolving Loan Fund*** at the Lummi Native Community Development Financial Institution (NCDFI), aimed at cleaning up fishers' credit status. The Lummi Native CDFI is presently one of twenty-six tribal institutions registered with US Department of Treasury. The goal is to dedicate a special fund within the CDFI to enable current fishers to gain access to lines of credit, and thereby repair their current credit ratings. This fund is similar to federal disaster assistance recently provided to US Financial markets during the last industry crisis.

\$17. Million for Lummi Hatchery Infrastructure- Stock Re-Building Program

The Lummi Nation currently operates two (2) salmon hatcheries and one (1) shellfish hatchery that support tribal and non-tribal fisheries in the region. Lummi Nation hatcheries were originally constructed utilizing Department of Commerce funding received from 1969-1971. At the time of construction, those hatcheries were state of the art.

The original Hatchery infrastructure needs to be repaired, replaced or completely modernized. *Lummi Nation Fish Biologists estimate that these facilities are now operating at 40% of their productive capacity.*

Through the operation of these hatcheries, the tribe annually produces a total of 1 million fall Chinook salmon, 2 million coho salmon, and 6.5 million shellfish seed and 300,000 lbs of clams. These production numbers simply do not provide the fishing opportunity and associated economic benefits necessary to offset the financial loss caused by the Sockeye Salmon Fisheries Disaster.

To provide sufficient salmon stock resources and shellfish harvest opportunity on an annual basis to the Lummi Fishing Fleet, the hatchery operations and associated infrastructure require the following rehabilitation:

- Five (5) projects for the salmon hatcheries with an estimated total cost of \$8,000,000 yield a projected increase in production of 9 million salmon fry, and an expected harvest return to the fishery of \$7,500,000 in the first three years of adult salmon returns. **This hatchery infrastructure improvement plan represents an investment that increases the immediate annual return and is a long-term sustainable activity.**

- Three (3) projects for the shellfish hatchery with a total estimated cost of \$9,000,000, yield an expected increase in production of 60 million shellfish seed and 600,000 lbs of clams, and an expected harvestable return to the fishery of \$2,920,000 in one year.

Detailed Hatchery line-itemized descriptions are listed below:

+\$2,175,000 Lummi Skookum Hatchery – Salmon

\$710,000 Hatchery Intake – South Fork Nooksack Chinook Recovery program – replace failing intake structure and avoid catastrophic loss at the hatchery.

\$620,000 Large Pond Improvement – increase annual production capacity.

\$855,000 New Raceways – replace originally constructed infrastructure that is deteriorating and falling apart.

+\$5,360,000 Lummi Bay Hatchery

Nooksack River pump station - This will increase annual production by 300% via constructing a new pump station and installing a new pipeline to convey water to hatchery.

+ \$455,000 Lummi Bay Pond Rearing Hatchery Improvements

Pave and restructure rearing pond.

+\$4,100,000 Lummi Shellfish Hatchery

Repair and expand facilities to increase seed production capacity by improving building insulation, heating & cooling systems, feed production, and grow-out tank space. Increased shellfish seed production increases enhancement activities on Lummi tidelands to create jobs for tribal shellfish harvesters and increase sales to the West Coast shellfish industry to create jobs for growers and associated businesses.

+\$1,400,000 Lummi Shellfish Hatchery – Water Line Installation

Connect shellfish and salmon hatcheries and clam plant to Lummi Water and Sewer system to ensure continued certification of Lummi shellfish products.

+\$3,500,000 Lummi Seapond Tide Gate Improvements

This project rehabilitates the Lummi Seapond to protect shellfish and salmon hatchery production capabilities. Tide gate improvements will increase water circulation and safeguard against contamination in case of an oil spill.

\$3.9 Million for National Indian Center for Marine Environmental Research and Education (NICMRE Project)

Northwest Indian College (NWIC) and the National Oceanic and Atmosphere Administration (NOAA) entered into an MOU to support the Lummi Nation NICMRE Project in December 2003. The NICMRE Project provides an opportunity to promote coordinated services, research, and education for tribal groups involved with the stewardship and management of natural resources of the Pacific Northwest. The Lummi Nation, NOAA and NWIC propose to have NICMERE become a Center for Excellence for Minority Serving Institutions affiliated with NOAA. The NWIC is currently accredited to provide four-year degrees in Native Environmental Science and is the only Tribal College in Washington, Oregon and Idaho.

NICMRE Facility Construction

Lummi Nation is seeking funding to support a construction project to build a 10,000 square foot, facility that includes furnishings accouterments.