

SCOMM

87:27

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 10, 1993

*The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Molly

Dear Speaker Barnes:

I have signed the following resolution and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HOUSE JOINT RESOLUTION NO. 25

*Relating to implementation
of the Aleutian Trade Act of 1990*

Legislative Resolve No. 5

Sincerely,

A large, stylized handwritten signature of Walter J. Hickel in black ink.

*Walter J. Hickel
Governor*

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 10, 1993

*The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Dear Mr. President:

I have signed the following resolution and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HOUSE JOINT RESOLUTION NO. 25

*Relating to implementation
of the Aleutian Trade Act of 1990*

Legislative Resolve No. 5

Sincerely,

A handwritten signature in black ink, reading "Walter J. Hickel".

*Walter J. Hickel
Governor*

STATE OF ALASKA THE LEGISLATURE

1993

Source
HJR 25

Legislative
Resolve No.
5



Relating to implementation of the Aleutian Trade Act of 1990.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Alaskans working and living in remote areas of the Aleutian Islands chain have historically relied on fish tender vessels to provide coastal freighter services for general and fisheries cargo in support of Aleutian Islands chain communities and their own fishing operations; and

WHEREAS containerized freight vessels concentrate on high volume ports on a seasonal basis and provide virtually no interport service in the Aleutian Islands chain; and

WHEREAS foreign freighters are unregulated, provide only itinerant freight services to the Aleutian Islands chain, take only the most profitable freight cargoes, and detract from the coastal freighter service provided by domestic fish tender vessels in the Aleutian trade; and

WHEREAS the fish tender vessels in the Aleutian trade have a proven safety record over the past decades; and

WHEREAS the United States Coast Guard has recently proposed vessel safety regulations (CGD 88-079a) to implement the Aleutian Trade Act of 1990 (P.L. 101-595, Title

VI) and the Commercial Fishing Industry Vessel Safety Act of 1988 (P.L. 100-424), which, if adopted, would seriously jeopardize the continued ability of fish tender vessels in the Aleutian trade to provide coastal freighter service by requiring cost prohibitive retrofits and alterations for these fish tender vessels; and

WHEREAS 46 U.S.C. 4502(e)(2) expressly prohibits the adoption of vessel safety regulations that require alterations to vessels constructed before the effective date of vessel safety regulations proposed by the United States Coast Guard; and

WHEREAS the Alaska State Legislature strongly believes that it is in the best interest of Alaskans living and working on the Aleutian Islands chain, to continue, and not disrupt, the existing coastal freighter service provided by fish tender vessels in the Aleutian trade and to encourage competition among the providers of freight service in the Aleutian Islands chain; and

WHEREAS comments on the proposed vessel safety regulations must be received by the Executive Secretary of the Marine Safety Council by February 28, 1993;

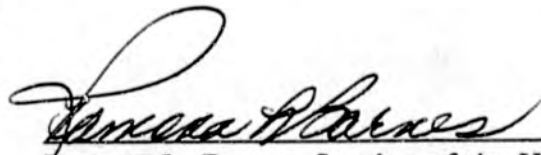
BE IT RESOLVED that the Alaska State Legislature respectfully requests that the United States Coast Guard comply with the directive of the Congress under 46 U.S.C. 4502(e)(2) and not adopt vessel safety regulations that require alterations of a vessel or equipment of a vessel used in the Aleutian trade so as to not disrupt essential freight service to the Aleutian Islands chain.

COPIES of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Federico Pena, Secretary of the U.S. Department of Transportation; Admiral J. William Kime, Commandant of the U.S. Coast Guard; the Executive Secretary, Marine Safety Council, U.S. Coast Guard; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

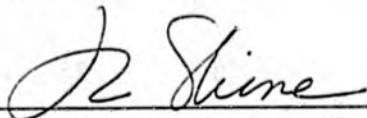
AUTHENTICATION

The following officers of the Legislature certify that the attached enrolled resolution, HJR 25, consisting of 2 pages, was passed in conformity with the requirements of the constitution and laws of the State of Alaska and the Uniform Rules of the Legislature.

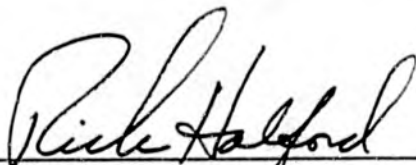
Passed by the House February 25, 1993


Ramona L. Barnes, Speaker of the House

ATTEST:


J.C. Shine, Chief Clerk of the House

Passed by the Senate March 5, 1993

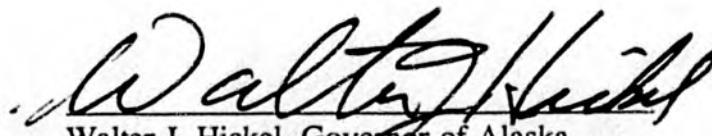

Rick Halford, President of the Senate

ATTEST:


Nancy Quinto, Secretary of the Senate

ACTION BY GOVERNOR

Approved by the Governor 3-10 1993


Walter J. Hickel, Governor of Alaska

Tim Schaeffer
Coastal

HJR 25

notifying the Coast Guard that it is pending.



US Coast Guard -

Mike Roscransky

202-267-2960

267-2307 →

Attention Trade Act -

agreed to retain existing vessels as of 2003,

but got agreement if you stay in trade - not have to do expensive modifications, inspect vessels.

Ed. McCauley
202-267-2307

Arginine, False Pass, Sand Pt. etc.

JS Coast Guard
2100 2nd St SW
WA DC

20593
attn: G-MVI-4
FAX - 202-267-1069

Comments here

plan to extend comment period.
won't slam the door.

Alaska State Legislature

Representative Carl E. Moses



CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
FISH AND GAME
PUBLIC SAFETY

SESSION:
CAPITOL BUILDING, ROOM 204
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
FAX: (907) 465-3445

INTERIM:
P.O. BOX 109
UNALASKA, ALASKA 99685
PHONE: (907) 581-1234
FAX: (907) 581-2875

SPONSOR STATEMENT for HJR 25

Implementation of the Aleutian Trade Act of 1990

Residents of the Aleutian Islands have historically relied on domestic fish tender vessels to provide freighter services for general and fisheries cargo. These vessels, and in particular, those operated by Coastal Transportation, Sunmar Shipping, and Western Pioneer, have provided reliable service to small remote communities along the Aleutian chain on a year-round basis. Unlike foreign freighters, they are regulated, and are willing to take low volume cargo to and from the smaller ports. They have a proven safety record, and have met new manning and safety requirements.

However, the United States Coast Guard is now obligated to implement two new pieces of national legislation - the Aleutian Trade Act of 1990 and the Commercial Fishing Industry Vessel Safety Act of 1988. In the Aleutian Trade Act, Congress fashioned a compromise so that the traditional tender supply service would not be interrupted, yet safety requirements would be upgraded. One provision of the legislation specifically **prohibits** the adoption of regulations that require alterations to vessels constructed before the effective date of those regulations. However, the Coast Guard's proposed vessel safety regulations ignore that provision, and would require extensive alterations so costly that the Coast Guard itself predicts that 75% of the current fleet will be forced out of service. The additional costs due to retrofitting the remaining vessels would be passed directly to the fishing industry and communities of the Aleutian chain.

This resolution expresses the support of the Alaska State Legislature for the continued existence of the small "mosquito" fleet of fish tender vessels in the Aleutian Islands chain. Although the deadline for public comments is February 28, 1993, I have been assured that any resolution from the Legislature will be included in the public record. I ask your support for this resolution.

WESTERN PIONEER, INC.

4601 SHILSHOLE AVE. N.W.
P.O. BOX 70438, SEATTLE, WA 98107
PHONE 206-789-1930
FAX 206-789-1717
800-426-6783

February 23, 1993

Representative Carl Moses
Room 204, State Capitol
Juneau, Alaska 99801-1182

Dear Representative Moses,

We read with interest your House Joint Resolution 25 regarding the proposed Coast Guard regulation for fish tender vessels engaged in the Aleutian trade. As a fish tender operator, we at Western Pioneer share your concern about the impact such regulations will have on the level of service and the freight rates to Aleutian and Alaska Peninsula communities.

The series of proposed regulations from the U.S. Coast Guard will require major structural changes to all Western Pioneer, Coastal and Sunmar vessels. These proposed new regulations were required under the Aleutian Trade Act of 1990, which specifically concluded that no expensive retrofitting of vessels be required. Unfortunately, the Coast Guard did not receive the message and the proposed regulations would effectively put 75% of the existing "mosquito fleet" out of service.

All of the Western Alaska seafood companies and coastal communities would be effected by this change in regulation. By a reduced shipping capacity during the refit and increased rates to pay for the modifications. Shipping option would be severely limited as a result of these proposed regulations.

Most of these new regulations are done in the name of "safety," an sensitive area in our industry about which we are all concerned. We are all for enhanced safety, and our track record in this particular area is extremely positive. The proposed Coast Guard regulations, for the most part, have little to do with safety. Instead the proposed regulations call for vessel modifications well in excess of those in the industry for existing fishing vessels.

The public comment period for these proposed regulations is over February 28th. Thus far, only a handful of comments regarding these proposed regulations have been received by the Coast Guard from the fishing industry and the coastal Alaska communities. This is probably because people are not aware of the issues at stake, but given the tremendous effect the new regulations will have on the fishing and seafood industries, along with the coastal communities, your resolution is of critical importance.

Representative Moses
Aleutian Trade Act
February 19, 1993

Attached is some background material on the proposed regulations for anyone who may have questions about the issue or some of the background on the Aleutian Trade Act. If there are questions, please do not hesitate to call us. These regulations are important to not only Western Pioneer, Coastal and Sunmar, but the whole fishing and seafood processing industry and the coastal communities we serve. Your resolution will let the Coast Guard know the sentiments of the good people you represent. We here genuinely appreciate your efforts.

Sincerely,



Larry Soriano
Vice President
Western Pioneer, Inc.

Molly

FRI

Please call

Sally Backman

Coastal Transp.

Seattle

800-544-2580

FAX TRANSMITTAL MEMO

Molly McCammon
c/o
TO: Representative Moses

FAX
NUMBER: _____

FROM: Dale Kelley



Number of Pages
(includes cover)

ALASKA TROLLERS ASSOCIATION
130 Seward Street, Suite 505
Juneau, AK 99801
Phone: (907) 586-9400
Fax: (907) 586-4473



ATA is requesting the help
of interested legislators to
pass a resolution similar
to the attached, which was
recently approved by the Pacific
Fisheries legislative Task Force.
Thanks in advance for your help! Dale

FEB 23 '93 16:03 O.C.Z.M.A.

P.1/1

PACIFIC FISHERIES LEGISLATIVE TASK FORCE

CHAIRMAN

Representative Jim Whitty

VICE CHAIRMAN

Senator Dan McCorquodale

MEMBERS

ALASKA

Senator Fred Zhuroff

Senator George Jacko

Representative Carl Moses

Representative Mark Hanley

CALIFORNIA

Senator Dan McCorquodale

Senator Henry Mello

Assemblyman Dan Hauser

(appointment pending)

IDAHO

Senator John Hansen

Senator Bruce Sweeney

Representative James Lucas

Representative Marvin Vandenberg

OREGON

Senator Bill Bradbury

Senator Stan Burr

Representative Jim Whitty

Representative Chuck Norris

WASHINGTON

Senator Larry Vignild

Senator Neil Amundson

Representative Bob Basich

Representative Steve Fuhrman

PAST CHAIRMEN

Senator Bill Bradbury

Assemblyman Dan Hauser

Senator Ron Eckstein

Senator Fred Zhuroff

Representative Sen Wilson

EXECUTIVE DIRECTOR

Paul Hanneman

PROPOSED RESOLUTION

COAST GUARD PENDING COMMERCIAL VESSEL REGULATIONS AND OTHER FISHING SAFETY PROPOSALS

Pacific Fisheries Legislative Task Force

WHEREAS, The Coast Guard has assisted American fishermen on high seas driftnet enforcement, and;

WHEREAS, the Coast Guard has developed some improvements in fishing vessel safety programs, and;

WHEREAS, The Coast Guard is finalizing fishing vessel safety requirements, and proposals on other issues;

THEREFORE, BE IT RESOLVED, this Task Force requests:

- A. The Coast Guard incorporate the suggestions and recommendations of naval architects on the Pacific Coast;
- B. The Coast Guard respond to the fishing industry regarding stability, tests, bulkhead changes on existing vessels and other suggestions;
- C. The Coast Guard resubmit proposals for new vessels under 50 feet;
- D. The Coast Guard recognize that new and existing fishing vessels need to make continual improvements in landing, catching and processing and must not be unreasonably burdened with regulations.

AND BE IT FURTHER RESOLVED, The Guard Guard proposals are complex and the industry has difficulty responding by February 28, 1993;

AND BE IT FURTHER RESOLVED, the effective date for implementing the vessel safety proposals be at least six months after publication of the regulations, and for new vessels at least twelve months after publication; and,

BE IT FURTHER RESOLVED: The Coast Guard allow at least 120 day comment period on any proposals and recognize the need for public hearings before any such proposals are submitted to Congress; and,

BE IT FURTHER RESOLVED: This Resolution shall be submitted to the National and State Legislative and Administrative jurisdictions with control or influence in the concerns expressed here.

URGENT! URGENT! URGENT! URGENT!

Dear Fishermen:

The Coast Guard is about to lock up your vessels so you can't ever upgrade or improve them. *Impossible you say?* Just try to change from salmon to halibut gear, or even add a new antenna, without a \$5000 stability report or test once the current **PROPOSED USCG SAFETY REGULATIONS** are passed...

The Coast Guard has disregarded and under-reported the burdensome economic impact of its proposals. How many of you are still paying off those EPIRB's and parachute flares?

The Coast Guard has disregarded the fact that the stability requirements it is proposing make NO SENSE FOR VESSELS UNDER 79'.

The Coast Guard, for all intents and purposes, has turned a deaf ear to the people most affected by its proposals -- that be YOU! There are no public hearings and the time-frame for written comment has been very short.

What can YOU do?

1. Get a copy of the USCG proposed safety regs.
2. Fill out the enclosed letter and send it to every decision maker you can think of (send a copy to ATA).
3. Hand write in the comment section: "Do not dismiss this as a form letter. Comment time was short and these ARE my opinions!"
4. Make sure your fishing buddies, crew, and family do the same. (Assume no one is doing anything -- it's probably true.)

We have until February 28 to raise hell!
(Even after the 28th, raise hell anyway - **SEND YOUR LETTER TODAY!**)

ACT NOW -- the life and death of your vessel is at stake.

Alaska Trollers Association, 130 Seward #505, Juneau, AK 99801

Alaska State Legislature

Representative Carl E. Moses



SESSION:
CAPITOL BUILDING, ROOM 204
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
FAX: (907) 465-3445

INTERIM:
P.O. BOX 109
UNALASKA, ALASKA 99685
PHONE: (907) 581-1234
FAX: (907) 581-2875

CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
FISH AND GAME
PUBLIC SAFETY

MEMORANDUM

TO: Senator Bert Sharp, Chair
Senate Transportation Committee

FROM: Representative Carl Moses, Chair 
House Rules Committee

DATE: February 25, 1993

RE: Request for scheduling HJR 25

HJR 25 passed the House today and is being transmitted on an expedited basis to your committee. I would respectfully request that it be heard at the earliest possible date.

Residents of the Aleutian Islands have historically relied on domestic fish tender vessels to provide freighter services for general and fisheries cargo. These vessels have provided reliable service to small remote communities along the Aleutian chain on a year-round basis. However, the United States Coast Guard's proposed vessel safety regulations would require extensive alterations so costly that the Coast Guard itself predicts that 75% of the current fleet will be forced out of service. The additional costs due to retrofitting the remaining vessels would be passed directly to the fishing industry and communities of the Aleutian chain.

This resolution expresses the support of the Alaska State Legislature for the continued existence of the small "mosquito" fleet of fish tender vessels in the Aleutian Islands chain.

Although the deadline for public comments is February 28, 1993, I have been assured that any resolution from the Legislature will be included in the public record if it is received shortly after the deadline. For that reason, I ask your assistance in scheduling this resolution for a hearing in your committee on Tuesday, March 2, if at all possible. Thank you for your consideration of this request.

WORK ORDER REQUEST FORM

W.O. [18] LS-0520

KEYWORDS: BUSINESS ASSIGNED: Utermohle

INTERNATIONAL RELATIONS

MARINE TRANSPORTATION

REQUEST FOR: Resolution TAKEN BY: Barnes

SUBJECT: Aleutian Trade Act

REQUESTED FOR: REP MOSES BY: Molly McCammon PHONE: 465-6848

DELIVER TO: Rep. Moses, Cap 204

INSTRUCTIONS: Draft joint resolution relating to the implementation of the Aleutian Trade Act of 1990, per attached.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED []
AUTHORIZED TO CONFER WITH _____

RETURN _____
_____ TO REQUESTOR

APPROVED: X DIRECTOR, LEGAL SERVICES

REVIEWED _____

IN 01/28/93 DUE _____

TYPED: Draft _____ Date _____

Final _____ Date _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS to TYPING/PROOFING

Request for DRAFT

8-LS0520A

Utermohle

1/29/93

HOUSE JOINT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE MOSES

Introduced:

Referred:

A RESOLUTION

1 Relating to implementation of the Aleutian Trade Act of 1990.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS Alaskans working and living in remote areas of the Aleutian Islands chain
4 have historically relied on fish tender vessels, ~~in particular the vessels operated by Coastal~~
5 ~~Transportation, Inc., Sunmar Shipping, Inc., and Western Pioneer,~~ to provide coastal freighter
6 services for general and fisheries cargo in support of Aleutian Islands chain communities and
7 their own fishing operations; and

8 WHEREAS ~~fisher~~ containerized freight vessels concentrate on high volume ports on a
9 seasonal basis and provide virtually no interport service in the Aleutian Islands chain; and

10 WHEREAS foreign freighters are unregulated, provide only itinerant freight services
11 to the Aleutian Islands chain, take only the most profitable freight cargoes, and detract from
12 the coastal freighter service provided by domestic fish tender vessels in the Aleutian trade; and

13 WHEREAS the fish tender vessels in the Aleutian trade have a proven safety record
14 over the past decades; and

15 WHEREAS the United States Coast Guard has recently proposed vessel safety
16 regulations (CGD 88-079a) to implement the Aleutian Trade Act of 1990 (P.L. 101-595, Title
17 VI) and the Commercial Fishing Industry Vessel Safety Act of 1988 (P.L. 100-424), which,

1 if adopted, would seriously jeopardize the continued ability of fish tender vessels in the
2 Aleutian trade to provide coastal freighter service by requiring cost prohibitive retrofits and
3 alterations for these fish tender vessels; and *ATA - attached -*

4 **WHEREAS** 46 U.S.C. 4502(e)(2) expressly prohibits the adoption of vessel safety
5 regulations that require alterations to vessels constructed before the effective date of vessel
6 safety regulations proposed by the United States Coast Guard; and

7 **WHEREAS** the Alaska State Legislature strongly believes that it is in the best interest
8 of Alaskans living and working on the Aleutian Islands chain, to continue, and not disrupt,
9 the existing coastal freighter service provided by fish tender vessels in the Aleutian trade and
10 to encourage competition among the providers of freight service in the Aleutian Islands chain;
11 and

12 **WHEREAS** comments on the proposed vessel safety regulations must be received by
13 the Executive Secretary of the Marine Safety Council by February 28, 1993;

14 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests that the
15 United States Coast Guard comply with the directive of the Congress under 46 U.S.C.
16 4502(e)(2) and not adopt vessel safety regulations that require alterations of a vessel or
17 equipment of a vessel used in the Aleutian trade so as to not disrupt essential freight service
18 to the Aleutian Islands chain.

19 **COPIES** of this resolution shall be sent to the Honorable Bill Clinton, President of the
20 United States; the Honorable Federico Pena, Secretary of the U.S. Department of
21 Transportation; Admiral J. William Kime, Commandant of the U.S. Coast Guard; the
22 Executive Secretary, Marine Safety Council, U.S. Coast Guard; and to the Honorable Ted
23 Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young,
24 U.S. Representative, members of the Alaska delegation in Congress.

Whereas containerized carriers concentrate on high volume ports on a seasonal basis with virtually no inter-port service; and

Whereas foreign freighters come and go, unregulated, cherry picking, and distract from domestic service; and

Whereas these small coastal freighters have a proven safety record over the past decades; and



COASTAL TRANSPORTATION, INC.

4025 - 13th Avenue West

Seattle, Washington 98119

January 27, 1993

Mr. Carl Moses
State Representative
Fax. No. 907-465-3445

Dear Carl,

Thank you for your continued interest in keeping competitive and economical freight services to the Alaska peninsula and Aleutian chain. I am enclosing a draft resolution, as we discussed yesterday, which contains the substance of the situation we are dealing with now. As you know, the Aleutian Trade Act (ATA) of 1990, expedited through Congress by Sea Land, is encouraging the Coast Guard to create new regulations for existing ATA vessels. Coastal is not questioning the need to upgrade safety equipment. However, the majority of the proposed regulations contained in the current Coast Guard proposal only increase the cost of doing business and, thereby, increase the cost to the consumer--which, of course, is what Sea Land is interested in. We have taken the lead in keeping costs down, and we will continue to do so unless we are forced to retrofit existing vessels.

Thank you very much for your interest. Please call me if you have any questions.

Sincerely yours,

Peter D. Strong
President

Enclosure

**COASTAL TRANSPORTATION, INC.**

4025 - 13th Avenue West

Seattle, Washington 98119

Attention: Mally Fax Number: 1-907-465-3445
Company: Carl Moses' Office Page 1 of 4 (including cover)
From: Jim Sheffer / Mally Date: 2/23 Time: _____

M E S S A G E

(206) 282-9979

(800) 544-2580

FAX: (206) 283-9121



COASTAL TRANSPORTATION, INC.

4025 - 13th Avenue West

Seattle, Washington 98119

PROPOSED COAST GUARD REGULATIONS WOULD SUBSTANTIALLY INCREASE
THE COST OF EXISTING FREIGHT SERVICE TO THE ALEUTIAN ISLANDS
AND WOULD RISK REDUCTION AND POSSIBLE LOSS OF SUCH SERVICE

The Coast Guard recently proposed regulations (CGD 88-079a) to implement the Aleutian Trade Act of 1990 (P.L. 101-595) (the "ATA") which, if adopted, would require the fish tender fleet of Coastal Transportation, Sunmar Shipping and Western Pioneer (the "Aleutian Trade Vessels") to substantially retrofit their existing vessels--notwithstanding an explicit Congressional directive prohibiting such vessel alterations--in a manner so costly that the Coast Guard itself predicts that 75% of the current fleet will be forced out of service. The additional costs due to retrofitting of the remaining vessels, as well as the increased costs inherent in the reduction of competition among carriers, would be passed directly to the fishing industry and communities of the Aleutian chain.

Congress Has Historically Recognized the Unique Transportation Needs of
the Fishing Industry and the Aleutian Islands.

For decades fish tender vessels have filled a unique transportation void by providing freight service to the fishing industry and to remote communities dependent on that industry throughout Alaska. Since the late 1960s Congress has expressly recognized these unique needs in a series of enactments authorizing uninspected fish tender vessels to carry fisheries and other cargoes in service to these communities. The Aleutian Trade Vessels have filled these needs with consistent, economical, reliable and safe service to Western Alaska. The large common carriers that have more recently begun service to Dutch Harbor are not prepared to provide, and have not provided, local service directly to the more remote communities and fishing operations now served by the Aleutian Trade Vessels.

The Aleutian Trade Act Balanced the Competing Objectives of Continuing
Service to Remote Areas in Alaska and Enhancing Vessel Safety Standards.

In 1989, these large common carriers opposed the continuation of the special authority permitting Aleutian Trade Vessels to serve these communities. In an effort to eliminate their competition, these large carriers argued for the retrofits of the existing Aleutian Trade Vessels of such magnitude and cost that many vessels would necessarily be put out of service. Recognizing that these vessels were the lifeline of many Alaskan communities, Congress fashioned a compromise with the enactment of the ATA that (1) continued without interruption the general cargo/fisheries supply service available only from the Aleutian Trade Vessels while at the same time (2) upgrading the safety and manning requirements for these vessels. In the words of Congressman Don Young (R-Alaska):

This legislation has been agreed to by all participants in the Aleutian trade...[i]t represents a compromise necessary to provide

(206) 282-9979

(800) 544-2580

Fax (206) 283-9121

Dutch Harbor (907) 581-1244

greater safety to vessels in the trade, while ensuring that remote communities in Alaska do not lose their cargo service. (emphasis added)

136 Cong. Rec. H13364 (daily ed. Oct. 27, 1990).

Throughout the negotiations leading up to the enactment of the ATA, there was a clear recognition that the retrofiting necessary to achieve the new vessel safety standards could not be so substantial as to render the modifications uneconomic because that would frustrate the ATA's parallel objective of continuing the existing Aleutian service. As finally enacted, the statutory authority for the new requirements contains an express prohibition against the adoption of regulations that require alterations to vessels constructed before the effective date of those regulations. 46 U.S.C. § 4502(e)(2).

The Coast Guard Rulemaking Ignores This Congressional Balance by Proposing Cost-Prohibitive Retrofitting Which Would Eliminate 75% of the Existing Aleutian Trade Vessels While Increasing the Cost of Service of the Remaining Vessels.

While acknowledging the existence of the express Congressional directive against requiring vessel alterations, the Coast Guard nonetheless has proposed an interpretation strongly advocated by the large carriers that would require the existing Aleutian Trade Vessels to comply with regulations designed to apply to new construction and to vessels undergoing major conversions. The companies involved in the Aleutian trade strongly dispute this interpretation.

By the Coast Guard's own admission, these requirements are so stringent that "only five (of the 20 existing fish tender vessels) are expected to remain in the Aleutian trade." (U.S. Coast Guard Draft Regulator Evaluation [CGD 88-079a] at page 17.) The proposed application of these new construction and equipment regulations to the existing vessels would in some cases exceed those required for fully inspected large carriers. For example, the proposed regulations would require significant and unnecessary alterations such as removal and replacement of all fuel oil service and transfer piping with seamless pipe (proposed rule 46 C.F.R. §28.335). The use of seamless pipe can be readily accommodated in building a new vessel, but it is unreasonable and exceedingly costly to require perfectly good piping to be ripped out of an existing vessel for the sole purpose of replacing it with the seamless pipe.

Even for those few remaining Aleutian Trade Vessels, the new equipment and construction requirements will cause them to be taken out of service for months while alterations are made. The retrofitting costs will necessarily be passed on to consumers. As competition is reduced, rates are likely to increase--particularly with the domination of the Dutch Harbor trade by a single large carrier.

The Aleutian Trade Vessels have provided efficient and reliable service to Western Alaska and have done so with an excellent safety record. The Coast Guard acknowledges there is no evidence "concerning casualties or fatalities on...fish tender vessels operating in the Aleutian trade." (Draft Regulatory Evaluation at page 38.) The vessel owners have already met the new manning and safety requirements mandated by the ATA. They are fully prepared to meet additional safety requirements provided only that they are not required to undertake cost-prohibitive

retrofitting that will frustrate the Congressional purpose of continuing uninterrupted service to the Aleutian Islands.

WRITE THE COAST GUARD NOW

If you are concerned about increased costs for transportation services to Western Alaska, the reduction of competition, undue reliance on a single large carrier and the possibility of a complete loss of service to locations other than Dutch Harbor, you should contact the Coast Guard immediately.

The Coast Guard should be told of the importance of the existing service to your business and community and the impact if such service were lost or became significantly more expensive. The Coast Guard should also be urged to follow the Congressional directive in 46 U.S.C. § 4502(e)(2) against requiring alterations to existing vessels constructed before the effective date of the regulations.

Comments should reference "Implementation of the Aleutian Trade Act (CGD 88-079a)." You may call the Coast Guard's toll-free number, (800) 282-8724 or, preferably, send written comments to the following address for arrival no later than February 28, 1993:

Executive Secretary
Marine Safety Council (G-LRA-2/3406)
U. S. Coast Guard Headquarters
2100 Second Street, S.W.
Washington, D.C. 20593-0001

Copies should also be sent to your Congressional delegation, including all of the following:

Senator Ted Stevens
522 Senate Hart Office Bldg
Washington, D.C. 20510
FAX: (202) 224-1044

Senator Slade Gorton
730 Senate Hart Office Bldg.
Washington, D.C. 20510
FAX: (202) 224-9393

Senator Frank Murkowski
709 Senate Hart Office Bldg.
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Senator Patty Murray
B-34 Dirksen Senate Office Bldg.
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FAX: (202) 224-0238

Congressman Don Young
2331 Rayburn House Office Bldg.
Washington, D.C. 20515
FAX: (202) 225-0425

Congresswoman Jolene Unsoeld
1508 Longworth House Office Bldg.
Washington, D.C. 20515
FAX: (202) 225-9095

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TO

FEB-23-1993 14:33 FROM WPI/DW



FAX TRANSMITTAL

DATE: 2-23-93

TO: _____

COMPANY

Ray Gillespie

INDIVIDUAL

FROM: _____

Western Pioneer

COMPANY

Larry Soriano

INDIVIDUAL

FAX #: _____

PAGES TO FOLLOW: 4

COMMENTS: Ray -

Here is a summary of the fish tender issue. Please have Molly give me a call if she has questions on this issue.

Thanks,

Larry S.

TEL: (206) 782-6977 TOLL FREE: (800) 528-0191 WPI 86

WESTERN PIONEER, INC.

4601 SHILSHOLE AVE. N.W.
P.O. BOX 70430, SEATTLE, WA 98107
PHONE 206-789-1930
FAX 206-789-1717
800-426-6783

**PROPOSED COAST GUARD REGULATIONS WOULD DRAMATICALLY
DECREASE EXISTING FREIGHT SERVICE TO THE ALEUTIAN
ISLANDS WHILE SUBSTANTIALLY INCREASING ITS COST**

The Coast Guard recently proposed regulations (CGD 88-079a) to implement the Aleutian Trade Act of 1990 (P.L. 101-595) (the "ATA") which, if adopted, would require the fish tender fleet of Coastal Transportation, Sunmar Shipping and Western Pioneer, Inc. (the "Aleutian Trade Vessels") to substantially retrofit their existing vessels - notwithstanding an explicit Congressional directive prohibiting such vessel alterations - in a manner so costly that the Coast Guard itself predicts that 75% of the current fleet will be forced out of service. The additional costs due to retrofitting of the remaining vessels, as well as the increased costs inherent in the reduction of competition among carriers, would be passed directly to the fishing industry and communities of the Aleutian Chain.

1. **Congress Has Historically Recognized the Unique Transportation Needs of the Fishing Industry and the Aleutian Islands.**

For decades fish tender vessels have filled a unique transportation void by producing freight service to the fishing industry and to remote communities dependent on that industry throughout Alaska. Since the late 1960s Congress has expressly recognized these unique needs in a series of enactments authorizing uninspected fish tender vessels to carry fisheries and other cargoes in service to these communities. The Aleutian Trade Vessels have filled these needs with consistent, economical, reliable and safe service to Western Alaska. The large common carriers that have more recently begun service to Dutch Harbor are not prepared to provide, and have not provided, local service directly to the more remote communities and fishing operations now served by the Aleutian Trade Vessels.

2. **The Aleutian Trade Act Balanced the Competing Objectives of Continuing Service to Remote Areas in Alaska and Enhancing Vessel Safety Standards.**

In 1989, these large common carriers opposed the continuation of the special authority permitting Aleutian Trade Vessels to serve these communities. In an effort to eliminate their competition, these large carriers argued for retrofits of the existing Aleutian Trade Vessels of such magnitude and cost that many vessels would necessarily

be put out of service. Recognizing that these vessels were the lifeline of many Alaskan communities, Congress fashioned a compromise with the enactment of the ATA that (1) continued without interruption the general cargo/fisheries supply service available only from the Aleutian Trade Vessels while at the same time (2) upgrading the safety and manning requirements for these vessels. In the words of Congressman Don Young (R-AK):

This legislation has been agreed to by all participants in the Aleutian trade...[it] represents a compromise necessary to provide greater safety to vessels in the trade, while ensuring that remote communities in Alaska do not lose their cargo service. (emphasis added)

136 Cong. Rec. H13364 (daily ed. Oct. 27, 1990).

Throughout the negotiations leading up to enactment of the ATA, there was a clear recognition that the retrofitting necessary to achieve the new vessel safety standards could not be so substantial as to render the modifications uneconomic because that would frustrate the ATA's parallel objective of continuing the existing Aleutian service. As finally enacted, the statutory authority for the new requirements contains an express prohibition against the adoption of regulations that require alterations to vessels constructed before the effective date of those regulations. 46 U.S.C. § 4502(e)(2). Participants in the Aleutian Trade would not have agreed to this legislation without this safeguard; otherwise 3 out of 4 vessels would be forced out, resulting in the loss of service to remote areas.

3. The Coast Guard Rule Making Ignores this Congressional Balance by Proposing Cost Prohibitive Retrofitting Which Would Estimate 75% of the Existing Aleutian Trade Vessels While Increasing the Cost of Service of the Remaining Vessels.

While acknowledging the existence of the express Congressional directive against requiring vessel alterations, the Coast Guard nonetheless has proposed an interpretation strongly advocated by the large carriers that would require the existing Aleutian Trade Vessels to comply with regulations designed to apply to new construction and vessels undergoing major conversions. The companies involved in the Aleutian Trade strongly dispute this interpretation.

By the Coast Guard's own admission, these requirements are so stringent that "only five [of the 20 existing fish tender vessels] are expected to remain in the Aleutian Trade." U.S. Coast Guard Draft Regulatory Evaluation (CGD 88-079a) at page 17. The proposed application of these new construction and equipment regulations to the existing vessels would in some cases exceed those required for fully inspected large carriers. For

example, the proposed regulations would require significant and unnecessary alterations such as removal and replacement of all fuel oil service and transfer piping with seamless pipe (proposed rule 46 C.F.R. § 28.335). The use of seamless pipe can be readily accommodated in building a new vessel, but it is unreasonable and exceedingly costly to require perfectly good piping to be ripped out of an existing vessel for the sole purpose of replacing it with the seamless pipe.

Even for those few remaining Aleutian Trade Vessels, the new equipment and construction requirements will cause them to be taken out of service for months while alterations are made. The retrofitting costs will necessarily be passed on to consumers. As competition is reduced, rates are likely to increase particularly with the domination of the Dutch Harbor trade by a single large carrier.

The Aleutian Trade Vessels have provided efficient and reliable service to Western Alaska and have done so with an excellent safety record. The Coast Guard acknowledges there is no evidence "concerning casualties or fatalities on...fish tender vessels operating in the Aleutian Trade." Draft Regulatory Evaluation at page 38. The vessels' owners have already met new manning and safety requirements mandated by the ATA. They are fully prepared to meet additional safety requirements provided only that they are not required to undertake cost prohibitive retrofitting that will frustrate the Congressional purpose of continuing uninterrupted service to the Aleutian Islands.

CONTACT THE COAST GUARD NOW

If you are concerned about increased costs for transportation services to Western Alaska, the reduction of competition, undue reliance on a single large carrier and the complete loss of service to locations other than Dutch Harbor, you should contact the Coast Guard immediately.

The Coast Guard should be told of the importance of the existing service to your business and community and the impact if such service were lost or became significantly more expensive. The Coast Guard should also be urged to follow the Congressional directive in 46 U.S.C. § 4501(e)(2) against requiring vessel alterations to existing fish tender vessels constructed before the effective date of the regulations.

Comments should reference "Implementation of the Aleutian Trade Act (CGD 88-79a)". You may call Coast Guard's toll-free number at 1-800-282-8724 or preferably send written comments to the following address for arrival **no later than February 28, 1993:**

Executive Secretary
Marine Safety Council (G-LRA-2/3406)

U.S. Coast Guard Headquarters
2100 Second Street S.W.
Washington, D.C. 20593-0001

Copies should also be sent to your Congressional delegation including all of the following:

Senator Ted Stevens
522 Senate Hart Office Bldg.
Washington, D.C. 20510
Fax (202) 224-1044

Senator Slade Gorton
730 Senate Hart Office Bldg.
Washington, D.C. 20510
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nta.doo/jmk

Alaska State Legislature

Representative Carl E. Moses



CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
FISH AND GAME
PUBLIC SAFETY

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UNALASKA, ALASKA 99685
PHONE: (907) 581-1234
FAX: (907) 581-2875

MEMORANDUM

TO: Tam Cook, Director
Legislative Legal Services

FROM: Representative Carl Moses *CM*
Chairman, House Rules Committee

DATE: January 27, 1993

RE: Request for drafting

Please draft a House Joint Resolution using the attached language. My contact for this legislation is Molly McCammon (6848). Thank you.

HOUSE

~~SENATE~~ JOINT RESOLUTION NO. __

IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

A RESOLUTION

Relating to the implementation of the Aleutian Trade Act of 1990.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Alaskans working and living in remote areas on the Aleutian chain have historically relied on fish tender vessels, in particular the vessels operated by Coastal Transportation, Inc., Summar Shipping, Inc. and Western Pioneer, to provide fisheries and general cargo service in support of their fishing operations and their communities; and

INSERT → WHEREAS recently proposed Coast Guard regulations (57 Federal Register 48670) to implement the Aleutian Trade Act of 1990, if adopted, would seriously jeopardize the continued operation of these vessels by requiring cost prohibitive retrofits, notwithstanding an explicit Congressional directive (46 U.S.C. § 4502(e)(2)) which prohibits alterations to vessels constructed before the date of these regulations; and

WHEREAS the Alaska State Legislature strongly believes it is in the best interests of Alaskans living and working on the Aleutian chain, not to disrupt existing freight service and to encourage competition among the providers of such freight services;

BE IT RESOLVED that the Alaska State Legislature strongly supports application of the Congressional directive contained in 46 U.S.C. § 4502 (e)(2) to the proposed regulations implementing the Aleutian Trade Act so as not to disrupt needed freight service to the Aleutian chain.

COPIES of this resolution shall be sent, for arrival no later than February 28, 1993, to the Executive Secretary, Marine Safety Council (G-LRA-2/3406) (CGD 88-079a), U.S. Coast Guard Headquarters, 2100 Second Street, S.W. Washington D.C. 20593-0001 and to the Honorable Ted Stevens and Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.