

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672
2220 SCOMM 87: HOUSE SPECIAL COMMITTEE ON FISHERIES, 1993-94 824

H SR 18

- Fiscal Note Requested - of Jeff Morrison DMVA - 4730
- letter of support from Dick Jacobsen -
- sponsor statement - in draft.
- One will ~~sponsor~~ testify.



ALASKA STATE LEGISLATURE HOUSE OF REPRESENTATIVES

REPRESENTATIVE ELDON MULDER
DISTRICT 23 MULDOON-FT. RICHARDSON

- CHAIR -
LEGISLATIVE COUNCIL

- CO-CHAIR -
HOUSE SPECIAL COMMITTEE ON
MILITARY AND VETERANS AFFAIRS

- CO-CHAIR -
MILITARY AFFAIRS FOR
ANCHORAGE CAUCUS

FEB 10 1993

MEMORANDUM

TO: Representative Carl Moses, Chair
House Rules Committee

FROM: Representative Eldon Mulder, Co-Chair *EM*
House Special Committee on Military & Veterans Affairs

SUBJ: HJR 18

DATE: February 10, 1993

HJR 18 has been scheduled for a hearing in the House Special Committee on Military & Veterans Affairs on February 18, 1993 at 10:00 AM in Capitol 17. Attached is a list of information that the committee will require before the bill can be heard. Please have this information submitted to my office at least 24 hours before the meeting. If you have any questions, please contact my committee aide, Howard Joyce at extension 3889.

Alaska House of Representatives

Richard Foster
P.O. Box 1630
Nome, Alaska 99762-1630
907-443-5036

State Capitol
Juneau, Alaska 99801-1182
907-465-3789
Fax 907-465-3242



Chairperson
Transportation Committee

Military and Veterans
Affairs Committee

Member,
Finance Committee
Bush Caucus
Majority Whip

Eighteenth Legislature

MEMORANDUM

DATE : 26 January 1993
TO : All Legislators
FROM : Rep. Richard Foster *RF*
SUBJECT: Scheduling of Bills in Committee

The House Special Military and Veteran Affairs Committee asks that all requests to schedule a bill be made in writing by the sponsor and include the following information:

Sponsor Statement
Sectional Analysis, if appropriate
to the complexity of the bill
Current Fiscal Note
Current Departmental Position Paper
Any additional background material

Any substantial amendments to a bill, together with further analysis, statements and fiscal notes should be provided to the committee staff 24 hours in advance of the next scheduled hearing.

If you have any questions, please call Liz Walters at 3789.

Thank you in advance for your cooperation.

Alakanuk, Chevak, Elim, Emmonak, Gambell, Golovin, Hooper Bay, Kotlik, Koyuk, Marshall, Mekoryuk, Mountain Village, Newtok, Nightmute, Nome, Pilot Station, Pitka's Point, Russian Mission, St. Mary's, St Michael, Savoonga, Scammon Bay, Shaktoolik, Sheldon Point, Stebbins, Toksook Bay, Tununak, Unalakleet, White Mountain

Staff: Elizabeth Walters, Jeannie Smith, Dr. Larry La Bolle

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

FAX TRANSMITTAL SHEET

Anchorage Office

Date: 2/17/93Number of Pages 2To: Rep. Moses

Fax No. _____

Location: Attn: Molly McCannonFrom: Dick Jacobsen, Mayor

Message:

=====

OUR FAX NO. (907) 276-7569

OUR PHONE NO. (907) 274-7555

CLERK/PLANNER
P.O. BOX 349
SAND POINT, ALASKA 99681
(907) 383-2699
(907) 383-3496 FAX

BOROUGH ADMINISTRATOR
1800 A STREET, SUITE 103
ANCHORAGE, ALASKA 99501-5148
(907) 274-7555
(907) 276-7509 FAX

FINANCE DIRECTOR
P.O. BOX 49
KING COVE, ALASKA 99612
(907) 497-2588
(907) 497-2386 FAX

ALEUTIANS EAST BOROUGH FEB 22 1993

SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

February 17, 1993

Representative Carl Moses
P.O. Box V
Juneau, AK

Dear Representative Moses:

The Aleutians East Borough supports HJR #18. The use of the harbors around Adak Naval Base would be advantageous to the fishing industry in a number of ways. First and paramount is the issue of safety. No other industry has the mortality rate of the fishing industry in Alaska. Having access to safe harbors and good facilities is essential to the safety of our fishermen. The creation of such a port at the extreme end of the Aleutians is an intriguing concept that needs further exploration and development. It would appear that additional fish products would be brought ashore that are now leaving the State. This should enhance the State's revenue picture.

For the above reasons, the Aleutians East Borough supports the further development of this concept.

Sincerely,



Dick Jacobsen
Mayor

CLERK/PLANNER
P.O. BOX 349
SAND POINT, ALASKA 99661
(907) 383-2699
(907) 383-3496 FAX

BOROUGH ADMINISTRATOR
1600 A STREET, SUITE 103
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(907) 276-7569 FAX

FINANCE DIRECTOR
P.O. BOX 49
KING COVE, ALASKA 99612
(907) 497-2588
(907) 497-2386 FAX

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

*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;

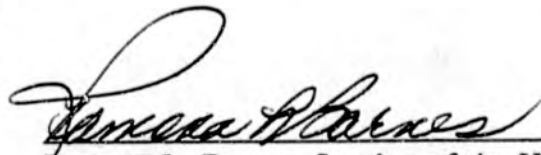
BE IT RESOLVED that the Alaska State Legislature respectfully requests that the United States Coast Guard comply with the directive of the Congress under 46 U.S.C. 4502(e)(2) and not adopt vessel safety regulations that require alterations of a vessel or equipment of a vessel used in the Aleutian trade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

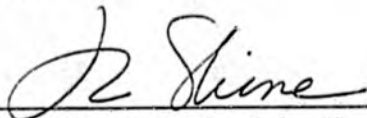
AUTHENTICATION

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.

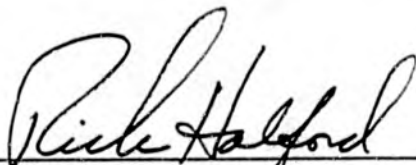
Passed by the House February 25, 1993


Ramona L. Barnes, Speaker of the House

ATTEST:


J.C. Shine, Chief Clerk of the House

Passed by the Senate March 5, 1993

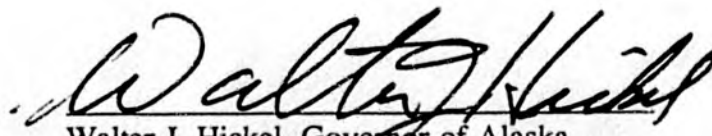

Rick Halford, President of the Senate

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 Zhurff

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 Zhurff

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

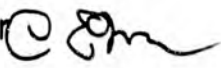
CHAIRMAN
HOUSE RULES COMMITTEE

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 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 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).

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.
Washington, D.C. 20510
FAX: (202) 224-5301

Senator Patty Murray
B-34 Dirksen Senate Office Bldg.
Washington, D.C. 20510
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

99019074635522 P.001/005

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:

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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.
Washington, D.C. 20510
Fax (202) 224-5301

Senator Patty Murray
B-34 Dirksen Senate Office Bldg.
Washington, D.C. 20510
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

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

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

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.

SCOMM

87:28

WED

Carl -

Sen. Lincoln's office
is asking if we'd sponsor
this resolution in the
House.

Tom in her office
has discussed with
Molly.

Tom

Tom-4923

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

SPONSOR STATEMENT FOR HJR 34

Requesting the Department of Commerce to give a high priority to fisheries development project grants for the Alaska salmon industry

A decade ago, the United States was a dominant force in the worldwide salmon market, with Alaska producing 40% of the world's salmon. That share is now 30%, and dropping. New salmon producers from all over the world are entering the market, especially with the advent of farmed salmon. The United States' worldwide competitiveness is being seriously threatened. To remain competitive, the U. S. industry must improve its processing technology, investigate new value-added uses for salmon, develop new quality assurance specifications, and open up new opportunities with the domestic food processing industry.

Although Alaska's salmon production comprises a major share of the U.S. seafood industry, salmon has not received any government assistance for technology development. The Saltonstall-Kennedy (S-K) Industry Grants Program is intended to assist the seafood industry with such development. In the past however, the S-K program in Alaska has focused primarily on groundfish development. Salmon was perceived to be fully utilized, and not in need of such assistance. Global conditions have changed so much recently that the salmon industry is now in dire need of additional financial and technical resources in order to regain its position in the world market.

HJR 34 expresses the wishes of the Alaska Legislature to have the federal Department of Commerce give a high priority to S-K grants that will enhance the Alaska salmon industry. Such governmental assistance will benefit the industry, the state of Alaska, as well as help reduce our nation's foreign trade deficit.

*passed House
32-1
w/ amendment
Sutton - no*

HOUSE JOINT RESOLUTION NO. 34

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES MOSES, Ulmer

Introduced: 3/5/93

Referred: House Special Committee on Fisheries

A RESOLUTION

- 1 Requesting the Department of Commerce to give a high priority to fisheries
- 2 development project grants for the Alaska salmon industry.

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

4 WHEREAS the salmon industry of Alaska, once the shining star of the seafood
5 industry of the United States, is suffering global competition that threatens the nation's
6 worldwide competitiveness and critically diminishes the benefits the nation receives from
7 Alaska's fisheries; and

8 WHEREAS Alaska's salmon production has historically constituted a major
9 component of the nation's seafood production through this century, yet the Alaska salmon
10 industry has not received any governmental assistance for development of the salmon industry,
11 other than for promotion of salmon products; and

markets
12 WHEREAS, 10 years ago, Alaska produced 40 percent of the world's salmon
13 ~~products~~, but now Alaska's share of world salmon production is 30 percent and is dropping
14 due to subsidized salmon farming around the world and emergence of Russian salmon on the
15 world's markets; and

16 WHEREAS the Alaska salmon industry must improve its processing technology,

03/05/93
13:50:10

BILLS & RESOLUTIONS IN COMMITTEE

BRPP500

COMMITTEE: HOUSE SPECIAL COMMITTEE ON FISHERIES

<u>BILL ID</u>	<u>NUMBER</u>	<u>ABBREVIATED TITLE</u>	<u>SPONSOR/REQUESTOR</u>	<u>DATE</u>	<u>FURTHER REFERRALS</u>
HB 130	HB 130	FEES FOR NONRESIDENT KING SALMON TAG	Ulmer	02/05/93	(H) RES THEN FIN
HB 134	HB 134	TEMP TRANSFER OF ENTRY PERMITS	Moses	02/05/93	(H) RES THEN JUD THEN FIN
HB 140	HB 140	FEES FOR NONRESIDENT KING SALMON TAG	Hudson	02/08/93	(H) RES THEN FIN
HB 191	HB 191	CONTRACTOR OPERATED STATE HATCHERIES	Williams	03/02/93	(H) RES THEN FIN
HCR 9	HCR 9	COMMUNITY DEVELOPMENT FISHING QUOTAS	Hoffman	02/22/93	(H) RES THEN FIN
HJR 17	HJR 17	MAGNUSON FISHERY CONSRV & MGT ACT	Navarre	01/20/93	(H) RES
HJR 34	HJR 34	FED FISH RESEARCH & DEVELOPMENT GRANTS	Moses	03/05/93	

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

*passed House
32-1
w/amendment
Sutton - no*

HOUSE JOINT RESOLUTION NO. 34

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES MOSES, Ulmer

Introduced: 3/5/93

Referred: House Special Committee on Fisheries

A RESOLUTION

1 Requesting the Department of Commerce to give a high priority to fisheries
2 development project grants for the Alaska salmon industry.

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

4 WHEREAS the salmon industry of Alaska, once the shining star of the seafood
5 industry of the United States, is suffering global competition that threatens the nation's
6 worldwide competitiveness and critically diminishes the benefits the nation receives from
7 Alaska's fisheries; and

8 WHEREAS Alaska's salmon production has historically constituted a major
9 component of the nation's seafood production through this century, yet the Alaska salmon
10 industry has not received any governmental assistance for development of the salmon industry,
11 other than for promotion of salmon products; and

deleted
12 ~~WHEREAS~~ 10 years ago, Alaska produced 40 percent of the world's salmon
13 ~~products~~, but now Alaska's share of world salmon production is 30 percent and is dropping
14 due to subsidized salmon farming around the world and emergence of Russian salmon on the
15 world's markets; and

16 WHEREAS the Alaska salmon industry must improve its processing technology,

1 investigate new value-added uses for salmon, develop new quality assurance criteria, create
2 new and diverse market opportunities, and open up new lines of communication between the
3 Alaska salmon industry and the nation's food processing industry in order to remain
4 competitive on world markets; and

5 **WHEREAS** governmental assistance to the Alaska salmon industry through the
6 Saltonstall-Kennedy Act will benefit the nation through hundreds of millions of dollars in
7 increased revenue to this broad-based industry, enhance one of Alaska's and the nation's
8 greatest natural resources, and reduce our nation's foreign trade deficit;

9 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the
10 Secretary of Commerce to give a high priority to grants for fisheries development projects
11 under the Saltonstall-Kennedy Act that will enhance the Alaska salmon industry through
12 improvements in fish processing technology, development of new salmon seafood products,
13 development of new quality assurance criteria, creation of new and diverse market
14 opportunities, and communication between salmon seafood producers and the nation's food
15 processing industry.

16 **COPIES** of this resolution shall be sent to the Honorable Bill Clinton, President of the
17 United States; the Honorable Ronald H. Brown, Secretary of the U.S. Department of
18 Commerce; the Honorable Leon E. Pannetta, Director of the Office of Management and
19 Budget; the Administrator, National Oceanic and Atmospheric Administration, U.S.
20 Department of Commerce; and to the Honorable Ted Stevens and the Honorable Frank
21 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of
22 the Alaska delegation in Congress.

03/05/93
13:50:10

BILLS & RESOLUTIONS IN COMMITTEE

BRPP500

COMMITTEE: HOUSE SPECIAL COMMITTEE ON FISHERIES

<u>BILL ID</u>	<u>NUMBER</u>	<u>ABBREVIATED TITLE</u>	<u>SPONSOR/REQUESTOR</u>	<u>DATE</u>	<u>FURTHER REFERRALS</u>
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HCR 9	HCR 9	COMMUNITY DEVELOPMENT FISHING QUOTAS	Hoffman	02/22/93	(H) RES THEN FIN
HJR 17	HJR 17	MAGNUSON FISHERY CONSRV & MGT ACT	Navarre	01/20/93	(H) RES
HJR 34	HJR 34	FED FISH RESEARCH & DEVELOPMENT GRANTS	Moses	03/05/93	

AJR 34.

WORK ORDER REQUEST FORM

W.O. [18] LS-0775

KEYWORDS: FISH/GAME, FISHERIES

ASSIGNED: Utermohle

GRANTS

REQUEST FOR: Resolution

TAKEN BY: Barnes

SUBJECT: Alaska Salmon/Saltonstall Kennedy Program

REQUESTED FOR: REP MOSES

BY: Molly

PHONE: 465-4451

DELIVER TO: Rep. Moses, Cap 204

INSTRUCTIONS: Draft House duplicate of SJR 24, relating to fisheries development project grants.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED []
AUTHORIZED TO CONFER WITH _____

RETURN _____

_____ TO REQUESTOR

APPROVED: X DIRECTOR, LEGAL SERVICES

REVIEWED _____

IN 03/02/93 DUE _____

TYPED: Draft _____ Date _____

Final _____ Date _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS to TYPING/PROOFING

Request for FINAL

ALASKA STATE LEGISLATURE

Senator Georgianna Lincoln

State Capitol
Juneau, Alaska 99801-1182
(907) 465-3732
Fax (907) 465-2652



Committees:
Transportation
Labor and Commerce
Administrative Regulation Review
Minority Whip
Bush Caucus Chair

DISTRICT R

Alaina
Allakaket
Aniak
Anvik
Arctic Village
Beaver
Bettles
Big Delta
Birch Creek
Canyon Village
Central
Chalkyitsik
Chenega Bay
Chickaloon
Chicken
Chistochina
Chitina
Chuathbaluk
Circle
Copper Center
Copperville
Cordova
Crooked Creek
Delta Junction
Dot Lake
Dry Creek
Eagle
Evensville
Fort Greely
Fort Yukon
Galena
Galeana
Glenallen
Grayling
Gulkana
Healy Lake
Holy Cross
Hughes
Huslia
Igigig
Iliamna
Kakhonak
Kaktavik
Kenny Lake
Koyukuk
Lake Minchumina
Lime Village
Livengood
Lower Kalskag
Manley Hot Springs
McCarthy
McGrath
Medfra
Mendeltna
Mentasta
Minto
Nabesna
Nelchina
Newhalen
Nikolai
Nondalton
Northway
Nulato
Paxson
Port Alsworth
Rampart
Red Devil
Ruby
Shageluk
Sheep Mountain
Slana
Sleetmute
Stevens Village
Stony River
Sutton
Takotna
Tanacetos
Tanana
Tarulek
Tazlina
Telida
Teitlin
Tok
Tolsona
Totsina
Tulukak
Tyonek
Upper Kalskag
Valdez
Venetie
Whittier
Wiseman

SPONSOR STATEMENT

Sponsor: Senator Georgianna Lincoln
Subject: Senate Joint Resolution No. 24
Date: 8 March 1993

The economic future of the Alaska salmon industry is in jeopardy. Although a numbers of factors are involved, there is widespread consensus that an expansion of markets, particularly domestic, and the development of different products, are critical.

A number of factors have led to this situation:

- 1) The introduction and expansion of farmed salmon during the 80's, absorbing nearly 30% of global salmon markets.
- 2) The decline in certain U.S. and European markets for some salmon products. (i.e., canned pink salmon)
- 3) The replacement of Alaska's salmon on the Japanese market (Alaska's largest salmon market) by salmon from other sources.

SJR 24 requests the U.S. Department of Commerce to give a high priority to fisheries development project grants in Alaska. Without the creation of new and diverse market opportunities, improvements in fish processing technology, and better lines of communication between the producers and the processing industry, Alaska's best renewable resource--and the source of significant statewide employment--could end up foundering like the U.S. steel industry.

Grants provided through the Saltonstall-Kennedy Act program to facilitate market development and diversity could have a very positive impact on reversing this negative trend.



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 112
Juneau, Alaska 99801
907/586-2820
Fax: 907/463-2545

April 19, 1993

The Honorable Mike Miller, Chair
and Members of the Senate Resources Committee
The Capitol Building, Room 423
Juneau, Alaska 99801-1182

RE: HJR 34 - Federal Fish Research and Development Grants

Dear Senator Miller and Committee Members:

Many of the commercial fisheries of the State of Alaska are in difficulty due to new market competitors, fluctuation of ground prices, and the world supply of salmon. We are slowly losing our percentage of the World Market.

This resolution does address the direction we need to go and get the Seafood Industry back into world competition.

Almost every other industry in the United States receives some form of governmental assistance for development of their industry.

We need new direction soon so that we can benefit Alaskans and the Seafood Industry as a whole. New fish processing technology is being developed in Norway all the time. Your passage of this resolution could make the difference to stabilize the second largest industry in the state of Alaska to maximize revenues for the State of Alaska.

Sincerely,

Jerry McCune
Jerry McCune
President

Enclosures

cc: The Honorable Walter J. Hickel, Governor
Carl Rosier, Commissioner, ADF&G
UFA Board of Directors

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Longline Fisherman's Association • Alaska Trollers Association • Area K Seiners Association
Bering Sea Fishermen's Association • Bristol Bay Driftnetters Association • Concerned Area "M" Fishermen
Cook Inlet Aquaculture Association • Cordova District Fishermen United • Kenai Peninsula Fishermen's Association
North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association • Peninsula Marketing Association
Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Seafood Producers Cooperative
Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association • Western Alaska Cooperative Marketing Association

MAR 16 1993



Alaska Fisheries Development Foundation, Inc.

March 11, 1993

Representative Carl Moses, Chairman
SPECIAL COMMITTEE ON FISHERIES
State Capitol, Room 204
Juneau, Alaska 99801-1182

Dear Representative Moses:

Over the past fifteen years the National Marine Fisheries Service (NMFS) through the Saltonstall-Kennedy grant program has provided the Alaska fishing industry with nearly \$15 million in development funds. This investment has stimulated more than \$250 million in new private investment in our fisheries - a rather large BANG for the buck.

Over the last five years the amount NMFS annually provides to industry has shrunk, and has shifted to areas that are important to the National Marine Fisheries Service including management, artificial reefs and marine mammals. Even though S-K's enabling legislation calls for the industry to set the priorities, NMFS has steadfastly refused to recognize that Alaska's Salmon Industry is in need of government funded and encouraged change and revitalization.

The fact of the matter is that this industry is under assault in world markets, is mired in 1920's technology and products, and the laying of blame on "the other guy." As important as the Salmon Industry is to the nation and the State of Alaska and its people, it must be awakened to new realities and new solutions. As the above described "investment versus return" indicates, a small sum properly invested can generate very large rewards.

House Joint Resolution No. 34 asks the federal government to recognize that the Alaska Salmon industry is in immediate need of revitalization and that it give Alaska Salmon Development efforts the highest priority in the next round of S-K funding.

I urge the House Special Committee on Fisheries and the entire Legislature of the State of Alaska to join with industry in so advising the Department of Commerce and the National Marine Fisheries Service.

Thank you,

C.K. Mitchell
Executive Director

DATE

Mr. William Fox
Acting Assistant Administrator for Fisheries
National Marine Fisheries Service
1335 East-West Highway
Silver Spring, MD 20910
Routing F

Dear Mr. Fox,

I am writing to urge your office to place North Pacific salmon at the top of the list of national priorities for the 1993/94 Saltonstall-Kennedy Fisheries Industry Grants program.

The North Pacific salmon industry now faces a crisis that needs widespread, immediate attention. This industry, which supports thousands of people, once topped world markets in value, quality and sales. Over the last ten years, however, this fractionated industry has been confronted with some far-reaching problems that individual producers now find impossible to conquer independently:

- * Alaska produced 40% of the world's supply of salmon until this last decade. Our share now is 30% and dropping.

- * The value of Alaska's salmon harvest fell more than 40% between 1990 and 1991, a total drop in value of more than \$250 million in one year. Farmed salmon's share grew from 1% to 30% in the same period.

- * In 1991, the world produced more than 2.5 billion lbs. of salmon, yet the world consumed 2.1 billion lbs., leaving an oversupply of 463 million lbs.

- * In recent years, millions of pounds of perfectly good Alaska pink salmon were barged out to sea and dumped because there was not enough demand to harvest, process and sell it in its traditional forms. Yet domestic and international markets cry out for increasing amounts of high-quality protein entrees.

- * New salmon producers are springing up all over the world. Salmon from the Russian Far East is improving in quality and, with Asian financial and technical backing, is becoming a force to be reckoned with in our historical markets.

Support is gathering for a comprehensive effort to address these problems, and to ensure that our nation realizes the highest benefits from its salmon fisheries, which are among the most productive in the world. Such a comprehensive program must be started immediately to turn the salmon situation around in the next few years. Much support has emerged from all sectors of the industry for just such an effort. We believe the S-K Industry Grants program was developed to address just such problems as

these: industry-wide development opportunities that challenge the entire industry as a whole, and whose solution would bring greater good to the nation, better utilization of the nation's fish resources, and increased competitiveness for the U.S. seafood industry in worldwide marketplace.

Mr. Fox, I know that salmon industry development has never been a priority of the Saltonstall-Kennedy program in its 14 years of existence. Until this decade, program administrators -- and much of the industry -- considered salmon a fully developed industry. But we have had to expand our understanding of "optimum utilization of a species" to include developing updated technology, quality data, new products and market education for species such as salmon that have held their own for a long time, but that now cannot keep their place in the market without a multi-faceted, industry-wide effort.

I strongly urge you to place the North Pacific wild salmon industry development challenge on the list of national S-K priorities for the Alaska region immediately. Many of us in the industry feel the S-K program, in which a very little bit of money historically has taken the seafood industry a long way -- would be the most appropriate venue for an industry-directed effort of this kind. If you have any questions or would like to discuss this further, please contact me.

Respectfully yours,



Alaska Fisheries Development Foundation, Inc.

DATE FEB. 15, 1993

FAX TRANSMITTAL COVER SHEET

TO Molly McCammon FROM Chris Mitchell
c/o Rep. Carl Moses
(907) 465-3445

Number of pages including transmittal sheet: 6

PLEASE PHONE (907) 276-7315 IF THERE ARE ANY PROBLEMS WITH THIS TRANSMISSION. OUR FAX NUMBER IS (907) 271-3450.

Dear Ms. McCammon:

Many thanks for your interest in AFDF and its thoughts regarding ways to strengthen Alaska's Salmon Industry. I have attached an outline of what we have in mind.....and patterned after our successful Pollock/Surimi effort of yesteryear. Thank you also for the opportunity to meet with Representative Moses herein we can express our concerns for the future of this industry should we (collectively) continue to run around in circles on the needs of the salmon industry. Competition is fierce, and getting stronger, in what once was Alaska's exclusive market. Exclusivity will not return!

As mentioned on the phone we are asking Representative Moses's support in the following areas:

- 1) We are hopeful that the Alaska State Legislature will draft and pass a Resolution (joint?) calling on the head of the National Marine Fisheries to "Make the strengthening and development of Alaska Salmon a top **PRIORITY** for the 1993 Saltonstall-Kennedy fishing industry grant program".
- 2) For the last two years the Ak State Legislature has considered a Bill (sponsored and introduced by Senator Zharoff) to create an ENDOWMENT for AFDF, so it could continue (at least a bit independently from the federal government) to undertake major fishery developmental programs, deemed by the industry to be critical to the State of Alaska - We see the Salmon conundrum fitting perfectly with this partial independence. Sponsorship or at least co-sponsorship by the Representative is sought.

Molly, supporting documentation and background info is being sent by separate cover. Thanks for everything.

A handwritten signature in dark ink, appearing to be "C. Mitchell", is written over the typed name "Chris Mitchell" in the "FROM" field of the fax cover sheet.

ALASKA FISHERIES DEVELOPMENT FOUNDATION ENDOWMENT

What Is The Foundation And What Is Its Goal?

* The Alaska Fisheries Development Foundation (AFDF) is a private non-profit corporation formed in 1978 by the Alaska seafood industry to satisfy the research and development needs of Alaska's commercial fishing industry.

* The Foundation acts as a catalyst for all segments of the seafood industry, including the scientific and research communities, to demonstrate new technologies and ideas for the benefit of Alaskan seafood producers, users, consumers and fishery managers.

What Does The Foundation Do?

* AFDF conceptualizes and acquires funding for demonstration projects which allow the Alaskan seafood industry to test and apply new technologies in plants or aboard vessels that expand opportunities, increase yields and make better use of Alaska's fish resources. These are projects that few companies could afford or have the ability to conduct on their own.

* AFDF demonstration projects have helped Alaskan fishermen and processors develop new harvesting and processing techniques, create new markets for seafood products, experiment with new product forms, create economic opportunities for coastal communities, reduce fisheries waste, increase yields and pioneer technologies that return the maximum benefit to Alaskans and the people of the United States.

* In its first 14 years, AFDF brought over \$13 million in federal Saltonstall-Kennedy research and development funds to Alaska, and conducted hundreds of successful projects--many of which brought multi-million-dollar benefits to the Alaska seafood industry and to seafood-dependent communities.

What Has AFDF Accomplished?

* In the past, AFDF projects have:

- Pioneered surimi and pollock production technology on shore in Alaska, resulting in a \$500 million/year industry in Alaska;
- Developed a whole new fishery based on Alaskan flatfish species, a bountiful resource that was not commercially used before AFDF's project. In the first three years since AFDF's flatfish development project, commercial flatfish fillet production has already brought \$12 million/year into Alaska's economy and has not yet realized its full potential;
- Led ground-breaking research into surimi production from arrowtooth flounder, a development that could lead to a second raw material source for surimi in Alaska;
- Spearheaded the development of new, profitable uses for

seafood processing byproducts to help seafood producers turn waste into marketable products;

- AFDF demonstration projects have resulted in over 2,000 full-time year-round jobs, which are a permanent addition to the Alaska economy; and

- Identified and realized hundreds of opportunities for fishermen, processors and secondary processors to make fuller use of the protein from Alaska's fish, to reap more long-term, year-round benefits from Alaska's fisheries, and to return more benefits to the state of Alaska and the public.

Why is AFDF Pursuing A State-Funded Endowment?

- * AFDF has obtained a vast majority of its project funding from the federal Saltonstall-Kennedy program, which was set-up to fund industry conceived and directed development projects.

- * The Saltonstall-Kennedy program, like many federal programs, has suffered considerable funding cuts. These reductions accurately reflect the fully developed status of commercial fisheries opportunities in most of the United States. But, Alaska has only recently begun to develop its commercial fishing resources beyond traditional species such as salmon and crab, and these federal budget reductions are limiting one of the greatest economic development opportunities in the country.

- * AFDF is now seeking a fisheries development endowment to ensure that Alaska can continue to reap economic benefit from successful research and development, and to ensure that such development projects remain within the control of Alaskan fishermen and processors, and the citizens of Alaska, and are not controlled by the whims of federal funding and/or national politics.

- * Fisheries make up Alaska's second most important private industry, and its largest private employer. AFDF has contributed, directly and indirectly, to the growth, stability and competitiveness of this industry. Alaska cannot afford to allow such an effective force to be lost due to a lack of federal fisheries funding priorities.

Why Doesn't Industry Pay For The Endowment?

- * Industry already provides more than \$350,000 dollars each year to the operations and projects of the Foundation.

- * The Foundation is also soliciting endowment funds from private industry and already has made a deposit to the endowment.

- * The benefits of high risk industry research and development accrue to all sectors of Alaska and is therefore an investment within the purview of State expenditures.

**A Proposal
To Establish an Endowment to Perpetuate
Industry-Directed Fisheries Development
In Alaska**

**Submitted for Consideration to the
Alaska State Legislature**

by

**Alaska Fisheries Development Foundation, Inc.
508 West Second Avenue, Suite 212
Anchorage, Alaska 99501
Phone: (907) 276-7315
Fax (907) 271-3450**

Abstract

The commercial seafood industry of Alaska proposes that the Alaska Legislature establish an endowment for commercial fisheries development in Alaska.

The Alaska Fisheries Development Foundation since 1978 has initiated and led seafood industry development projects that have helped create new fisheries in Alaska, have greatly expanded the state's seafood processing and exporting capacity, and have contributed significantly to Alaska's economic growth and diversification.

Alaska Fisheries development Foundation is the force behind the successful demonstration of large-scale shore-based groundfish processing, the nation's first surimi processing plant, and a full-scale flatfish filleting plant. Over the last 14 years, AFDF has brought nearly one million dollars per year of federal research funds into Alaska.

Now, budget restrictions and priority changes in the federal fisheries industry grants program have caused severe reductions in federal funding for fisheries development projects. These changes have closed at least four of the original seven industry-directed fisheries development foundations in the U.S.

But many of the commercial fisheries of Alaska remain dramatically underdeveloped. It is vitally important that the State of Alaska continue to pursue industry-directed fisheries development research focusing on new species and on new processing technologies. It is also crucial that these development efforts be directed by the seafood industry--and designed with resource concerns in mind--and remain independent of the caprices of the federal budgetary process. An endowment of five million dollars from the State of Alaska, to be matched with industry contributions, is proposed as a means to perpetuate the administration and funding of crucial industry-directed seafood research and development in Alaska.

I. AFDF: A proven leader in fisheries development for Alaska

Alaska Fisheries Development Foundation (AFDF) opened in March 1978, after Alaskan fishermen and processors joined together to bring federal fisheries development grants to Alaska and apply them toward needed development projects. The Foundation was formed, along with other regional foundations across the U.S., to bring home research funds from the federal Saltonstall-Kennedy (S-K) program, which was set up by Congress to fund domestic seafood industry research and development activities.

The S-K grants program was created to strengthen the U.S. fishing industry in the face of increasing foreign competition and fluctuating resources. S-K funds come from a portion of tariffs on imported seafood and seafood products. These funds have been made available annually via a nationwide competitive process.

When the S-K program began, members of the Alaska seafood industry collectively decided that, to direct these funds toward projects with the broadest benefit and a realistic chance of success, it would be best to maximize the industry's control of the projects and minimize the government's. The Foundation was organized to represent the industry; its members include harvesters, processors, and support industry representatives. Every year AFDF members and the Board of Directors, with input from all levels of the industry, set the Foundation's priorities and the staff designs project proposals for the S-K funding competition based on these priorities. This combination of strong industry participation and the compelling seafood development opportunities in the North Pacific have produced an outstanding record of accomplishment for AFDF.

II. AFDF's fisheries development approach and accomplishments

Alaska Fisheries Development Foundation's projects, from salt cod to surimi to flatfish filleting to new byproducts processing techniques, laid the groundwork for a good part of Alaska's current groundfish industry. The success of these projects also demonstrates the foresight and efficiency that industry direction provides. The Foundation has pioneered new methods of groundfish processing and harvesting, byproduct utilization, and salmon product development. Nearly all of AFDF's projects have brought significant new opportunities to Alaskan businesses.

AFDF's projects are straightforward and involve private industry to a great degree. Most Foundation projects are technology demonstrations. The most dramatic example of this approach was the Foundation's five-year Surimi Industry Development Project, which began in the early 1980s. Troubled former crab harvesters and struggling shore-based processors began to focus on the bounty of pollock off Alaska's coast, which was not then harvested or processed domestically. Foreign fleets dominated the groundfish fisheries at the time, but much of their finished products--surimi

and pollock fillets--were being marketed successfully in the U.S. and abroad. It was apparent that the Alaska seafood industry was missing out on a huge opportunity, but no information--certainly no assistance--was available to aid the domestic industry in exploring the pollock opportunity. The Foundation stepped in to provide the information, guidance and opportunity for Alaska to prove to world markets that pollock-based surimi could be successfully produced on shore by Alaskan producers. AFDF designed a demonstration project to set up and operate the first U.S. surimi plant, which, after a competitive process, was sited at Alaska Pacific Seafoods in Kodiak. Through our international industry network, we built a surimi processing line and continued to improve it over the course of the project. We even introduced innovations to the Japanese, who invented surimi processing. So much improvement was made that for the first time the Japanese buyers, who previously contended that high-quality surimi could only be produced at sea, admitted that shoreside surimi production in Alaska could indeed be successful.

One of the most crucial elements of the Foundation's work is our production and distributing of usable information that results from our projects. During the surimi project the Alaska Pacific Seafoods plant was open to other processors, buyers and researchers to tour and observe. This gave the whole industry a chance to get first-hand information from the project. The Foundation also produced numerous reports containing hard data on production, yields, quality control, equipment, process improvements, economics and every other aspect related to the processing of surimi. This information was widely applied by the entire industry, and is a prime example of the benefit of the collective ability of the seafood industry when compared to the limited benefits of privately conceived and executed research and development efforts.

AFDF has also conducted other demonstration projects that have resulted in industry innovations now widely accepted. Many of them also have brought widespread benefits to the state of Alaska by improving the industry's year-round stability, employment base, industry profitability and responsible use of fisheries resources. Examples of such projects are:

1. Refrigerated sea water for storing pollock and cod before processing. During the surimi project, studies documented that sea water storage allowed round fish to be held for several days, on board or in the plant, without loss of quality. This knowledge was key to the establishment of the shore-based surimi processing in Alaska, and provided a crucial method to improve product quality and decrease waste.

2. The Baader 182 pollock filleting machine. This then-new technology was demonstrated in a production situation for the first time during the surimi project. Its ability to automatically and quickly handle pollock of varying sizes dramatically enhanced the feasibility of both pollock fillet and surimi production in Alaska. These machines are now used by virtually every pollock producer.

3. Objective surimi quality measurements. The Japanese system of determining surimi quality was based on broad categories such as vessel versus shore-based production and producer experience. AFDF pioneered objective quality and functional measurements that have allowed domestic producers to compete in the worldwide, especially in the large Japanese market.

4. USDA approval for fish in meat products. The microbiology of surimi, data generated in an AFDF study, was documented and incorporated into the first U.S. Department of Agriculture-approved Hazard Analysis and Critical Control Point (HACCP) plan for seafood. This breakthrough resulted in the first USDA-approved processed food product containing a blend of seafood and red meat. The potential of surimi to expand into the processed meat industry represents a tremendous domestic market for Alaska's fish products, especially with the recent focus on reduced fat and cholesterol in the diet. The potential of fish materials to be used in blended meat products represents an unmeasurable opportunity in the future.

5. The first documented demonstration of sole and flounder fillet production in Alaska introduced Alaskan product to a market starving for high-quality product. The Alaska flatfish resource is nearly untouched, and AFDF's project applying North Atlantic processing equipment to Alaskan flatfish has focused worldwide attention on Alaska as a source for quality flatfish. Since the start of AFDF's flatfish demonstration project, Alaska has increased flatfish production fourfold.

6. Innovative uses of fish byproducts. AFDF has demonstrated the use of Alaska's first automated, continuous-flow seafood waste hydrolyzer. The hydrolyzed product is already being tested for food for Alaska's salmon hatcheries, food for livestock, and fertilizer/insecticide on tree fruit crops. If fully successful, this process has the potential to greatly reduce processing wastes and increase industry profitability.

7. Conversion of a small salmon vessel to a cod longliner, and production of salt cod at remote sites. Information from this project has been used by many coastal communities to help expand economic development, and has led to the use of many small salmon vessels as longliners.

8. Spearheaded two efforts to find ways to process arrowtooth flounder, a species known for its flesh softening problems. Both efforts are producing positive results, which may lead to successful processing methods. This is especially important when one considers the size of the resource, which is expected to support annual harvests of nearly 500,000 metric tons.

9. Spearheaded demonstration of poultry deboning technology on pink salmon frames. This demonstration produced usable salmon mince from previously discarded frames, a product that is valuable and in high demand. This mincing technology may someday be applied to recover edible protein from the increasing number of spawned-out

carcasses at our private-non-profit hatcheries.

10. Development and testing of a prototype salmon head splitter to recover salmon flesh from the collars usually discarded with the heads. This high quality salmon "chunk" has an immediate application in salmon canning, and perhaps could be developed into a specialty product with a high value similar to halibut cheeks.

These brief project descriptions give just a small idea of the benefits the State of Alaska has received from Foundation activities. The complete chart of projects is considerably longer and can only be fully appreciated after reviewing the more than seventy-five project-related reports the Foundation distributes.

III. Why An Endowment?

The Foundation has been able to accomplish these development projects because of the Saltonstall-Kennedy program and its mandate for industry-directed research and development. Although this program is still in effect, its funding and intent have been severely compromised over the past two to three years.

Because of the considerable stress on the federal budget and the funding of vital programs, the industry-directed portion of the Saltonstall-Kennedy program has been steadily reduced. The funding level in 1992 is only \$500,000.00 for the entire country, nearly \$7.0 million below the annual average for the last decade. The rest of the S-K funds have been redirected to fund general government operations. From the Alaska seafood industry's perspective, this reduction in Saltonstall-Kennedy funding reflects the fact that in most other areas of the United States the commercial fishing industry is much more developed--in most cases to the point of diminished resources. Our situation in Alaska is considerably different.

With the relatively recent development of most of our fisheries, opportunities, (especially groundfish) and with the rapid changes in established fisheries, (increasing pink salmon supplies and farmed salmon competition) we have before us dramatic opportunities to turn small investments in research and development into large benefits for the commercial fishing industry and the people of Alaska.

As with many other areas of endeavor, Alaska finds itself in a dramatically different stage than the rest of the country when it comes to fisheries development needs. We cannot afford to lose the opportunities that are now available because of a reduction in the Saltonstall-Kennedy Program. The Alaska Fisheries Development Foundation's Board of Directors has responded to this challenge by initiating an endowment to fund the operations of the organization. This endowment would allow the Foundation to operate independently of the reductions in federal industry grants, and continue to provide the fisheries development breakthroughs that foster

industry success.

The Foundation is pursuing private and public sources of funding for the endowment. The endowment revenues will be applied toward long-term funding of the Foundation so it may continue its integrated, cooperative approach toward fisheries development research. The total amount of funding needed to keep AFDF's efforts going is ten million dollars. Our request for State of Alaska funds is five million dollars. We are seeking matching funds from the food and seafood industry.

This level of endowment funding will allow the Foundation to maintain the optimum organizational structure, and to continue its tradition of gleaning maximum benefits from minimal administrative costs. The return on this investment for the people of Alaska can only be projected based on the past 14 years of accomplishments at the Foundation. These include bringing in more than \$13 million in federal grant funds and initiating demonstration projects that have increased Alaska's fisheries wholesale value by at least \$240 million annually.

The endowment is a small investment when one considers the benefit it will bring to Alaska.

FISHERIES DEVELOPMENT PROJECTS
OF THE
ALASKA FISHERIES DEVELOPMENT FOUNDATION

1. Analysis of Factors That Affect Groundfish Quality

This project produced the first solid baseline of data on the quality characteristics of Alaska groundfish through the entire year. This information allows processors to structure their production to achieve the highest quality product, and to respond with factual information to speculation about how intrinsic characteristics of Alaskan species compare to North Atlantic species. AFDF worked with International Seafoods of Alaska, National Marine Fisheries Service (NMFS), All Alaskan Seafoods and Oregon State University to analyze groundfish product samples for an entire annual cycle. Samples were analyzed for moisture content, yield, taste acceptability, storage stability, and enzyme activity. The resulting data on quality and flesh characteristics is available in both a poster and a full report.

2. Development of Improved Techniques for Bone and Parasite Removal

In a project involving many shore-based cod processors, the Foundation has been working with the University of Alaska Fishery Industrial Technology Center (FITC) to improve current methods of bone and parasite removal, and to develop new, better methods. First, we studied the use of light filters and how variations in light intensity affect candling efficiency. Other studies involved mechanical vision systems, and may include testing bioelectrical methods as well. The goal is to develop a less labor-intensive, more accurate way to remove fish parasites. This may eventually lead to completely automated parasite detection and removal.

3. Development of Surimi Process Quality Assurance

This project has given surimi producers better quality information and expanded market opportunities. It also helped pave the way for U.S. Department of Agriculture approval for HACCP-produced surimi to be used in processed meats--a first for any seafood product. AFDF, Alaska Pacific Seafoods and the FITC together introduced a cutting-edge Hazard Analysis and Critical Control Point (HACCP) program, a quality assurance technique at the food industry forefront. A complete multi-seasonal microbiological analysis of production samples was done, and critical control points in the surimi process were identified. This effort has resulted in much better quality control. USDA approval for HACCP-produced surimi in processed meats, a direct result of this program, has created a

multi-million-dollar opportunity for surimi producers. We are applying the HACCP concept into other Alaska seafood processing lines so that broader microbiological data will be available to industry. This information will help prepare the Alaska seafood industry for the expected mandatory federal seafood inspection program.

4. Flatfish Processing Line Yield Improvements

During the AFDF flatfish project in 1988, we recognized the need to reduce waste and increase profits by improving yields during processing. This project demonstrated a process that would recover the flesh left on filleted flatfish frames. The process used available technology transferred from the poultry deboning industry to the Alaska seafood industry. Results indicate that we can increase recoveries and returns to processors and fishermen. We are also testing a similar process to increase yields from other groundfish, especially gray cod and pollock.

5. Development and Demonstration of Seafood By-Product Hydrolysis

The Foundation, working with North Pacific Processors and Advanced Hydrolyzing Systems, addressed the crucial question of seafood processing by-product utilization. Conventional meal and oil processing, though effective enough in large plants, offered little opportunity for most of Alaska's smaller or seasonal processors because of high capital costs. We tested a prototype 1,000/lb. per hour automated hydrolyzer machine and produced more than 12,000/lbs. of meal from material that would normally be discarded as waste. The hydrolyzed product was analyzed for use in piglet starter feeds at the University of Alaska Fairbanks, salmon fry feeds at the Fort Richardson State Hatchery, and as foliar feeder/insecticide for commercial fruit trees in Oregon. If successful, this hydrolyzing technology will allow processors to use more of the raw material they buy from harvesters, and to minimize problems with effluent regulations. This project has been continued for one more year to further explore the hydrolyzing options available to Alaska processors and the applications for hydrolyzed products.

6. Coordinate an International Seafood By-Product Conference

The Foundation, together with The University of Alaska Sea Grant Program, Icicle Seafoods, and several other members of the seafood industry hosted this international conference in 1990. The conference featured speakers from major fish by-product producers, researchers and buyers, and attendance topped 200 people from 13 countries. The purpose of the conference was to expose the Alaska industry to the worldwide demand and opportunities for seafood by-products, and to expose the international seafood by-products industry to growing opportunities in Alaska. In the past, dominance of Alaska's industry by salmon and crab producers had led to a widely held belief that Alaska had little to offer in the way of high quality whitefish by-products. The fact that our waste

streams had changed and our by-product handling facilities had been upgraded was not widely known. The conference was very successful in achieving these goals.

7. Testing an Automated Vision-Based Flatfish Sorting System

During our recently completed flatfish production demonstration project, we discovered that one obstacle to profitable flatfish filleting was the sorting problem caused by the large size range of flatfish species. Hand sorting is extremely time consuming and expensive, but is necessary to effectively machine fillet the fish. A prototype vision-based sorting machine from Eastern Canada is being tested at All Alaskan Seafoods for its ability to correctly sort Alaska flatfish species. If the machine is successful, as it is with Atlantic flatfish species, we will have solved a major problem for automated flatfish filleting in Alaska.

8. Developing a Flatfish Gutting Machine

A second obstacle to flatfish industry development the presence of rocks and grit in the gut cavity of Alaska flatfish, which damages the blades of automated filleting equipment. To solve this problem, we have begun to develop a prototype machine that would clean the belly cavity before the fish is filleted. If successful, this machine would increase efficiency, profitability, and feasibility of flatfish processing in Alaska.

9. Researching Feasibility of Producing Arrowtooth Flounder Surimi

Working with the National Marine Fisheries Service (NMFS), Eagle Fisheries, Alaska Dragers Association, Alaska Pacific Seafoods, and All Alaskan Seafoods, the Foundation is attempting to document the feasibility of commercial production of surimi from arrowtooth flounder. Arrowtooth flounder have an intrinsic flesh softening problem that renders them useless for seafood processors. The Gulf of Alaska population is at very high levels, and both harvesters and processors go to considerable trouble to avoid--or, when encountered, discard--this species. Dr. Diana Wasson, a scientist with NMFS, identified an additive which, when applied in the laboratory to arrowtooth flounder flesh, effectively eliminated the flesh softening problem. This incredible breakthrough led to a production test of the additive, which demonstrated successful application. The additive seems to retain its effectiveness through frozen storage. Final results from this project have been released. The next step will be a full-scale demonstration project in 1992 so that the industry will be able to collect the information required to make educated decisions about the feasibility of arrowtooth flounder surimi processing on an industrial scale.

10. Modification of Crab Pots to Harvest Pacific Cod

In response to the recent development of modified crab pots for the harvest of gray cod, the Foundation--together with the Alaska Department of Fish and Game, Neptune Trap and Trigger, Gotyas and the M/V Enterprise--completed research into the effectiveness of pot gear in harvesting cod and avoiding halibut. Both processors and harvesters have been hard hit by the closure of groundfish fisheries when halibut limits have been reached. The use of inclusion devices, together with vertical dividers in pot entrances, offers a logical method to continue the harvest of gray cod while eliminating most halibut. This harvesting method could also allow many small crab vessels to enter the groundfish fishery without large capital investments. The field research for this project has been completed and a final report is available. The results give harvesters an objective look at the production possibilities of this new gear type. We are also planning to study various modifications of bottom trawl gear in an effort to identify changes that will reduce trawlers' catches of halibut in 1992.

11. Ongoing Program Development

Each year the Foundation's program development committee, board of directors and staff complete an effort to identify and select projects for funding proposals. This year's effort is just beginning and will be completed in late March. At the present time the following ideas are under consideration: expanded arrowtooth flounder surimi studies, continued trawl bycatch reduction studies, pink salmon surimi, mince and secondary processing studies, squid surimi production demonstration, recovery of proteins from surimi wastewater, continued byproduct processing efforts, a bycatch workshop, and automated removal of cod pin bones.

DATE

Mr. William Fox
Acting Assistant Administrator for Fisheries
National Marine Fisheries Service
1335 East-West Highway
Silver Spring, MD 20910
Routing F

Dear Mr. Fox,

As the 1993-94 Saltonstall-Kennedy Industry Grants Program cycle begins I would like to alert your office to a critical problem in our U.S. seafood industry that demands immediate attention. The wild salmon industry of the North Pacific, once the shining star of our nation's seafood industry, is suffering from some far-reaching problems that threaten the U.S.'s worldwide competitiveness and critically diminish the benefits the nation receives from these fisheries.

Alaska's salmon production has comprised a major share of the U.S. seafood industry through this century. Yet salmon has not received any industry development assistance, other than promotional, in any government program. The salmon industry needs such assistance now, and the potential benefits to the nation far outweigh the minimal costs for such an effort.

Alaska once produced 40% of the world's salmon. Our share now is 30% and dropping. New salmon producers are springing up all over the world. To remain competitive, the North Pacific industry must improve its processing technology, investigate new value-added uses for salmon (especially the plentiful pink salmon), develop new quality assurance specifications, and open up new lines of communication between the salmon industry and the U.S. food processing industry, which represents a major consumer of North Pacific salmon.

To do this will require more financial and technical resources, and a more coordinated, industry-wide effort, than one company or organization can handle. It will require the support and participation of every sector of the salmon industry -- support that already is increasing rapidly. I believe it is just the kind of problem, and represents just the kind of industry development opportunity, that the S-K program was designed to address.

The potential benefits to the nation are legion: Hundreds of millions of dollars in increased revenues to this broad-based industry that feeds and supports several hundred thousand people in Alaska, the Pacific Northwest, and across the nation; a significant decrease in salmon processing waste, which has reached unacceptable proportions; increased competitiveness on the world food and seafood markets; and a greater economic return to the nation from the marine resources off its shores.

While other crucial problems also face the American seafood industry -- marine mammal concerns, and reducing incidental catch of non-target species, for example -- the salmon problem represents both a crisis for our industry's long-term world competitiveness and a tremendous opportunity for our future. It is a problem that needs immediate attention.

I would like to throw my wholehearted support behind naming North Pacific wild salmon industry development as a top national priority for the Saltonstall-Kennedy program in 1993 and 1994. I hope the seafood industry of the North Pacific can count on you to establish salmon as an immediate and critical priority for the Alaska region.

Sincerely yours,

FISCAL NOTE

BILL NO. HJR 34STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: _____

Department Affected: Fish and GameTitle: Fisheries development project grantsBRU: Commercial Fisheriesfor the Alaska salmon industryComponent: Commercial FisheriesSponsor: Representative MosesRequestor: House FisheriesCOMPONENT SERIAL NO. 459

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Geron BrucePhone: 465-6143Division: Commissioner's OfficeDate: 3/9/93Approved by Commissioner: Carl L. JonesAgency: Department of Fish and GameDate: 3/9/93

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(Rev. 12/92)

For further distribution information call the Governor's Legislative Office

Page of

An invitation to attend

Alaska Salmon: The Next Generation

Chris Mitchell - AFDF -
last Oct - board wanted to try
to bring attention to
salmon.

salmon project - ^{NMFS} SK grant.
program.

needs priority for funding.
build national support.

that this is a priority.

Feb 23 - annual board meeting.

legislative resolution.

*A workshop on current issues, projects,
problems and developments
in the Alaska salmon industry*

Followed by a
seafood reception
at the Fiddlehead Restaurant

Tuesday, February 23, 1993

Juneau, Alaska

*Hosted by
Alaska Fisheries
Development Foundation*

Alaska Salmon: The Next Generation

- **The Salmon Game at a Glance**

How much is Alaska producing? Where is it going? Who are the primary competitors? What impediments and challenges do we face right now? This brief overview places Alaska's salmon industry in perspective with the rest of the world.

- **Which Alaska salmon industry?**

Four panel speakers from different industry sectors and different regions of Alaska review current progress, problems, possibilities and impediments from their points of view. We'll also discuss what problems the industry can address, and which require outside help.

- **The value-added vantage point**

A realistic look at value-added technology, economics and practicalities. What's the industry doing to add value to Alaska's salmon? What do we need to happen next?

- **The next step**

An update on AFDF's effort to bring together the needs, capabilities, strengths and expertise of all sectors of the industry to move Alaska salmon into the next generation. We'll also hear updates from ASMI and the Alaska Department of Commerce and Economic Development on their salmon projects.

**Workshop schedule:
2-5 p.m. February 23
Juneau Municipal Building
Assembly Chambers**

Then ...

*Please join us for a
seafood reception
at the
Fiddlehead Restaurant*

7 - 9 p.m.

*Please RSVP for the workshop and the
reception to AFDF at 276-7315*

*The Alaska Salmon Workshop and Reception are
sponsored by private industry donations from AFDF
members, and we thank them.*

PROPOSED AMENDMENT TO HJR 34

BY MOSES

P. 1, line 13, change "products" to "markets"

SCOMM

87:29

ALASKA STATE LEGISLATURE
HOUSE JOINT RESOLUTION NO. 42

HISTORY IN THE HOUSE

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87:30

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HJR 50

Revision Date: _____ Dept. Affected: _____
 Title: A Resolution Relating to the North Pacific Sho. _____
 Fishery Management Council Comprehensive Rationalization Plan. _____
 Sponsor: Representative Moses _____
 Requestor: House Fisheries **COMPONENT SERIAL NO.** _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	.0					
TRAVEL	.0					
CONTRACTUAL	.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	.0					

CAPITAL EXPENDITURES	.0					
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CHANGE IN REVENUES ()	.0					
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	.0					

Estimate of any current year (FY94) cost: \$ 0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Cheryl Sutton, House Fisheries Committee Aide
 Division: Legislative / House Special Committee on Fisheries
 Approved by Commissioner: Caul E. Moses
 Agency: House of Representatives

Phone: 465-6848
 Date: February 2, 1994
 Date: February 2, 1994

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For further distribution information, call the Governor's Legislative Office

Alaska State Legislature

Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL COMMITTEE FISHERIES

MEMBER FINANCE SUBCOMMITTEES ON:
DEPT. OF FISH AND GAME
DEPT. OF PUBLIC SAFETY



SESSION:
CAPITAL BUILDING, ROOM 100
JUNEAU, ALASKA 99801-1
PHONE: (907) 465-4451
FAX: (907) 465-3445

INTERIM
716 W. 4TH AVE. #630
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8167
FAX: (907) 258-8468

MEMORANDUM

TO: George Utermohle
Division of Legal Services

FROM: Representative Carl E. Moses

DATE: January 13, 1994

I have attached a copy of a City of Unalaska resolution relative to the Comprehensive Rationalization Plan of the North Pacific Fisheries Management Council.

I would appreciate your drafting a resolution for my sponsorship that reflects the language contained in this resolution.

Cheryl Sutton (6848) will be my staff contact for this.

WORK ORDER REQUEST FORM

W.O. [18] LS-1529

KEYWORDS: FISH/GAME, FISHERIES

ASSIGNED: Utermohle

REQUEST FOR: Resolution

TAKEN BY: Utermohle

SUBJECT: North Pacific Fisheries Council - Rationalization Plan

REQUESTED FOR: REP MOSES

BY: Cheryl Sutton

PHONE: 465-6848

DELIVER TO: Rep. Moses, Attn: Cheryl, Cap 204

INSTRUCTIONS: Prepare SJR relating to the North Pacific Fisheries Management Council Comprehensive Rationalization Plan. See attached.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED []
AUTHORIZED TO CONFER WITH _____

RETURN _____

_____ TO REQUESTOR

APPROVED: X DIRECTOR, LEGAL SERVICES

REVIEWED _____

IN 01/13/94 DUE _____

TYPED: Draft _____ Date _____

Final _____ Date _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS to TYPING/PROOFING

Request for DRAFT

8-LS1529A ✓
Utermohle
1/14/94

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

BY REPRESENTATIVE MOSES

Introduced:
Referred:

A RESOLUTION

1 **Relating to the North Pacific Fishery Management Council comprehensive**
2 **rationalization plan.**

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

4 **WHEREAS** the North Pacific Fisheries Management Council (NPFMC) is considering
5 the adoption of individual fishery quotas (IFQ) as a management scheme for the groundfish
6 and crab fisheries off Alaska; and

7 **WHEREAS** the concept of IFQs means granting individual fish harvesters or boat
8 owners ownership of a share in the harvest of these offshore groundfish and crab resources
9 to the exclusion of others currently participating in the fisheries; and

10 **WHEREAS** the IFQ system provides no incentives or requirements for fish harvesters
11 and boat owners to sell their catch to shore-based processors and creates incentives to deliver
12 and to sell to offshore mother ships and factory trawlers; and

13 **WHEREAS** the IFQ system would greatly reduce the volume of groundfish and crab
14 sold to shore-based processors; and

15 **WHEREAS** the shutdown or reduction of shore-based processing operations will
16 greatly reduce the contribution that shore-based processors make to state and local taxes and

1 economies and will severely and adversely affect local employment, taxes, and social and
2 economic stability in the coastal communities of Alaska; and

3 **WHEREAS** in 1992, according to the Department of Commerce and Economic
4 Development, Department of Labor, and Department of Revenue and the Alaska Seafood
5 Marketing Institute, the Alaska seafood processing industry harvested more than 5,500,000,000
6 pounds of fish; processed these fish in more than 500 large and small Alaska seafood
7 processors registered with the state; paid fish harvesters \$1,400,000,000; provided more than
8 35,000 shore-based jobs in Alaska; spent \$280,000,000 to support its activities; paid over
9 \$60,000,000 in taxes and cash benefits to the state and Alaska's coastal communities; paid
10 \$10,000,000 for salmon enhancement; paid \$700,000 in fisheries related and marine mammal
11 research and \$3,200,000 for domestic marketing of Alaska seafood products; invested
12 \$1,000,000 in shoreside plants; paid \$11,000,000 to local governments in municipal fish taxes;
13 and paid over \$3,000,000 in local real and property taxes; and

14 **WHEREAS**, in Western Alaska, the Aleutian Islands, and Kodiak, shore-based
15 processors pay over \$400,000,000 annually to fish harvesters; process 1,250,000,000 pounds
16 of crab, groundfish, salmon, herring, and halibut; employ over 13,000 people; pay over
17 \$90,000,000 in annual payroll; purchase \$45,000,000 in goods, services, and utilities; pay over
18 \$7,000,000 in local raw fish taxes; and in 1992 paid over \$900,000 in grants to nonprofit
19 organizations; and

20 **WHEREAS** the current open access fishing regime coupled with an onshore allocation
21 of a percentage of the groundfish and crab to the shore-based processors allows the continued
22 participation by shore-based processors in the groundfish and crab fisheries and the continued
23 contributions by shore-based processors to jobs, taxes, and social and economic stability of
24 coastal communities in the state;

25 **BE IT RESOLVED** that the Alaska State Legislature respectfully urges the North
26 Pacific Fisheries Management Council to incorporate fairness, equal rights of access, and
27 equity to the current participants in the groundfish and crab fisheries in the comprehensive
28 rationalization plan it is now considering in order to ensure the continued participation of the
29 shore-based processors in these fisheries and the continued contributions they bring to coastal
30 communities and the State of Alaska.

31 **COPIES** of this resolution shall be sent to the Honorable Ron Brown, Secretary of the
32 U. S. Department of Commerce; the chair of the North Pacific Fishery Management Council;