

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4849 HLAB SCR 32 - SJR 24

4/21

SCR

42

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Labor and Commerce:

April 14, 1988

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/24/88

FURTHER REFERRALS: Resources

DATE: 4/14/88

The Labor & Commerce Committee has considered SCR 42

Urging fabrication of oil drilling mini-modules in the state.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

David W. O'Leary
J. H. Ellis
[Signature]
P. C. [Signature]
[Signature]

[Signature]

David W. O'Leary
 Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: SCR 42

REQUEST

Bill/Resolution No.: SCR 42
 Title: Urging fabrication of oil drilling mini-modules in the state
 Sponsor: Sen. Faiks
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: D.C&ED and DNR
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0	0

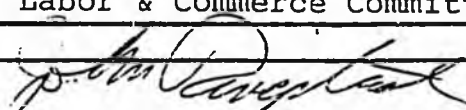
FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: Senate Labor & Commerce Committee Phone: _____
 Division: _____ Date: 2/11/88
 Approved by Commissioner:  Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)



Alaska State Legislature

SENATE

Office of the President

F.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3755

March 1, 1988

MEMORANDUM

TO: Representative Dave Donley, Chairman
House Labor and Commerce Committee

FROM: Senator Jan Faiks
President of the Senate

SUBJECT: Senate Concurrent Resolution 42

[Handwritten signature]

RECEIVED

SCR 42 is currently before the House Labor and Commerce Committee. This resolution requests that the Governor and appropriate State agencies work with the private sector to foster further development of the oil drilling mini-module fabrication industry within Alaska.

Mini-modules are a newer generation of production and well-head modules that, due to the advent of new process technology and microprocessor based instrumentation, are smaller and generally transportable by truck.

Fabrication would mean marshalling of bulk materials such as pipe, steel, and other component parts in Alaska where they would be fabricated according to the owners and engineers specifications.

Fabrication of mini-modules in Alaska could lead to the creation of hundreds of new year-round jobs for Alaskans, and would stimulate growth for an entire segment of businesses and suppliers to support the fabrication effort.

It would be greatly appreciated if you could schedule SCR 42 before the committee.

SCR

44

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Labor & Commerce

March 10, 1988

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/24/88

FURTHER REFERRALS:

DATE: 3/10/88

The Labor & Commerce Committee has considered SCR 44

Relating to estimates of joblessness in the state.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Dave Donley

Cliff Davidson

W. K. K. K.

SIGNING OTHER RECOMMENDATIONS:

Dave Donley
 Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "Relating to estimates of joblessness in the state"
Sponsor: Hensley, Faiks, et al.
Requestor: Senate Labor & Commerce

Agency Affected: Labor
BRU: Administrative Services
Components: Labor Market Information

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Frank Spargo, Director Phone: 465-2720
Division: Administrative Services Date: 2/11/88

Approved by Commissioner: Jim Sampson Date: 2/11/88
Agency: Labor

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Alaska State Senate

P.O. Box V
Juneau, AK 99811
Phone: (907) 465-2444
465-3862/465-1923



6
Senate Finance Committee
State Affairs Committee
Vice-Chair, Rules Committee
Chair, Administrative Regulation Review

P.O. Box 1069
Kotzebue, Alaska 99752
(907) 442-2494

William L. Hensley

MEMORANDUM

RECEIVED
FEB 26 1987

TO: Representative Dave Donley, Chairman
House Labor and Commerce Committee

FROM: Senator Willie Hensley *WJH*

SUBJ: Request for scheduling of Senate Concurrent Resolution 44

DATE: February 26, 1988

I would appreciate it if you would schedule at your earliest convenience SCR 44, relating to estimates of joblessness in Alaska. It asks the Department of Labor to provide by April 1 its best estimate of real levels of joblessness in the State and to recommend what steps the legislature might take to bring about change in the federal rules affecting official estimates of unemployment.

The resolution was adopted 18-0 by the Senate on February 10. There was no opposition to the resolution in committee.

Thank you.

WLH/BA/mjt

SJR

19

HOUSE COMMITTEE REPORT

(7)

Date referred: 4/22/87

FURTHER REFERRALS:

DATE: _____

The Labor & Commerce Committee has considered CSSJR 19(SA)am

Relating to resident hire on a United States Department of Defense project at Amchitka Island.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Cliff Davidson

Ellis

David D. ...

Wito Koyama

SIGNING OTHER RECOMMENDATIONS:

David D. ...

 Chairman's signature

No 213

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

Bill Version: CS SJR 195A
Publish Date: 4-7-87

REQUEST: _____

Revision Date: _____
Title: Relating to resident hire on

Agency Affected: _____
BRU: _____

a U.S. Dept. Defense project/Amchitka

Sponsor: Island BY ZHAROFF
Requestor: Senate State Affair

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS :

Prepared by: Senate State Affairs
Division: _____

Phone: 465-4522
Date: _____

Approved by: Chairman Pender
Agency: _____

Date: 4/6/87

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary



United States Department of the Interior

FISH AND WILDLIFE SERVICE
1011 E. TUDOR RD.
ANCHORAGE, ALASKA 99503

IN REPLY REFER TO:

RF(S)/7968P

JAN - 7 1987

Senator Fred Zharoff
Box V
Juneau, Alaska 99811

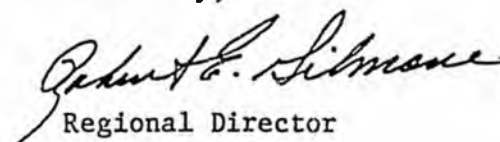
Dear Senator Zharoff:

In response to your office's request for information concerning the regulations which govern public access and use of the Aleutian Island National Wildlife Refuge, I have enclosed a copy of Title 50 of the Code of Federal Regulations (CFR), Parts 1 to 199. Regulations specific to National Wildlife Refuges in Alaska are codified in 50 CFR 36. Regulations common to all National Wildlife Refuges (including refuges in Alaska) are codified in parts 25 to 35.

I have also enclosed a copy of a November 17, 1986, Federal Register release that announces the closure of Amchitka Island to public access and entry. This closure was necessary for reasons of national security. The U.S. Navy is constructing a radar facility on Amchitka that will contain items of a sensitive nature.

Thank you for your interest in the management of National Wildlife Refuge lands in Alaska. If we can be of any further assistance, please let us know.

Sincerely,


Regional Director

Enclosure

cc: Alaska Maritime NWR (Homer & Adak)

ETA 10 BACK 115

set-aside, except as otherwise provided in CSAR 519.502-1 (e) and (f).

(g) *Building service contracts in excess of \$25,000.*

f. Section 519.505 is amended by revising paragraph (a) to read as follows:

519.505 Rejecting set-aside recommendations.

(a) When the contracting officer determines that a procurement cannot be restricted for small business, the reasons for this determination shall be recorded on GSA Form 2689, Procurement Not Set-Aside and submitted for review. When small purchases are not set-aside for small business, the contracting officer need only document the file.

g. Section 519.508 is added to read as follows:

519.508 Solicitation provisions and contract clauses.

The reference to \$10,000 in FAR 19.508(a)(2) should be interpreted to mean \$25,000.

h. Section 552.219-4 is added to read as follows:

552.219-4 Notice of Small Business-Small Purchase Set-Aside.

The reference to \$10,000 in the prescription for use of FAR 52.219-4 should be interpreted to mean \$25,000.

Patricia A. Szervo,
Associate Administrator for Acquisition Policy.

November 3, 1986.

[FR Doc. 86-25811 Filed 11-14-86; 8:45 am]

BILLING CODE 6120-61-M

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 20

Migratory Bird Hunting; Late Seasons, and Bag and Possession Limits for Certain Migratory Game Birds in the United States; Correction

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Final rule; correction.

SUMMARY: The Fish and Wildlife Service is correcting errors in the rule prescribing the late open seasons, hunting hours, hunting areas, and daily bag and possession limits for general waterfowl seasons in Illinois and Colorado and the sandhill crane season in New Mexico that appeared in the

Federal Register on September 30, 1986 (51 FR 34623).

DATE: Effective on November 17, 1986.

FOR FURTHER INFORMATION CONTACT: Rollin D. Sparrowe, Chief, Office of Migratory Bird Management, U.S. Fish and Wildlife Service, Department of the Interior, Matomic Building—Room 539, Washington, DC 20240. Phone (202) 254-3207.

SUPPLEMENTARY INFORMATION: In the September 30, 1986, Federal Register (51 FR 34623) the Fish and Wildlife Service published a final rule prescribing the late open seasons, hunting hours, hunting areas, and daily bag and possession limits for general waterfowl seasons and certain other migratory game bird seasons in the conterminous United States. The rule contained errors in the waterfowl season entries for Illinois and Colorado and the sandhill crane season entry for New Mexico which are discussed briefly below and are corrected by this notice.

Public comment was received on proposed rules for the seasons and limits contemplated herein. These comments were addressed in the Federal Register dated June 6, 1986 (51 FR 20677), August 15, 1986 (51 FR 29274), and September 12, 1986 (51 FR 32460). The corrections are typographical in nature, and because the seasons involved have already begun, immediate action is essential. By the nature of the corrections and the time available, the changes must become effective immediately.

PART 20—[AMENDED]

The following corrections are made in Migratory Bird Hunting; Late Seasons, and Bag and Possession Limits for Certain Migratory Game Birds in the United States published in the September 30, 1986, Federal Register (51 FR 34623).

1. On page 34632 in the issue of September 30, 1986, under the heading *Illinois*, the possession limit of "2" Canada geese in the counties of McHenry, Lake, Kane, DuPage, Cook, Kendall, Grundy, Will and Kankakee during the October 15 through November 23, season is corrected to read "4".

2. On page 34637 in the issue of September 30, 1986, under the heading *Colorado*, the duck season dates of "October 4 through October 11" are corrected to read "October 4 through October 17".

3. On page 34638 in the issue of September 30, 1986, under the heading *Seasons, limits and shooting hours for sandhill cranes*, subheading *Central Flyway*, paragraph (b), which reads "In

the New Mexico Counties of Chaves, Curry, DeBaca, Eddy, Lea, Quay and Roosevelt the inclusive season dates are October 25, 1986, through January 25, 1987." is revised to read as follows:

"In the New Mexico Counties of Chaves, Curry, DeBaca, Eddy, Lea, Quay and Roosevelt the inclusive dates are October 25, 1986, through January 25, 1987. In the Middle Rio Grande Valley Area (see State regulations for boundary description) the inclusive season dates are October 16, 1986, through October 23, 1986, and October 24, 1986, through October 31, 1986. Hunting in the Middle Rio Grande Valley Area will be by special permit issued by the State; each permittee may take 3 sandhill cranes per season."

Dated: November 5, 1986.

P. Daniel Smith,

Deputy Assistant Secretary for Fish and Wildlife and Parks.

[FR Doc. 86-25853 Filed 11-14-86; 8:45 am]

BILLING CODE 4310-55-M

50 CFR Part 36

Closure of Amchitka Island, a Unit of the Alaska Maritime National Wildlife Refuge, to Public Access, Occupancy and Use

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Final rule.

SUMMARY: In the interests of national security and according to the National Wildlife Refuge System Administration Act (16 U.S.C. 668dd) and Executive Order 1733, the U.S. Fish and Wildlife Service (Service) closes Amchitka Island to all forms of public access, occupancy and use.

The U.S. Navy will be constructing facilities of a sensitive nature on Amchitka Island. In order to secure and protect the Island and its installations, the Island will be closed to all forms of public use such as: hunting, sport fishing, camping, photography, hiking and other related activities. Use of the pier and associated areas in Constantine Harbor for storage of commercial crab pots or any other use by commercial fishermen; and unauthorized trespass/entry of any type, either by foot, all terrain vehicle, snowmobile, airplane or any type of mechanized means by the general public, is prohibited.

Personnel stationed at Amchitka for official business are authorized to engage in sport fishing activity on the Island.

EFFECTIVE DATE: December 17, 1986.

FOR FURTHER INFORMATION CONTACT: William Knauer, Refuges and Wildlife, Fish and Wildlife Service, 1011 East Tudor Road, Anchorage, Alaska 99503, Telephone (907) 786-3399 or the Refuge Manager, 202 Pioneer Ave, Homer, Alaska 99603, Telephone (907) 235-6546.

SUPPLEMENTARY INFORMATION: Executive Order 12733, dated March 3, 1913, reserved the Aleutian Islands as a wildlife and fisheries refuge, but only insofar as it shall not interfere with the use of the Islands for military or naval purposes. Amchitka Island is part of the Alaska National Wildlife Refuges, as established by the Alaska National Interest Lands Conservation Act (ANILCA) dated December 2, 1980. Section 1310 of ANILCA (16 U.S.C. 3199) allows the placement of new facilities for national defense purposes, but only after consultation by the requesting agency and in accordance with terms mutually agreed upon to minimize adverse impacts. A Memorandum of Agreement (MOA) for Amchitka Island, with the U.S. Navy was signed on May 12, 1986, and authorizes the Navy to establish a facility for national defense. Part of the agreement states that the Service will provide closure regulations to protect U.S. interests. The Navy wishes to coordinate its use of Amchitka Island with the Service to preserve the integrity of the Service's programs of minimizing damage to designated wilderness and to recover and reestablish the endangered Aleutian Canada goose.

This rule executes those closure provisions of the MOA to provide for the national security of the U.S. and to assure public notice of the intent of this closure.

Since this action is necessary for national security purposes involving a military affairs function, the rulemaking provision of 5 U.S.C. 553 does not apply. Similarly, the provisions of Executive Order 12291 and 5 U.S.C. 601 are not applicable.

Paperwork Reduction Act

This rule does not contain information collection requirements which require approval by the OMB under 44 U.S.C. 3501 et seq. and 5 CFR Part 1320.

Environmental Consideration

According to 516 DM 6 Appendix 1(c)(7) "Actions where FWS has concurrence or coapproval with another bureau and the action is a categorical exclusion for that bureau" is considered a categorical exclusion for the Service. The Navy has that exclusion, therefore, there is no requirement to do an Environmental Assessment (EA) at this time. However, an EA will be done by

the Navy prior to development of facilities on the Island.

Nancy A. Marx, Division of Refuges, Fish and Wildlife Service, Washington, DC, is primary author of this rulemaking.

List of Subjects in 50 CFR Part 36

Alaska, National Wildlife Refuge System, Public land—mineral resources, Public lands—rights-of-way, Recreation, Traffic regulations, Wildlife refuges.

PART 36—[AMENDED]

1. The authority citation for Part 36 continues to read as follows:

Authority: 16 U.S.C. 460k et seq., 688dd et seq., 742(a) et seq., and 3101 et seq.; 44 U.S.C. 3501 et seq.

2. Section 36.39 is amended by adding a new paragraph (b) as follows:

§ 36.39 Public use.

(b) Alaska Maritime National Wildlife Refuge.

(1) Amchitka Island—closed to all public access, occupancy and use, unless specifically authorized by a special use permit issued jointly by the Refuge Manager and the U.S. Navy (Commanding Officer, Fleet Surveillance Support Command, Chesapeake, Virginia).

Dated: November 4, 1986.

P. Daniel Smith,

Acting Assistant Secretary for Fish and Wildlife and Parks.

[FR Doc. 86-25784 Filed 11-14-86; 8:45 am]

BILLING CODE 4310-55-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 371

[Docket No. 60616-6116]

Fraser River Sockeye and Pink Salmon Fisheries; Inseason Orders

AGENCY: National Marine Fisheries Service (NMFS), NOAA, Commerce.

ACTION: Notice of inseason orders.

SUMMARY: The Secretary of Commerce (Secretary) hereby publishes all the inseason orders which were issued during the 1986 sockeye salmon fisheries in United States waters within the Fraser River Panel Area. These orders, approved by the Fraser River Panel (Panel) of the Pacific Salmon Commission (Commission) and by the Secretary during the season, established fishing times and areas for U.S. treaty

Indian and all-citizen fisheries during the period the Commission exercised jurisdiction over these fisheries.

Due to the frequency with which inseason orders are issued, publication of individual orders is impracticable. All the 1986 orders are therefore being published in this notice to avoid fragmentation.

EFFECTIVE DATES: Each of the following inseason orders of the Secretary was effective upon announcement on telephone hotlines as specified at 50 CFR 371.21(b)(1) (June 27, 1986, 51 FR 23425).

ADDRESS: Comments on these inseason orders may be sent to Rolland A. Schmitt, Director, Northwest Region, NMFS, 7600 Sand Point Way NE., BIN C15700, Seattle, WA 98115.

FOR FURTHER INFORMATION CONTACT: Rolland A. Schmitt, 206-526-6150; or Richard B. Thompson, 206-526-6144.

SUPPLEMENTARY INFORMATION: The Treaty between the Government of the United States of America and the Government of Canada Concerning Pacific Salmon (Treaty) was signed at Ottawa on January 28, 1985, and subsequently was given effect in the United States by the Pacific Salmon Treaty Act (Act) at 16 U.S.C. 3631-3644.

Under authority of the Act, an emergency interim rule was promulgated at 50 CFR Part 371 (51 FR 23420, June 27, 1986) to provide a framework for implementation of certain regulations of the Commission and inseason orders of the Commission's Panel for sockeye and pink salmon fisheries in U.S. waters within the Panel area. The emergency interim rule was effective June 22, 1986, when the Commission assumed control of these fisheries, and remains in effect until modified, superseded, or rescinded.

The emergency interim rule closed the U.S. portion of the Panel area specified in Annex II of the Treaty to sockeye and pink salmon fishing unless opened by Panel regulations or by inseason orders of the Secretary that give effect to Panel orders, if such orders are determined to be consistent with domestic legal obligations. The Secretary may issue orders during the fishing season specifying the fishing times and areas for the U.S. treaty Indian and all-citizen fisheries for sockeye and pink salmon. The Secretary acts through his Panel representative, the Northwest Regional Director of NMFS, who signifies, by his affirmative vote, the Secretary's approval and adoption of inseason Panel orders. Official notice of these inseason actions of the Secretary is provided by two telephone hotlines described at § 371.21(b)(1). Inseason



THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-6000

ACQUISITION AND
LOGISTICS
DASD(P)DARS

29 JAN 1986

In reply refer to:
DAR Case 86-3

697-9125

SUBJECT: Section 8078, 1986 Defense Appropriations Act - Restrictions on
the Employment of Personnel for Work on Construction/Service
Contracts in Alaska and Hawaii

The attached Departmental Implementation Letter was issued by the
Military Departments and by this office to the Defense Agencies under our
cognizance.

OTTO J. GUENTHER, COL, USA
Director
Defense Acquisition
Regulatory Council

Attachment

(SA)
C55JR19 BACK-UP



THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-8000

29 JAN 1986

ACQUISITION AND
LOGISTICS
DASD(P)DARS

In reply refer to:
DAR Case 86-3

MEMORANDUM FOR THE DIRECTOR, NATIONAL SECURITY AGENCY
THE DIRECTOR, DEFENSE COMMUNICATIONS AGENCY
THE DIRECTOR, DEFENSE INTELLIGENCE AGENCY
THE DIRECTOR, DEFENSE NUCLEAR AGENCY
THE DIRECTOR, DEFENSE MAPPING AGENCY

SUBJECT: Section 8078, 1986 Defense Appropriations Act - Restrictions on
the Employment of Personnel for Work on Construction/Service
Contracts

On 24 January 1986, the DAR Council approved the attached new Subpart 22.72 of the DFARS for publication in the Federal Register as an interim rule and for immediate Departmental implementation. This action is necessary because Section 8078 of the FY 1986 Defense Appropriations Act, enacted on 23 December 1985, requires that whenever the unemployment rate in Alaska or Hawaii exceeds the national average as determined by the Secretary of Labor, service and construction contracts awarded in FY 1986 and calling for performance in whole or in part within those states must contain a restriction on who can be employed to perform work on that contract. This requirement is implemented by a new clause at DFARS 52-222-7002. Contracting officers shall include the clause in all new solicitations, as well as modify existing solicitations to incorporate the clause when to do so will not unduly delay the procurement. For contracts already awarded in FY 1986, contracting officers should attempt to modify them to include the clause on a no cost basis, provided the Government's interests are adequately protected.

This Departmental is effective immediately.

OTTO J. GUENTHER, COL, USA
Director
Defense Acquisition
Regulatory Council

Attachments
DFARS 22.72 and 52.222-7002

Add a new Subpart 22.72 as follows:

SUBPART 22.72--SECTION 8078, 1986 DEFENSE APPROPRIATIONS ACT -
RESTRICTIONS ON THE EMPLOYMENT OF PERSONNEL FOR
WORK ON CONSTRUCTION/SERVICE CONTRACTS IN ALASKA
AND HAWAII

22.7200 Policy.

(a) Except as provided in (b) and (c) below, Section 8078 of the 1986 Defense Appropriations Act requires that notwithstanding any other provision of law, every contract awarded during FY 1986 calling for construction or services to be performed in whole or in part within the State of Alaska or the State of Hawaii shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract work within the particular state, individuals who are residents of that state, and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills to perform the contract.

(b) This section shall not apply at any time during FY 1986 when the unemployment rate in Alaska is not in excess of the national average rate of unemployment as determined by the Secretary of Labor.

(c) This section shall not apply to contracts to be performed in whole or in part within the State of Hawaii unless in FY 1986 the unemployment rate in Hawaii is in excess of the national average rate of unemployment as determined by the Secretary of Labor.

22.7201 Waivers. This section may be waived by the Secretary of Defense, the Deputy Secretary of Defense, the Assistant Secretary of Defense for Acquisition and Logistics, and any Secretary, Undersecretary, or Assistant Secretary of the Army, Navy, and Air Force, in the interest of national security. Requests for waiver shall be processed in accordance with Departmental or agency procedures.

22.7202 Contract Clause. The contracting officer shall insert the clause at 52.222-7002, Restrictions on Employment of Personnel, in all solicitations and contracts in accordance with 22.7200.

Add a new clause as follows:

52.222-7002 Restrictions on Employment of Personnel. As prescribed in 22.7202, insert the following clause.

RESTRICTIONS ON EMPLOYMENT OF PERSONNEL (JAN 1986)

(a) The Contractor shall employ, for the purposes of performing that portion of the contract work in the State of (insert appropriate state), individuals who are residents of the state, and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills to perform the contract.

(b) The Contractor agrees to insert the substance of this clause, including this paragraph (b), in each subcontract.

(End of clause)

North Pacific watch

Navy to build new radar in Aleutians

By DAVID HULEN
Daily News reporter

The Navy plans to spend approximately \$92 million over the next two years to build an advanced, largely-secret surveillance system in the Aleutian Islands, apparently to monitor Soviet naval and air activity in the North Pacific.

The project, planned for Amchitka Island near the end of the Aleutian chain, uses an "over-the-horizon" radar similar to a system planned by the Air Force for southcentral Alaska.

Such systems, developed over the past decade, use the electrically-charged ionosphere to bounce radio signals around the curve of the Earth, giving them far greater range than traditional line-of-sight radars.

Navy officials have said details of how the Amchitka system will work — and what it will be used for — are classified, and they have refused to discuss it in any detail. A lengthy environmental assessment of the project, prepared by the Navy last year for federal and state agencies, says only that the system is "required for strategic defense purposes" and is in the interest of national security.

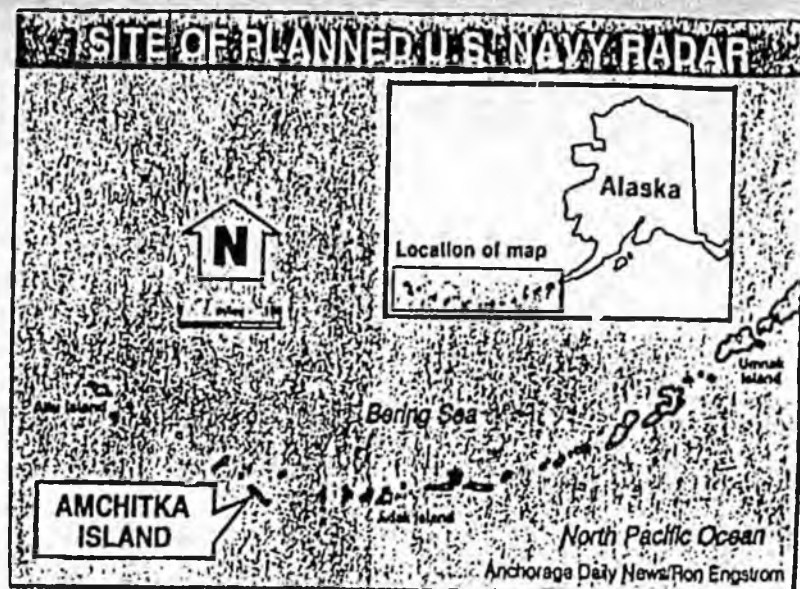
The system's mission is apparently different from the Air Force's \$450 million over-the-horizon "backscatter" radar tentatively scheduled to be built over the next several years near Tok and Gulkana. That system is primarily an early-warning system aimed at watching for Soviet planes and cruise missiles, Air Force officials have said. The system, with a range of about 1,800 miles, will be directed north and west and Air Force officials claim it will be able to track planes flying hundreds of miles inside the Soviet Union.

A spokesman for the Air Force's Electronic Systems Division in Massachusetts said the Navy system "has a different mission. It's not related at all" to the Air Force's Alaska project. The spokesman, Kevin Gilmartin, said he understood the Navy project was to primarily monitor sea-launched missiles in the North Pacific, as well as Soviet sea and air movement, but he said the Air Force could not provide details.

"That's essentially what it does," said Shawn O'Keefe, a staff member for the Senate Defense Appropriations Subcommittee. "It has other capabilities, too, as I understand it. It's the capabilities and the mission that are classified.... The basic point is to further the range. The more range you have, the more information you can collect."

Amchitka is a treeless, uninhabited, 35-mile-long strip of land in the Rat Island group, about 1,400 miles southwest of Anchorage. An American air base was built there during World War II and it was the site of underground nuclear tests in the 1960s and early 1970s.

The Navy has increased its activity in the North Pacific in recent months, including sea exercises in the Gulf of Alaska and Aleutians. There is a Navy base at Adak, about 200 miles east of Amchitka, that includes surveillance and communications facilities, an underwater weapons detachment and a group of P-3 aircraft that track Soviet ships



Military researchers at the Washington-based Center for Policy Studies have reported that Adak is the storage site for some 70 nuclear anti-submarine depth bombs. The Navy has refused to comment on whether there are nuclear weapons at the base.

About 250 miles west of Amchitka is Shemya Island, site of a largely-classified Air Force base that includes radar systems and reconnaissance planes which monitor Soviet missile tests.

According to diagrams in the Navy's environmental assessment, the Amchitka radar antennas will be pointed directly west, toward the Kamchatka Peninsula in the Soviet Union. The major Soviet Pacific submarine base is on the eastern shore of the peninsula, at Petropavlovsk, and the sea between there and the Aleutians is a major Soviet naval operating area, according to "Soviet Military Power," an annual U.S. Defense Department publication.

About 800 miles separate Amchitka from the Kamchatka Peninsula.

According to the Navy budget office, about \$92 million has been budgeted for the project through the scheduled completion in late 1988. Site work is scheduled to start this spring, with construction of the transmitter and receiver antennas sometime next year.

The project is being coordinated by Navy officials in Silverdale, Wash., but all questions were referred to a spokesman at the Pentagon, who said he could not discuss the project.

The over-the-horizon sys-

electrically-charged layer of atmosphere 100 to 250 miles above the Earth's surface — to flex high-frequency radio signals around the curve of the Earth. It's the same principle that causes short-wave radio signals to bounce around the globe.

The signals bounce off the ionosphere and return to earth downrange. Whatever the beam strikes causes the signals to scatter back off the ionosphere and return to a receiver near the transmitter where they are deciphered by computer.

The Navy environmental report doesn't describe in detail what the antennas will look like, but says that both the transmitter and receiver sites will include several hundred acres. The transmitter will be built on the western tip of the island, with the receiver based about 20 miles southeast, in the center of the island.

A base camp, with quarters for 16 crew members, will be built at the west end of the island, near the existing air strip and dock.

The Navy environmental report says the project will require construction of a diesel-fueled power plant to generate about 2 million kilowatts of electricity for the transmitter. Extensive road work also will be needed.

The Navy picked Amchitka, the report says, because of its flat terrain, "important strategic location," and existing dock, airfield and other facilities.

The island is part of the Aleutian National Wildlife Refuge, but federal and state environmental and wildlife groups have raised no serious

FLOOR REMARKS:

IN LATE FEBRUARY, I INTRODUCED SJR 19 "RELATING TO RESIDENT HIRE ON A U.S. DEPARTMENT OF DEFENSE PROJECT AT AMCHITKA ISLAND."

THE AMCHITKA PROJECT, LOCATED IN THE ALEUTIANS 1400 MILES SOUTHWEST OF ANCHORAGE, INVOLVES THE INSTALLATION OF AN "ADVANCED OVER THE HORIZON RADAR SYSTEM" TO MONITOR SOVIET ACTIVITIES IN THE NORTH PACIFIC. WHILE MANY DETAILS OF THE PROJECT ARE CLASSIFIED FOR NATIONAL SECURITY REASONS, \$92 MILLION HAS BEEN BUDGETED FOR THE SURVEILLANCE SYSTEM. THE PROJECT WILL ALSO INCLUDE CONSTRUCTION OF A DIESEL POWER PLANT WITH A 2 MILLION KW CAPACITY FOR TRANSMITTER OPERATIONS.

SJR 19 WAS DRAFTED SPECIFICALLY REFERENCING SENATOR MURKOWSKI'S LOCAL HIRE AMENDMENT TO THE 1986 DEFENSE APPROPRIATIONS ACT. SJR 19 WAS INTRODUCED TO EXPRESS MY CONCERN THAT RESIDENTS OF THE ALEUTIAN ISLANDS AND ALASKA WOULD NOT BE GIVEN FAIR CONSIDERATION FOR EMPLOYMENT ON THE PROJECT.

BASICALLY, SENATOR MURKOWSKI'S LOCAL HIRE AMENDMENT REQUIRES THAT WHEN THE STATE UNEMPLOYMENT RATE EXCEEDS THE NATIONAL UNEMPLOYMENT RATE, THE LOCAL HIRE PROVISIONS ARE TRIGGERED. CURRENTLY, THE ALASKA UNEMPLOYMENT RATE IS 11.3% WHILE THE NATIONAL UNEMPLOYMENT RATE IS 7.3%.

THE "RESOLVE CLAUSES" IN THE RESOLUTION ENCOURAGE COMPLIANCE WITH THE LOCAL HIRE PROVISIONS OF THE DEFENSE APPROPRIATIONS ACT, AND URGES THE DEPARTMENT OF DEFENSE TO GIVE PREFERENCE TO ALEUTIAN ISLAND RESIDENTS FOR EMPLOYMENT ON THE PROJECT.

ONCE AGAIN WE ARE PRESENTED AN OPPORTUNITY TO PUT ALASKANS TO WORK, AND I DON'T WANT TO HEAR THAT PLANE LOADS OF WORKER'S ARE BEING FLOWN IN FROM SEATTLE, WHILE ALASKANS, AND MORE SPECIFICALLY RESIDENTS OF THE ALEUTIAN ISLANDS, REMAIN UNEMPLOYED.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

99th Congress
2d Session

HOUSE OF REPRESENTATIVES

REPORT
99-1005

MAKING CONTINUING APPROPRIATIONS
FOR FISCAL YEAR 1987

CONFERENCE REPORT

TO ACCOMPANY

H.J. RES. 788

prior notification to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 9065. It is the sense of the Congress that the Secretary of Defense should formulate and carry out a program under which contracts awarded by the Department of Defense in fiscal year 1987 would, to the maximum extent practicable and consistent with existing law, be awarded to contractors who agree to carry out such contracts in labor surplus areas (as defined and identified by the Department of Labor).

SEC. 9066. It is the sense of the Congress that competition, which is necessary to enhance innovation, effectiveness, and efficiency, and which has served our Nation so well in other spheres of political and economic endeavor, should be expanded and increased in the provision of our national defense.

SEC. 9067. None of the funds appropriated by this Act shall be available to pay a dislocation allowance pursuant to section 407 of title 37, United States Code, in excess of one month's basic allowance for quarters.

SEC. 9068. None of the funds available to the Department of Defense shall be obligated or expended to contract out any activity currently performed by the Defense Personnel Support Center in Philadelphia, Pennsylvania: Provided, That this provision shall not apply after notification to the Committees on Appropriations of the House of Representatives and the Senate of the results of the cost analysis of contracting out any such activity.

SEC. 9069. Notwithstanding any other provision of law, each contract awarded by the Department of Defense in fiscal year 1987 for construction or services to be performed in whole or in part in a State which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: Provided, That the Secretary of Defense may waive the requirements of this section in the interest of national security.

SEC. 9070. None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 1415(c) of title 38, United States Code, for any member of the armed services who, on or after the date of enactment of this Act, receives an enlistment bonus under section 308a or 308f of title 37, United States Code; nor shall any amounts representing the normal cost of such future benefits be transferred from the Fund by the Secretary of the Treasury to the Administrator of Veterans' Affairs pursuant to section 2006(d) of title 10, United States Code: nor shall the Administrator pay such benefits to any such member.

SEC. 9071. Notwithstanding any other provision of this Act, no funds appropriated by this Act shall be expended for the research, development, test, evaluation or procurement for integration of a nuclear warhead into the Joint Tactical Missile System (JTACMS).

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MAY 11 1987



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

11 May, 1987

MEMORANDUM:

TO: Representative Dave Donely, Chairman
House Labor and Commerce Committee

FROM: Senator Fred Zharoff *FZ/M.T.*

SUBJ: CSSJR 19(SA)am "Relating to resident hire on a United States Department of Defense project at Amchitka Island".

I would like to request your consideration for scheduling SJR 19 for a hearing of the House Labor and Commerce Committee. This measure is uncontroversial, contains a zero fiscal note, and primarily expresses Legislative encouragement for compliance with the "local hire amendment" which Senator Murkowski attached to the 1986 Defense Appropriations Act.

Additionally, I have included some "back up" regarding this measure, and Michael Thill, of my staff, will be available to work with your staff as necessary.

Thank you for your consideration of this request.

SJR

23

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
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907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Community ; Regional Affs:

May 6, 1987

HOUSE COMMITTEE REPORT (4) CSSJR 23(C&RA)

Date referred: 4/23/87

FURTHER REFERRALS: Labor & Commerce

DATE: 05/06/87

The Community and Regional Affairs Committee has considered CSSJR 23(C&RA)

Endorsing the application of the Department of Commerce and Economic Development for a rural development assistance demonstration grant.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- [XXX] do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note [XXX] same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Heinrich Springer Springer
Bette Cato Cato
Virginia M. Collins Collins
Adelheid Herrmann Herrmann

SIGNING OTHER RECOMMENDATIONS:

Springer

Heinrich Springer
Chairman's signature

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



SJK-23
② SJR 23

P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

12 pg 5

Senate Community and Regional Affairs Committee

MEMORANDUM

March 17, 1987

TO: All Members
Community and Regional Affairs Committee

FROM: Staff *AS*
Community and Regional Affairs Committee

RE: SJR 23 "Endorsing the application of the Department of Commerce and Economic Development for a rural development assistance demonstration grant."

SJR 23 urges the U.S. Department of Commerce, Economic Development Administration to approve a \$1,000,000 Rural Economic Development Assistance Grant to the State of Alaska, Department of Commerce and Economic Development (DCED).

This grant would be used by the DCED to strengthen local and regional economic development strategies and to implement those strategies. Topics to be addressed on a regional basis would include export of Alaska products, tourism, infrastructure development, job opportunities, resource development and the enhancement of entrepreneurship at the local level.

The fiscal note is zero.

Enclosures: Fiscal Note
Grant Proposal
Letter from Governor Cowper

X

DEMONSTRATION GRANT PROPOSAL FOR THE
ECONOMIC DEVELOPMENT ADMINISTRATION

The State of Alaska now faces double digit unemployment, and some communities have 60 percent or more. There are 11,500 fewer jobs in Alaska today than there were one year ago, business incorporations are down by 24.5 percent, and the state has a net loss of population. Many of the problems facing the state are attributable to the decline of world oil prices, and reflects the overdependence of the state upon that single commodity.

Except for the Municipality of Anchorage, Alaska basically has a rural economy. The state has some 148 cities and boroughs and several hundred Native villages. Much of the state is not organized into boroughs or any other form of local government. Vast land areas, difficult transportation, climatic peculiarities, sparse population and heavy reliance on governmental and service sector jobs contribute to economic development impediments.

Native issues are paramount, with sovereignty, subsistence and land ownership and use are nearing a critical phase under implementation of the Alaska Native Claims Settlement Act. Among the numerous Native entities are villages comprised of Eskimos, Aleuts or Indians, with traditional or Indian Reorganization Act councils, or perhaps with both; village and regional corporations, incorporated under state law; regional nonprofit entities; plus a variety of statewide and local organizations. These complexities have in the past been obstacles in the state's efforts to assist economic development in the rural areas. One of the principal objectives of this demonstration project will be an effort to develop appropriate regional entities that can serve as vehicles for more efficient and equitable delivery of business and economic development assistance.

There is a new governor and a new state administration which is committed to making the economic climate for Alaska as warm and friendly as possible. There are significant opportunities for this resource-rich state in export development, mining extraction, fish, timber, tourism and expanded entrepreneurship. Alaska's proximity to the Pacific Rim countries and its position as an international transportation crossroads are major factors in such plans. Diversification, including increased value-added manufacturing and processing, rank high on the priority list of the states.

One of the most critical needs in the State of Alaska is the strengthening of its economic development processes. The state has made substantial progress under its 302(a) Planning Grant, but there is still an obvious need to strengthen the regional economic development planning, support, and implementation efforts. Alaska wants meaningful public-private sector economic development at the local level, which can then be channelled into coherent state economic development policy, plan and execution.

This proposal has basically three program components. First, there is the need to establish a regional economic development network to draw upon local resources and ideas, and then to effectively direct those contributions to the state economic development planning process. Second, for reasons described below, a revolving loan fund is essential for the development of a broadened economic base in the rural areas of the state. Third, closely related to the state economic development planning commitment is the need for several specific technical assistance elements to address discrete issues relating to the Alaskan economy.

The state believes that the establishment of regional economic development organizations is critical to the effective investment of limited state, federal and local funds in the rural areas. To facilitate the creation of such organizations, it is proposed that Economic Development Administration (EDA) assistance be provided to the Department of Commerce and Economic Development (DCED) to delineate economic development regions throughout the state. It is anticipated that these regions will evolve into Economic Development Districts (EDDs), meeting the criteria of mutual-benefit local institutions responsible to the regions they serve.

The focus of the economic development regions (EDRs) will include such interests as economic development planning, export, tourism, infrastructure development, increased job opportunities, entrepreneurship in villages, and resource development. It is anticipated that they will be multi-governmental, multi-purpose and multi-funded organizations. But they also serve additional functions. An EDR, when operational, will be able to speak as a single voice representing the needs and requirements of its constituents concerning economic development activities in its region. By presenting such an organized front, the EDR can greatly increase its influence with both the state and federal government in getting needed financial and other assistance required to further local economic development plans.

The formation of EDRs will also be of considerable benefit to the state. By organizing these regional focal points, the state can now work with a relatively small number of organizations instead of trying to serve 300 plus local governments and a multitude of other development interests. This will be of great assistance in the state's overall economic development planning program (supported by an EDA Sec. 302a Grant); it will allow for increased efficiency in providing needed assistance; and will provide a statewide network for the gathering and dissemination of data and information.

We anticipate perhaps 8 to 12 EDD regions can be established statewide, and these will reflect the concurrence of both the regions involved and the state. We anticipate that three to four EDDs can be established during the first year of operation.

State of Alaska Grant Request and Proposed Work Effort

EDA is requested to provide \$100,000 to aid the state in delineating the EDD boundaries and to assist in the initial establishment of the regions and their organizations, as well as to fully assist those entities ready to function as EDDs. Over approximately a 15 to 18 month period, in order to create additional private sector jobs, the department plans to: (1) develop an approach to issues surrounding labor/management relations, (2) to review and make substantive recommendations concerning the effectiveness of rural tourism throughout the state, (3) evaluate and subsequently enhance the "high tech" potential of the state, perhaps including such direct assistance approaches as incubators or other mechanisms deemed appropriately effective, (4) develop a state economic development policy, which includes Native entities, which will enhance economic development within the state, (5) prepare a plan for developing the state's import/export potential, and (6) take the initiative to coordinate and facilitate state government efforts to enhance private sector development. An additional \$260,000, in keeping with levels of support now provided to other EDDs, is further requested. Significant travel, meetings and other expenses will be involved to meet this overall objective. The state will provide matching funds as indicated in the attached Budget Proposal. Various state departments will provide direct staff assistance, and all the various public and private resources will be invited to participate in the process.

The EDRs will function as ongoing local economic development planners and implementers, and they will also provide meaningful support to the state's continuing economic development process and programs.

As part of the critical first steps of implementation, several technical assistance activities have been identified that will be closely tied to the 302(a) grant program. Over approximately a 15 to 18 month period, the department plans to: (1) develop an approach to issues surrounding local hire and export-import conflicts, (2) to review and make substantive recommendations concerning the effectiveness of rural tourism throughout the state, (3) evaluate and subsequently enhance the "high tech" potential of the state, perhaps including such direct assistance approaches as incubators or other mechanisms deemed appropriately effective, (4) develop a state economic development policy in conjunction with Native representation which will enhance their position within the state processes for meaningful economic development, and (5) participate in a statewide small business conference scheduled for the fall of 1988 which will examine the needs and requirements of small business in both the urban and rural areas.

For this five part technical assistance effort EDA will be asked to provide \$200,000 for two full-time staff persons plus contractual, travel and other expenses. This will be matched from state resources with at least \$75,000 in cash plus in-kind. These technical assistance efforts will be closely tied to current EDA grant activities in the University Center Program (University of Alaska, Juneau), the regional Native nonprofit corporations and several local community projects. Full coordination will occur with all of the state departments, other federal agencies and programs, the public and private sectors, cities, boroughs, chambers of commerce, Native villages and corporations.

Funding in rural areas of the state for both manufacturing and commercial enterprises is often severely lacking. The state, working with EDA, the Small Business Administration (SBA), the Minority Business Development Agency (MBDA), from its own resources, and with the private sector has helped to establish technical assistance networks to provide entrepreneurial assistance across the state.

To meet the specific need of a lack of capital in rural Alaska, however, it is requested that a Revolving Loan Fund be established. It is proposed that EDA contribute \$500,000, to be matched with \$300,000 in state funds. If EDA Title IX eligibility criteria are applied some 80 percent of the rural areas of the state will be served by this program.

Examples of the need and opportunity can be expressed by noting a couple of examples. There is not a single car-lift in the city of Kotzebue, a principal regional center in Northwestern Alaska. Both the Matanuska-Susitna Borough and the Kenai Peninsula Borough have significant small manufacturing and business activities. Small salmon smoking operations are located in many areas of rural Alaska, and these frequently involve Native interests. By utilizing this new source of capital to enhance the interest of the state's lending institutions in doing business in the more rural areas, meaningful, substantial and lasting development should be possible.

This new Revolving Loan Fund will be coordinated with the RLF funded by EDA three years ago for the Fairbanks Native Association, Inc., recent efforts in the state by the Bureau of Indian Affairs, and the grant and loan programs of the Minority Business Development Agency.

The individual elements described here are intimately related, and for optimum chance of success these elements should be coordinated in the closest way possible. Better priority setting should be established, coupled with wise investment of limited resources.

The Department of Commerce and Economic Development is looking forward to working together with EDA in bringing a more meaningful, broad-based and effective economic development process to the State of Alaska.

Demonstration Grant Components

I. Revolving Loan Fund	\$ 800,000
EDA \$500,000	
State \$300,000	
II. Technical Assistance Grants	\$ 275,000
EDA \$200,000	
State \$ 75,000	
III. Economic Development Districts (EDDs)	\$ 485,000
Technical Assistance	
EDA \$100,000	
State \$ 35,000	
*EDD Support	
EDA \$260,000	
State \$ 90,000	
	TOTAL
	<u>\$1,560,000</u>

Demonstration Grant Budget

Revolving Loan Funds	\$ 800,000
*Pass-Through Funds for EDRs	350,000
Personnel	90,000
Fringe Benefits	21,600
Travel	39,400
Equipment	3,500
Supplies	4,500
Contractual	246,500
Other	4,500
Total	<u>\$1,560,000</u>

*Pass-through funds directly to the EDRs.

Sources of State Funding for Project

This Demonstration Grant Program will require \$500,000 in state matching funds. Of that sum \$300,000 is already allocated out of this year's capital matching funds for the Revolving Loan Fund. An additional \$200,000 will be required from the department's capital budget. At this time, no consideration has been given to in-kind services, but this could amount to as much as \$25,000.

X
5
STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 4, 1987

Ms. Beverly L. Milkman
Deputy Director for Grant
Programs
Economic Development
Administration
US Department of Commerce
Washington, DC 20230

Dear Ms. Milkman:

The State of Alaska is experiencing a very severe downturn in its economy due to the precipitous drop in oil prices over the past two-year period. The people of this state are faced with rising unemployment, reduced services from state and local governments, a decrease in the level of business activity, and, in too many instances, the personal tragedy of the loss of homes and businesses. But we Alaskans are a resilient and resourceful lot and are already beginning to take actions to solve the problems facing us, one of which is this demonstration project.

Over the past two years, life has changed a great deal for all of us in Alaska, but nowhere has that change been felt as deeply as in rural Alaska. Even as the urban areas of Alaska were enjoying the fruits of the oil boom, the rural areas were still suffering from high unemployment, as much as 90 percent in some communities and villages; a lack of job and business opportunities; and a serious problem of coping with a cash economy in a traditional subsistence society. The recent fall of oil revenues to the state has only served to worsen those conditions.

Rural Alaska is a vital and important part of our state, but I believe that the needs and requirements of villages and communities in the rural areas have not been adequately addressed in the past. This new administration, however, is proposing new and expanded efforts in this area. The application we have submitted to you for the Demonstration Project is just one of a number of actions we are taking to assist the rural areas, but an extremely important one. With the approval of this project, we will be able to

Ms. Beverly L. Milkman

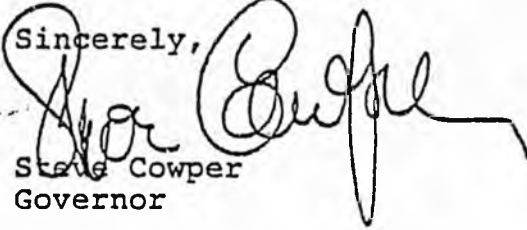
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February 4, 1987

greatly accelerate our economic development efforts,
provide services in a more rational and effective way, and
do it in ways that are most appropriate to rural Alaska.

We are looking forward to working with you on this project.

Sincerely,


Steve Cowper
Governor

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 4, 1987

Mr. John Woodward
Regional Director
Economic Development
Administration
US Department of Commerce
1700 Westlake Avenue North
Seattle, WA 98109

RECEIVED
OFFICE OF ECONOMIC DEVELOPMENT

FEB 6 1987

DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT

Dear Mr. Woodward:

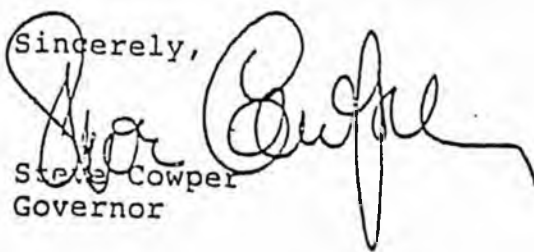
The State of Alaska is applying for this Demonstration Grant in order to expand and strengthen our economic development efforts in the rural areas of the state. Approximately 85 percent of Alaska's land area can be classified as "rural", and it is occupied almost exclusively by Native Americans: Indians, Aleuts, and Eskimos. The communities and villages are generally very small, ranging in population from 25 to 5,000--the majority having 500 persons or less.

Over the past two years, life has changed a great deal for all of us in Alaska, but nowhere has that change been felt as deeply as in rural or "bush" areas. Rural Alaska did not share equally in the benefits of the 1980s oil boom, and the recent fall in state oil revenues has only made things worse. With the help of EDA through the Demonstration Grant, we hope to reverse this downward economic trend in the rural economy.

The Demonstration Project will provide rural Alaskans with new tools and procedures for attacking their economic problems, several of which will become available while the project is still underway, i.e., the Revolving Loan Fund and the technical assistance work on tourism. Most importantly, the completion of the project will allow the state to accelerate its economic development efforts in the rural areas and permanently break the hold of poverty, joblessness, and need in bush Alaska.

We are looking forward to working with you on this project.

Sincerely,


Steve Cowper
Governor

FIRST SESSION OF THE SEVENTH ANNUAL
NORTH AND NORTHWEST ALASKA MAYORS' CONFERENCE
ROBERT JAMES YOUTH RECREATIONAL CENTER
WAINWRIGHT, ALASKA
November 20-21, 1986
reconvened at
THE NOME MINI-CONVENTION CENTER
NOME, ALASKA
January 14-15, 1987

RESOLUTION NO. 87-20

A RESOLUTION IN SUPPORT OF ECONOMIC DEVELOPMENT.

WHEREAS, the family and small community units are highly valued and critical to the well being of rural Alaskans; and

WHEREAS, the economic well being of the family and small community are an essential element of their survival; and

WHEREAS, the North and Northwest Alaska Mayor's Conference shares fully in this dependency on the economically healthy family and community, and fully supports every effort to preserve and enhance that condition; and

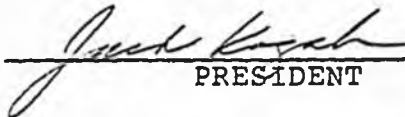
WHEREAS, the North and Northwest Alaska Mayors' Conference recognizes the numerous and varied efforts of its member communities to bring about sound economic development, stable community economies and the economic health of its individual citizens and their families.

NOW THEREFORE BE IT RESOLVED BY THE NORTH AND NORTHWEST ALASKA MAYORS' CONFERENCE THAT: in order to enhance the health of family and small community units in North and Northwest Alaska this conference supports and requests:

1. The development and delivery of practical, sustained and culturally appropriate programs of technical and management support to the small businesses of this region.
2. The recognition and legitimization of the vocation of hunter and fisherman as an economic provider of equal standing with all other provider vocations.
3. The development and provision of a Rural Alaska Development Loan Program with special concentration and orientation to the business environment and opportunities of the rural, community economies.
4. The reduction and stabilization of residential energy costs which are an absolute and relative economic burden to every rural Alaskan family; and the development of long term energy resources and their dependable delivery to our communities.
5. The establishment and continued operation of regional industrial development councils to assure the cooperative and mutually beneficial establishment of major industry operations in our regional economy.

6. The provision of every practical assistance to residents of the region in reducing and conserving the use of heating and other energy fuels in homes, small businesses and community facilities.
7. The development and delivery of relevant, economic education via the established curricula of our regional and community schools, and a particular emphasis in those curricula on rural Alaskan economics.
8. The creation of Banking and Fiscal Management support services for rural families, small businesses and communities that reflect the current, modern capabilities via telecommunications, that are presently provided in many other economic sectors.

PASSED AND APPROVED BY THE FIRST SESSION OF THE SEVENTH ANNUAL NORTH AND NORTHWEST ALASKA MAYORS' CONFERENCE this 15th day of January, 1987.



PRESIDENT



SECRETARY

INTRODUCED BY: Atqasuk

VOTE: YES: Unanimous

SECONDED BY: Wainwright

NO: _____

DIRECTED TO: Alaska State Legislature

Governor Steve Cowper
Dept. of Commerce
and Economic Development
Dept. of Community &
Regional Affairs

REGIONAL STRATEGY

The developing groundfish industry in the Gulf of Alaska and the Bering Sea represents one of Alaska's greatest economic opportunities for the next decade. Whether or not Alaska's communities and residents share in the benefits from this resource will be determined by the way in which the industry develops over the next few years. To help shape and influence this development, the Southwest Municipal Conference (SWMC) is organizing a Regional Economic Strategy Group to provide communities within its region a forum to effectively deal with fisheries development. We see this organization as our only means to provide the information necessary to address the complex issues associated with development activities. Foreign fishing industry interests and those based outside Alaska are both organized and directed. We recognize that economic benefits to our communities and to the State will not occur unless we follow suit.

Our intent is to bring together those communities involved in fishery development, particularly for groundfish, into an action oriented group to help develop an efficient and competitive industry. The inherent motivation for the communities within the SWMC to work cooperatively is to promote local economic development. Our individual economies are dependent upon commercial fish harvesting, processing and providing support services and transportation facilities to support those activities. Together we can work to maximize the economic contribution of fishing activities for groundfish and other species to our communities and Alaska.

We recognize the need to monitor and contribute to management and regulatory decisions which affect the fishing industry upon which our communities depend. We have been hampered in these efforts in the past due to a lack of information and coordination among the different communities. The SWMC proposes to change this situation through establishment of this group. A brief discussion for the need for formation of the group and a summary of organization plans follows.

THE REGIONAL ECONOMY

The economies of the communities in the Southwest Municipal Conference, from Kodiak to Dillingham, have one overriding common characteristic. They are heavily dependent upon the commercial fishing industry as the cornerstone for economic activity. The residents of these communities are fortunate that the fisheries resource in the Gulf of Alaska and the Bering Sea is a bountiful and renewable natural resource. They recognize, however, that their economic base is subject to wide variability due to changes in resource abundance.

regulatory impacts, and changes in the structure of a developing industry.

The second most important component of the economies in our communities is government employment at the federal, state and municipal level. However, a large proportion of government jobs are indirectly related to the fishing industry. For example, the Coast Guard and Alaska Department of Fish and Game would not be located in SWMC communities without the presence of commercial fishing activities.

In 1986, the landed value of fish in Alaska was \$885 million. Processing and transportation activities increase the value of this figure significantly. The relative contribution by specific fishery in 1986 was as follows:

salmon	\$404 million
groundfish	198 million
shellfish	182 million
halibut	62 million
herring	<u>39 million</u>
TOTAL -	\$885 million (1)

Over 70 percent (\$632 million) of this State total can be attributed to catches from waters off the SWMC communities. In 1986, Kodiak and the South Peninsula/Aleutians area contributed \$281 million from landings of salmon, halibut, shellfish and herring. The entire groundfish catch of \$198 million was taken in the Gulf of Alaska and the Bering Sea offshore from our communities, even though most of the catch was not landed on shore. Bristol Bay salmon and herring fisheries accounted for \$153 million of the total. It is clear from these figures that a very large proportion of the State's fishing activity occurs within the Southwest Municipal Conference's region. Our challenge, and that of the State, is to maximize the benefit to Alaska from this activity.

The groundfish fishery in the fisheries conservation zone (FCZ) off Alaska is composed of three components: 1) groundfish harvested and processed by U.S. fishermen and processing companies, 2) groundfish harvested by U.S. fishermen and processed by foreign processing companies (joint-venture fisheries), and 3) directed foreign fishing. The relative amounts caught for each group for 1986 is shown below.

(1) Preliminary data from the Alaska Department of Fish and Game.

Ex-Vessel Value of Groundfish Landings, 1986
(values in thousands of dollars)

	Gulf of Alaska	Bering Sea
U.S. caught and processed	34,626	21,879
Joint venture fisheries	6,054	132,543
Foreign fishing	2,095	67,745

Source: North Pacific Fishery Management Council

BENEFITS TO THE STATE

Alaska will benefit from the degree of success the Regional Economic Strategy Group obtains in achieving their objectives. The primary benefits will come from increased employment and income to residents of the State from participation in commercial fishing-related economic activities. In the table above, the last two columns represents the potential for expanded domestic activity. The harvest by foreign nations represents potential for both the American harvesting and processing industry. The joint venture production represents the large potential for growth in domestic groundfish processing. We intend to increase the economic base of our communities by participating in this growth, thus gaining employment stability. Our goal of increased shore development in groundfish processing, if achieved, will man a net gain of Alaskan jobs and income.

Without this aggressive program, the benefit from these jobs may remain only unrealized potential. We feel that the post oil-boom economy of Alaska makes the SWMC's self sufficient program to increase economic activity from Alaska's renewable fishery resources all the more important. In addition to the employment and income to individuals, the State stands to gain directly from additional groouondfish development through raw fish tax revenues. Since the State receives no economic benefit from foreign groundfish fishing and very little from joint venture fishing, growth of the domestic industry will benefit the State.

STRUCTURE AND ORGANIZATION

The Regional Economic Strategy Group will have a full-time project director with oversight by the SWMC. The group will involve local government directly in data accumulation and analysis of data to analyze particular issues. We see a project to assess the current role of fishing in the economy

of each community as the first step in building the needed data base. The data base will allow communities to identify feasible alternatives for economic growth in a realistic manner.

Our intent is that the group provide the basis for a close relationship between local governments and the State. The communities have borne the cost of organizational activities for the SWMC during the past two years. To move ahead with the program, the Southwest Municipal Conference is asking the State for a one time organizational grant. This grant will be matched by community and private sector funding. We look on this program as a front end risk investment in the future economy of our region and Alaska that will return the initial investment many times over.

Date referred: 4/23/87

FURTHER REFERRALS: Labor & Commerce

The Community and Regional Affairs Committee has considered CSSJR 23 (C&RA) DATE: 05/06/87

Endorsing the application of the Department of Commerce and Economic Development for a rural development assistance demonstration grant.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Heinrich Springer Springer

Bette Cato Cato

Marion Collins Collins

Edelheid Herrmann Herrmann

SIGNING OTHER RECOMMENDATIONS:

Springer

Heinrich Springer
Chairman's signature

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



SJK
② SJR 23

P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

12 pg 5

Senate Community and Regional Affairs Committee

MEMORANDUM

March 17, 1987

TO: All Members
Community and Regional Affairs Committee

FROM: Staff *AS*
Community and Regional Affairs Committee

RE: SJR 23 "Endorsing the application of the Department of Commerce and Economic Development for a rural development assistance demonstration grant."

SJR 23 urges the U.S. Department of Commerce, Economic Development Administration to approve a \$1,000,000 Rural Economic Development Assistance Grant to the State of Alaska, Department of Commerce and Economic Development (DCED).

This grant would be used by the DCED to strengthen local and regional economic development strategies and to implement those strategies. Topics to be addressed on a regional basis would include export of Alaska products, tourism, infrastructure development, job opportunities, resource development and the enhancement of entrepreneurship at the local level.

The fiscal note is zero.

Enclosures: Fiscal Note
Grant Proposal
Letter from Governor Cowper



Official Business

COMMITTEE:

HOUSE COMMUNITY & REGIONAL AFFAIRS

DATE: May 6, 1987

SIGN-IN

Subject of meeting:

*HB 286 - Crating the Rural Governance Council
(first hearing)

CS-
SJR 23 - Rural Development Demonstration Grant
(C&RA)

CSSB162(C&RA)am Raw fish tax; local gov't refunds

NAME (PLS PRINT)	YOUR TITLE & ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
------------------	-------------------------	-------	--------------	----------------------------

John Dunker	609 Main St., Juneau	586-4407 465-4972	self	No.
Lony Mercurief				

Original sponsors: Sturgulewski, Uehling,
Zharoff, et al.

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE JOINT RESOLUTION NO. 23 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 Endorsing the application of the Depart-
6 ment of Commerce and Economic Develop-
7 ment for a rural development assistance
8 demonstration grant.

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

10 WHEREAS the state is experiencing a major downturn in its economy due
11 to the drop in oil revenue over the past two years; and

12 WHEREAS the people of the state are faced with rising unemployment,
13 reduced state and local government services, a decrease in the level of
14 business activity, and in many instances, the personal tragedy of the loss
15 of a home or personal property; and

16 WHEREAS all areas of the state are being affected by the drop in oil
17 revenue and the reduction of state and local services; and

18 WHEREAS the large size of the state and the sparse population of the
19 rural parts of the state cause unique problems for the delivery of ser-
20 vices; and

21 WHEREAS the rural areas of the state are a vital and important part of
22 the state; and

23 WHEREAS the Department of Commerce and Economic Development has sub-
24 mitted an application to the federal Economic Development Administration
25 for a rural economic development assistance grant that would fund a demon-
26 stration project to promote economic development, establish businesses, and
27 increase job opportunities in the rural areas of the state;

28 BE IT RESOLVED that the Alaska State Legislature endorses the applica-
29 tion by the Department of Commerce and Economic Development for a rural

ONLY
ADDITION
IN
C&RA
COMMITTEE

1 development assistance demonstration grant from the Economic Development
2 Administration; and be it

3 FURTHER RESOLVED that the Economic Development Administration is
4 requested to expedite the review and approval of the grant application.

5 COPIES of this resolution shall be sent to the Honorable Malcolm
6 Baldrige, Secretary of the U.S. Department of Commerce; and to the Honor-
7 able Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the
8 Honorable Don Young, U.S. Representative, members of the Alaska delegation
9 in Congress.

No 160

STATE OF ALASKA 1987 LEGISLATIVE SESSION

FISCAL NOTE

SENATE

BILL VERSION: CSSJR 23(C&RA)

PUBLISH DATE: 3/26/87

REQUEST: _____

Revision Date: _____

Title: Endorsing DCED application for rural development assistance demonstration grant

Agency Affected: Comm. & Econ. Dev.

BRU: Advocates

Sponsor: Sturculewski

Components: Office of Enterprise

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS :

Prepared by: Larry Mercurieff, Director Phone: 465-2017
 Division: Office of Enterprise Date: March 6, 1987

Approved by Commissioner: J. Anthony Smith, Commissioner Date: March 6, 1987
 Agency: Department of Commerce and Economic Development

- Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)
 Senate Secretary
 0201k3987

SJR

24

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Labor & Commerce:
April 28, 1987

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
...KE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

MEMORANDUM

March 10, 1987

TO: All Members
Senate Community and Regional Affairs Committee

FROM: Staff *A*
Senate Community and Regional Affairs Committee

RE: SJR 24 "Relating to the establishment of a domestic fishery zone for Unalaska."

SJR 24 would support the establishment of a 100 mile domestic fishery zone around Unalaska where only domestic fishermen and processors could operate.

The Cities of Unalaska and Akutan have petitioned the North Pacific Fishery Management Council to create this zone under their authority to regulate bottomfish harvests under the Magnuson Act.

The North Pacific Fishery Management Council will consider this issue at their March 18-20 meeting in Anchorage.

Enclosures: Fiscal Note
Proposal by Cities of Unalaska and Akutan

Alaska State Legislature



APR 13 1987

2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

SENATOR
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

Senate

MEMORANDUM

April 13, 1987

TO: Representative Dave Donley, Chairman
House Labor and Commerce Committee

FROM: Senator Arliss Sturgulewski *AS*
Senate District F

RE: SJR 24 "Relating to the establishment of a private access zone at Unalaska for domestic fishermen and processors."

The establishment of this priority access zone would be very beneficial to local Alaskan fishermen and processors by restricting foreign harvesting and processing around Unalaska.

The North Pacific Fisheries Management Council now has this proposal under study and the resolution would hopefully encourage them to decide in favor of Alaskans at their May meeting.

I hope you will be able to schedule an early hearing on this resolution.

Please let me know if you need additional information. Thank you.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: SJR 24
Publish Date: _____

Revision Date: _____
Title: Relating to the establishment
of a domestic fishery zone for
Sponsor: Sturgulewski Unalaska
Requestor: C&RA

Agency Affected: Fish and Game
BRU: Commercial Fisheries
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0					
TRAVEL	0					
CONTRACTUAL	0					
SUPPLIES	0					
EQUIPMENT	0					
LAND & STRUCTURES	0					
GRANTS, CLAIMS	0					
MISCELLANEOUS	0					
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Roland Shanks Phone: 465-4100
Division: Commissioner's Office Date: 3/18/87
Approved by Commissioner: *[Signature]* Date: 3/18/87
Agency: Fish and Game

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

North Pacific Fishery Management Council

James O. Campbell, Chairman
Jim H. Branson, Executive Director

411 West 4th Avenue
Anchorage, Alaska 99510



Mailing Address: P.O. Box 103136
Anchorage, Alaska 99510

Telephone: (907) 274-4563
FTS 271-4064

March 27, 1987

Senator Arliss Sturgulewski
P.O. Box V
Juneau, Alaska 99811

Dear Arliss:

Thank you for your letter of March 13, 1987, regarding SJR 24. The Council reviewed the proposals for a DAP (domestic annual processing) priority zone within 100 miles of Unalaska Island at its meeting last week and voted to send out the original proposal and several alternatives for public review. The "package" to be released for public comment will have six alternatives.

Alternative 1: Maintain the status quo (no area restrictions on foreign processors receiving fish from U.S. fishermen).

Alternative 2: Establish a year-round closure for joint venture and foreign directed fishing in the area bounded by 52°30' and 55°N latitude, between 164° and 169°W longitude. Fishing within that area would be allowed only for those fishing for domestic processors.

Alternative 3: Establish a year-round closure for foreign directed fishing in the area bounded by 52°30' and 55°N latitude, between 164° and 169°W longitude. Fishing within that area would be allowed for those vessels delivering to domestic processors or for those delivering to foreign processors lying outside the designated area.

Alternative 4: Establish seasonal area closures within the area described in Alternatives 2 and 3.

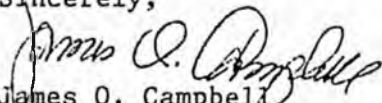
Alternative 5: Establish a fee structure for all foreign processors that receive joint venture fish.

Alternative 6: Spread out joint venture allocations over a number of openings within the year.

The Council will decide on a course of action at its May 20-22 meeting after reviewing the public comments.

We appreciate your interest in this matter. Ron Miller of the Council staff has been working with Frank Homan from your office and will keep him informed of further Council action.

Sincerely,


James O. Campbell
Chairman

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

March 13, 1987

James Campbell, Chairman
North Pacific Fishery Management Council
Box 103136
Anchorage, AK 99510

Dear Mr. Campbell:

The Senate Community and Regional Affairs Committee held a public hearing on March 12 regarding SJR 24 "Relating to the establishment of a domestic fishery zone for Unalaska." The resolution, which I sponsored and which was co-sponsored by nine other senators, urges the North Pacific Fishery Management Council to create a DAP Priority Access Zone around Unalaska.

The resolution received support from Paul Fuhs, Mayor of Unalaska; Glenn Boledovich, City Councilman from Unalaska; Ericka Tritremmel, City Administrator from Akutan; David McGlashan, President of the Akutan Village Corporation; and Rick Lauber of the Pacific Seafood Processors Association. There was no oral testimony in opposition of the resolution; although a letter was received from the Alaskan Joint Venture Fisheries, Inc. in opposition.

There were some technical amendments made to the resolution and I have enclosed a copy for your information.

Sincerely yours,

A handwritten signature in cursive script that reads "Arliss Sturgulewski".

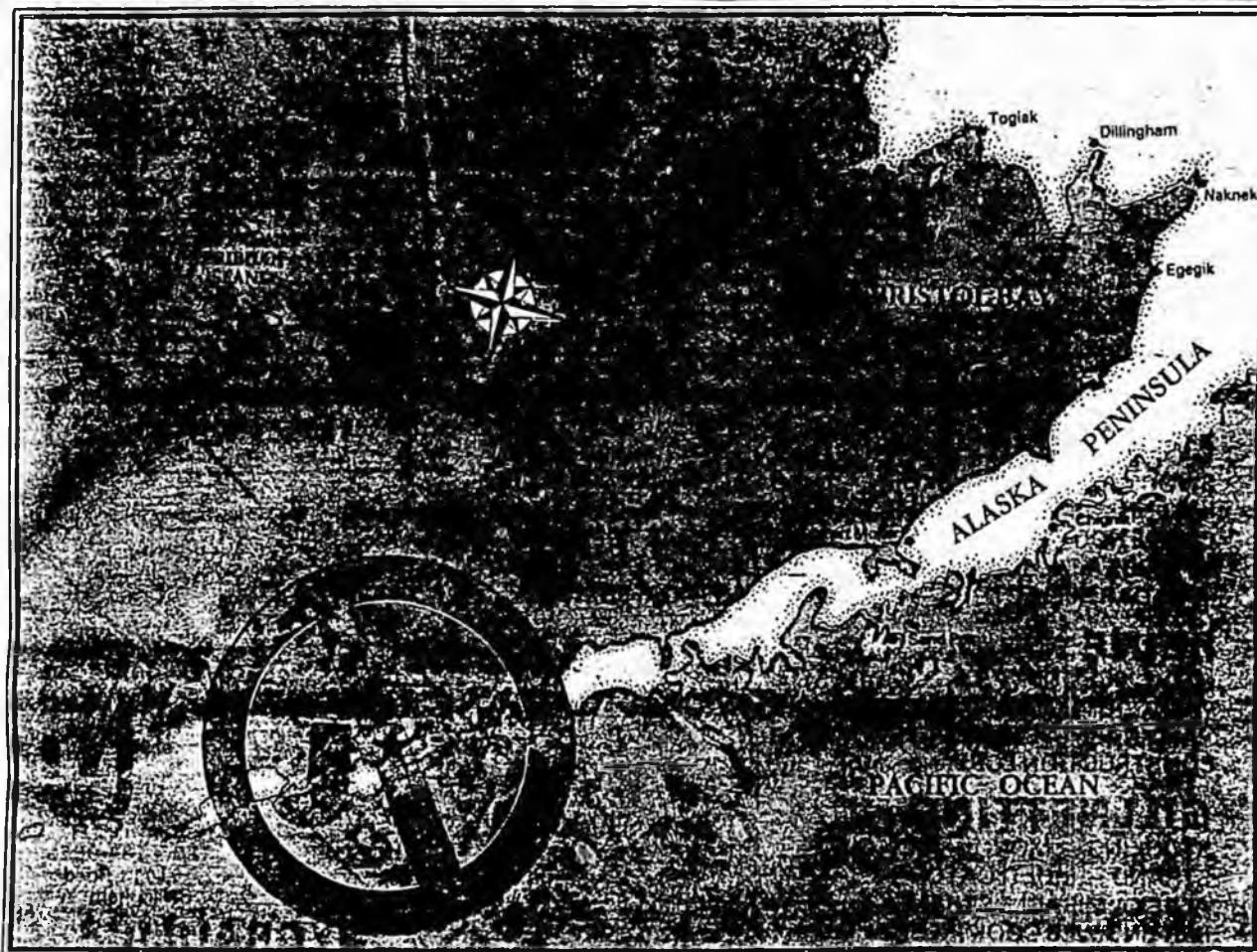
Senator Arliss Sturgulewski
Senate District F

Enclosure

cc: James Branson

ALASKA FISHERMAN'S JOURNAL

More than just the tip of the news Vol. 10, No. 2, February 1987 \$1.00



100-Mile Limited Access Proposed for Dutch Harbor

by John van Amerongen

Paul Fuhs, mayor of Unalaska, visited Seattle in mid-January, stumping for a proposal that would establish a 100-mile DAP priority access zone around Dutch Harbor. If passed by the Council in May and approved by the Secretary of Commerce, the plan would eliminate all joint-venture fishing for cod and pollock within the area, which includes the popular J-V fall fishing grounds north of Unimak Pass.

To Fuhs, who also presides over the Southwest Municipal Conference, it's a down-home Alaskan issue.

"Ten years ago," Fuhs wrote in the proposal's introduction, "the 200-mile limit was signed by President Ford. Many people in Alaska eagerly anticipated the new groundfish prosperity that we all thought was just around the corner.

"None of us would have believed back then that we'd still be

waiting ten years later for the fish to come ashore. But we are still waiting, impatiently.

"After all, Dutch Harbor and Akutan are the major fish processing towns on the Bering Sea coast. There should be many thousands of tons of pollock processed ashore by now. But there aren't.

"We already have two large plants converted for pollock processing in Unalaska-Dutch Harbor. But they can't buy enough pollock to process steadily. American trawlers refer to the ships, instead of the mother-ships, as 'do our town'.

"That," he says, "doesn't do our town justice. Our objective is to encourage American druggers to deliver to domestic processors in Unalaska and Akutan or to process their catches at sea aboard vessels of the United States." Winning priority access for domestic processors would accomplish this, Fuhs argued. "Their advantage will be Unalaska's advantage," he

wrote. "Their prosperity will be Unalaska's, too."

The proposal will face its first test when the North Pacific Council conducts a screening of proposed groundfish plan amendments January 21 in Anchorage. Prior to that meeting, however, the Council held a DAP workgroup session in Seattle to discuss the priority access idea and any others that might speed the "domestication" of the groundfish resource.

Workgroup member Bart Eaton was ready to extend the prosperity to the Trident plant and the community in Akutan, as well. Selling pollock to foreign processors for 8 cents a pound was wasting too much of the product's potential value, Eaton said.

A problem exists, he argued, having "two systems [domestic and foreign] trying to develop on a finite resource."

Not only could the continued competition create "a lot of catching capacity that's not going to

have a market," Eaton said, but joint-venture activity would also affect the catch-per-unit effort of DAP operations.

"If joint ventures are discriminated against [by the 100-mile zone], so be it," said Eaton. "It's a free choice. It's time to close that system."

But while the proposal may be getting a lot of support from processors and residents of Akutan and Unalaska, it didn't sit so well with the other fishermen and joint-venture operators who attended a workgroup meeting at the Northwest and Alaska Fisheries Center January 13.

The closest thing to support came from Ted Evans, executive director of the Alaska Factory Trawlers Association. Evans said the spirit of the Dutch Harbor proposal was "dear to our hearts." Noting the "substantial strides" taken by the factory trawler industry in the last two years, Evans nevertheless registered disappointment that Amerongen

continued on page 11

PRIORITY ACCESS

continued from front cover

canization has lagged on the processing side.

"We seem to be treating foreign processors on par with domestics," Evans said.

Speaking for the U.S.-owned floating processors, Evans said, "We too have had difficulty getting J-Vs to deliver to those vessels. One company went out and built its own (catcher) vessels."

Building one's own catcher fleet is "one very obvious option," as Evans put it, not only for operators of floating processors, but for shore plants as well. And while joint venture fishermen may now agree that processors should get into the fishing business, Evans, like Eaton, warned that a shakeout could leave some J-V fishermen without markets as their season be-

comes inevitably shorter and shorter.

Forcing processors to build catcher vessels, Evans said, "may lead to substantial overcapitalization — the short-term solution may create a longterm problem."

Despite his sympathy for the current problems in Dutch Harbor and Akutan, though, Evans wasn't ready to stand shoulder to shoulder with Fuhs and Eaton on the 100-mile boundary.

"I'm not sure we can favor this as a specific remedy," said Evans. "We would like to explore a full range of proposals that could benefit the domestic industry."

While the Fuhs plan may have been dear to the hearts of the factory-trawlers, it was far from the minds of joint-venture representatives attending the January

meeting.

"Pure economics" is how Alaska Joint Venture Fisheries spokesman Annie Burnham described the realities of Dutch Harbor's delivery problems. Noting that the Great Land plant "surely paid more" for pollock deliveries than joint-venture processors last year, Burnham said it was "not nearly enough to provide incentives" to run to town.

"Joint ventures," she said, "are a much better market for fishermen with substantial investments in their vessels."

A 100-mile zone, said Burnham, won't solve the problem, and she feared such a zone would establish "a dangerous precedent when full [domestic] utilization is accomplished." Said Burnham, "It puts one U.S. fisherman over another."

Wally Pereyra echoed Burnham's sentiments, claiming the shoreside contracts "are not

economically acceptable, for whatever reason." Acceptability, he said, was a function not only of price, but the distance fishermen had to travel and the stability of the market, as well. Speaking not only as a ProFish International joint-venture manager, but as a partner in a \$25-million domestic surimi catcher-processor now under construction, Pereyra noted that a 100-mile J-V exclusion "may force an American fishermen to get into a contract he wouldn't otherwise get into. I have some problems with that concept."

Pereyra also saw problems with the lack of available processing capacity in Dutch Harbor. "Who's going to take the fish?" asked Pereyra, assuming many of the J-V catchers were forced to deliver in town.

"These guys are left to the wolves," he said, adding in his imitation of a plugged processor,

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VOLVO PENTA DEALERS COVER THE

"Sorry guys, you're going to have to make your boat payments some other way."

Hugh Reilly, manager of Westward Trawlers, a firm handling joint-ventures between U.S. draggers and Taiyo Fisheries, admitted the Fuhs proposal had "instinctive appeal," but said it had "no correlation to the problems of shore plants."

Reilly said there was "a lot of grief in everybody's heart at the failure of the Great Land plant," but there was no reason "to lay it at the feet of joint-venture boats."

"U.S. fishermen have no such obligation..." Reilly said; "they did not build that plant."

Shore-based deliveries of pollock brought \$.14 a pound in Hokkaido last year, Reilly noted. The fish now being delivered to Dutch Harbor are bringing \$.08 a pound. "That's an economic problem," he said.

"The price is up, as it should be," he continued, "but it's a question of freight." Transporting fish to Dutch Harbor, he said, "is a very expensive proposition for a \$3-4-million trawler with...winches...bells and whistles. It would be much cheaper on a \$700,000 salmon tender."

Another point to consider, Reilly said, was that only 10 to 25 percent of the joint-venture fleet could safely deliver fish to shore, given the stability requirements for bringing fish aboard versus passing cod ends.

Getting back to the idea of tenders, Reilly noted that Alyeska Seafoods intends to use large refrigerated tenders to haul pol-



lock from Westward Trawlers' joint ventures back to their new surimi plant in Unalaska. The Taiyo Fishery Company of Japan is not only a joint-venture partner of Westward Trawlers, but partners with Wards Cove in the Alyeska plant.

The subject of tenders came up once again when Pereyra and other joint-venture operators offered processors a counter-proposal to the 100-mile zone.

Pereyra suggested that ProFish

might "voluntarily agree to deliver fish to any [domestic] processor that wants to put a carrier where we are operating...a priority delivery...before delivery to J-V processors.

"We have the capacity to do that," Pereyra said, "It would augment our operations and we would welcome that."

Other J-V reps were quick to seize the idea.

"We are going to do that...with the Alyeska plant," said West-

ward's Hugh Reilly.

"We could subscribe to something like this," said Bert Larkins, general manager of Marine Resources. "With lead time we could overcontract, if there was a 500- to 1,000-ton market."

"It enhances a J-V operation," said Alaska Joint Ventures' Annie Burnham. "After roe season...it would enable us to keep catchers contracted...very viable...it could be worked out."

The counter-proposal gathered

momentum so quickly, it looked as though it might steamroll right over Fuhs and Eaton before Councilman John Peterson could throw a wedge under it.

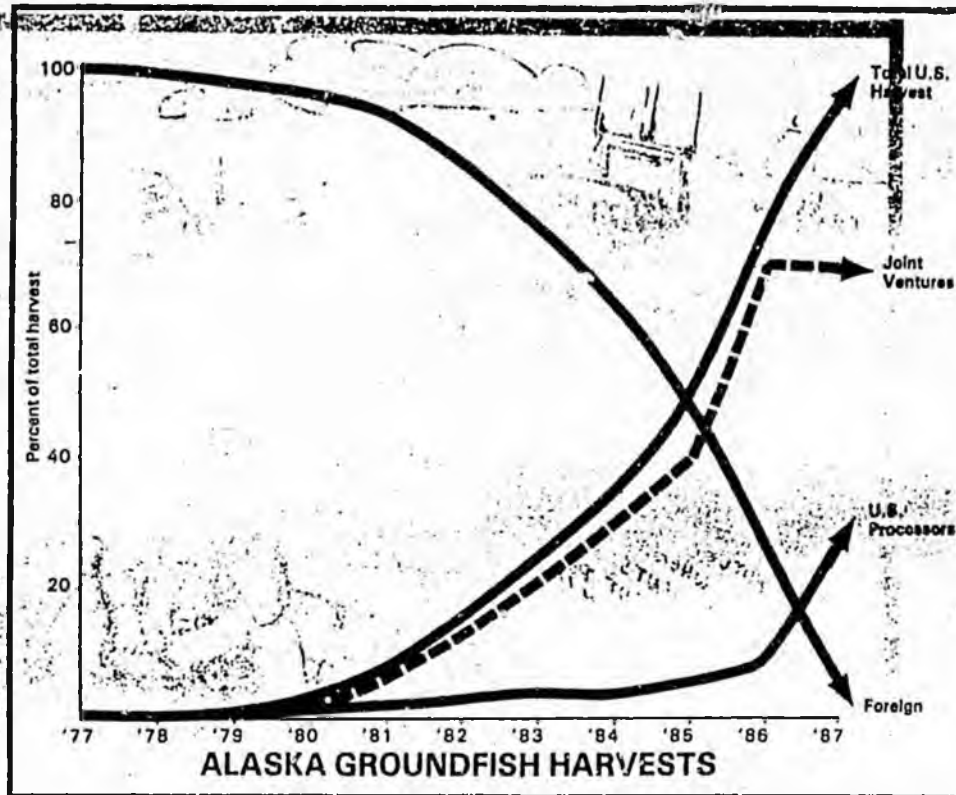
"You're talking about an agreement between processors and fishermen," said Peterson. "We're only hearing one side at this point.

"The thing is," he continued, "that it involves substantial capital investment for a processor to build tenders, and adds on a layer of costs.

"I don't know if they could continue to operate," he said. "Maybe that's the purpose of this."

Al Burch, president of Alaska Dragger's Association, pointed out that "all transition is expensive," noting that the cost of converting his two vessels, the *Dawn* and *Dusk*, was several times the initial investment. He suggested that processors could convert mud boats to tenders a lot easier than they could convert them to trawlers.

The workgroup concluded with two proposals on the table, one of them Fuhs' 100-mile zone, the other, an offer by joint ventures operators to sell fish to domestic tenders. It didn't take a ouija board to figure out who supported what. Joint venture operators didn't want their operations pushed out of Unimak Pass, and domestic processors didn't think the option to buy fish at sea was such a new and wonderful con-



cept.

Going into it, Fuhs knew the going would be tough. But he really didn't want to come down to a battle between domestic processors and U.S. fishermen.

"There's plenty of this for all of us, and we need to work together," he said. "Division plays right into the hands of the people who are taking home almost all the marbles."

"Alaskans are stuck with the

crumbs," Fuhs said. "The people who already have a lot of money have a lot of money to fight it.

"Still," he said, "there's something about communities and towns. It's hard for people to take a shot at us. We want everybody to do well, including the fishermen."

The down-home pitch may have bombed with joint-venture interests in Seattle, but it has already won Fuhs and domestic processors an

influential friend from South Carolina. On December 5, Ernest Hollings, ranking Democrat and Chairman of the Senate Commerce Committee, addressed a letter to the North Pacific Council.

"I understand," Hollings wrote, "that a serious situation exists for American shore-based cod and pollock processors in Alaska, especially in Dutch Harbor, due to the unavailability of harvesting capacity. Plant capacity has been idled because United States processors are unable to contract with harvesting vessels.

"...I would hope there is a way to enable these shore-based processors to continue the development of the domestic United States fishing industry," Hollings concluded, "and would appreciate hearing the Council's views on means to aid them in this important endeavor."

Whether the Council can act to solve the domestic delivery problem before it takes care of itself is a key question. Given the frantic level of conversion and even new-construction activity on the J-V side, the length of the J-V season is bound to compress. When that happens, those that can will have to deliver to domestic processors, and every delivery will shorten the life of joint ventures that much more. Whether that can happen fast enough to bail out shore-based processors and communities hungry for product remains to be seen. □

ATTENTION SWITLIK & GIVENS LIFERAFT OWNERS

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March 3, 1987

Governor Steve Cowper
P.O. Box A
Juneau, AK 99811

Dear Governor Cowper:

We were shocked to hear that the NMFS Alaska Regional Director recently recommended overturning the Council's decision to reserve the pollock resource in Shelikoff Strait for the domestic industry. We are requesting an explanation and documentation of how the Regional Director came to his decision. We attended the last Council meeting and clearly heard him say that the Regional office would take no action until new data could be presented to the Council at the March 16 meeting.

In addition, we cannot explain why the Regional Director is one of the leading opponents of our proposal for a 100 mile Domestic Fisheries Zone around Dutch Harbor. We would expect that NMFS would provide a leadership role or at least remain neutral towards efforts to Americanize the fisheries within the FCZ. There are enough enemies of Americanization already.

I refer you to the attached letter which clearly spells out the plan of a new organization, the American High Seas Fisheries Association (AHSFA) to thwart the intent of the Magnuson Act to realize full domestic utilization of the fishery resources including processing and transportation.

In that letter we finally see a forthright statement of some of the Joint Venture operator's goal of "preservation of this method of selling our harvest." The letter strips away their pretensions of claiming that Joint Ventures are a transitional phase in the Americanization process. They want to stop this process dead in its tracks at the point where they are cut in but everyone else is cut out. And they are proposing to assess themselves \$15,000.00 per boat to accomplish this.

Two of the main targets they list are the 100 mile Domestic zone around Dutch harbor and reopening the Gulf of Alaska (including Shelikoff Strait) to Joint Ventures. If they can't attain their goals through defeating these proposals they will seek to accomplish them through reflagging foreign processing vessels. They state: "Without the Tenyo Maru where are we? Do we care what flag flies over the stern? Or Who owns her?"

They may not care, but we do. It is the livelihood of our coastal communities and many other Americans entitled to benefit from the fishery resources in the FCZ.

It is interesting to note that on page 2 they discuss whether they should use their Association to increase tonnages allocated to the Japanese at the expense of other countries, or to join forces with the Koreans against the Americans. The author recommends the latter.

Perhaps their most dangerous goal is the increase of total allowable catch from 2.0 million metric tons to 2.4 million metric tons to 2.4 million metric tons a year. At a time when fishermen are already expressing concern about overcapitalization of the fleet and over-exploitation of the resource, this policy could be disastrous. This idea was introduced at the last council meeting by the NMFQ Alaska Regional Director. Have we learned nothing from the destruction of the fish stocks in the Gulf of Mexico and the Atlantic Ocean?

And for what? So that there can be an "increase of Pollock tonnage available for Joint Venture operations?" What national policy could possibly be served by such a move? Not only are we losing the value of the fish to American industry by giving it to the foreign processors, but many of these fish are then imported back into the U.S. adding to our massive trade deficit, which last year in fisheries products amounted to \$5.6 billion, up 14% from the year before.

This is a true moment in history which will affect our future for many years to come. Any assistance you could give to our proposals before the Council to Americanize the fishing/processing industry in the FCZ, would be very important at this time.

I hope you do not feel I have spoken too strongly in this letter. We are very concerned about the situation we see developing and it is our responsibility to safeguard the future prosperity of our communities.

Sincerely,

Paul Fuhs
Mayor of Unalaska/Dutch Harbor
President, Southwest Alaska Municipal Conference

cc: NPFMC Members
Dr. Tony Callio
Senator Ernest Hollings
Senator Ted Stevens
Senator Frank Murkowski
Representative Don Young
Governor Steve Cowper

WESTWARD TRAWLERS, INC.

③

715 N.E. Northlake Way Seattle, Washington 98105

phone: 206-547-6840

16 February 1987

To: All Westward catcher-boats & their owners

From: Hugh Reilly

Re: American High Seas Fisheries Association

Enclosed you will each find copies of organizational papers and membership application for the American High Seas Fisheries Association—which is presently in formation.

The Association was conceived late last year, principally by a number of the boats fishing in the Nissui ventures. The purpose is stated in the Articles of Incorporation (Article III):

" . . . promotion of the interests of owners and operators of commercial fishing vessels that deliver fish at sea in the North Pacific Ocean and Bering Sea."

You have all doubtless gotten wind of this effort, either in Seattle recently or on the fishing grounds. A careful review of the enclosures will be somewhat illuminating; for example, in the BYLAWS:

Article I - Members

1.1 Qualifications. Membership in the association is limited to persons who are actively engaged as vessel owners or vessel operators and who receive 75% of their revenues from deliveries of fish to Japanese processors at sea in the North Pacific Ocean and the Bering Sea.

Article II - Assessments.

2.1 Assessments. The Board of Directors shall levy assessments to be charged against each member to provide necessary operating capital for the association. An annual assessment of \$1.00 per metric ton of groundfish delivered by each vessel, up to a maximum of \$15,000 per vessel, shall be levied against each member.

Frank Bohannon, Wilhelm Jensen and others in the Nissui fleet can give you background on what has led to the formation of the organization; and they can give you their ideas on what the Association should try to accomplish, and perhaps how it should go about it.

. . . cont'd

(4)

But it will ultimately be up to the membership and their Board of Directors to direct the Association. That process will begin at the organizational meeting of the Association in Seattle on March 9th (see enclosed Notice).

From our point of view, the Association is an unfortunate necessity for those of us (Owners, Captains, & crews) who derive our living from these joint fishing operations with the Japanese. As a group, we have a significant financial stake in the preservation of this method of selling our harvest, but our opponents are numerous . . . and increasingly effective. We now need to pull up a fight to defend our interests, and it takes unity and money to win fights in fisheries politics.

Principal issues facing the membership and its Board of Directors in March will be organizational and philosophical in nature:

1) Should AHSFA work in concert with ventures with other countries (i.e., Korea) to preserve and extend the lifespan of ventures with both countries?

OR

2) Should AHSFA work to expand the tonnage of 'Japanese' boats by reducing the tonnage of other nations?

3) Should AHSFA pursue a 'high-visibility' role in the political arena (like NERVOA, FONA, AFTA, Alaska Dragger (ADA), etc.)?

OR

4) Should AHSFA keep overhead, staff, and "imagery" costs at a minimum, using only potential funds (at \$15,000/boat we are talking some serious money!); at least initially, to get things accomplished using task-specific staff (probably part-time), working with and through existing organizations (i.e., NERVOA, ADA, JFA, etc.), scientific specialists (consultants), public relations firms, and political professionals (i.e., lawyers/lobbyists)?

Personally, I favor alternatives 1) and 4); ultimately, these questions are for the membership/Board to decide. And I would like to see development of a similar association of 'Korean' boats—with which AHSFA can collaborate on funding common needs and influencing common issues.

Some of the key issues that face our particular segment of the trawl industry, and which must be strongly and clearly addressed during 1987 are:

. . . cont'd

(5)

16 February 1987
 The Westward Fleet
 page -3-

- I. The 100 mile closure proposed around Dutch Harbor
- II. Pollock roe stripping operations (both Korean & Japanese)
- III. Reopening the Gulf of Alaska to J/V's
- IV. Reflagging of foreign processors (without the TENYO MARU, where are we? do we care what flag flies over the stern? or who owns her?)
- V. The possible increase of Bering Sea/Aleutians total allowable harvest (all species) from 2.0 million tons to 2.4 million tons . . . and with that, increase of Pollock tonnage available for J/V operations.

Again, we see the Association as an unfortunate necessity, one that will require considerable commitment of our monies, our time, and our influence. We encourage all of you to give membership in the Association the most serious consideration.

Representatives from each of the Westward catcher-boats should be coming home the end of the month and should be prepared to deal with this Association matter in behalf of everyone involved with each vessel.

We hope that everyone will be supporting the Association and will be represented at the organizational meeting on March 9th in Seattle. See the first four pages of the enclosed—which need to be filled out for membership.

copies to:

CALIFORNIA HORIZON
 HALF MOON BAY
 SUNSET BAY
 MARGARET LYN
 HAZEL LORRAINE I
 SHARON LORRAINE
 VIKING
 SEAWOLF
 OCEAN DYNASTY
 WESTWARD I
 GREAT PACIFIC
 VAERDAL

also to:

Dave Harville
 Bob Doolay
 Bill Lock
 Terry Cosgrove
 " "
 " "
 Trefan Angasen
 Phil Werdal

Steve Huddleston

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/27/87

FURTHER REFERRALS: Resources

DATE: 4/28/87
CSSJR 24(C&RA)

The Labor & Commerce Committee has considered

Relating to the establishment of a priority access zone at Unalaska for domestic fishermen and processors.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Dave Douley
Ellis
Cliff Davidson
Stella Koyama

SIGNING OTHER RECOMMENDATIONS:

Walt Furumace No Pass

Dave Douley
 Chairman's signature

Alaska State Legislature



APR 13 1987

2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

SENATOR
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

Senate

MEMORANDUM

April 13, 1987

TO: Representative Dave Donley, Chairman
House Labor and Commerce Committee

FROM: Senator Arliss Sturgulewski *AS*
Senate District F

RE: CJR 24 "Relating to the establishment of a private access zone at
Unalaska for domestic fishermen and processors."

The establishment of this priority access zone would be very beneficial to local Alaskan fishermen and processors by restricting foreign harvesting and processing around Unalaska.

The North Pacific Fisheries Management Council now has this proposal under study and the resolution would hopefully encourage them to decide in favor of Alaskans at their May meeting.

I hope you will be able to schedule an early hearing on this resolution.

Please let me know if you need additional information. Thank you.

D R A F T

ENVIRONMENTAL ASSESSMENT/REGULATORY IMPACT REVIEW/
INITIAL REGULATORY FLEXIBILITY ANALYSIS
OF AMENDMENT 11 TO THE FISHERY MANAGEMENT PLAN FOR
GROUNDFISH OF THE BERING SEA/ALEUTIAN ISLANDS

PREPARED BY THE PLAN TEAM FOR THE
GROUNDFISH FISHERY OF THE BERING SEA/ALEUTIAN ISLANDS
AND THE STAFF OF THE
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

~~MARCH 11~~

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3.0 ~~ESTABLISH DAP PRIORITY ZONE 100 MILES OF UNALASKA ISLAND~~

3.1 Description of and need for the action

The Magnuson Fishery Conservation and Management Act (MFCMA) outlines a priority to be used in determining fishery allocations. Domestic vessels who deliver to domestic processors (DAP) are afforded the highest priority. Domestic vessels that deliver to foreign processors (JVP) are considered next. Any amount surplus to these needs may then be allocated to foreign fishing vessels (TALFF). It has been policy to interpret this priority access or processor preference as relevant to the preseason allocation of TAC. Another interpretation of priority access is that the preference should extend to space and time, that is, that DAP should be given priority on the grounds through area closures to JVP and TALFF, or that DAP should be given priority in time through seasonal closures to JVP and TALFF.

It is in the spirit of the second interpretation of processor preference that the mayors of Unalaska and Akutan propose a regulatory change to allow only DAP fishing to occur in an area within 100 miles of Unalaska. The proposal is to correct an access problem whereby local shoreside processing facilities in the communities of Unalaska/Dutch Harbor and Akutan have had difficulties securing a steady supply of groundfish. It is the presumption, therefore, that such priority access would help to correct their supply problem.

The zone is a circle, with a radius of 100 miles centered upon Unalaska (Figures 3.1, 3.2). There would be no foreign or joint venture fishing allowed in the zone; fishing access would be restricted to domestic vessels delivering either to shore-based plants or to domestic at-sea processors. Domestic vessels which both catch and process groundfish would also be allowed to fish in the zone.

There are currently approximately 130 U.S. trawlers operating in the Bering Sea/Aleutian Islands management area (Table 1.1). Of these, a substantial number (= 120) deliver the catch to foreign processing vessels (joint venture). For the most part, these vessels are not able to easily and safely deliver fish shoreside. First, a substantial proportion are not able to hold fish onboard. Rather, these vessels deliver fish to at-sea processors through transfer of the cod end of the trawl. Second, even for those few vessels that have sufficient hold capacity to match their considerable harvesting capacity it is difficult to ensure shoreside delivery of product because the vessel may not have sufficient stability to carry fish any great distance, particularly in poor weather.

There is also the question of reduced product quality during the time it takes to deliver fish shoreside. Again, many of the trawlers have no refrigeration onboard, and, on average, face a running time of 10 hours to Dutch Harbor. Thus, there is some product deterioration during the period. More important than travel time to the decline in product quality, according to some joint venture operations (Annie Burnham, pers. comm.), is that delivery to shoreside would necessitate one or more pumping operations to transfer the fish, and it is the suctioning of fish that is most detrimental to quality.

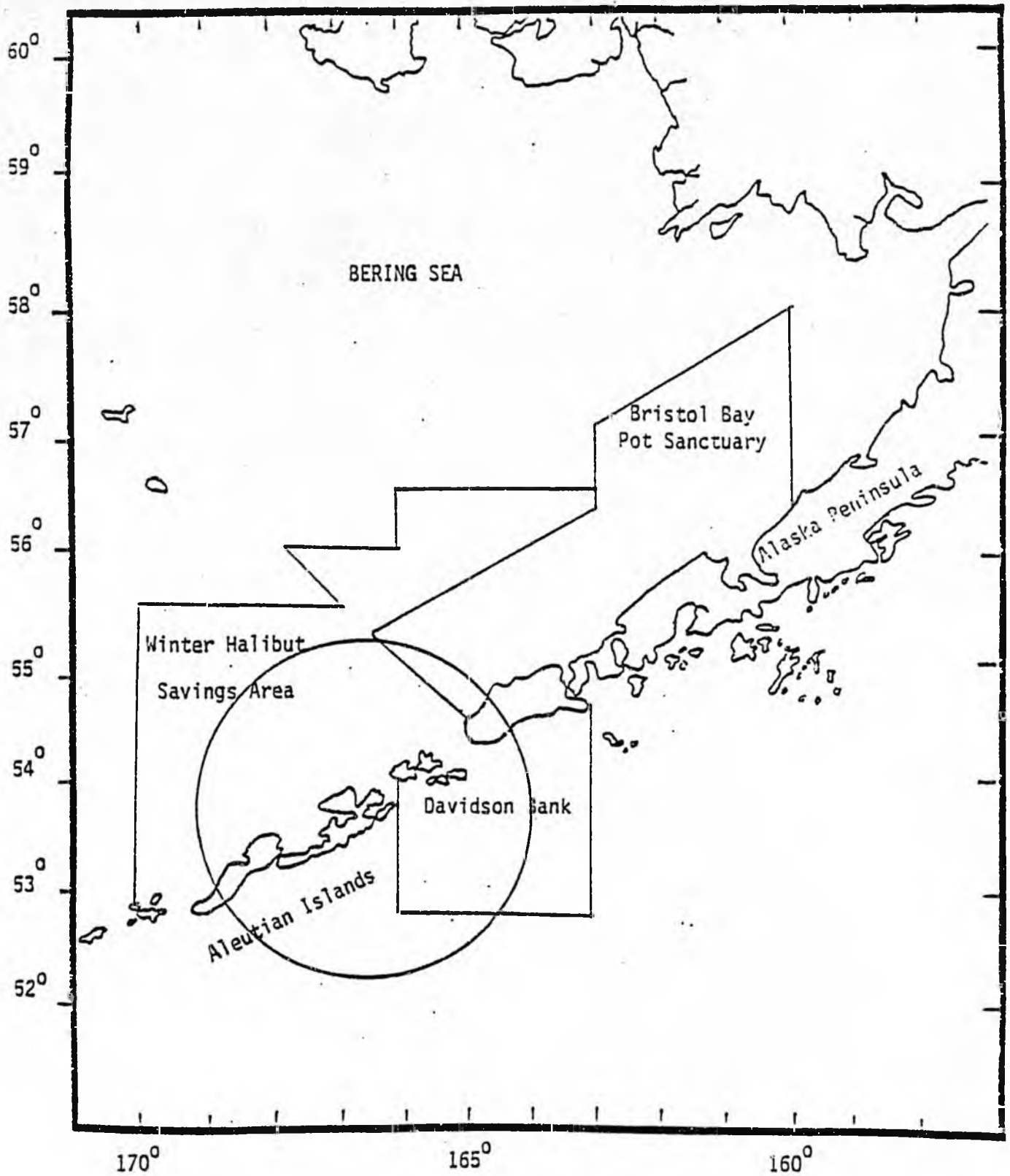


Figure 3.2. Alaska Peninsula/Aleutian Islands: Foreign closures currently in effect (Bristol Bay Pot Sanctuary, Winter Halibut Savings Area, and Davidson Bank) and proposed closed zone.

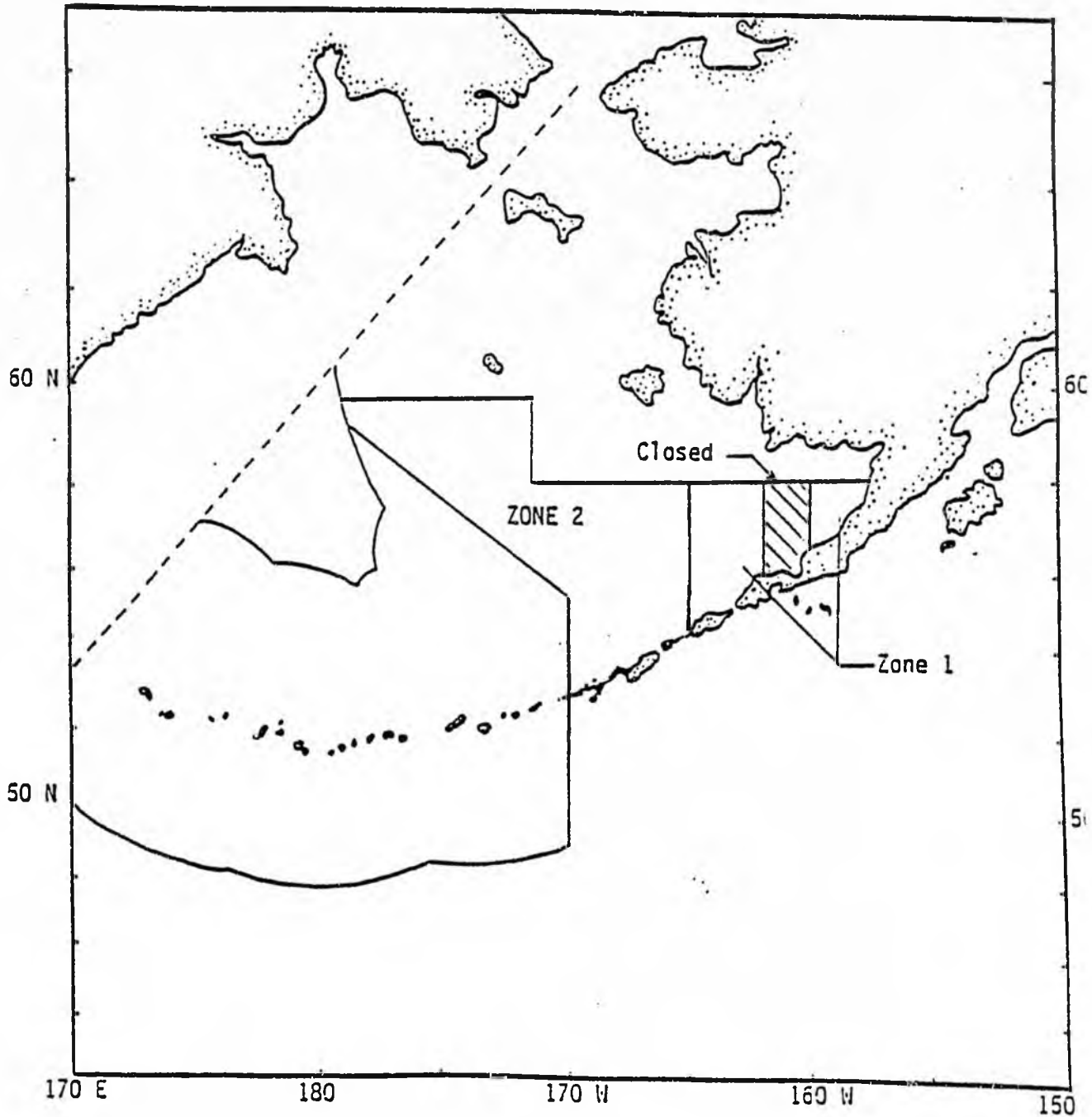


Figure 3.3. Areas (Zones) closed to fishing and DAH flatfish fishing under Amendment 10.

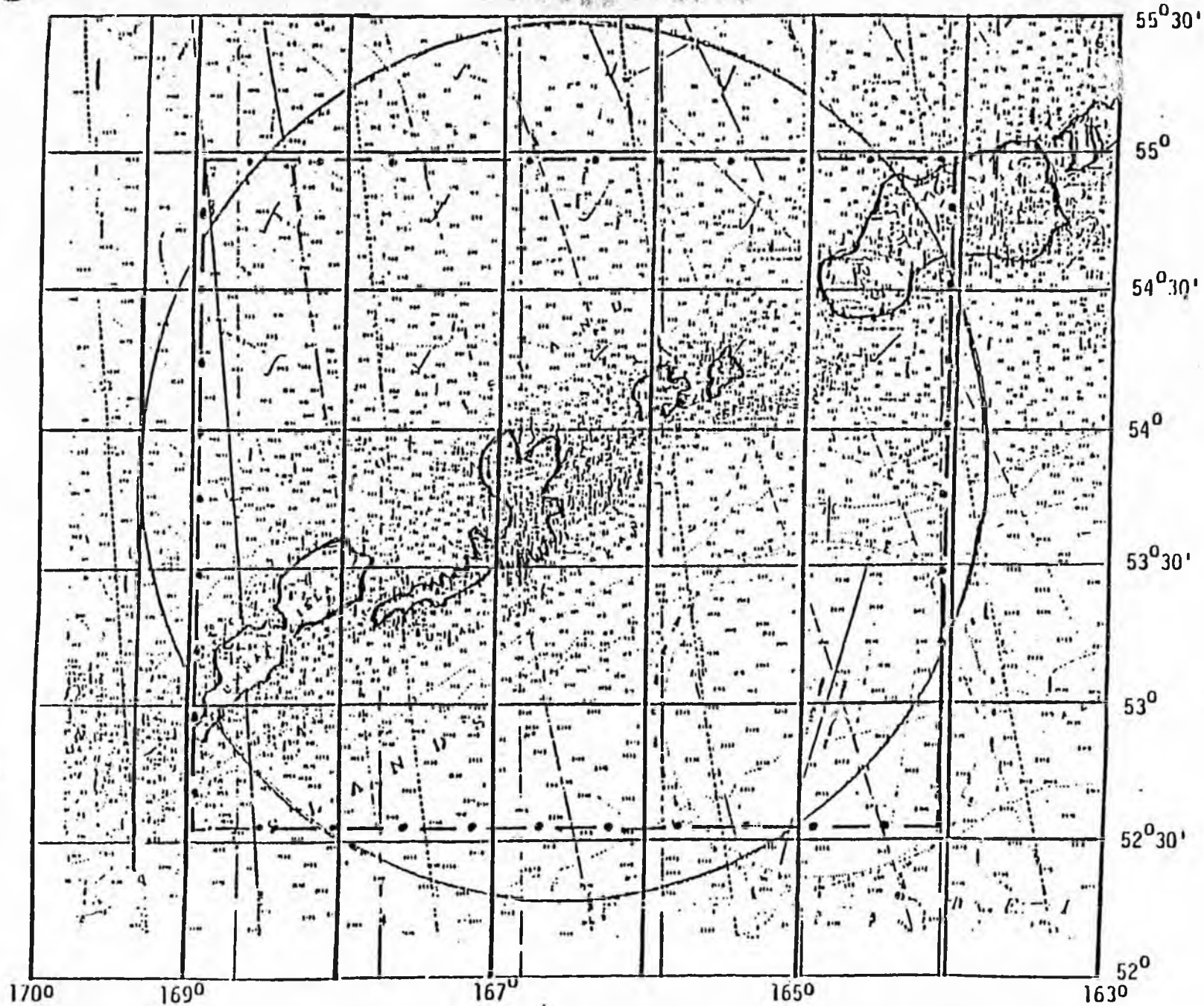


Figure 3.4. 100-mile zone proposed for closure to foreign and joint venture fishing. Circle is originally proposed area. Outer square (entire figure) is Zone 2. Inner square (-•-) is Zone 1.

CORRECTION

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

3.0 ~~ESTABLISH DAP PRIORITY WITHIN 100 MILES OF UNALASKA ISLAND~~

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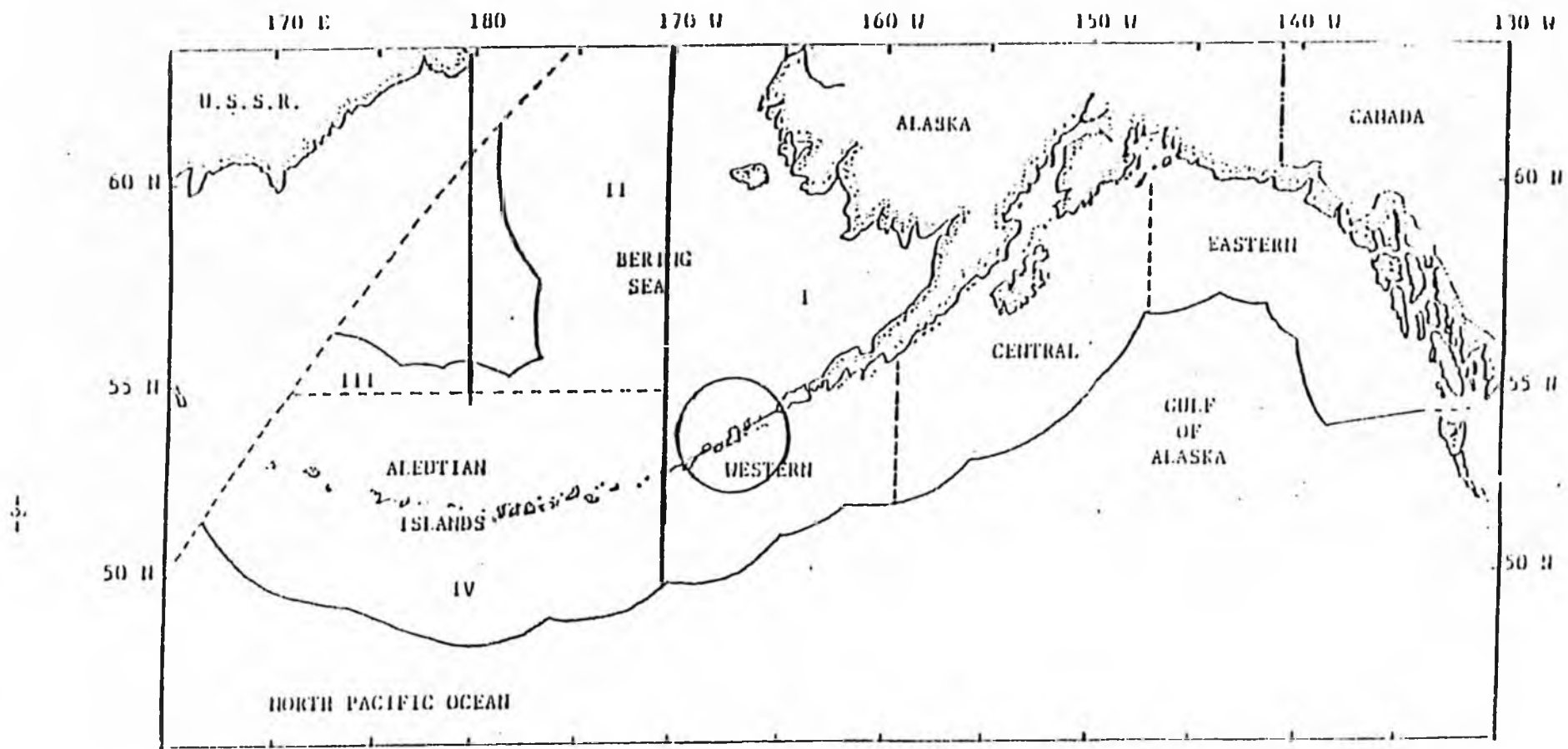


Figure 3.1. Major regulatory areas of the Bering Sea and Aleutian Islands Groundfish and Gulf of Alaska Groundfish FMP's.

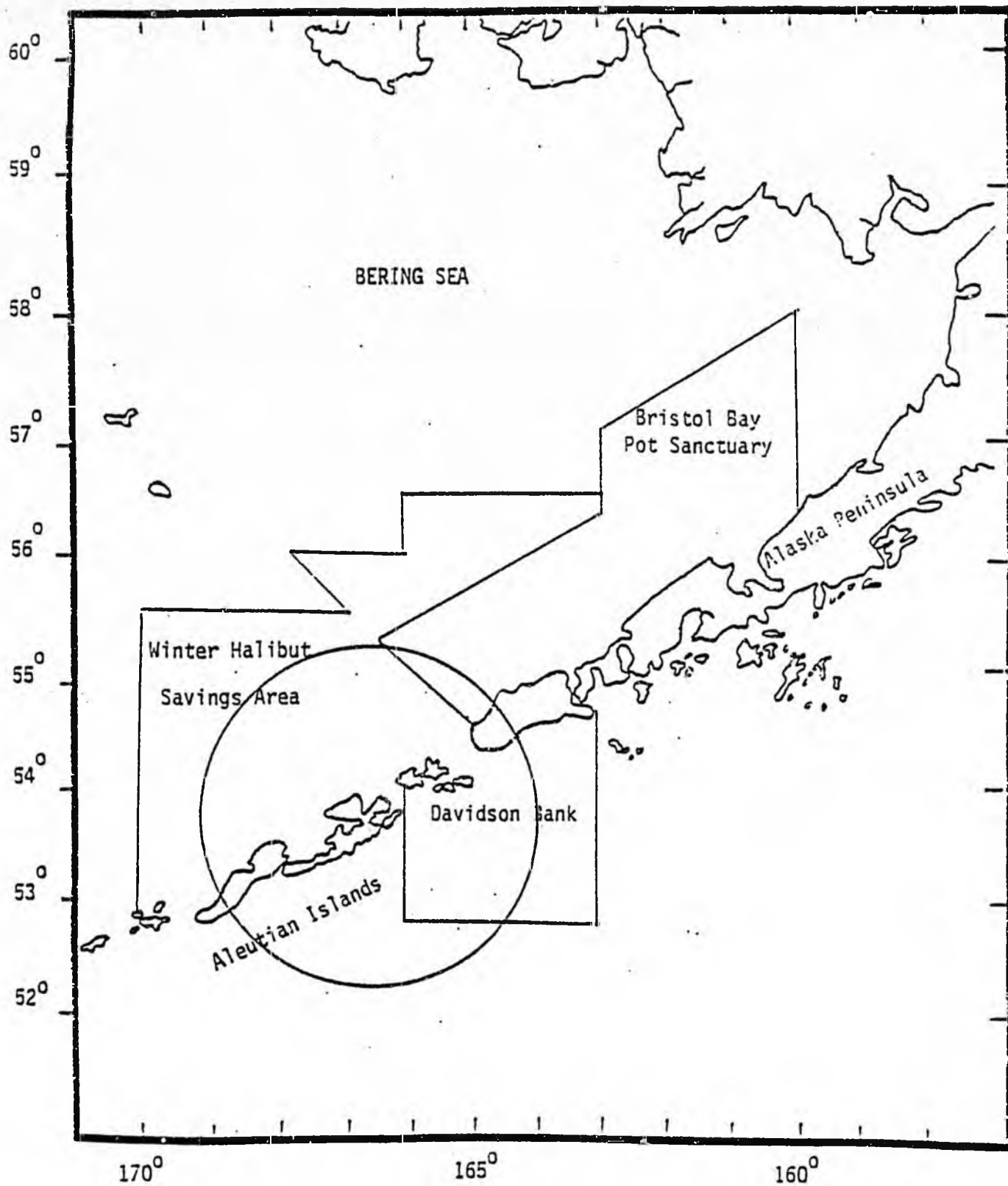


Figure 3.2. Alaska Peninsula/Aleutian Islands: Foreign closures currently in effect (Bristol Bay Pot Sanctuary, Winter Halibut Savings Area, and Davidson Bank) and proposed closed zone.

The current cost structure in the fishery is also a major contributor to the difficulty in securing shoreside delivery of product. The trawlers under contract to the joint venture service companies are paid a price per ton which is fixed pre-season. The shoreside plants have been willing to pay more per pound, but according to public testimony and discussion, the higher price paid is not enough to offset the increased costs associated with bringing fish ashore. These costs include, for direct delivery of product by a crawler, increased fuel purchases, associated running expenses, as well as the cost associated with lost fishing time. Lost fishing time can be substantial if the vessel is fishing the east side of Unimak Pass, if the weather is poor, and if it takes considerable time to relocate schools of fish productive to fishing.

At-sea transfers of product avoid the cost of lost fishing time but, of course, necessitate the purchase and operation of tendering vessels for shoreside delivery. Depending on the type of vessel, these expenses can be substantial. Moreover, a tendering operation will require at least two pumping operations and may again negatively impact fish quality.

The discussion which follows provides a more detailed and quantitative picture of both the status quo (Alternative 1) and what might occur if a 100-mile closure were adopted (Alternative 2). Other possible solutions to the problem are explored by considering a seasonal closure of the D&P access area to JVP (Alternative 3), a seasonal closure of the entire BSAI management area to JVP (Alternative 3a), and by presenting an alternative which would seek to equalize costs through imposition of an per ton assessment on foreign processing vessels (Alternative 4).

3.2 The Alternatives

3.2.1 Alternative 1: Do nothing (the status quo)

Under the status quo any vessel may fish in any area of the Bering Sea/Aleutian Islands management area or Gulf of Alaska management area except for certain time/area restrictions. The restrictions for the foreign fleet which operates in the Bering Sea/Aleutian Islands area include closures in the Pot Sanctuary and seasonal closures in the Halibut Winter Savings Area (Figures 3.1, 3.2). Davidson Bank, in the Gulf of Alaska, is also closed to foreign trawlers (Figure 3.1, 3.2).

Under Amendment 10 to the BSAI FMP the area south of 53° N latitude, between 160° W and 152° W longitude is closed to all fishing year round, with an exception for OAR cod trawlers landward of a line approximating the 25 fathom contour, with the areas depicted in Figure 3.1 as Zone 1 and Zone 2 closed to OAR flatfish trawling (yellowfin sole and other flatfish) when specified PSC limits for King and Tanner crab are exceeded.

At present, the shore plants in Unalaska and Ikutan are experiencing some difficulty in securing sufficient product for their plants. Since adoption of this alternative implies continuation of the status quo it is useful to describe the current supply difficulties from an operational perspective and to outline what measures are underway to rectify the problem without intervention.

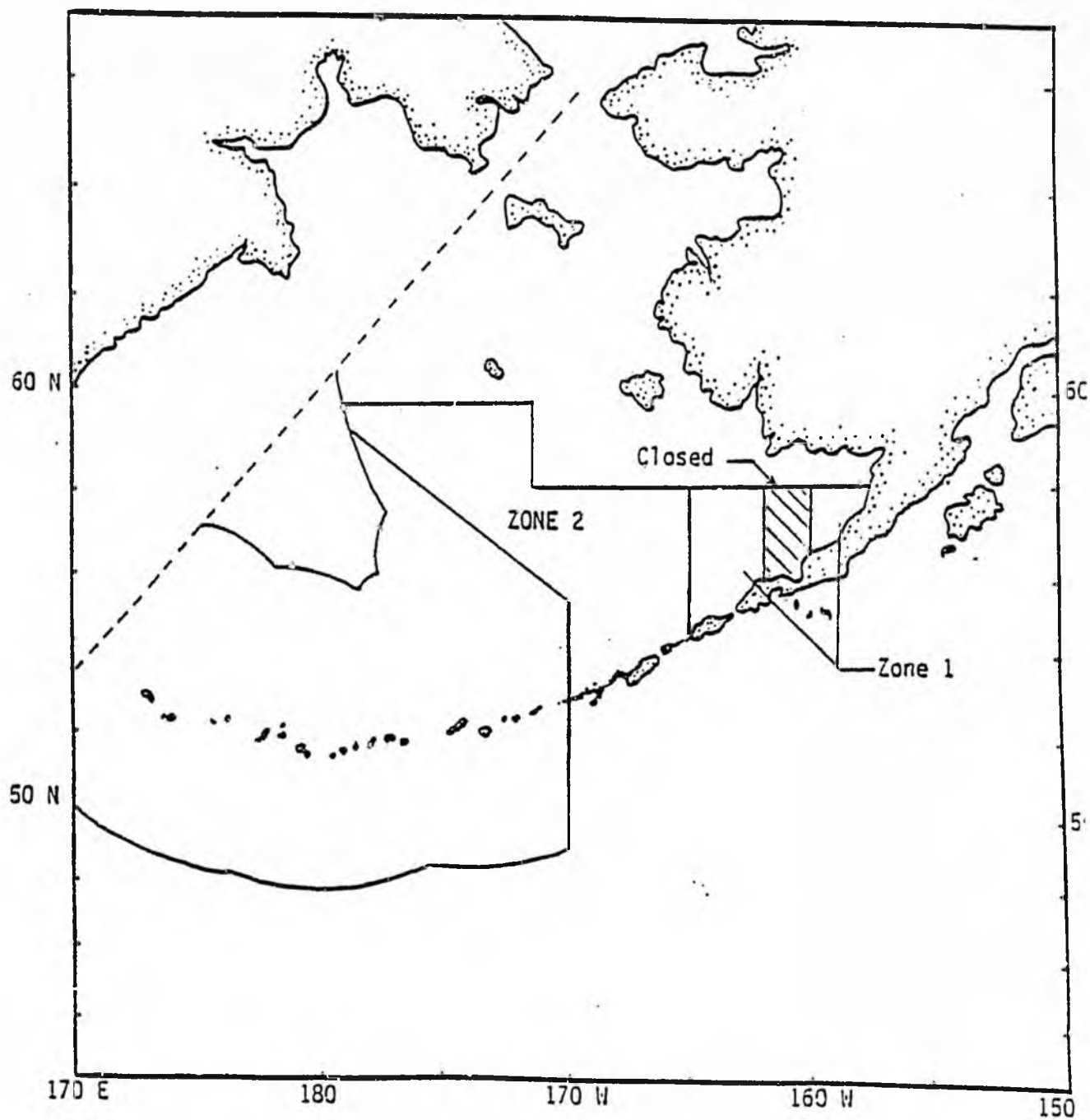


Figure 3.3. Areas (Zones) closed to fishing and DAF flatfish fishing under Amendment 10.

Essentially, the problem is one of costs. Although shore plants are willing to pay a differential of some 3 cents/lb above that paid to domestic vessels fishing for joint ventures indications are that transportation costs (the cost of getting the fish from the grounds to the plants) may range from 5.7 to 10.3 cents/lb (Bert Larkins, pers. comm.).

One solution is for the plants to secure vessels to be used solely for delivery of product. One of the plants (Alayeska) has made such arrangements and, currently, one catcher vessel is able to fully supply the daily needs of the plant. It is not known whether that arrangement will continue should the fish move to more distant fishing grounds, nor is it known whether the other plant in Unalaska (Greatland) has secured future deliveries. Currently Greatland is closed for maintenance and repairs and because of the inability to secure product (Aleutian Eagle, 1987).

A second solution is for the shoreside plants to vertically integrate by purchasing their own fishing vessels. This is an expensive solution in terms of initial capital outlay as a new vessel of the type commonly used in the Alaskan fisheries may cost several million dollars. Such an investment may prove attractive in the long run should it result in a greater stream of profits, but will accentuate anticipated problems in overcapitalization of the fishery.

The tendering option and the fishing vessel purchase option which are market alternatives to management intervention may occur without Council action. Since this document considers the consequences of specific proposed management alternatives these two possibilities are not considered further.

3.2.2 alternative 2: Establish an area within 100 miles of Unalaska/Akutan in which only fishing for domestic processors is allowed

This alternative would allow only DAP (shore based processing or at-sea processing) fishing in a circle extending 100 miles from Unalaska. The restrictions would be in effect for the entire fishing year. Since the zone includes area in both the Gulf of Alaska and the Bering Sea/Aleutian Islands management areas both affected FMPs would need to be amended.

Data availability, practicality in monitoring the catch, and ease of enforcement necessitated two departures from the original proposal. The shape of the closed zone has been modified to approximate a square of $1/2^{\circ}$ by 1° squares (Figure 3.4)¹. This was done for two reasons. First, for the purposes of analysis, no other approach is possible, as the most detailed data available are catches by $1/2^{\circ}$ by 1° square. Approximating catches in partial areas using these data is inappropriate. Second, the Josselyn program database at the NNAFC is designed to monitor and report catches using areas described by $1/2^{\circ}$ by 1° square. Any change in this procedure would necessitate considerable reprogramming effort, therefore the center staff suggests adoption of the square closure area.

¹ At this latitude each square is approximately 10 miles on a side.

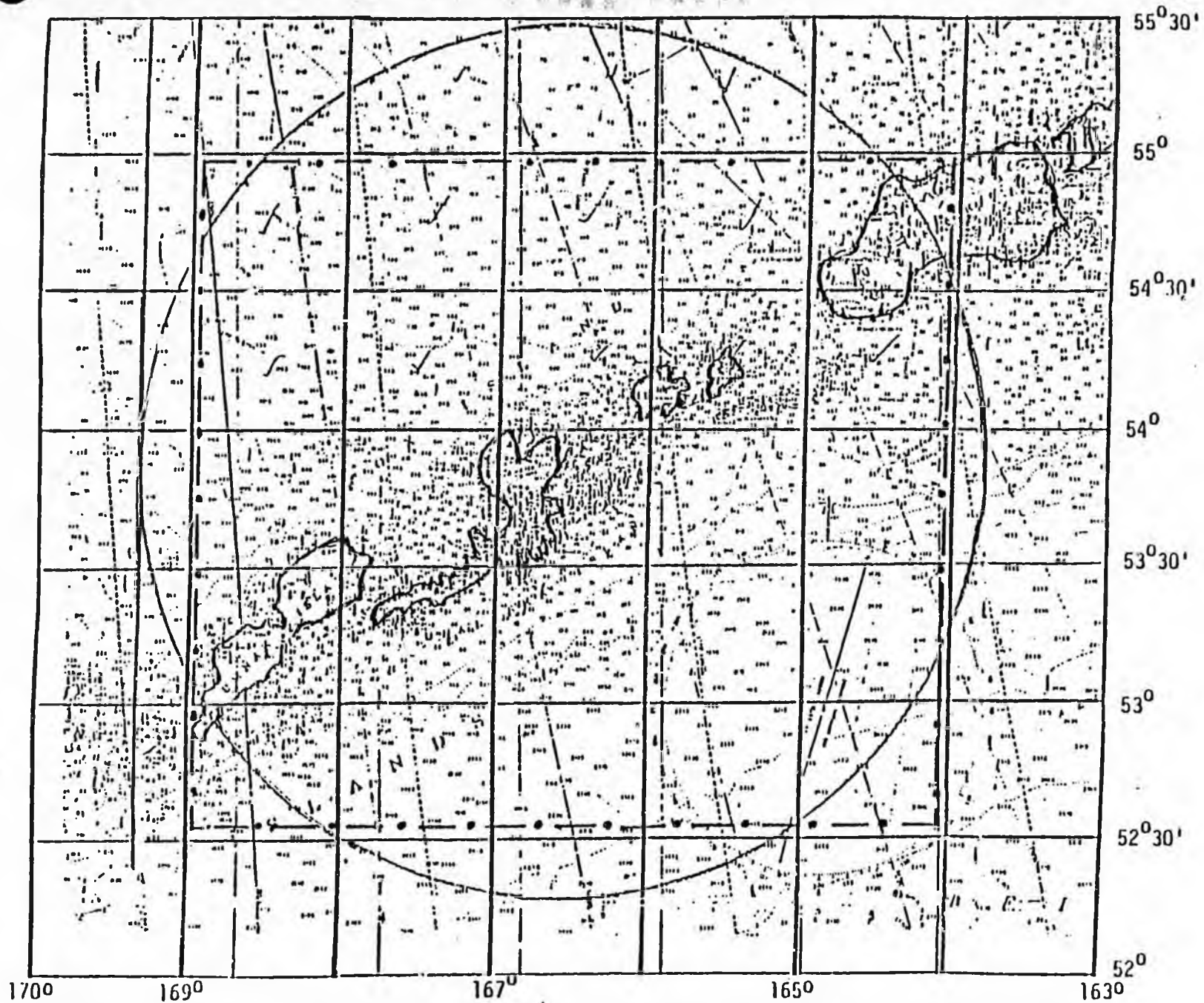


Figure 3.4. 100-mile zone proposed for closure to foreign and joint venture fishing. Circle is originally proposed area. Outer square (entire figure) is Zone 2. Inner square (—•—) is Zone 1.