

907-269-4539

ATTN. Local Boundary  
Commission Staff

---

r.e. Dillingham annexation

cc City of Dillingham

907-842-2060

RECEIVED  
FEB 25 2011  
Local Boundary Commission

February 22, 2011

To: Alaska Local Boundary Commission Staff

I am writing to oppose the City of Dillingham's petition to annex waters of Bristol Bay including the Nushagak fishing district. My understanding is that Dillingham's intent is to generate tax revenue to offset municipal spending associated with seasonal use of its harbor and other infrastructure by the non-local segment of the Nushagak salmon fleet.

My experience is that the non-local segment of the fleet seldom uses Dillingham harbor or goes ashore in Dillingham. I have owned and operated a Bristol Bay drift gillnet vessel since 2000 and fished most or all of my salmon season in the Nushagak district for 7 of the last 11 years. During that time I used the Dillingham harbor only twice. I work with a group of nine partner boats, and their experience in the Nushagak district is very similar.

My fishing operation is based in Naknek, where I pay a substantial property tax on my assets to fund borough infrastructure such as roads, fire protection and port facilities. Like most Naknek-based boats fishing the Nushagak district, I operate South of Clark's point and get all my fuel, potable water, food, nets, parts and other supplies from my [Naknek-based] processor's tender fleet. There is a substantial fleet of Naknek-based driftnet boats with the same operating program in the Nushagak district; well over 200 and likely closer to 300 vessels.

Dillingham harbor is several miles upstream from the fishing district and not easily accessible. Nushagak district salmon openings usually occur on short notice and considering the extreme tides and distance involved, most fishermen consider it impractical to use Dillingham harbor between openings. Judging from the crowded anchorages throughout the season, most of the fleet spends down-time between openings anchored in the fishing district, miles from Dillingham harbor.

Under the proposed annexation and 2.5% tax, the non-local segment of the fleet would experience a significant operating cost increase with little or no associated benefit in the form of improved services or infrastructure. Most of us operate out of Naknek. We seldom go to Dillingham, rarely use Dillingham harbor and do not regularly use or depend upon any services provided by the city of Dillingham.

Dillingham's proposed annexation of the Nushagak district is unnecessary. The city of Dillingham has taxing authority and could potentially meet its needs by alternate means; increasing existing fees for vessels that use local facilities, or through property tax on local commercial fishing assets, as in the Bristol Bay Borough.

Chris McDowell  
Juneau, AK

