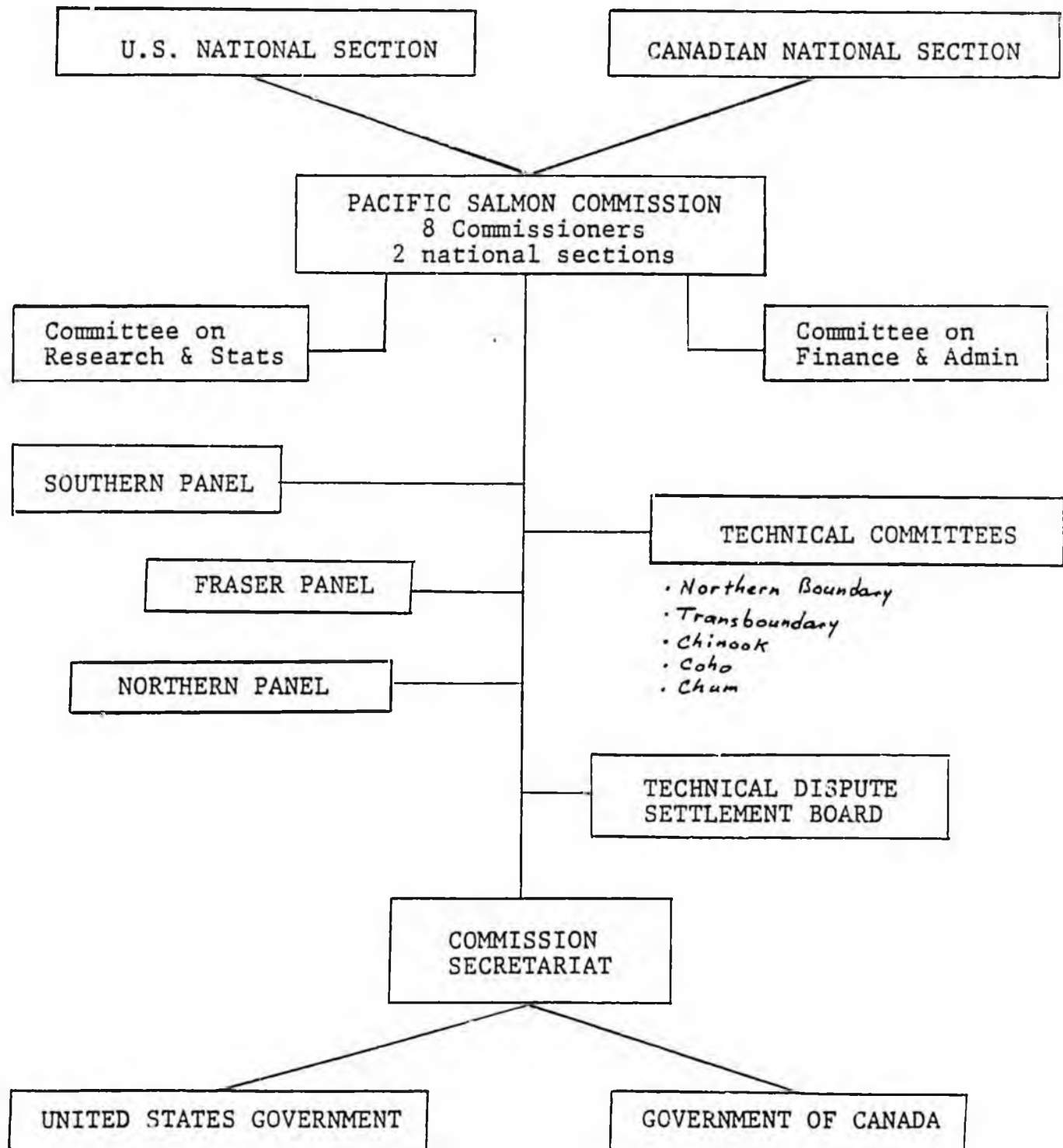


ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4989 HRES HCR 38 - HJR 5

561

ORGANIZATION CHART
PACIFIC SALMON COMMISSION



M E M O R A N D U M

Date: February 8, 1988
To: Nevette Bowen: Rep Sund's Office
From: Laird A. Jones, Special Assistant
Pacific Salmon Commission
Alaska Department of Fish & Game
Subject: Pacific Salmon Commission

Laird A. Jones

I have updated the February 6th Memorandum to provide clearer appointment and decision making structure of the commission. Enclosed are two documents for additional background.

(P.L. 99-5) [enclosed]

Pacific Salmon Commission - Commissioner Appointment:

[Established by: P.L. 99-5; Sec. 3; (a) & (b).]

- The Governor of Alaska submits at least six qualified individual names to the President of the United States. The appointed commissioner serves at the pleasure of the president. The Alaskan commissioner was appointed for a four year term. The term expires September 30, 1989. Each commissioner is eligible for reappointment.

- The alternate commissioner is designated by the Secretary of Commerce and the Secretary of Interior from the above governor's list. The alternate serves the same time period as the member and is also eligible for reappointment.

Representing Alaska on the Pacific Salmon Commission;
Don Collinsworth as the member and Ken Parker as his alternate.

[VOTING REQUIREMENT NOTE (P.L. 99-5; Sec. 3; (g)(1)): The United States Section shall operate with the objective of attaining consensus decisions in the development and exercise of its single vote within the commission. A decision of the United States Section shall be taken when there is no dissenting vote.]

Pacific Salmon Commission - Northern Panel Appointments:

[Established by: P.L. 99-5; Sec. 3; (d) & (f)]

- The governor appoints the State representative. The appointment began on October 1, 1987 and the term is four years.

- The fishing industry representatives are appointed by the Secretary of Commerce from a list provided by the governor. These appointments expire on September 30, 1989. All panel members shall be eligible for reappointment.

-The alternate members are selected in the same manner and by the same appointing authority as the member. Alternates also serve the same time period as the member and are also eligible for reappointment.

The U.S. Section of the Northern Panel members and alternates are listed on the end of the December 14, 1987 "Open Letter to Southeast Alaska Fishermen" by Don Collinsworth [enclosed].

[ADDITIONAL NOTES ON THE PACIFIC SALMON TREATY TO SUPPLEMENT THE BRIEFING DOCUMENT ENCLOSURE]

The Northern Panel geographical area is for salmon originating in rivers with mouths situated between Cape Caution (Central British Columbia) and Cape Suckling (Southeast Alaska).

The Southern Panel's geographical areas are for salmon originating in rivers with mouths situated south of Cape Caution, except for the Fraser River Panel area.

[VOTING REQUIREMENT NOTE (P.L. 99-5; Sec. 3; (g)(2)&(4)): All decisions and recommendations of the United States section of the Northern and Southern Panels shall require the concurring vote of the majority of the United States Panel members present and voting, except that decisions and recommendations of the Southern Panel shall require the concurring vote of the State of Washington and Oregon members and one of the two treaty Indian members. All decisions and recommendations of any joint panel shall require the concurring votes of each panel under rules specified in each separate panel.]

The Fraser River Panel is established specifically for the Fraser river sockeye and pink salmon harvested in the area specified in the treaty. Only the Fraser River Panel has in-season management authority.

PACIFIC SALMON COMMISSION - TECHNICAL COMMITTEES

Reporting to the Northern Panel are the Northern Boundary and Transboundary technical committees.

- For issues regarding coho salmon originating in the Northern Panel geographical area, the Coho Technical Committee reports to the Northern Panel.

- On chinook salmon, the Chinook Technical Committee reports to the Joint Northern/Southern Panel. All members and alternates of the Northern and Southern Panel comprise the joint panel.

[Membership on the technical committees are from the management agencies of the panel region, i.e. the department, N.M.F.S. AF Region and S.S.R.A.A. have members on the technical committees which report to the Northern Panel]

Other enclosures: - The U.S./Canada Pacific Salmon Treaty: What It Means to Alaskan Fishermen
 - 1987 Treaty Annex IV amendments
 - 1986 Treaty Annex IV amendments
 - Original Treaty, MOU and Letter of Transmittal

Enclosures

TREATY REPORTING REQUIREMENTS

1. Annual Post-season Report

- Required under Treaty Article IV, paragraph 1.
- "Each Party shall submit an annual report on its fishing activities in the previous year to the other Party and to the Commission. The Commission shall forward the reports to the appropriate Panels. "
- Panels review & provide comments to Commission.
- Commission reviews & provides views to Parties.
- NOTE: It is proposed that this report be prepared by the joint technical committees.

2. Annual Pre-season Report

- Required under Treaty Article IV, paragraph 3.
- "Each year the State of origin shall submit preliminary information for the ensuing year to the other Party and to the Commission, including:"
 - estimated run size
 - interrelationship between stocks
 - spawning escapements required
 - estimated total allowable catch
 - intentions re. management of its own fisheries
 - relevant domestic allocation objectives
- Panels review & provide report to Commission.
- Commission review & recommend fishery regimes (where appropriate) to Parties.

3. Annual Enhancement Report

- Required under Treaty Article V.
- "Each year each Party shall provide to the other Party and to the Commission . . ."
 - operations of & plans for existing projects
 - plans for new projects

- views concerning the other Party's salmon enhancement projects
- Commission forwards to appropriate Panels.
- Panels review and report views to the Commission in light of obligations in Treaty.
- Commission reviews, and may provide recommendations to Parties.

OTHER TREATY ACTION REQUIREMENTS

1. Fraser Area Regulation and In-season Management

- Required by Treaty Article VI.
- Fraser Panel performs regulation & management functions.
- Fraser Area for Panel regulation described in Annex II.

2. Development of new fishing regimes

- To comply with Article III

3. Research

- General obligation of Parties to conduct research relevant to migration and harvest patterns, stock productivity, & extent of interceptions.
- Authority in Treaty Article X.

4. Payment of Costs

- Each Party pays the costs of its own national section
 - Treaty Article II, paragraph 11.
- Parties equally contribute to pay the costs of the Commission itself.
 - Treaty Article II, paragraph 12.

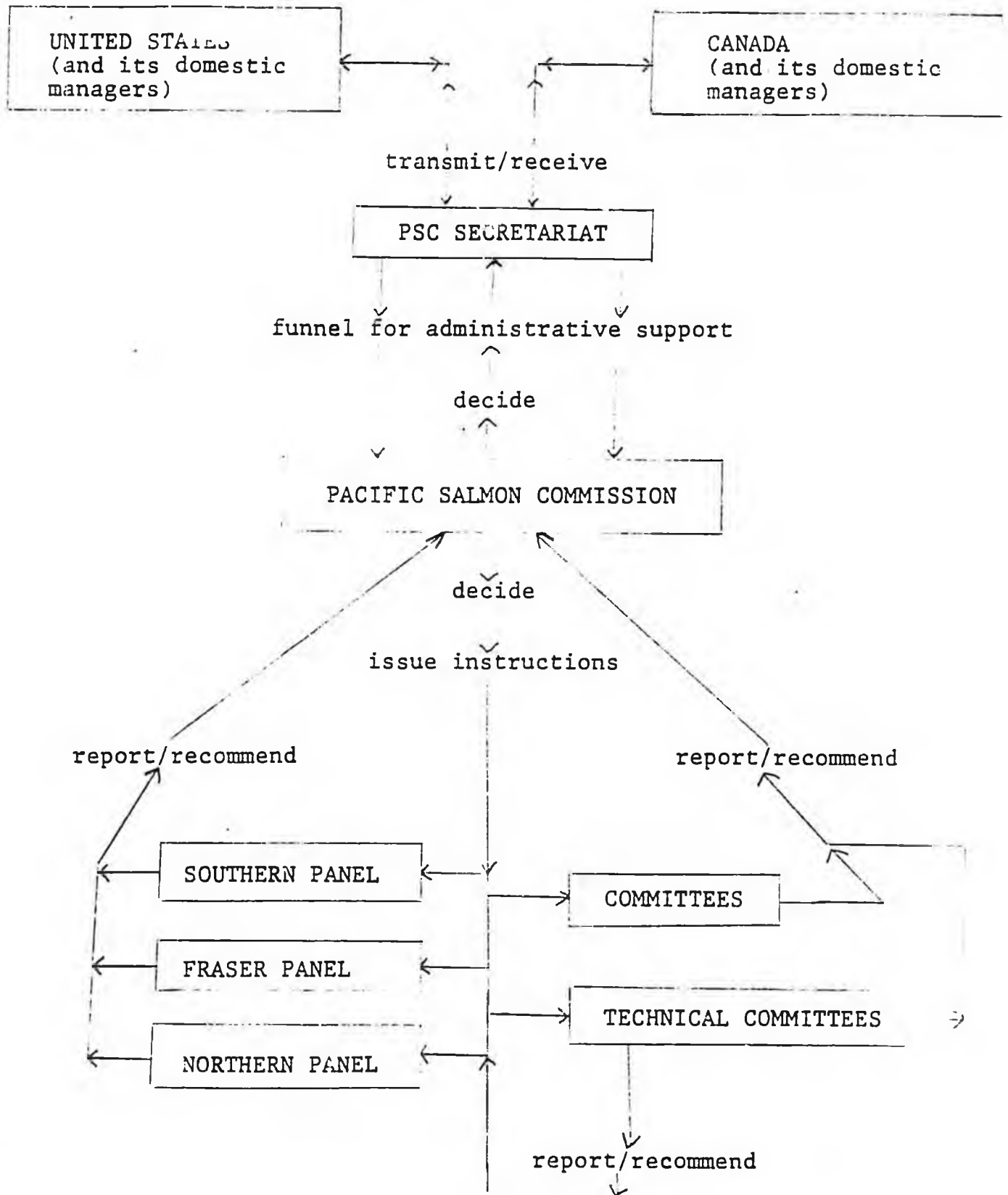
PRINCIPLES OF THE PACIFIC SALMON TREATY

The principles of the Pacific Salmon Treaty are found in Article III. These principles are relatively broad and susceptible of implementation by a wide variety of means, measures and methods. The principles are, however, intended to provide a general guide for decision making in the Commission and are restated below for reference.

ARTICLE III

- "
1. With respect to stocks subject to this Treaty, each Party shall conduct its fisheries and its salmon enhancement programs so as to:
 - (a) prevent overfishing and provide for optimum production; and
 - (b) provide for each Party to receive benefits equivalent to the production of salmon originating in its waters.
 2. In fulfilling their obligations pursuant to paragraph 1, the Parties shall cooperate in management, research and enhancement.
 3. In fulfilling their obligations pursuant to paragraph 1, the Parties shall take into account:
 - (a) the desirability in most cases of reducing interceptions;
 - (b) the desirability in most cases of avoiding undue disruption of existing fisheries; and
 - (c) annual variations in abundance of the stocks.
- "

DECISION STRUCTURE CHART



GENERAL COMPARISON OF RESPONSIBILITIES

PACIFIC SALMON COMMISSION

AND ITS

SUBSIDIARY BODIES

Commission Level:

- Decision-makers
- Primary place for negotiation
- Final approval of all recommendations to Parties
- Guidance & assignments to Panels, Committees, Joint Technical Committees
- Reconciles difference within and between Panels
- Manage technical dispute resolution process
- Recommendations to Parties
- Administrative control
- Liason with Party governments

Panel Level, All Panels:

- Work groups
- Review reports & relevant proposals for fishing regimes
- Provide views & recommendations to Commission
- Identify problems
- Minimize conflicts referred to Commission
- Monitoring
- Carry out negotiations and other duties as assigned by Commission

Fraser Panel Only:

- Proposes annual regulations
- Conduct in-season management

Committees:

- Carry out duties as assigned by Commission
- Report and recommendations to Commission

Technical Committees:

- Work groups
- Provide analytical support to Commission and Panels
- Prepare post-season report (proposed joint report)
- Prepare technical reports as assigned by Commission
- Review management regimes and recommendations provided by Commission or Panels
- Prepare guidelines for Commission and Panel use in the development of fishing regimes that comply with Annexes and Article III

Commission Secretariat:

- Provide administrative support for Commission and its subsidiary bodies
- Manage finances consistent with Commission decisions and Commission Bylaws
- Manage staff consistent with Commission decisions and Bylaws (Staff Regulations)
- Receive and transmit reports and correspondence between Parties and Commission

UNITED STATES-CANADA SALMON TREATY NEGOTIATIONS: THE ALASKAN PERSPECTIVE

By
TED STEVENS*

The final ratification of the 1985 United States-Canada Pacific Salmon Treaty came as a result of Alaska's support for the Treaty. The initial Treaty, while tentatively approved, was opposed by Alaskan fishermen in general and Senator Stevens in particular. The Treaty as ultimately accepted by Canada and the United States provides for Alaska's fishery conservation practices and addresses the concerns of Alaskan fishermen regarding intercepting fisheries near the Canadian-Alaskan transboundary rivers. Senator Stevens explains his opposition to the draft 1982 Treaty, his support for the 1985 Treaty, and concludes that the final Treaty is a fair, reasonable document that equitably spreads the burdens of Pacific salmon restoration amongst Canada, the Northwest, and Alaska.

In December 1982, both the United States and Canada initiated a draft of the United States-Canada Pacific Salmon Treaty signifying their tentative approval of the Treaty.¹ While the Treaty negotiations were designed in large measure to revamp the 1930 Fraser River Convention,² the scope of the 1982 Treaty was extended to include all intercepting salmon fisheries. Many Alaskans criticized the detailed chinook provisions in the Treaty because if enacted, they would have had a devastating impact on southeast Alaska fishermen. Moreover, at the time of the 1982 draft, there was no implementing legislation available to consider in conjunction with the Treaty and Alaska fishermen faced the threat of treaty fishing rights litigation from Pacific Northwest

*United States Senator, State of Alaska. LL.B. 1957, Harvard Law School; B.A. 1947, University of California at Los Angeles.

1. Treaty Between the Government of Canada and the Government of the United States of America Concerning Pacific Salmon (Negotiators Draft) (Dec. 22, 1982) [hereinafter cited as 1982 Agreement].

2. United States-Canada Convention for the Protection, Preservation and Extension of the Sockeye Salmon Fishery in the Fraser River System, signed May 26, 1930, 50 Stat. 1355 (1930), 8 U.S.T. 1058, T.I.A.S. No. 3867 [hereinafter cited as Fraser River Convention].

CORRECTION

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

UNITED STATES-CANADA SALMON TREATY NEGOTIATIONS: THE ALASKAN PERSPECTIVE

By
TED STEVENS*

The final ratification of the 1985 United States-Canada Pacific Salmon Treaty came as a result of Alaska's support for the Treaty. The initial Treaty, while tentatively approved, was opposed by Alaskan fishermen in general and Senator Stevens in particular. The Treaty as ultimately accepted by Canada and the United States provides for Alaska's fishery conservation practices and addresses the concerns of Alaskan fishermen regarding intercepting fisheries near the Canadian-Alaskan transboundary rivers. Senator Stevens explains his opposition to the draft 1982 Treaty, his support for the 1985 Treaty, and concludes that the final Treaty is a fair, reasonable document that equitably spreads the burdens of Pacific salmon restoration amongst Canada, the Northwest, and Alaska.

In December 1982, both the United States and Canada initiated a draft of the United States-Canada Pacific Salmon Treaty signifying their tentative approval of the Treaty.¹ While the Treaty negotiations were designed in large measure to revamp the 1930 Fraser River Convention,² the scope of the 1982 Treaty was extended to include all intercepting salmon fisheries. Many Alaskans criticized the detailed chinook provisions in the Treaty because if enacted, they would have had a devastating impact on southeast Alaska fishermen. Moreover, at the time of the 1982 draft, there was no implementing legislation available to consider in conjunction with the Treaty and Alaska fishermen faced the threat of treaty fishing rights litigation from Pacific Northwest

*United States Senator, State of Alaska. LL.B. 1957, Harvard Law School; B.A. 1947, University of California at Los Angeles.

1. Treaty Between the Government of Canada and the Government of the United States of America Concerning Pacific Salmon (Negotiators Draft) (Dec. 22, 1982) [hereinafter cited as 1982 Agreement].

2. United States-Canada Convention for the Protection, Preservation and Extension of the Sockeye Salmon Fishery in the Fraser River System, signed May 26, 1930, 50 Stat. 1355 (1930), 8 U.S.T. 1058, T.I.A.S. No. 3867 [hereinafter cited as Fraser River Convention].

Indian tribes.³

When it became apparent that the concerns of Alaskan fishermen were not addressed in the Treaty, Alaska's congressional delegation opposed final approval and ratification.⁴ This delegation wanted both the Canadian and United States Governments to reconsider the Treaty's impact upon Alaska. The ultimate result was a modified and improved Treaty, ratified in March 1985,⁵ in conjunction with the enactment of implementing legislation,⁶ and settlement of the pending treaty fishing rights litigation.⁷

The proposed 1982 Treaty provided some protection for Washington and Oregon fishermen operating in the Fraser River System by including the waters outside of the Fraser River Convention area in the management structure of the Treaty.⁸ But there was no guarantee that United States fishermen could continue fishing at reasonable levels for an appreciable period of time. The 1982 version of the Treaty also contained an accelerated rebuilding cycle for Columbia River chinook salmon which favored the fishermen of Canada and the Pacific Northwest United States.⁹ However, many of the concessions which formed the basis of the initialed 1982 agreement were burdens on Alaskan fishermen. The 1985 Treaty, while not perfect, has corrected this imbalance.¹⁰

During the many long years of negotiations with Canada, Alaskan fishermen made many unilateral sacrifices in conjunction

3. The tribes would have sued the State of Alaska to restrict Alaska harvest of Pacific Northwest salmon, particularly chinook. See *Confederated Tribes and Bands of the Yakima Indian Nation v. Baldrige*, 605 F. Supp. 833 (W.D. Wash. 1985).

4. My colleagues in the Alaska congressional delegation are Senator Frank Murkowski and Representative Don Young.

5. Treaty Between the Government of the United States of America and the Government of Canada Concerning Pacific Salmon, Treaty Doc. No. 99-2 (ratified Mar. 7, 1985) (entered into force Mar. 18, 1985) [hereinafter cited as 1985 Treaty].

6. Pacific Salmon Treaty Act of 1985, Pub. L. No. 99-5, 99 Stat. 7 (1985) (codified at 16 U.S.C.A. §§ 3631-3644 (West 1985)).

7. *Confederated Tribes and Bands of the Yakima Indian Nation v. Baldrige*, 605 F. Supp. 833 (1985).

8. See 1982 Agreement, *supra* note 1, at Annex IV, ch. 4, para. 1.

9. See 1982 Agreement, *supra* note 1, at Annex IV, ch. 3 (entitled *Conservation Measures for Chinook Salmon*).

10. See 1985 Treaty, *supra* note 5, at Annex IV, ch. 4.

with the State of Alaska's effort to reverse the decline of the chinook salmon.¹¹ This was exemplified by the Alaska Department of Fish and Game's actions in 1980-1984 to reduce catch ceilings for southeast Alaska trollers and the incidental catch rates for other fisheries.¹² During that period, however, Canadian fishermen actually increased their harvest of southbound chinooks, thereby negating Alaska's attempts to enhance escapement for the benefit of all Pacific coast salmon fishermen.

The 1982 agreement did not reflect the conservation efforts already being carried out by Alaska. A two cycle rebuilding period of ten years for chinooks to enhance the Columbia River stocks was contemplated by the 1982 agreement,¹³ but there was no reasonable transition for southeast Alaska fishermen. Reductions in catch levels for the southeast troll fishery necessary to sustain such a short rebuilding period, in addition to the limits already imposed by the Alaska Department of Fish and Game,¹⁴ would

11. For example, the Alaska Department of Fish and Game implemented many conservation measures to protect chinook salmon in southeast Alaska. These measures included: closure of waters west of Cape Suckling to trolling (1974); limited entry for power trollers (1975); restrictions on sport fishing bag and possession limits (1975); elimination of directed net fisheries for chinook (1975-1977); closure of terminal areas to trolling (1975-1977); closures of inside areas to protect immature chinook (1975-1977); a 25-inch minimum size limit for chinooks (1977); closure of outside waters to hand trolling (1978-1980); establishment of eight-day openings/six-day closure fishing periods (1979); prohibition of sport fishing from commercial vessels (1979); reduced line limits for power and hand troll fisheries (1980); moratorium on entry into the hand troll fishery (1980) and limited entry for hand trollers (1981); establishment of a guideline harvest level of 320,000 chinook (1980) and then reduction of the guideline harvest level to 285,000 chinook (1981); prohibited use of any hooks other than single hooks (1981); reduced chinook fishing seasons in coastal and offshore waters from April 15 - October 31 to May 15 - September 20 (1981); closed entire troll fishery from April 15 to May 15 (1981); closed the troll fishery in-season to protect chinook and coho twice during 1980 and three times during 1981; and required fishermen to report catches before transporting fish out of state (1981). Alaska Dep't of Fish and Game, Commercial Fisheries Div., Conservation Measures Taken by Alaska to Protect Chinook Salmon in Southeast Alaska (unpublished data) (Mar. 12, 1982).

12. See Alaska Dep't of Fish and Game, Southeast Region Fisheries Div., Staff, Draft Preliminary Report on 1985 Southeast Alaska Chinook Salmon Catch and Escapement (unpublished report prepared for U.S.-Canada Pacific Salmon Comm'n) (Jan. 1986) [hereinafter cited as Alaska Salmon Catch Report].

13. See 1982 Agreement, *supra* note 1, at Annex IV, ch. 3 (entitled *Conservation Measures for Chinook Salmon*).

14. See *supra* note 9.

have forced almost all southeast Alaska fishermen out of the fishery, resulting in severe economic dislocations for Alaskan coastal communities.¹⁵

The 1985 Treaty, in contrast, takes into account the deep Alaskan commitment to conservation. It allows for an extended rebuilding period with protection against a sudden reduction of Alaskan harvests in order to achieve a gradual recovery of the Columbia River chinook stock without destroying the trout fishery.¹⁶

Although the 1982 agreement would have imposed restrictive quotas on all facets of the United States intercepting chinook fisheries, it did not include comprehensive restrictions on the Canadian fishery off of the west coast of Vancouver Island. As a practical matter, this "loophole" would have allowed Canadian fishermen to shift their efforts from restricted fisheries to the Vancouver Island fishery. The 1985 Treaty closed this loophole by imposing specific quotas on all significant Canadian intercepting chinook fisheries.¹⁷

Alaska's continuing effort to bolster the declining chinook stocks was incorporated into the 1985 Treaty. While the 1982 agreement would not have credited Alaskan fishermen for any future gains derived from the State of Alaska's restoration programs, the Treaty as adopted takes into account the demonstrated contributions of enhancement activities. This is particularly relevant to Alaska, because the State has embarked on a comprehensive enhancement program which will provide over 200,000 additional chinooks by 1990.¹⁸

The establishment of a fishery regime in the northern boundary region between British Columbia and southeast Alaska was

15. Almost all communities in southeast Alaska rely on salmon for economic sustenance. See, e.g., G. ROGERS & R. COOLEY, ALASKA'S POPULATION AND REGIONAL GROWTH, DEVELOPMENT AND FUTURE OUTLOOK 198-72 (Mar. 1982) (salmon account for 80% of total value of commercial fisheries; Southeast Alaska generally produced the largest portion of the total commercial fishery values during the decade).

16. See 1985 Treaty, *supra* note 5, at Annex IV, ch. 2 (entitled *Chinook Salmon*).

17. See 1985 Treaty, *supra* note 5, at Annex IV, ch. 2, para. 1(d)(ii).

18. *Id.* at Annex IV, para. 2.

19. See ALASKA DEPT. OF FISH AND GAME, PRE-SEASON MANAGEMENT PLAN 1985 SOUTHEAST ALASKA CHINOOK FISHERIES 7 (Apr. 1985). See also ALASKA Salmon Catch Report, *supra* note 15, at 10-14.

also an integral element of the negotiations.²⁰ The critical issue involved the need to limit fishing effort in a way that would prevent high incidental catches of each Nation's salmon stocks by the other Nation. Early in the negotiations it was recognized that unreasonable limitations on United States harvests of Canadian sockeye would significantly impede the ability of southeast Alaska fishermen to harvest the Alaskan pink salmon resource. In spite of these concerns, the 1982 agreement imposed strict limitations on the sockeye catch at Noyes Island and Tree Point.²¹ These limitations would have forced United States fishermen to forego harvesting millions of pink salmon of United States origin.

The 1985 agreement moderated this adverse impact by permitting United States fishermen an incidental catch of 480,000 sockeye at Noyes Island for a four year period and 130,000 sockeye per year at Tree Point.²² The principle is clearly established that interception limits will not prevent the United States from harvesting its own fish.²³ The agreement does permit a larger Canadian incidental harvest of pink salmon, but the Canadian troll fishery will close down in the northern part of the boundary area upon reaching an incidental catch of 300,000 pinks.²⁴

The key feature of the Treaty which resulted from the prolonged negotiations on the northern boundary area,²⁵ is the recognition by all parties that the fish stocks should be managed to permit fishermen of each nation to continue "targeting" on stocks originating in their own waters.²⁶ The specific restrictions embedded in the 1985 agreement reflect that understanding.

The transboundary river controversy was another issue of

20. See 131 Cong. Rec. S2687 (daily ed. Mar. 7, 1985) (statement of Sen. Lugar referring to the 1985 Treaty, *supra* note 5, at Annex IV, ch. 2).

21. See 1982 Agreement, *supra* note 1, at Annex IV, ch. 2 (entitled *Northern British Columbia-Southeastern Alaska Boundary Area*), para. 2(i) & (ii).

22. See 1985 Treaty, *supra* note 5, at Annex IV, ch. 2 (entitled *Northern British Columbia-Southeastern Alaska*), paras. 2 & 3.

23. *Id.* at para. 4 ("the Parties shall implement appropriate management measures which will take into account the expected run-sizes and permit each country to harvest its own stocks").

24. *Id.* at para. 3(c).

25. This is the boundary between the United States and Canada in southeast Alaska. See *supra* note 19 and accompanying text.

26. See 131 Cong. Rec. S2687 (daily ed. Mar. 7, 1985) (statement of Sen. Lugar).

concern for Alaska during the negotiations. Canada's increased harvests on the transboundary rivers located in southeast Alaska, especially the Stikine and the Taku Rivers, appear to have been promoted for the purpose of Canada's obtaining additional leverage in the overall negotiations. There were no traditional or viable commercial Canadian fisheries on these rivers before the negotiations. In fact, the Canadian Government had to subsidize the Taku River fishery to maintain a claim for future Canadian fishery development there.

The 1982 agreement called for an allocation regime that might have established an economically viable Canadian fishery for sockeye and coho on the Stikine and Taku Rivers.²⁷ For the years 1983 and 1984, the Canadians would have been allowed a sockeye harvest approximating fifty percent of the total allowable catch.²⁸ There was a dispute over whether Canada would be allowed thirty-five percent of the catch or fifty percent of the catch after 1984. That coho harvest was included at the last minute in the allocation scheme.²⁹

Many southeast Alaskan fishermen have traditionally depended on Stikine and the Taku River harvests. In the 1982 agreement, the benefits of the State of Alaska's strict conservation regime designed to restore these runs would have passed on to a previously non-existent Canadian fishery. The final Treaty moderates the impact of a transboundary allocation scheme on Alaskan fishermen. It expressly provides that the Canadians will be entitled to only thirty-five percent of the sockeye on the Stikine River,³⁰ and fifteen percent of the sockeye on the Taku River.³¹ The Canadians are also limited to 2000 coho on the Stikine and an incidental catch on the Taku.³²

The 1985 Treaty and agreed understandings largely resolved the questions presented by the "equity" principle.³³ The Canadi-

27. See 1982 Agreement, *supra* note 1, at Annex IV, ch. 1 (United Transboundary Rivers).

28. *Id.* at Annex IV, ch. 1, para. 3.

29. *Id.* at para. 3(b).

30. See 1985 Treaty, *supra* note 5, at Annex IV, ch. 1, para. 3(a).

31. *Id.* at para. 3(b).

32. *Id.* at para. 3.

33. See Jensen, *The United States-Canada Pacific Salmon Interim Treaty: An Historical and Legal Overview*, 16 ENVTL. L. 173, 170 n.106, and the Memorandum of Understanding, para. A, accompanying the 1985 Treaty.

ans were, and still are demanding that they receive disproportionate compensation for Canadian fish caught by United States fishermen. It was contemplated that this compensation would come in the form of increased fishery allocations to be decided by the Commission. The 1985 Treaty allows the United States to assert its position forcefully, although Canada will doubtless keep up the pressure to obtain its claimed share.

The process of implementing the Treaty into domestic law has also served to protect United States interests. The Reagan Administration recognized the need to restore the salmon stocks by enhancement as soon as resources permitted in order to mitigate any economic dislocation resulting from the Treaty fishing limits.³⁴ The United States Department of State specifically stated that it would support funding for an enhancement program in Alaska.³⁵ The implementing legislation also mandates Commission positions³⁶ and provides veto authority for northern and southern delegations as a safeguard against unjustifiable tradeoffs between the north and the south.³⁷

The implementing process also put to rest the issue of whether the fishery allocation regime, established by Judge Boldt in *United States v. Washington*³⁸ applies to chinook harvests off Alaska. The "Boldt decision" held that the Pacific Northwest Indian Tribes, which are protected by the Stevens and Palmer Treaties, are entitled to fifty percent of all harvestable anadromous fish passing through their traditional fishing grounds.³⁹ Due

note 5.

34. See *Hearings Before the Subcomm. on Fisheries and Wildlife Conservation and the Environment of the House Comm. on Merchant Marine and Fisheries*, 99th Cong., 1st Sess. 102-03 (1985) (colloquy between U.S. Negotiator Kronmiller, Rep. Lowry, and State Dept. Counselor Derwinski).

35. See Letter from Secretary of State George Shultz to Senator Ted Stevens (Mar. 7, 1985) (discussing the United States-Canada Salmon Treaty), reprinted in 131 Cong. Rec. S2675 (daily ed. Mar. 7, 1985).

36. See 16 U.S.C.A. § 3632(a)-(b).

37. *Id.* § 3632(g). It should be noted that "north" means Alaska and "south" means everyone else except Canada.

38. 384 F. Supp. 312 (W.D. Wash. 1974), *aff'd*, 500 F.2d 676 (9th Cir. 1975), *cert. denied*, 423 U.S. 1086 (1976). See *Washington v. Washington State Commercial Passenger Fishing Vessel Ass'n*, 443 U.S. 658 (1979).

39. See, e.g., Comment, *Empty Victories: Indian Treaty Fishing Rights in the Pacific Northwest*, 10 *Env'tl. L.* 411 (1980); Harrison, *The Elimination of a New Comprehensive Plan for Managing Certain Anadromous Fish*, 16 *Env'tl.*

to the ongoing, managerial nature of *United States v. Washington*, the issue of the tribal right to protection of the fishery resource throughout its range remained unresolved in 1982. In an effort to promote their positions in the Salmon Treaty negotiations, the Treaty tribes threatened to seek a court ruling which would have included Alaskan harvests under the Boldt decision.

In the final analysis, that tactic proved beneficial for both Alaska and the tribes. The tribes extracted a provision for equal representation on the United States Section of the Pacific Salmon Commission.⁴⁰ In exchange for supporting ratification of the Treaty and participation by the tribes, the State of Alaska obtained a legal commitment on the part of the Tribes not to seek inclusion of Alaskan harvests of Pacific Northwest salmon in the *United States v. Washington* allocation scheme as long as the 1985 Treaty remains intact.⁴¹

The 1985 Pacific Salmon Treaty imposes harsh burdens on many of southeast Alaska's fishermen, but there is a widespread perception in Alaska that sacrifices must be made in order to rebuild the salmon resources. Alaskans are willing to share part of this burden; however, it was necessary to ensure that the burden was spread fairly among all parties. The 1985 Treaty succeeded in achieving this goal.

L. 765 (1986) (discussion of equal share). See generally F. COHEN, *HISTORY OF AMERICAN INDIAN LAW* 220-28 (1982). The various Stevens Treaties are given. Holt, *Can Indians Hunt in National Parks? Determinable Indian Treaty Rights*, and *United States v. Hicks*, 16 *Env't. L.* 297, 217 n.96 (1986).

40. See 16 U.S.C.A. § 3632(e)(3).

41. See *Confederated Tribes and Bands of the Yakima Indian Nation v. Price*, 635 F. Supp. 823, 836-37 (1985).

RESOLUTION NO. 1118-R(a)

A RESOLUTION OF THE CITY OF PETERSBURG URGING THE GOVERNOR TO INSTRUCT THE TREATY COMMISSION TO PUT A HIGH PRIORITY ON INCREASING THE CHINOOK QUOTA FOR ALASKA THIS WINTER.

WHEREAS, there is a high availability of Chinook salmon in Southeast Alaska waters; and

WHEREAS, Southeast Alaska has suffered an economic loss due to the U.S.-Canada Salmon Treaty quotas; and

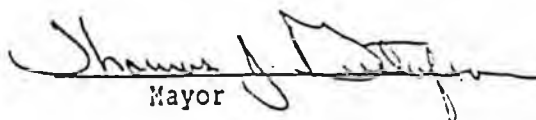
WHEREAS, Alaska and Canada are presently on a maximum quota, while Washington and Oregon have tremendously increased their harvest of Chinook salmon; and

WHEREAS, Washington and Oregon indicator streams are 300% above the treaty escapement goals; and

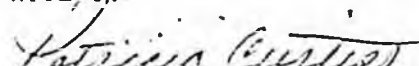
WHEREAS, in light of the above facts, there is no biological reason not to increase the Southeast Alaska quota.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Petersburg to request Governor Cowper to instruct the Treaty Commission to put a high priority on increasing the Chinook quota for Alaska for this winter.

PASSED and APPROVED by the City Council of the City of Petersburg, Alaska this 5 day of October 1987.


Mayor

ATTEST:


City Clerk

THE CITY OF KETCHIKAN ALASKA

RESOLUTION NO. 87-1519

A RESOLUTION OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, URGING THE GOVERNOR TO INSTRUCT THE TREATY COMMISSION TO PUT A HIGH PRIORITY ON INCREASING THE CHINOOK QUOTA FOR ALASKA THIS WINTER, AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, there is a high availability of Chinook salmon in Southeast Alaska waters; and

WHEREAS, Southeast Alaska has suffered an economic loss due to the U.S.-Canada Salmon Treaty quotas; and

WHEREAS, Alaska and Canada are presently on a maximum quota, while Washington and Oregon have tremendously increased their harvest of Chinook salmon; and

WHEREAS, Washington and Oregon indicator streams are 300 percent above the treaty escapement goals; and


WHEREAS, in light of the above facts, there is no biological reason not to increase the Southeast Alaska quota.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA AS FOLLOWS:

Section 1. The City Council hereby requests Governor Cowper to instruct the Treaty Commission to put a high priority on increasing the Chinook quota for Alaska this winter.


Section 2. This resolution is effective immediately upon passage and approval.

PASSED AND APPROVED THIS 15th day of OCTOBER, 1987.



Ted Perry
Mayor

ATTEST:



Karen Miles, CMC
City Clerk

CITY OF WRANGELL, ALASKA

RESOLUTION NO. 10-87-285

A RESOLUTION OF THE COUNCIL OF THE CITY OF WRANGELL, ALASKA URGING THE GOVERNOR TO INSTRUCT THE ALASKAN REPRESENTATIVES ON THE PACIFIC SALMON TREATY COMMISSION TO PLACE THEIR HIGHEST PRIORITY ON INCREASING THE CHINOOK SALMON QUOTA FOR SOUTHEAST ALASKA DURING THE PENDING WINTER NEGOTIATIONS.

WHEREAS, there is a high availability of chinook salmon in Southeast Alaska waters; and

WHEREAS, a majority of the chinook stock that populate our Southeast Alaska fisheries are very healthy; and

WHEREAS, Southeast Alaska has suffered an economic loss due to the United States-Canada Pacific Salmon Treaty quotas; and

WHEREAS, Alaska and Canada are presently constrained by maximum quotas, while Washington and Oregon experienced a large increase in their harvest of chinook salmon; and

WHEREAS, many Washington and Oregon indicator streams are as much as 300% above treaty escapement goals; and

WHEREAS, the Columbia river brights are so healthy (450,000 returned in 1987) that they are flooding our fisheries; and

WHEREAS, the facts set forth above indicate there is no biological reason to maintain the existing quota limitations in Southeast Alaska.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WRANGELL, ALASKA:

1. The council requests Governor Cowper to instruct Alaska's representatives on the Pacific Salmon Treaty Commission to place their highest priority on increased quotas for chinook salmon in Southeast Alaska waters during this winters Treaty negotiations.

PASSED AND APPROVED _____ OCTOBER 27 _____, 1987

Frank D. Young
MAYOR

ATTEST: Lance K. Anderson
CITY CLERK

Certified a true and correct copy of the original filed in my office.
Lance K. Anderson
OCT 29 1987
CITY OF WRANGELL, ALASKA

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 87-358

A RESOLUTION OF THE ASSEMBLY OF THE
CITY AND BOROUGH OF SITKA
URGING THE GOVERNOR TO INSTRUCT THE TREATY
COMMISSION TO PUT A HIGH PRIORITY ON INCREASING
THE CHINOOK QUOTA FOR ALASKA THIS WINTER

WHEREAS, there is a high availability of Chinook salmon in Southeast Alaska waters; and

WHEREAS, Southeast Alaska has suffered an economic loss due to the U.S.-Canada Salmon Treaty quotas; and

WHEREAS, Alaska and Canada are presently on a maximum quota, while Washington and Oregon have tremendously increased their harvest of Chinook salmon; and

WHEREAS, Washington and Oregon indicator streams are 300% above the treaty escapement goals; and

WHEREAS, in light of the above facts, there is no biological reason not to increase the Southeast Alaska quota,

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka requests Governor Cowper to instruct the Treaty Commission to put a high priority on increasing the Chinook quota for Alaska this winter.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 9th day of SEPTEMBER, 1987.

Dan Keck, Mayor

A T T E S T:

Dolores Ingwersen,
Municipal Clerk

A great year for salmon

The Associated Press

ASTORIA, Ore. — Gill netters on the lower Columbia River this year enjoyed their best fall chinook salmon catch in nearly 30 years, and a state biologist said they fetched top prices for both chinook and coho.

A large share of this year's chinook catch took place during the first 12 hours of the 27-day season, when an estimated 109,700 chinook were taken. Landings dropped off considerably during late October and early November, said Jim Galbreath of the Oregon Department of Fish and Wildlife.

Gill netters fishing the main stem of the Columbia landed an estimated 261,560 fall chinook in the season that ended Nov. 12, by far the best catch on the lower river since 1960. In 1973, the next best season, 165,300 chinook were caught during a 56-day fall season.

The coho catch was down drastically from 1986, however. Gill netters landed an estimated 121,580 coho — compared with nearly a million last year — as well as 1,080 chum salmon, 3,270 white sturgeon and 510 green sturgeon.

Youngs Bay, south of Astoria, also provided gill netters a record chinook catch. An estimated 22,290 chinook were landed during 89 days of fishing.

"(That's) about four times what we've ever gotten before," said Galbreath, who said an abundance of chinook and the fish that strayed into the bay from the main stem of the Columbia probably explained the big catch.

Treaty Indian fisherman, above Bonneville Dam landed an estimated 128,040 fall chinook, 2,140 coho, 66,280 summer steelhead and 4,400 white sturgeon during 46 days of fishing that ended Oct. 15, department figures showed.

Gill netters were paid \$2.10 a pound for both coho and upriver bright chinook, an amount Galbreath called "unheard of." Last fall, fishermen were paid roughly \$1 a pound for coho and between \$1 and \$1.50 for upriver chinook.

Galbreath said this year's higher prices were the result of reduced production of Atlantic salmon reared in Norwegian net pens and disappointing Alaskan salmon catches.

Prices for lower river "tule" fall chinook were also high, ranging from 55 cents to 65 cents a pound compared with the 30 cents to 40 cents a pound paid last year. Tules fetch a lower price for gill netters because their meat quality is generally poorer than other salmon species when caught in the river.

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 38 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Requesting the Pacific Salmon Commission
6 to increase Alaska's chinook salmon
7 quota.

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

9 WHEREAS the abundance of chinook salmon in southeast Alaska waters has
10 significantly exceeded the population-rebuilding projections of the United
11 States-Canada Salmon Treaty; and

12 WHEREAS the southeast Alaska chinook salmon quota is based on these
13 1984 projections, which do not reflect the current abundance of chinook
14 salmon; and

15 WHEREAS southeast Alaska has suffered substantial economic losses
16 under treaty harvest quotas; and

17 WHEREAS area closures for chinook salmon have had disastrous economic
18 effects on many southeast Alaska communities; and

19 WHEREAS each chinook salmon is worth \$60 to \$150 to a fisherman; and

20 WHEREAS staying within the quota imposes an unfair amount of social
21 and economic loss to Alaska not experienced by other parties involved in
22 the United States-Canada Salmon Treaty; and

23 WHEREAS the harvests of far-north migrating chinook salmon stocks in
24 some Washington and Oregon fisheries has increased substantially, many
25 above treaty levels; and

26 WHEREAS these Washington and Oregon stocks, which contribute to
27 Alaska's salmon fisheries, are considerably above the treaty escapement
28 goals, some by as much as 300 percent; and

29 WHEREAS the southeast Alaska summer chinook salmon troll season has

1 been reduced from 169 days in 1979 to only 23 days in 1987; and

2 WHEREAS reductions in the Southeast Alaska summer chinook salmon troll
3 season first occurred in 1980 as part of the chinook salmon rebuilding
4 program; and

5 WHEREAS treaty agreements have shortened the southeast Alaska troll
6 season so much that Alaskan hatchery fish cannot be harvested to the level
7 promised; and

8 WHEREAS longer seasons benefit the southeast Alaska fishing industry
9 by ensuring higher quality fish products and higher market prices; and

10 WHEREAS a fair increase in the southeast Alaska chinook salmon harvest
11 quota will not jeopardize the natural stock rebuilding program;

12 BE IT RESOLVED that the Alaska State Legislature respectfully requests
13 the United States section of the Northern Panel of the Pacific Salmon
14 Commission to work to substantially increase the chinook quota for Alaska.

15 COPIES of this resolution shall be sent to the Honorable Steve Cowper,
16 Governor of the State of Alaska; and to Don Collinsworth, Alaska Commis-
17 sioner, Pacific Salmon Commission.

HCR

51

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

March 30, 1988

The Honorable Sam Cotten
The Honorable Adelheid Herrmann
House Resources Committee
P.O. V Juneau, Alaska 99811

Dear Representatives Cotten and Herrmann:

Subject: HCR 51, Relating to the use of helicopters and snowmachines in Chugach State Park.

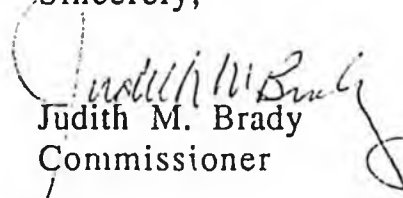
Background: In January, 1987, the Division of Parks received a permit application for flightseeing landings in Chugach State Park. In February, 1988, a preliminary decision was issued to solicit concessionaire proposals for this service in the park. As a result of substantial public opposition, the Division of Parks decided to consider the decision in more detail through an update of the park master plan which would entail additional public meetings. In the master plan process, eight public meetings were held, and written and oral comments solicited. As a result of this process, the decision was made to prohibit helicopter landings in Chugach State Park.

Also resulting from this process was the decision to prohibit snowmachine use in the Eagle River greenbelt. The master plan directs that a separate land management plan be completed for the Eagle River greenbelt and the question of snow machine use will again be considered.

The Department of Natural Resources would consider passage of HCR 51 direction to reconsider its decisions with respect to helicopter and snowmachine use.

We welcomes legislative direction and recommendation with respect to this difficult decision.

Sincerely,



Judith M. Brady
Commissioner

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: _____
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 5/31/88
Title: Relating to use of helicopters in
Chugach State Park HCR 51
Sponsor: House Resources
Requestor: House Resources

Agency Affected: Dept. of Natural Resources
BRU: Park Management
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Passage of this Resolution will have no fiscal impact upon the department.

Prepared by: Lawrence Ostrovsky
Division: Commissioner's Office

Phone: 465-2400
Date: 5/31/88

Approved by Commissioner: *Michael W. Smith*
Agency: Department of Natural Resources

Date: 5/31/88

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

SAW → Ned → HCR 51

ALASKA AIR CARRIERS ASSOCIATION

RESOLUTION #2

WHEREAS, Chugach State Park was created to provide the public with a variety of recreation opportunities; and

WHEREAS, the Department of Natural Resources has refused to permit any form of helicopter tour to Chugach State Park; and

WHEREAS, there are no reasonable and affordable opportunities for Anchorage based helicopter tours to alpine areas other than Chugach State Park; and

WHEREAS, nothing in the statute which created Chugach State Park precludes the use of helicopters for access to the Park; and

WHEREAS, helicopter tours are allowed under a permit system in federal wilderness, which is the most restrictive form of federal land management; and

WHEREAS, reasonable conditions and limitations have been offered to reduce the impact of helicopter tours to other users of the Park; and

WHEREAS, the hearing on the decision to reject helicopter use of the Park was held at the same time as the decision to allow a ski development within the Park, which was a much larger issue,

NOW THEREFORE, BE IT RESOLVED, that the Alaska Air Carriers Association strongly endorses HCR 51 and urges its passage this session.

BY: Bob Engelbrecht
Bob Engelbrecht
Executive Committee
Alaska Air Carriers Association

DATE: 3/21/88

Not Distributed
to Committee
4-9-88

Trustees for ALASKA

March 24, 1988

Rep. Sam Cotten
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99811

HCR 51

Re: HCR 51

Dear Rep. Cotten:

Trustees for Alaska is dismayed that the House Resources Committee is considering a resolution that would instruct the Division of Parks to reconsider its decision not to allow helicopter landings in Chugach State Park or snowmachine use in the greenbelt.

Both of those decisions were made as part of the Park's planning process, after considerable public input. These matters were the subject of a Chugach State Park Advisory Board public meeting and two rounds of public meetings on the Park's Master Plan. Each round consisted of three meetings, one each in Anchorage, Eagle River and Girdwood. At each meeting at each phase of the planning process, helicopter landings and snowmachine use were soundly rejected by the public, with sentiment running three opposed to one in favor.

We question the appropriateness of the Legislature inserting itself into the planning process when there is absolutely no indication that the process is not functioning as it was intended. We are concerned that the resolution was the result of a meeting with the helicopter owners, while the views of neither the Parks Division nor the public were solicited by the Subcommittee.

We are concerned that this resolution will send a message to groups whose views do not prevail during the sanctioned planning process that they can go to the legislature to attempt to overturn that adverse decision. In that event, the planning process for state lands is basically useless; and the legislature can expect to see more such requests in the future.

From our vantage point, this as an erosion of the lawful planning process which we have agreed to participate in and whose lawful decisions we abide by. We are puzzled, for instance, why the resolution does not call for reopening the decision on the Eagle River Ski Resort since that issue was also considered at

HELICOPTER FLIGHTSEEING LANDINGS

IN

CHUGACH STATE PARK

BACKGROUND INFORMATION

prepared by

Division of Parks and Outdoor Recreation
Alaska Department of Natural Resources
March 30, 1988

prepared for

House Resources Committee
Alaska State Legislature

Contents

- I. 1987 Chugach State Park Master Plan Amendment
dealing with helicopter use in the park1
- II. Analysis of public comments on draft plan
alternatives dealing with helicopter use.....3
- III Alternatives for helicopter use in the park.....6
- IV. Preliminary Decision by DPOR Director to
contract for helicopter flightseeing services.....10
- V. Issue paper prepared by DPOR staff.....13
- VI. Permit application from Alaska Helicopters, Inc.....16

Note: Additional information, including hearing transcripts, letters, petitions and miscellaneous correspondence regarding the proposal to land helicopters in Chugach State Park during commercial flightseeing trips is available at the DPOR's Southcentral Regional Office (Suite 1280, Frontier Building, 3601 C Street, Anchorage). Several files are also available for public review which deal with a proposal in 1979 to allow helicopter skiing in the park.

* NOTE: FOLLOWING INFORMATION IS EXCERPTED FROM
DPOB'S PUBLIC HEARING RELIED ON HELICOPTER FLIGHTSEEING
LANDINGS IN CHUGACH STATE PARK

Chugach State Park Master Plan Amendments

The Chugach State Park Master Plan (prepared by the Alaska Division of Parks, DNR, February 1980) is amended to include the following:

Helicopter Use

The landing of helicopters by private parties for recreational or scenic access or other activities in the park is prohibited. Commercial helicopters may not be chartered for general recreational access to the park.

The director may authorize helicopter landings for management purposes. Management purposes include: conducting or supporting scientific research including wildlife inventories, maintaining communications facilities which have been located in the park under special use permit, search and rescue operations, law enforcement, park ranger patrols, park facility development and maintenance. To the greatest extent possible, fixed wing aircraft should be used for these purposes because of their lower noise impact. Also, non-aircraft methods of accomplishing these projects or activities shall be considered before fixed-wing or

helicopter aircraft are used, particularly in wilderness areas.

The director may authorize helicopter landings for special events such as commercial filming or community festivals. In all cases, special event landings will not be allowed in or within 1 mile of a wilderness zone. The director shall consult with the Chugach State Park Citizens Advisory Board prior to issuing a permit. In issuing a permit for special events, the director shall take reasonable steps to avoid:

- landings in or low level flights over areas or at times of visitor use of the park,
- low level overflights of residential areas,
- disturbance to wildlife,
- landings in or low level flights over park wilderness areas,
- flights that will constitute a significant threat to public safety, or,
- landings that would be more appropriately located on lands outside the park or private lands within the park,
- other impacts which the division or director determines are significant.

PREPARED BY DPOB, A. L. LORDE, 3/29/88

FINAL POLICY

The division shall, to the extent staff and budget allows, monitor and record authorized and unauthorized helicopter activities in the park. Flightseeing overflights should also be monitored. This information should be retained to help provide an improved information base for policy development and decision-making concerning helicopter activities in the park.

The division should focus law enforcement efforts on unauthorized landings in the park. Further the division should begin to work with the FAA, military, pilots associations and other land management agencies to resolve or reduce conflicts between aerial and ground users of the park.

PUBLIC COMMENTS ON DRAFT ALTERNATIVES

ANALYSIS OF PUBLIC COMMENTS ON
CHUGACH STATE PARK MASTER PLAN UPDATE ALTERNATIVES

AS OF 10/5/87

The following is a summary of both verbal comments, made either at hearings held in Eagle River, Wasilla, Girdwood and Anchorage, or written comments sent to the Division of Parks and Outdoor Recreation. Comments are divided into three groups representing the three areas of concern; Ski Area Development; Alternatives for Helicopter use; and, Alternatives of Use and Management for the Eagle River Greenbelt. It is further divided into group comments, individual comments, form letter comments, and finally a grand total of all comments (each group comment receiving one tally).

(2) Alternatives for Helicopter Use

Group Comments

11 individuals wrote and/or testified on behalf of groups regarding alternatives for helicopter use.

Alternatives:	A	B	C
Responses:	7	3	1
Percentage:	64%	27%	9%

Alternative A Groups Included:

- Alaska Survival
- Knik Kanoer's and Kayaker's, Inc.
- Alaska Wildlife Alliance
- Sierra Club
- Alaska Center for the Environment
- Knik Kanoer's and Kayaker's, Inc.
- Friends of Chugach State Park

Alternative B Groups Included:

- Resource Development Council (B+ One yr. trial)
- Chugiak-Eagle River Chamber of Commerce
- Alaska Visitor and Convention Bureau

Alternative C Groups Included:

- Alaska Helicopters

Individual Comments - Oral Testimony

27 individuals, representing themselves, commented on Alternative Helicopter Use.

Alternative:	A	B	C
Responses:	17	5	5
Percentage:	63%	18.5%	18.5%

Individual Comments - Written Testimony

19 persons wrote individual letters regarding Alternatives for Helicopter Use.

Alternatives:	A	B	C
Responses:	15	2	2
Percentage:	79%	10.5%	10.5%

66 persons signed form letters regarding Alternatives for Helicopter Use.

Alternatives:	A	B	C
Responses:	0	0	66
Percentage:	0%	0%	100%

85 persons commented on Alternatives for Helicopter Use by either an individually written letter or by signing a form letter.

Alternatives:	A	B	C
Responses:	15	2	68
Percentage:	18%	2%	80%

(Alternatives for Helicopter Use continued)

Grand Total - All responses received on Alternatives for Helicopter Use*

123 responses received regarding Alternatives for Helicopter Use

Alternatives:	A	B	C
Responses:	39	10	74
Percentage:	32%	8%	60%

Reasons FOR Helicopter landing site(s) included:

- Does not fly over private homes
- Potential economic returns for the Park
- Gives the handicapped and elderly access to the park
- Could allow locals to cheaply get into the park

Reasons AGAINST Helicopter landing site(s) included:

- Irreversible effect on wildlife
- Low stimulus to economy
- Benefits few people
- Elderly and handicapped can drive to areas and get similar views
- Integrity of the park is threatened
- Does not fit in with Park philosophy
- Helicopters can hover outside Park boundary for same view
- Negative effect on other visitors in the Park

ALTERNATIVES FOR HELICOPTER USE

RECOMMENDATION

The private, non-commercial landing of helicopters for recreational access or activities in the park is prohibited. Commercial helicopters may not be chartered for general recreational access to the park.

The director may authorize helicopter landings for management purposes. Management purposes include: conducting or supporting scientific research including wildlife inventories, maintaining communications facilities which have been located in the park under special park use permit, search and rescue operations, park ranger patrols and law enforcement, park facility development and maintenance, or similar activities.

The director may authorize helicopter landings for special events such as commercial filming and community festivals. In all cases, special event landings will not be allowed in or within 1 mile of a wilderness zone. Whenever possible, the director shall consult with the Chugach State Park Citizens Advisory Board. In issuing permits for special events, the director shall take reasonable steps to avoid:

- landings in or low level overflights over areas or times of visitor use of the park.
- low level overflights of residential areas.
- disturbance to wildlife.
- landings in or low level flight over park wilderness zones.
- flights that will constitute a threat to public safety. or,
- landings which would be more appropriately located on lands outside of the park.

Commercial flight-seeing and landing are proposed to be managed by one of the following alternatives:

ALTERNATIVE A: NO FLIGHT-SEEING LANDINGS

Under this alternative, commercial or non-commercial flight-seeing helicopter landings would be considered incompatible with the purposes of the park. No permits or concession contracts would be issued for this activity and all pending and future requests for such permission would be rejected.

ALTERNATIVE B: ONE COMMERCIAL FLIGHT-SEEING LANDING SITE IN NATURAL ZONE

DRAFTS POLICY & ALTERNATIVES FOR PUBLIC REVIEW

Under this alternative, one operator would be selected through a competitively bid RFP process to use one designated site, mapped on the following page. The following criteria have been used in selecting the landing site. Operational stipulations which would govern the contract are also listed.

Site Selection Criteria

- good view.
- no conflict with overflight of residential areas.
- no significant adverse impact on park wildlife.
- no significant adverse impact on existing park uses.
- FAA review and concurrence is obtained for the site and aircraft hazards are minimized.
- site is not within a wilderness zone or within 1 mile of a wilderness zone boundary.
- site is no more than 1 mile from the park periphery.

Operational Criteria

- site approach direction and altitude will be controlled except in an emergency.
- operator will be responsible for keeping the site clean.
- passengers may not be dropped off or left on the ground longer than 30 minutes.
- the number and timing of flights will controlled.
- a concession contract will be entered into.
- a fee will be paid to the state.
- initial contract term will be limited to one year, with subsequent contract terms to be up to four years.

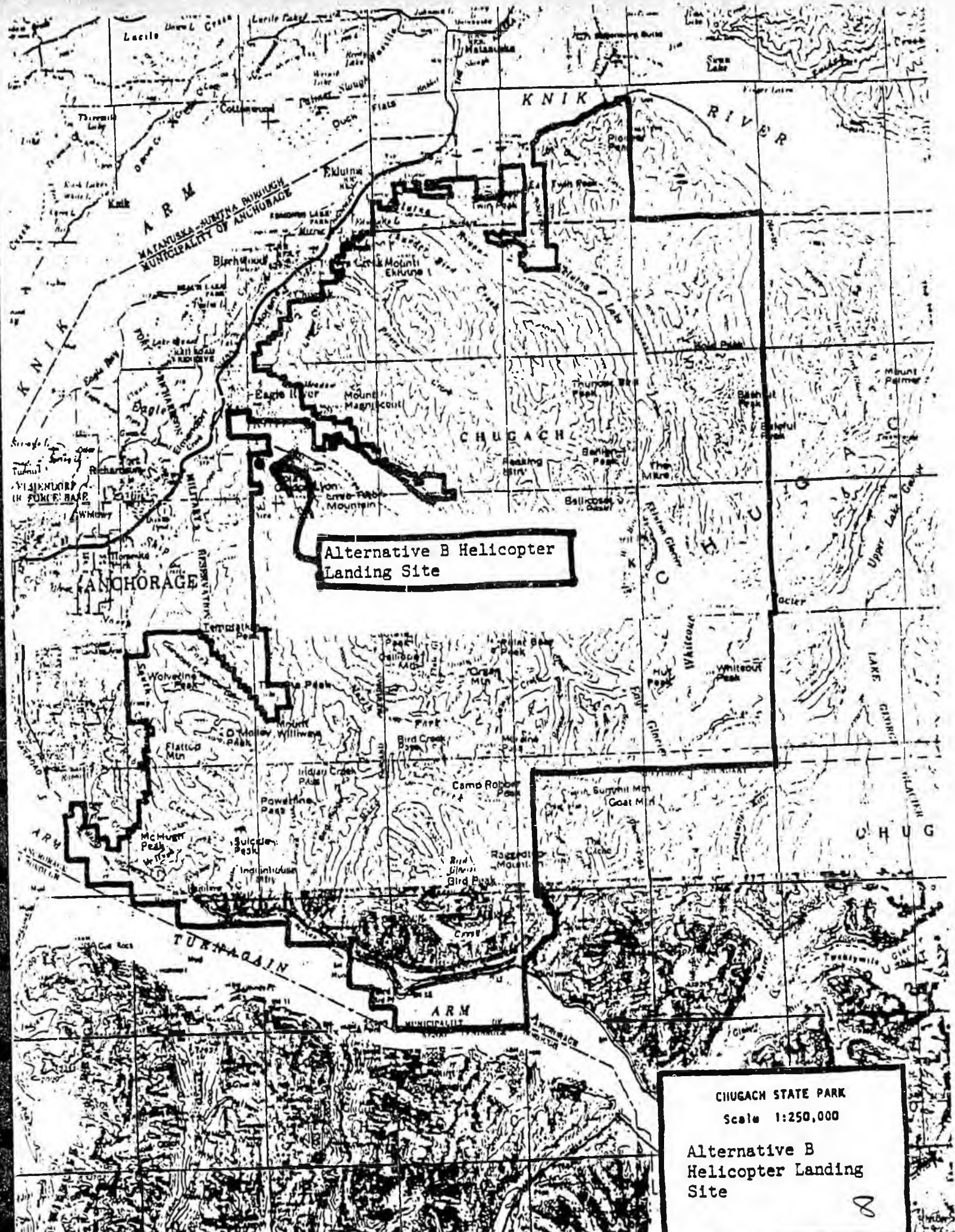
ALTERNATIVE C: UP TO THREE COMMERCIAL FLIGHTSEEING LANDING SITES IN NATURAL ZONE

This alternative would allow for up to three designated landing sites, one of which is the same as selected in Alternative B, in the natural zone, subject to the same review and mitigation measures discussed in Alternative B above.

EVALUATION OF HELICOPTER ALTERNATIVES

The matrix below evaluates each of the helicopter alternatives, using the general criteria outlined in the introductory section.

Change in:	Water Supply	Recreation Opportunity	Scenic Values	Wildlife Viewing	Wilderness Character	Natural Areas	Tourism
Alt. A	0	-	0	0	+	+	--
Alt. B	0	+	0	+	-	0	+
Alt. C	0	++	0	+	-	-	++



Alternative B Helicopter
Landing Site

CHUGACH STATE PARK
Scale 1:250,000
Alternative B
Helicopter Landing
Site
8

Legend

- ++ Highly desirable effect
- + Moderately desirable effect
- 0 Neutral effect
- Moderately negative effect
- Highly negative effect

PREFERRED ALTERNATIVE

The preferred alternative is Alternative A, which prohibits commercial flight-seeing landings in the park. Although there are means of mitigating the negative site specific impacts associated with helicopter operations (as outlined in the site selection and operational criteria in Alternative B), public concern and opposition to any commercial helicopter use of the park continues. This opposition affects public confidence in state park programs. The public does not separate the issue of site specific helicopter landings from the broader issue of whether helicopter landings are an appropriate park activity. The division has concluded that the broader issue is a legitimate public concern sufficient to reject any and all applications for helicopter landings privileges in the park.

PRELIMINARY DECISION BY THE DIRECTOR TO CONTRACT FOR
HELICOPTER SIGHTSEEING SERVICES IN CHUGACH STATE PARK

REQUEST FOR SERVICES

Alaska Helicopters, Inc., requested in a letter dated 1-15-87 a Park Use Permit for recreational helicopter landings in Chugach State Park. The focus of the request was to establish a scheduled sight-seeing service for the tourist season of 1987 with landings in a specific location in Chugach State Park. The scope of operations was outlined to be generally 10 trips a week with four customers per flight flown to a small knob northwest of Highland Mountain specifically located in Section 30, T14N R1W, S.M., at longitude 149 degrees, 31 minutes and latitude 61 degrees, 18 minutes, near the "River" VABM. The letter outlined a series of justifications for this site, hereafter referred to as "River." In a preliminary review by Chugach State Park staff the permit request was an accurate assessment of the qualities of this site. The "River" site proposed was within 1/8 of a mile of the park boundary, within 1 mile of traditional access routes used by military and civilian pilots for entry into the Anchorage area and is an area with almost no impact on other park users by the "flyover." The request further stated economic reasons for providing service and implies a ready or developing market for it.

This request, along with a previous request for helicopter skiing in Chugach State Park in the winter of 1980/81, exhibits a demand for recreational helicopter landings in the park. Staff reports and public complaints received during the summer of 1986 on possible illegal helicopter sight-seeing landings, along with newspaper advertisements for these services provide evidence that there exists a demand for this type of public service and activity in Chugach State Park.

ISSUES AND DISCUSSION

The Alaska State Park System's Statewide Framework places aircraft landing in the category of "conditionally compatible" in natural zones. The area in question near Highland Mountain is in the Natural Zone of Chugach State Park. The specific activity of helicopter landings for sight-seeing is not mentioned in the Chugach State Park Master Plan, but the closely related activity of helicopter skiing is categorized as appropriate in the Recreation Zone as well as in the Natural Zone. Clearly there are no exclusions in the planning documents for this activity at the "River" site.

The state laws affecting a decision on this issue are 11 AAC 18.010 Park Use Permits, and AS 41.21.123 Incompatible Use Prohibited. The statute allows the Commissioner to adopt regulations to prohibit or restrict incompatible uses. The regulation states that, "A permit is required for the following activities in a state park:

- (7) soliciting, selling, or peddling services described in 11 AAC 12.300.
- (8) using a state park for recurring or permanent motorized access, including access by aircraft."

The nature of this type of service to the public, by its very obvious and many impacts, presents immediate management concerns. The determination on the direction state parks will take concerning this activity will be based on protection of state park resources and protection of other public uses that would be affected by helicopter operations in Chugach State Park. The noise, visual disturbance, disappointment of recreation expectations, and violation of reasonable expectations of solitude weigh heavily on the side of control of this activity in the management zones that permit this activity.

The decision as to whether to allow this activity at all, and to what extent, hinges on our ability to provide a quality experience for park users while protecting the park resources.

A past decision written by Park Director Chip Dennerlein in 1981 on heli-skiing stated that it was "not a decision about the appropriateness of helicopter skiing." It was a decision on "the conducting of a motorized activity in a specific area of Chugach State Park...which has been designated for non-motorized and wilderness management through a publically (sic) accountable process." This past decision does not clearly speak to the present issues, since the "River" site is two miles from the nearest wilderness zone.

Inspection of the "River" site by park staff and Army natural resource managers indicates that concerns for wildlife expressed during the 2-9-87 Advisory Board meeting were in fact not so severe or restrictive as to prohibit landings. If a helicopter came in from due West above the landing site and left the site to the West without descending there would be no measurable impact on existing sheep and moose populations. The Advisory Board recommendations against landings depended heavily on supposed adverse wildlife impacts.

Local residents of the South Fork Community Council do not object to helicopters landing near the "River" site. They only requested that helicopters not fly through the developed portion of South Fork.

Pedestrians within one mile in any direction of the "River" site would see and hear a number of man-made developments and activities. The Glenn Highway, Hiland Road, and flyway for hundreds of small planes per day are all visible and audible from this site. Close-up developments include the Nike Site and private dwellings along Hiland Road. A hiker could not reasonably expect solitude at the "River" site.

If recreational helicopter landings are allowed at the "River" site, those people who wish to fly in a noisy motorized vehicle will obtain the quality of experience they have selected. It is an experience that qualifies in many ways as a unique recreational experience. The quality of the experience is truly in the eye of the beholder. While similar views may be obtained with other road accesses, those people with only a few hours of time and a little more money to spend would be glad to have the recreational opportunity to land on alpine tundra where Denali is sometimes visible. The restrictions of insurance, FAA regulations, and contract stipulations would insure a quality, safe experience while protecting the park resource.

DECISION

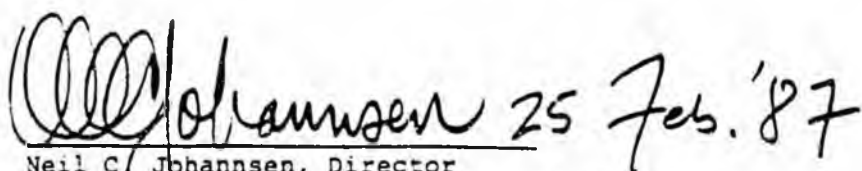
It is my decision at this time to concur with the advice of the Chugach Advisory Board in their response to Alaska Helicopters' presentation at the board meeting on 2-9-87. The permit request for this service was denied on 2-13-87 based on the management decision to limit the number of permits to be available for this type of service. Without limitations on the number of landings or individual permittees, the "River" site could become a cheap, legal place to practice takeoffs and landings for all private helicopters in the Anchorage area. The "River" site could be overwhelmed with flights during a cruise ship's stay in Anchorage when a large number of people might desire this service. State regulation 11 AAC 18.030 (a)(4) states clearly that the Director may negotiate a permit for a commercial activity if:

the director finds that there is no need to limit the number of individuals or firms providing the service to protect public use of the state park or to protect state park resources.

Since there is a need to limit the number of permits, the Division must use the contracting process as regulated in 11 AAC 14. The advisory board further recommended that the Division should investigate the possibilities of contracting for recreational helicopter landings in Chugach State Park.

It is my preliminary decision to choose the "River" site as appropriate for recreational helicopter landings, and to advertise a contract for public bid to establish this service for the 1987 tourist season. The contract will be written to allow just compensation to the State of Alaska for use of its resources and to adequately restrict the activities of the contractor to protect the resources.

It is my desire to continue the full review of this process by the public through the Chugach State Park Citizens Advisory Board. I am requiring that the Superintendent of Chugach State Park keep all members of the Advisory Board updated on the contract preparation process. Advisory Board input into the development of the contract will be requested.

 25 Feb. '87

Neil C. Johannsen, Director
Division of Parks and Outdoor Recreation

HELICOPTER FLIGHTSEEING WITH LANDING SITES
IN
CHUGACH STATE PARK

prepared by
Division of Parks and Outdoor Recreation
2.5.87

Background

The Division of Parks has received an application from an Anchorage based helicopter company requesting a permit to land sightseers just inside the park boundary near Eagle River. The Division is reviewing this proposal and is seeking the advice of the Chugach Park Advisory Board, the general public and the flightseeing industry. The area proposed for this activity is in the park's natural zone which, according to the park's master plan allows helicopter based skiing if there are no overriding conflicts with resources or other park users. The plan also states that natural zones are managed for low impact forms of recreation and serve to act as a buffer between recreation development and wilderness zones. The plan does not specifically address helicopter flightseeing but it is the opinion of staff that it is similar to helicopter skiing in term of impacts (except for the difference in season). The Alaska State Park System: Statewide Framework states that aircraft landings are conditionally compatible with natural zones. It further states that natural zones are established to provide moderate to low impact forms of recreation.

Helicopter flightseeing is an increasingly popular activity with summertime visitors to Anchorage. The trip cost is between \$59 and \$245 per person. There are presently at least three companies offering this type of service to the public. Similar trips to the Mendenhall Glacier in Juneau have increased dramatically in terms of customers and numbers of firms offering the service. The Forest Service has stopped issuing special use permits for the activity is evaluating methods to limit the number of operators.

Current park regulations prohibit the landing of aircraft in Chugach State Park except at Bold airstrip and on Eklutna Lake (11 AAC 12.100 & 11 AAC 20.020). Commercial activities in the park are prohibited unless authorized by a commercial use permit (11 AAC 18.030) or a concession contract (11 AAC 14.200). The Divisions does not have the authority to regulate aircraft that are in the air over the park.

Problems associated with similar activities on other public lands include:

a) too many flights in the air leading to congestion and recently in Grand Canyon National Park, a mid air collision.

- b) other user groups complaining about noise and mechanized intrusions into an area they hiked into;
- c) adverse impacts on wildlife; and
- d) complaints from neighbors about overflights.

Pro and Con Analysis

Pro:

- 1) activity provides an alternative means of access for visitors to the park (particularly handicapped or the elderly);
- 2) activity can generate revenues for the management of the park;
- 3) by placing operators under concession contracts it may become easier to get control of existing illegal landings. It is expected that the legal operators will provide information on illegal operators. Also permits or concession contracts can be written to require operators to maintain certain altitudes and flightpaths while over the park (i.e. by contractual agreement the state can control flights which it can't do under existing law);
- 4) contracts or permits can be written to require helicopter air time for park management activities in lieu of a portion of the fee to state;
- 5) operators can assist in park management by reporting problems in the park, taking wildlife counts, or assisting in rescues;
- 6) the park's image as an important element in tourism industry is strengthened; a new constituency group (helicopter companies) is established; and political support for the park is broadened.

Con:

- 1) an energy inefficient means of accessing the park is encouraged;
- 2) significant noise and disruption of existing uses can occur if sites are not properly selected and managed;
- 3) wildlife disturbances can be significant (lambing, displacement from traditional areas);
- 4) concessionaires may develop a possessory attitude towards "their" landing site;
- 5) as a high value high profit activity in the park it may tend to dominate park management actions/attention/support to the detriment of other management activities; also, operators may form a powerful lobby to exert influence on park management.

Permit versus Concession Contract

If the decision is made to authorize the activity the division will have to decide between regulating it through a commercial use permit (11 AAC 18.030) or through a concession contract (11 AAC 14.200). A permit can be used if it is decided not to limit the number of operators. If it is decided to limit the number of

operators then a concession contract will have to be used. Following is the process for issuing a concession contract:

1. Request for letters of interest are sought from the private sector to determine the nature and extent of interest in providing helicopter access into the park. Map of park is sent out which shows areas that are closed to the use (i.g. wilderness zone and areas where we know user conflicts will occur from overflights noise etc. or where wildlife sensitivities exist. You should start working on this map.

2. Letters of interest are reviewed to determine the best location(s) and how many operators would be allowed at each landing site and/or total number of landings takeoffs per day.

3. Contract terms are developed and an RFP is prepared for advertising. (use USFS permits from Juneau as example/ identify all wildlife and user problems and deal with them through contract term procedures). examples of other contract terms are control of flight paths and altitudes/ human wastes/ litter/ fuel discharge while draining water from tanks/ reporting problems & park conditions observed/ ranger ride along inspections/ services to parks as part of fee/ insurance/ etc.

4. RFP advertised and sent to interested parties

5. RFP received by concessions review committee.

6. Apparent successful contractor selected

7. Final contract negotiated

8. Concessionaire begins operations and field staff monitors and manages operation.



Our Ref 1270

Your Ref

(907) 243-3404

HELICOPTERS, INC.

P.O. BOX 190283

ANCHORAGE, AK 99519-0283

TELEK. 25372

Subsidiary of COLUMBIA HELICOPTERS, INC. • P.O. BOX 0600, PORTLAND, OREGON 97208 • (503) 678-1222

January 15, 1987

State of Alaska
Department of Natural Resources
Division of Parks and Outdoor Recreation
3601 C Street
Anchorage, AK 99503

Dear Mr. Garry;

Alaska Helicopters Incorporated wishes to submit a "State Park Use Permit for Commercial Activities."

We would like you to consider a helicopter landing area on the edge of the park for the enjoyment of natural scenery. The landing area would not be used as a ferry system for heli-hiking, but rather a spot that will enhance public recreation for a broader range of people who cannot physically access a similar area or have the time in their vacation schedule to drive to a similar area.

We estimate five to ten trips, (landings) per week, a stay of fifteen to thirty minutes ground time with four people, (plus pilot) at the location at any one time. The helicopter proposed would be a Bell Jet Ranger.

The proposed area is located in T. 14 N. R. 1 W. with a longitude of 149 degrees 31' and latitude of 61 degrees 13'. It is often referred to as Tri-Station River.

We are proposing this area because it is on the edge of the park, is near an aviation access route used by military and civilian pilots for entry into the Anchorage Area and will minimize, if not completely rule out, any impact of "fly-over" of the park. A log of operations would be reported weekly, monthly or upon demand to your office.

RECEIVED

JAN 20 1987

CHUGACH DISTRICT

This company complies with the CODE OF ETHICS of the Helicopter Association of America.

Member of the Alaska Air Carriers Association.

State of Alaska
Department of Natural Resources
Division of Parks and Outdoor Recreation
January 15, 1987
Page 2

We are currently in contact with the Corps of Engineers regarding a landing area outside of the park. It is however, on "military owned" land and according to regulation "cannot be used for commercial purposes".

As a commercial entity, we are motivated by profitability and service. In some fashion, flight time is revenue. The proposed area is on the limits we can fly and still maintain a source of revenue and provide an experience to the tourist at a fair and equitable price.

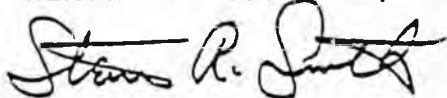
We are also oriented to keeping a stable work force and continual growth. We estimate, three if not five full time positions will be required in our firm by the approval of this permit. We know that may not seem like alot, but in this day and age it is a boost to the local economy.

Alaska Helicopters has been in Alaska since 1951. We feel we are familiar with the State and have taken part in numerous projects considered "Environmentally Sensative" and have seen that this type of project can go hand in hand with no degradation to the environment and yet provide access to people who otherwise would not be able to share in this experience.

We appreciate your review of our application and if so desired, would welcome the opportunity to answer questions regarding our proposal with the Chugach State Park Citizens Advisory Board. We await your reply.

Sincerely,

ALASKA HELICOPTERS, INC.



Steven R. Smith
Director of Operations

SRS/ah

Alaska State Parks
Park Use Permit for Commercial Activities
Permit Application

Please Print

1. Name of Business ALASKA HELICOPTERS, INC.
2. Address of Business P.O. BOX 130283 ANCHORAGE, AK 99510-0283
3. Telephone Number (907) 243-3404
4. Business Manager, if Not Owner Steven R. Smith/Director of Operations
5. Names and Addresses of All Owners Rex I. Bishop, Anchorage
Wes LeMatta, Portland (Address same as in #2 above)

6. Check Type of Activities Proposed Air Taxi/Tour Guide
 Backpacking/Hiking Transportation Only Hunting Fishing
 Mountaineering River Float Trips Water Touring (i.e.,
 kayaking, canoeing, motorized boat tour) Ski Touring Other

7. Please indicate below the park unit(s), general areas within the park(s) you plan to operate and the type of service you would offer in each area (if they differ by area or park unit). Include means of access, stock use, if any, campsite locations, group size, etc. Attach additional pages, if necessary.

<u>Name of Park Unit</u>	<u>Specific Location and Date</u>	<u>Proposed Service(s)</u>
Chugach State Park	T 14 N R 1 W Long. 149° 31' Lat. 61° 18'	Helicopter Landing

* See attached cover letter for service description

3. QUALIFICATIONS

A. Briefly list previous commercial activities similar to those allowed by this permit. List last years first, information for the previous three years will be sufficient. Use other side, if necessary.

1986 - Heli Tours Anchorage, Zink, Seward (Passenger Ship)

B. List specialized training applicable to this operation.

Commercial Pilot Certificate as per FAA Regulations

9. Will any of the commercial activities proposed occur on or be based on private lands within a state park unit?

A. Amount of land N/A

B. Location N/A

C. Who has title? N/A

D. What percentage of the commercial service will take place on private lands (approximate): N/A

E. What percentage of the commercial service will take place on state park lands? N/A

10. Do you plan to place any temporary structures or caches on state park land or water? If so, where and what type of structure(s)?

NONE

11. List the license or "N" numbers, makes, models, and colors of all vehicles, boats, trailers, or aircraft you will be operating in conjunction with your activities.

Only 1 helicopter is to be used, it is possible that any one of the following could be chosen: N2300Y, N2300Z, N20401, N371AH, N4770R, N7982J, N3929B, N222AC, N38935, N38993, N6013G. Our company colors are gold, orange and white

12. Please submit the following attachments with your application:

A. State Business License (SIC code)

8. QUALIFICATIONS

A. Briefly list previous commercial activities similar to those allowed by this permit. List last years first, information for the previous three years will be sufficient. Use other side, if necessary.

1986 - Heli Tours Anchorage, Knik, Seward (Passenger Skins)

B. List specialized training applicable to this operation.

Commercial Pilot Certificate as per FAA Regulations

9. Will any of the commercial activities proposed occur on or be based on private lands within a state park unit?

A. Amount of land N/A

B. Location N/A

C. Who has title? N/A

D. What percentage of the commercial service will take place on private lands (approximate): N/A %

E. What percentage of the commercial service will take place on state park lands? N/A %

10. Do you plan to place any temporary structures or caches on state park land or water? If so, where and what type of structure(s)?

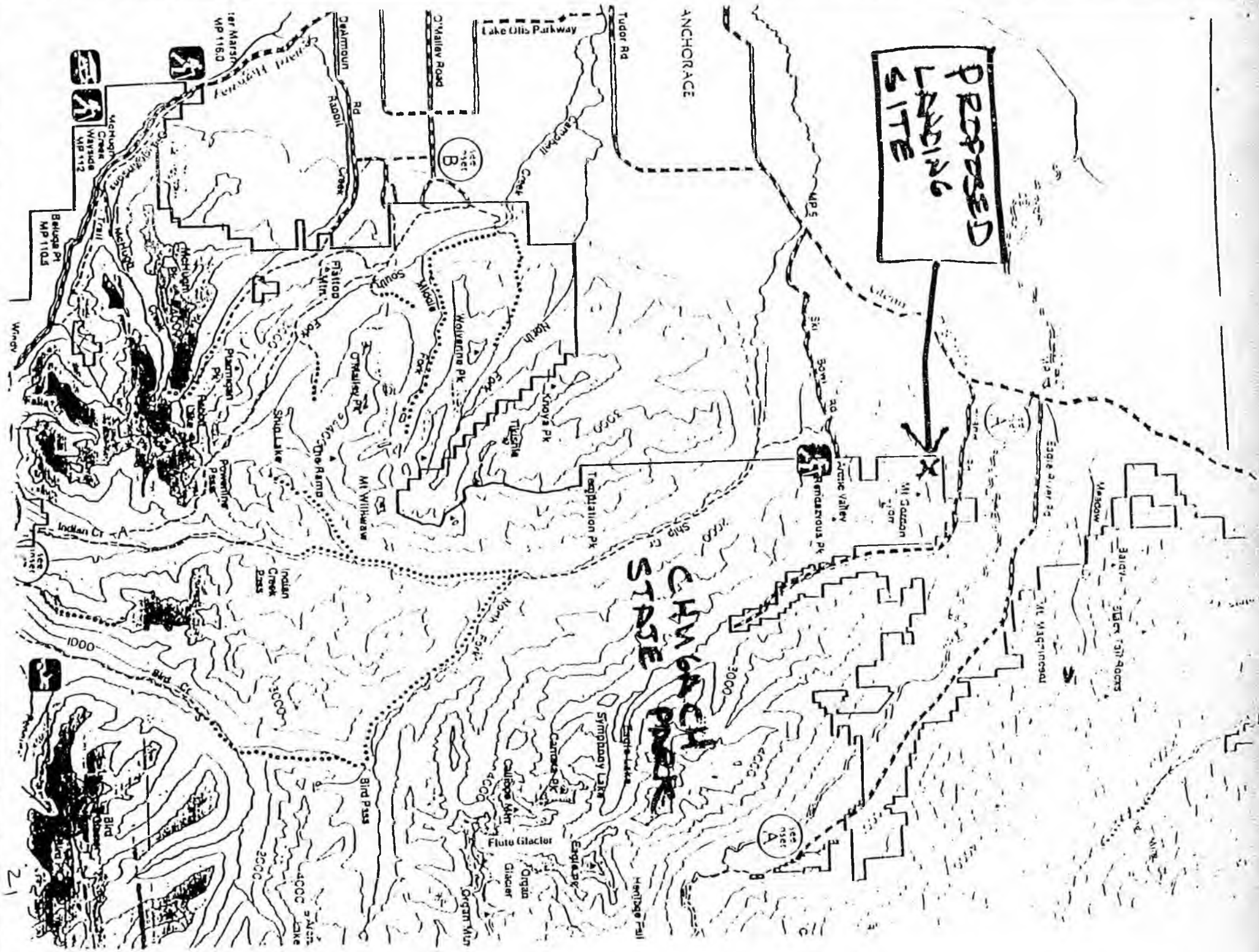
NO

11. List the license or "N" numbers, makes, models, and colors of all vehicles, boats, trailers, or aircraft you will be operating in conjunction with your activities.

Only 1 helicopter is to be used, it is possible that any one of the following could be chosen: N2300Y, N2300Z, N20401, N371AH, N4770R, N7982J, N3928B, N222AC, N38985, N38993, N5013G. Our company colors are gold, orange and white.

12. Please submit the following attachments with your application:

A. State Business License (SIC code)



**PROPOSED
LADING
SITE**

**CHAMBERLAIN
STAGE**

ANCHORAGE

Tudor Rd

Lake Otis Parkway

O'Malley Road

ter Maist
MP 116.0

Deamoun
Rd

Beluga Pt
MP 110.5

Wagon
Creek
Wayside
MP 112

Indian Cr

Indian
Creek
Pass

Bird Cr

Bird
Pass

4000
Lake

2000

3000

4000

5000

6000

7000

8000

9000

10000

11000

12000

13000

14000

15000

16000

17000

18000

19000

20000

21000

22000

23000

24000

25000

26000

27000

28000

29000

30000

31000

32000

33000

34000

35000

36000

37000

38000

39000

40000

41000

42000

43000

44000

45000

46000

47000

48000

49000

50000

51000

52000

53000

54000

55000

56000

57000

58000

59000

60000

61000

62000

63000

64000

65000

66000

67000

68000

69000

70000

71000

72000

73000

74000

75000

76000

77000

78000

79000

80000

81000

82000

83000

84000

85000

86000

87000

88000

89000

90000

91000

92000

93000

94000

95000

96000

97000

98000

99000

100000

101000

102000

103000

104000

105000

106000

107000

108000

109000

110000

111000

112000

113000

114000

115000

116000

117000

118000

119000

120000

121000

122000

123000

124000

125000

126000

127000

128000

129000

130000

131000

132000

133000

134000

135000

136000

137000

138000

139000

140000

141000

142000

143000

144000

145000

146000

147000

148000

149000

150000

151000

152000

153000

154000

155000

156000

157000

158000

159000

160000

161000

162000

163000

164000

165000

166000

167000

168000

169000

170000

171000

172000

173000

174000

175000

176000

177000

178000

179000

180000

181000

182000

183000

184000

185000

186000

187000

188000

189000

190000

191000

192000

193000

194000

195000

196000

197000

198000

199000

200000

201000

202000

203000

204000

205000

206000

207000

208000

209000

210000

211000

212000

213000

214000

215000

216000

217000

218000

219000

220000

221000

222000

223000

224000

225000

226000

227000

228000

229000

230000

231000

232000

233000

234000

235000

236000

237000

238000

239000

240000

241000

242000

243000

244000

245000

246000

247000

248000

249000

250000

251000

252000

253000

254000

255000

256000

257000

258000

259000

260000

261000

262000

263000

264000

265000

266000

267000

268000

269000

270000

271000

272000

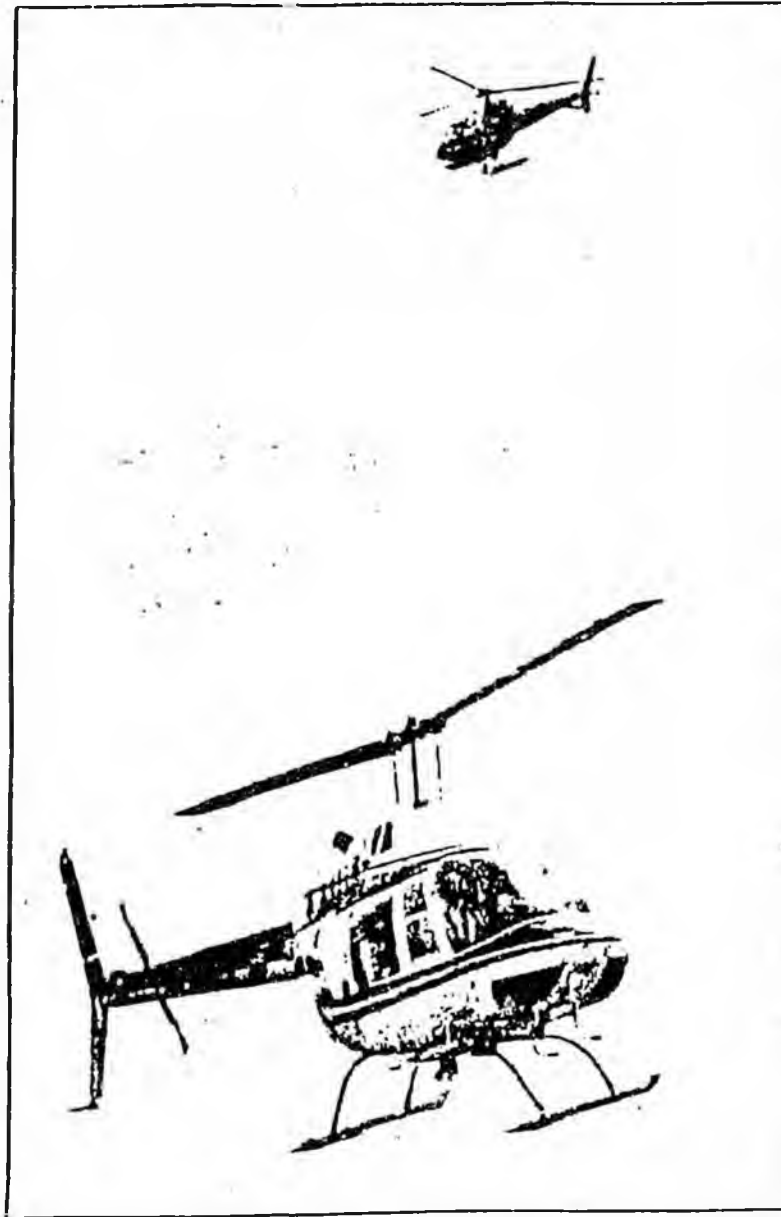
273000

274000

275000

276000

on the cover



Times file photo

In minutes flightseeing tours like those by ERA Helicopters like adventurers from urban Alaska to rugged wilderness.

Alaska from above in helicopter

by Nancy Killoran
Times Writer

For visitors with a short amount of time to see the largest state in the nation, or residents who want a taste of the rugged wilderness without putting up mountain trails, helicopter flightseeing trips may be the answer.

For between \$59 and \$245 per person, one of several local helicopter companies will lift visitors above the highways and hiking trails for a bird's eye view of the city, mountains, valleys, glaciers and inlets that surround Anchorage.

ERA Helicopters Flightseeing Adventures, HeliTour Alaska, Alaska Classic Tours based in Anchorage and Soloy Heli Ops, Inc. in Wasilla all offer flightseeing trips.

• Alaska Classic Tours offers champagne flights using Alaska Helicopters' four- and six-passenger helicopters. The tour offers views of the Alaska Range, Chugach Mountains, Cook Inlet and a panoramic view of the city for \$59. For information call 276-1226.

• ERA Helicopters Flightseeing Adventures has two Anchorage-based tours. The All Around Anchorage, a 25-minute trip for \$75 per person, also features a panorama of the Anchorage Bowl as it sits between Turnagain Arm and Knik Arm.

ERA's Southern Perspective, 55 minutes for \$130 per person, begins with the sights of the Anchorage and then heads into the Chugach Mountain wilderness of forested valleys, alpine meadows, Ice Age glaciers, rivers and streams as well as the proposed sites for the 1992 Winter Olympic events. For information call 248-4422.

ERA also offers helicopter flightseeing trips in Juneau, Talkeetna, Fairbanks, Valdez and Prudhoe Bay.

• HeliTour Alaska, an in-house tour development and marketing arm for Alaska Helicopters, offers three trip choices ranging from \$125 per person for the one-hour Cheechako tour to \$245 per person for the two and-a-half-hour Sourdough or Explorer I. For more information call 694-3750 or 213-3404.

The Cheechako trip soars from Anchorage to the ridges of the Chugach Mountains where the aircraft lands so passengers can get out and take close-up photographs of Dall sheep or mountain goats.

The Sourdough takes its riders down Turnagain Arm to hover over Alyeska Resort and Portage Glacier before they land on the glacier itself and enjoy a selection of Alaskan hors d'oeuvres. This tour offers an optional stop at Crow Creek Gold Mine for passengers to pan for gold.

Through the Explorer tour, riders discover Alaska through the Knik Arm, the Matanuska Colony, Lake George glaciers and Eklutna Lake. The touchdown offers the opportunity to hike, spot sheep and savor Alaskan hors d'oeuvres, and get the photos of a lifetime.

• Soloy Helicopter Tours and Heli-hiking begins in the Matanuska Valley, an hour-and-15-minute drive from Anchorage. The 70-minute \$150 tour features the Matanuska and Susitna valleys, Whiteout Glacier, Upper Lake George and Knik Glacier and includes a 15-minute stop near the face of Knik Glacier or where the passenger chooses to stop.

Soloy's Talkeetna Mountains Hatcher Pass flight travels across the green Matanuska-Susitna Valley to the wildflower-covered mountains to see glaciers, wildlife and hidden mountain streams. A highlight of the 50-minute flight is the flyover of the Independence Mine State Historical Park and touchdown to dine at the Hatcher Pass Lodge. For more information call 376-3434.



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-586-2345

HCR 51 RE-OPENING HEARINGS FOR HELICOPTERS IN CHUGACH STATE PARK

HCR 51 reflects a flagrant disregard for a clear and systematic planning process used in managing Alaska's state parks. Recently both the Division of Parks and the Chugach State Park Citizens Advisory Board held hearings and received extensive public input on the issue of allowing helicopter landings in Chugach State Park near Eagle River. Responders who testified at these hearings overwhelmingly opposed allowing landings even at the one site which had been under consideration by DNR. In addition, nearly 80% of those writing individual letters opposed **any** commercial helicopter landing activity for either recreational or sightseeing pursuits.

HCR 51 requests the Commissioner of DNR, a **public** official in charge of **public** lands to discount a mandated **public** process, in order to accommodate a **private** pursuit for profit which is opposed by local users and adjacent community residents.

AEL is opposed to HCR 51 for the following reasons:

- Public hearings on the issue were already held in four locations in the vicinity of Chugach State Park.
- Public review and comment records have been open on this issue for eight months, from February to October 1987.
- The Anchorage Daily News had a special public forum encouraging letters on the debate.
- The appropriate public hearing process has already consumed staff time. Re-opening this process is redundant and there are other pressing issues which have not received attention already.

HCR 51 undermines the public input process which has clearly outlined the incompatibility of helicopter use in a natural area. It requires a duplication of effort at public expense. AEL opposes this legislation and urges DNR to stand by its conclusions published in the Chugach State Park Master Plan Amendments, October 1987.

Issue paper prepared by Patty Brown, 30 March 1988.

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CHAPTER, SIERRA CLUB • JUNEAU GROUP, SIERRA CLUB • SITKA GROUP, SIERRA CLUB
 KNIK GROUP, SIERRA CLUB • DENALI GROUP, SIERRA CLUB • ANCHORAGE AUDUBON SOCIETY • ARCTIC AUDUBON SOCIETY
 DENALI CITIZENS' COUNCIL • ALASKA FRIENDS OF THE EARTH • JUNEAU AUDUBON SOCIETY • KACHEMAK BAY CONSERVATION SOCIETY
 KENAI PENINSULA AUDUBON SOCIETY • KODIAK AUDUBON SOCIETY • LYNN CANAL CONSERVATION • ALASKA WILDLIFE ALLIANCE
 SITKA CONSERVATION SOCIETY • NORTHERN ALASKA ENVIRONMENTAL CENTER • SOUTHEAST ALASKA CONSERVATION COUNCIL
 KNIK KANOERS AND KAYAKERS

March 10, 1988

Dear Mr. [Name],

Re: [Subject]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

[Text]

March 30, 1988

House Resources Committee
Room 124, State Capitol Building
Juneau, Alaska 99811

RE: House Concurrent Resolution No. 51 (HCR 51)

Ladies and Gentlemen of the Committee:

I am writing in support of HCR 51 which is scheduled to come before you on Thursday, March 31, 1988.

I am an avid backpacker and user of Chugach State Park. I can see no reason not to allow helicopter sightseeing overflights and brief landings in the peripheral areas of the park in order to increase access to this marvelous area for those who otherwise would not be able to enjoy the environment of the Chugach Mountains. I offer the following points in support of my position:


- ° Chugach State Park is a multiple use area. It is not a wilderness. In winter snowmachines (mechanized equipment - like helicopters) roam throughout the park. There appears no logical reason to preclude helicopters from sightseeing flights in the summer.
- ° The areas being proposed for brief helicopter landings will not suffer any environmental damage as no site improvements are required and occupation of the sites will be brief. Operators will be required (under penalty of permit revocation) to keep the areas clean and free from litter. Impacts on wildlife will be minimal to non-existent, snowmachines present a far greater threat to wildlife than do brief helicopter landings.

- ° The areas being proposed for helicopter landings are on the periphery of the park and the interior of the park area will not be penetrated. Too bad the same thing cannot be said for snowmachines.

- ° The proposal to allow brief helicopter landings makes the park accessible to everyone, if only for a short period of time. It will provide a larger tour base for an ever increasing number of tourists, in keeping with the objectives of the State Division of Tourism.

Thank you for your consideration of these points.

Yours very truly,



R. C. Gardner
P.O. Box 190361
Anchorage, Alaska 99519
907-276-4302 (Days)

RCG/fbw

HJR

5

CLOSING THE RE-FLAGGING LOOPHOLE

The waters off of Alaska contain enormous groundfish stocks that dwarf those available in other areas of the United States. Species such as Alaskan pollock, Pacific cod, and yellowfin sole, are part of a renewable resource that has an estimated value of over three billion dollars annually. Since the initiation of large-scale factory trawling activities in the late 1950s, the harvesting and processing of this resource has been dominated by foreign fishing fleets. In recent years, however, the United States fishing industry has taken over the harvesting of these species of fish. The domestic processing industry is also growing at a tremendous pace and the United States fishing industry will soon have the capacity to fully utilize the valuable groundfish resources off of Alaska. Yet, this rapid development may be thwarted by a loophole in U.S. law which permits a foreign fishing company to transfer the registry of their ships from foreign-flag to United States-flag, and thereby obtain preferential access to United States fishery resources.

1. Regulation Of Vessels In The United States Fishing Industry
 - a. Priority Access For U.S. Vessels Under The Magnuson Act

In 1976, Congress passed the Magnuson Fishery and Conservation and Management Act, 18 U.S.C. § 1801 et seq., to regulate fishing within 200 miles of our nation's shore and promote domestic utilization of the fishery resources within the newly created "exclusive economic zone" (EEZ). Under the Magnuson Act, United States vessels are accorded a preference to harvest and process fishery resources within the EEZ. Foreign vessels are only allowed access to fish that will not be utilized by the United States fishing industry. The definition of "vessel of the United States" is, therefore, critical for distinguishing who will have access to the fishery resources within U.S. waters.

- b. Requirements To Be Documented As A Vessel Of The United States

The Magnuson Act in § 1802(27) defines the term vessel of the United States as "any vessel documented under the laws of the United States" The Vessel Documentation Act, 46 U.S.C. § 1210 et seq., allows for any vessel to be documented as a vessel of the United States if it is over 5 net tons and, under the requirements of § 12102, is owned by

- "(1) an individual who is a citizen of the United States;
- (2) an association, trust, joint venture, or other entity . . . all of whose members are citizens of the United States . . . ;
- (3) a partnership whose general partners are citizens of the United States, and the controlling interest in the partnership is owned by citizens of the United States;
- (4) a corporation established under the laws of the United States or a State, whose president or other chief executive officer are citizens of the United States and no more of its directors are noncitizens than a minority of the number necessary to constitute a quorum;
- (5) the United States Government; or
- (6) the government of a State."

Under the documentation requirements, a "vessel of the United States" can be entirely owned by foreign nationals as long as they incorporate in the United States or any state, and the requisite corporate officers are United States citizens.

c. Requirements For A Vessel To Engage In "Fishing"

For a vessel to engage in fisheries, 46 U.S.C. § 12108 requires that it be built in the United States or condemned as prize of war. Fish processing, however, is not included within the definition of fisheries under § 12101(6) of the Vessel Documentation Act. A foreign-built vessel, therefore, could process our domestic fishery resources if it were documented under the laws of the United States.

d. Manning Requirements For A United States Vessel

46 U.S.C. § 8103(b) provides that "[o]n each departure of a documented vessel . . . from a port of the United States, 75 percent of the seamen (excluding licensed individuals) must be citizens of the United States. . . ." The United States Coast Guard has informally ruled that if a U.S.-documented processing vessel were to depart from a foreign port, there would be no requirement that its crew be citizens of the United States.

e. Landing Of Fish Harvested In United States Waters

The Nicholson Act, 46 U.S.C. § 251, prohibits a foreign-flag vessel from landing in the United States any fish products taken aboard on the high seas, a term that includes the 200-mile EEZ. Of course, a United States documented vessel is permitted to land its harvest of fish or fish products in the United States.

2. Effect Of These Laws Upon The Fishing Industry

The interaction of these statutes would allow a foreign company to document a foreign-built vessel as a "vessel of the United States" and thus be able to claim priority access to process United States fishery resources. The vessel would not be permitted to "fish" within U.S. waters; however, by obtaining a U.S.-flag, the vessel would be permitted to process United States fish harvested within the EEZ, the territorial sea or the internal waters of any state. Further, if the vessel were to depart from a foreign port, there is no requirement that United States citizens be employed on the crew.

3. The Need For Legislative Action To Restrict Re-flagging

Foreign fishing companies currently operate large factory vessels capable of processing all of the groundfish resource from waters off of Alaska. Most of these vessels do not harvest fish directly, but instead receive deliveries of fish from United States fishermen in "joint venture" operations. In the past, there has been no incentive for foreign companies to re-flag their vessels because they were able to harvest or process fish that were not fully utilized by the United States industry. The United States groundfish processing industry, however, has recently grown at a phenomenal rate and in the near future there will not be "surplus" fish in U.S. waters available for foreign operations. If these existing foreign vessels are re-flagged as vessels of the United States, they will have priority access to United States fishery resources and directly compete with a growing fleet of United States processing vessels and shorebased processing plants. Because many foreign vessels are fully depreciated, a re-flagged vessel would provide a distinctive cost advantage to the foreign operation over their United States competitor. In short, foreign companies can re-flag their existing fleets and thereby retain control of U.S. fishery resources while thwarting development of the domestic fishing industry.

Two bills have been introduced in Congress to close the re-flagging loophole. In the House of Representatives, Congressman Young of Alaska has introduced H.R. 438, which would require that all vessels which receive U.S. documentation after October 31, 1986, be built in the United States, and in the case of a vessel owned by a corporation, the controlling interest in the corporation be owned by citizens of the United States. Additionally, H.R. 438 requires that at least 75 percent of the crew aboard such vessels be citizens of the United States. The bill has been referred to the House Merchant Marine and Fisheries Committee. In the United States Senate, S.377, has been introduced by Senator Stevens and co-sponsored

by Senator Murkowski. This bill provides for a ten year moratorium beginning January 1, 1987, on the documentation of all foreign-built vessels. S.377 would also require that 100 percent of the seamen employed on fish processing vessels be United States citizens. Senator Stevens' bill has been referred to the Senate Commerce Committee.

To protect the existing Alaskan groundfish processors from an "end run" around the preferential access afforded the domestic industry, and to ensure continued development of the United States groundfish processing industry, we strongly encourage hearings at the earliest possible date on these bills and support of efforts to close the loophole that allows for foreign vessels to be re-flagged as vessels of the United States.

97906



SOUTHWEST ALASKA MUNICIPAL CONFERENCE

Box 89 • Unalaska • Alaska 99685

January 27, 1987

Representative Cliff Davidson
Pouch V
Juneau, Alaska 99811

Dear Rep. Davidson:

Last year the Southwest Alaska Municipal Conference (SWAMC) was formed to promote economic development in our region. Included in our conference are the municipalities in Kodiak, Bristol Bay, Alaska Peninsula, Aleutian Islands and Pribilof Islands. Together, our communities represent 70% of the total value of Alaska's fisheries caught in 1986.

The SWAMC is seeking support for policies which would benefit our region, the State of Alaska and the Nation. Most of them are fisheries development issues: either developing new fisheries or retaining more economic benefit in Alaska from existing fisheries.

Enclosed is a description of the issues we feel need immediate attention from the State of Alaska. Besides the immediate issues of reflagging, fish tax, and domestic observer program, there is the more long term program of developing a comprehensive regional development strategy. More than ever we need sound information from which to base our decisions.

The SWAMC has already devoted substantial resources to this strategy and we are prepared to invest more to realize this project. But we can't do it alone. We feel the State would be fully justified in providing economic assistance to this project which promises to make a substantial contribution toward rebuilding our State's economy.

We send you this information as an introduction to our policy goals and will be contacting you in the future to see how we can work together to put our State back on solid economic footing.

Sincerely,

Paul Fuhs,
President, SWAMC

REFLAGGING: AN ISSUE OF ECONOMIC CONCERN

INTRODUCTION

Reflagging, allowing documentation of foreign built vessels as U.S. vessels for the purpose of groundfish processing, serves neither the interest of the State of Alaska or the Nation as a whole. This issue is particularly critical to the communities within the Southwest Municipal Conference (SWMC) who stand to lose a large part of their economic base. Reflagging also has the potential for inhibiting the development of shore-based groundfish processing and thus is not consistent with the goal of Americanization of the groundfish industry.

Recognizing the significance of reflagging to the economic stability of southwestern coastal communities, the Southwest Municipal Conference has provided this overview of the issue. They have a number of projects underway which will quantify the potential impacts of reflagging to the communities in the region and to the State. This information will be available shortly, and will serve to provide additional support for our concerns. The various components of the reflagging issue are discussed separately below.

PRIORITY TO THE GROUND FISH RESOURCES IN THE FCZ

The underlying reason for the emergence of the reflagging issue is the priority access to the groundfish resource in the fisheries conservation zone (FCZ) off Alaska. The Magnuson Fishery Conservation and Management Act of 1976 (MFCMA) clearly structures the priority of access to assist the Americanization of all fisheries in the FCZ. The North Pacific Fishery Management Council developed allocation guidelines based upon the authority of the MFCMA for its allocation of harvest privileges.

The highest priority in the allocation of groundfish in the FCZ is to domestic fishermen delivering to domestic processing companies. The processing companies can either be shore-based or at-sea floating processors. American factory trawlers engaged in both harvesting and processing groundfish are also included in this highest priority category.

The next level of priority access to the fishery resources in waters off Alaska is to joint venture fisheries. In joint venture operations, American fishing vessels harvest groundfish and deliver at sea to foreign processing ships. The growth of the joint venture groundfish fishery has been

nothing short of spectacular since 1981, and has been responsible for a large increase in the fishing capability of the Pacific Northwest fishing fleet.

Recognizing the growth of the domestic groundfish industry, the North Pacific Fishery Management Council eliminated all foreign fishing, and most joint venture fishing, in the Gulf of Alaska during their September, 1986 meeting. The Council also sharply reduced the foreign allocation of groundfish in the Bering Sea due to the growth in the U.S. shore-based, factory trawler and joint venture capacities. The Council also unanimously endorsed the call for action to prevent the documentation of foreign built vessels as U.S. vessels for the purpose of processing groundfish in the FCZ. The SWMC agrees with the Council resolution, but feels that additional action is necessary.

Reflagging would allow foreign fishing companies to continue to utilize their existing fleets and in addition be allocated priority access to the groundfish resource. While this would benefit foreign fishing companies, it would work against development of existing and planned U.S. groundfish development and would have detrimental effects to shore communities in the Gulf of Alaska and the Bering Sea. The reasons for our concerns are discussed briefly below.

POTENTIAL NEGATIVE IMPACTS OF REFLAGGING

If foreign fishing companies were allowed to transfer registry of their processing ships from foreign registry to U.S. registry, there would be several impacts on groundfish development, both for Alaska and the U.S. These impacts would not only affect the groundfish fishery, but could also impact other fisheries such as Alaska's salmon industry. The impacts from reflagging would affect:

- 1) jobs in processing sector
- 2) income to Alaska and the Nation
- 3) capital investment by U.S. companies into the groundfish industry

Jobs in the Processing Sector

It is in Alaska's best interest to assist the development of a diversified groundfish fleet combining both shore-based and at-sea processing. As a general rule, we can expect greater employment of Alaskan processing workers in shore-based groundfish plants rather than in at-sea processing ships. However, the SWMC recognizes that full Americanization of the groundfish fishery requires factory trawlers and floating

processing ships due to the nature of the resource. As shore communities, we hope to increase our economic base by directly participating in on-shore processing acting as points of supply to the offshore fleet.

Foreign fishing companies currently have processing fleets capable of harvesting all groundfish resources from waters off Alaska. If reflagging were allowed, the new foreign controlled U.S. companies might find it in their best interest to utilize foreign crew members. There would be no employment benefit to either the Alaskan or U.S. economy under this scenario. If processing crews were American workers, they would likely be hired from areas other than the local communities in the area.

Another potential impact to Alaskan communities is that groundfish processing of fillets requires a relatively larger number of workers compared with surimi production. Since it is our basic assumption that reflagged factory ships would tend to produce mostly surimi rather than a combination of surimi and fillets(1), the overall impact of reflagging would be to reduce processing jobs.

Income to Alaska and to the Nation

One of the primary reasons for the MFCMA is to assist development of American fisheries in harvesting and processing the fishery resources within the FCZ of the United States. In the opinion of the Southwest Municipal Conference and major components of the industry, reflagging of foreign processing ships would not assist Americanization of the industry.

Under the scenario of reflagging, foreign fishing companies would be able to utilize their existing fleet and still receive priority access to the groundfish resources. Even though they would be required to organize a domestic subsidiary to operate as a U.S. company, the operating decision would still be in the hands of the foreign fishing company.

Equally important is the consideration that foreign fishing companies have a large degree of control of imports of fishery products into their respective countries, particularly for surimi. These companies would have little incentive to increase access to their country's markets if

(1) This assumption is based upon the physical space limitations on floating processing ships which limits the potential for different product forms being produced simultaneously.

that action would increase the competitive position of the U.S. processing industry. A fleet of reflagged factory ships would also not offer Alaskan communities the opportunity to act as service and supply centers. Through their years of operation of distant water fishing, foreign fishing companies have an established system to supply their fleets and to provide for transportation of product. If reflagged factory trawlers became the dominant component of the groundfish fleet, there would be little opportunity for communities to provide supplies and services.

Capital Investment by the U.S. Industry

An important impediment to U.S. investment in groundfish processing in the Gulf of Alaska and the Bering Sea is caused by regulatory uncertainty. This uncertainty increases the risk of companies considering involvement in the groundfish industry. If the existing industry participants and those contemplating investment in the industry feel that there is a potential for a flood of newly created, foreign controlled, U.S. companies entering the groundfish industry, they will have little incentive to make capital investments in developing shore-based processing facilities in the area. The end result to Alaska would be very little benefit from harvest and processing of the groundfish resource.

A last issue related to regulatory uncertainty is the potential for disruption in other Alaskan fisheries from an emerging reflagged fleet. It can be assumed that if reflagging were allowed, competition for the groundfish resource would soon result in shortened season length. Pollock fishing is normally poorest during the summer months. Under existing regulation, there would be nothing to stop the reflagged processing fleet from processing salmon, crab or other species. The result of this development would bring great disruption to the economies of many Alaskan coastal communities and the existing fishing industry.

NEEDED: ACTION ON REFLAGGING

To deal with the threat of reflagging, the SWMC feels Congressional action will be required. To send a clear message to this affect, the Alaska Legislature should strongly support House Joint Resolution #5 which will prohibit the use of foreign hulls for fish processing within the U.S. FCZ. They should also work with Alaska's Congressional delegation to draft regulations which will prohibit the use of foreign labor for fish processing on U.S. vessels within the FCZ.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

January 23, 1987

MEMORANDUM

TO: Representative Cliff Davidson

ATTN: Cecil Ranney

FROM: Karen Oakley *leo*
Legislative Analyst

RE: Groundfish Harvest and Processing and ReFlagging of Vessels
Research Request 87.082

You requested that we locate recent figures on the amount of groundfish harvested and processed in Alaska and the number of foreign vessels that have been reflagged for use as fish processors in United States waters.¹ You specifically asked:

- How much groundfish was harvested from state waters during the last three years?²
- How much groundfish was harvested within the Exclusive Economic Zone (EEZ) off Alaska by U. S. and foreign vessels during the last three years?³
- How much groundfish was processed in Alaska by floating and by shore-based processors during the last three years?
- How many foreign vessels have been reflagged for use as fish processors in United States waters?

good definition

¹A vessel built in another country may be documented as a U.S. vessel and then used for international trade. A foreign-built vessel that has been reflagged cannot be used to harvest fish, but it can be used to process fish outside the three-mile limit. A reflagged vessel may transport goods between U.S. and foreign ports only; it may not be used to transport goods between two U.S. ports.

²State waters extend three miles from shore.

³The EEZ, formerly the Fisheries Conservation Zone, extends approximately 200 miles from shore.

Groundfish Harvest and Processing in Alaska

Fish tickets for groundfish harvest have only recently been modified to include the specific catch location within state waters. Fred Gaffney, Extended Jurisdiction Coordinator, Commercial Fisheries Division, Alaska Department of Fish and Game (ADF&G), could provide data on groundfish harvest from state waters for 1985 only. There were 3,575 metric tons of groundfish taken from state waters in 1985. These fish represented 0.2 percent of the approximately two million metric tons of groundfish harvested from the EEZ off Alaska in 1985. The relative volume of groundfish taken from state waters is small because the major groundfish stocks typically reside over three miles from shore.

The amount of groundfish harvested and processed in Alaska during the last three years is presented in the attached table. These data were prepared by Janet Smoker of the National Marine Fisheries Service.⁴ You may wish to contact her at 586-7221 if you have further questions about these data.

Reflagging

According to Rod Moore of Congressman Don Young's office, three foreign vessels have been reflagged to allow them to operate as fish processors in United States waters. Two of the vessels, the F/V GOLDEN ALASKA and the F/V ALASKA ONE, are now operating in Alaska waters; the third vessel, M/V HOLLAND, operated on the east coast for a time, but its owners are presently bankrupt. The F/V GOLDEN ALASKA is processing pollack in the Bering Sea, and the F/V ALASKA ONE is processing rockfish in the Aleutians.

As you are probably aware, Congressman Young recently introduced HB 438 to address the reflagging issue. This bill would change U. S. maritime law regarding the use of reflagged vessels in the U. S. fishery by:

- prohibiting the use of any foreign-built vessel that was reflagged after October 31, 1986;
- requiring that controlling interest in any corporation that uses a reflagged vessel be owned by United States citizens; and
- requiring that 75 percent of the crew of any reflagged vessel be United States citizens.

I hope you find this information useful. Please feel free to contact me if you have any questions. We have requested a copy of HB 438, and we will forward it to you when it arrives.

KO

Attachment

⁴-----
The National Marine Fisheries Service recently assumed primary responsibility for collection and analysis of groundfish data. Formerly, the ADF&G and NMFS had joint responsibility.

TABLE 1

 1984-1986 Groundfish Harvest and Processing in Alaska
 (1000's metric tons)

	Harvest from Alaska Exclusive Economic Zone			Processing in Alaska		
	Total	Joint Venture Vessels	Foreign Vessels	Total	Shore- based	Floating*
1984	1,892.3	577.2	1,315.1	na	na	na
1985	1,947.0	870.8	1,076.2	na	na	na
1986	1,663.4	1,167.7	495.7	144.0**	35.0**	109.0

Notes:

All data are from the National Marine Fisheries Service (NMFS).

na=data not available from NMFS.

*includes catcher-processors

**Data from November and December 1986 have not yet been processed, so these values are for January through October 1986. A fair amount of groundfish is typically processed during November and December, and Janet Smoker of NMFS estimates that an additional 10,000 to 20,000 metric tons were processed by shore-based processors in November and December 1986.

Prepared by the House Research Agency, January 1987, 87-082.

100th CONGRESS

1st SESSION

H.R. 438

(Original signature of Member)

Insert
title
here



A bill requiring American ownership, construction, and manning
of commercial fishing industry vessels.

IN THE HOUSE OF REPRESENTATIVES

January 7, 1937

Insert
sponsor's
names
here



Mr. Young of Alaska

Referred to the Committee on Merchant Marine and Fisheries

A BILL

1 *Be it enacted by the Senate and House of Representatives of the United*
2- *States of America in Congress assembled,*

Section 1. Except as provided in section 2, a fishing, fish processing, or fish tender vessel (as defined in section 2101 of title 46, United States Code) greater than 5 net tons may not be issued a certificate of documentation under chapter 121 of title 46, United States Code, after October 31, 1986, unless the vessel was built in the United States and, in the case of a vessel owned by a corporation, the controlling interest in the corporation is owned by citizens of the United States.

Section 2. The provisions of section 1 do not apply to a fishing, fish processing, or fish tender vessel that has been issued a certificate of documentation before November 1, 1986.

Section 3. Section 8103 of title 46, United States Code, is amended--

(a) in subsection (b) by inserting ", fish processing, fish tender," after "fishing"; and

(b) by adding a new subsection (i) as follows:

"(i) On a fishing, fish processing, or fish tender vessel that has been issued a certificate of documentation under chapter 121 of this title, at least 75 percent of the entire complement (including licensed individuals) must be citizens of the United States."

Mr. Cecil Ranney
February 3, 1987
Page 2

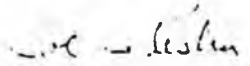
citizens of the United States. Senator Stevens' bill eliminates this problem by clarifying that on fish processing vessels documented under the laws of the United States, all of the crew must be United States citizens, regardless of whether the vessel departs from a United States port.

Section 3 of the bill would encourage the Secretary of Commerce to issue regulations regarding the shipment into United States ports of fish products harvested by foreign vessels in our 200-mile waters. Currently, 46 U.S.C. 251(a) prohibits all foreign-flag vessels from landing their catch of fish or fish products in U.S. ports; however, it is not clear that this provision would prohibit a foreign processing vessel from offloading its harvest of fish to a United States documented vessel, which then could land the product in a United States port. Very little is actually known about the extent to which this transshipment of fish products may be taking place. Senator Stevens' bill will encourage the Secretary of Commerce to investigate the matter in more detail.

If you have any questions regarding this matter, please do not hesitate to call. I will be staying in contact with you and wish you every success with House Joint Resolution No. 5.

Very truly yours,

REED McCLURE MOCERI THONN & MORIARTY


Joseph T. Plesha

JTP:jc:1296f
Enclosure

S. Res. 81. Resolution to direct the Senate Legal Counsel to represent the chief clerks of the Committee on Foreign Relations and the Select Committee on Intelligence in the case of *United States v. Morales, et al*; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BINGAMAN (for himself, Mr. BYRD, Mr. LEVIN, Mr. ROCKEFELLER, Mr. CHILES, Mr. KERRY, Mr. BAUCUS, Mr. MATSUNAGA, Mr. LAUTENBERG, Mr. SASSER, Mr. BURDICK, and Mr. MOYNIHAN):

S. 374. A bill to promote economic competitiveness in the United States, and for other purposes; to the Committee on Governmental Affairs.

(The remarks of Mr. BINGAMAN and the text of the legislation appear earlier in today's RECORD.)

By Mr. EXON:

S. 375. A bill to amend title 10, United States Code, to permit the President to order to active duty units and members of the Army National Guard of the United States and the Air National Guard of the United States in cases in which the Governor of a State or other appropriate authority withholds consent; to the Committee on Armed Services.

(The remarks of Mr. EXON and the text of the legislation appear earlier in today's RECORD.)

By Mr. ROTH:

S. 378. A bill to amend the Tax Reform Act of 1986 to restore the full deductibility of IRA contributions; to the Committee on Finance.

DEDUCTIBILITY OF IRA CONTRIBUTIONS

Mr. ROTH. Mr. President, today I rise to introduce legislation amending the Tax Reform Act of 1986.

This legislation is intended to correct a serious shortcoming in the tax bill passed last year. Despite the positive steps taken in the bill such as reduction of marginal rates and institution of a minimum tax for corporations, the bill took a giant step backwards in encouraging people to save money.

The restrictions placed on individual retirement accounts last year strike at the heart of middle-income families who are trying to earn a decent living, educate their children and save for their retirement years. While I am pleased to have helped preserve IRA's for a great portion of taxpayers, I am disappointed that millions of others have been cut off. These are working couples. In many cases, whose combined salaries push them over the income limit for fully deductible IRA's. Or, they are young workers—the young professionals in our society—whose ambition keeps our country moving forward in a fast changing world.

Mr. President, in my judgement, there is no issue of more critical importance to the American people and

this Nation than the issue of savings. We simply cannot meet the challenge of becoming competitive in the emerging world economy without addressing the need to increase our national savings rate. That is what we attempted to do when, in 1981, Congress voted to promote an individual retirement program for the American people. The idea was that each working individual could save up to \$2,000 a year tax free, and that money would help citizens meet their needs for retirement.

There has been much debate on the effectiveness of the program. In 5 years, 29 million families made a commitment to create an IRA for their future. Those individual decisions resulted in savings of \$250 billion, including a tremendous amount of new income for long-term capital investment.

Until this year, the IRA was the best available savings program for the middle class, working individuals of this country. Roughly 80 percent of those who have IRA's have incomes of \$50,000 or less; 65 percent have incomes of \$40,000 or less. With such statistics, it is difficult for me to understand how this savings program could ever be misapprehended as a rich person's tax break.

Under the new law, an individual who has earnings of \$25,000 or less continues to enjoy a tax deduction for his IRA. A married person with up to \$40,000 of earned income can have the same. But unfortunately, from that point on the benefits are phased out. It makes little sense to provide a tax deduction to encourage a young man or woman earning \$25,000 or less to save, and then to send them the signal that it is less important that they save when they start to earn a little more.

The same is true of two wage earners who make \$40,000 or more. As long as a married couple is earning \$40,000 or less they can deduct their IRA. But if their joint earnings are in excess of that figure, the deduction is phased out, and at \$50,000 it is eliminated. The current law penalizes those who are ambitious who are working hard, and who are succeeding. It penalizes those who are preparing for a secure and comfortable retirement with an IRA.

Under the new law, people who are not covered by a pension plan where they work can continue to deduct their IRA. However, this ignores the fact that many workers see their IRA not as a substitute for their private pension plan, but as a reliable supplement to that plan. With a deductible IRA to fall back on, workers would have the peace of mind of knowing their retirement security would not be completely dependent upon employer pension plans which may later be corporate takeovers or bankruptcy.

I can tell you there many families in my State of Delaware, with two wage earners, who don't think there is anything fair about what the tax bill did to their IRA. Take a young autowork-

er at a Chrysler plant in my State, earning \$33,000 with overtime. The spouse can be working, perhaps as a schoolteacher. Before long they are over the \$50,000 limit, and their deductible IRA is eliminated. Making the inequity even more apparent is another chilling aspect of the new law: If one spouse is an active participant in a qualified pension plan, no deduction for an IRA is allowed.

In closing Mr. President, I introduce this legislation today with a reminder to my colleagues. Much will be said in the upcoming days of this session about the need to preserve American jobs and expanding competitiveness of American manufacturers abroad. To that end we will try to determine how to reduce the cost of capital in this country relative to our trading partners. One place to start is to expand the tax incentives for savings, rather than reducing or eliminating them as was done by the Tax Reform Act of 1986. ■

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 377. A bill to impose a moratorium on the ability of foreign-built vessels to qualify for certain benefits under the Magnuson Fishery Conservation and Management Act, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MORATORIUM ON BENEFITS FOR FOREIGN-BUILT VESSELS

Mr. STEVENS. Mr. President, I would like to bring to the attention of the Senate an immediate and potentially devastating threat to the development of the U.S. fishing industry in the North Pacific. The threat is being caused by various interpretations of the vessel documentation laws and Magnuson Fishery Conservation and Management Act (MFCMA) which, if carried to extremes, would permit foreign fish processing companies to receive preferential treatment that Congress intended to reserve for the U.S. fishing industry.

The MFCMA has a three-tier process used in determining allocations of fish within an established conservation quota. Section 204 grants the domestic industry the preferential right to harvest and process fish to the maximum extent of its capacity.

The second tier involves an allocation to foreign fish processing vessels which receive fish at sea from U.S. harvesting vessels, but this allocation is permitted only if there is a surplus of fish left after the capacity of the domestic sector has been reached.

The third tier is established in section 201 of the MFCMA. It is lowest in priority and provides foreign harvesting fleets an allocation of any fish remaining after the first two allocations have been made.

In order to benefit from the preference reserved for the domestic industry, a fish processing vessel operating offshore within our Exclusive Econom-

le Zone must be documented under the laws of the United States so as to be a United States fish processor under the statute. Those processing vessels not so documented under the laws of the United States are foreign fishing vessels under the MPCMA and cannot qualify for a processor preference.

This so-called processor preference has become increasingly important and valuable as our domestic capacity to harvest and process fish grows and the amount of surplus fish from our zone available for foreigners declines. This is precisely what the Congress intended—the domestic industry is growing and the fishery resources of the United States are becoming Americanized.

The problem is caused by an apparent loophole in the law that could allow foreign fishing companies to document foreign-built fish processing vessels under the laws of the United States. These re-flagged vessels could then be considered United States fish processors and fall within the scope of the processor preference category outlined in section 204.

The foreign fishing companies, using foreign-built vessels, might thereby benefit from a preference that was never intended to be granted them and also put the U.S. fishing industry at a competitive disadvantage due to lower vessel construction and labor costs.

Title 46 of the United States Code governs the documentation of vessels. Any vessel of at least 5 net tons may be documented if it is owned by a U.S. citizen, partnership, association, or corporation. 46 U.S.C. 12102.

It is possible for a corporation to be foreign-owned and still operate a vessel eligible for U.S. documentation. The law requires that the corporation must be established under U.S. law, and that the president and chairman of the board be U.S. citizens.

In addition, the law requires the number of a corporation's board of directors who are noncitizens be no more than a minority of the number of directors necessary to constitute a quorum. There is no requirement that the corporation be owned by U.S. citizens in whole or in part.

Title 46 prohibits the use of foreign-built, U.S. flag vessels as fish harvesting vessel, 46 U.S.C. 12108. There is no prohibition on the use of such vessels as fish processors.

The domestic processing industry in Alaska has also raised concerns about the ability to use foreign labor on both reflagged and domestic fish processing vessels.

The law currently requires 75 percent of all seamen employed on a U.S. vessel which departs from a U.S. port to be citizens of the United States, 46 U.S.C. 8103(b). This applies to fish processing workers as well as the crew.

However, the Coast Guard has informed me that this labor requirement is not applicable if the vessel departs from a foreign port.

Therefore, a foreign fish processing company is legally capable of establishing a corporate subsidiary with U.S. management to document foreign-built processing vessels under the laws of the United States. By doing so, these vessels could be entitled to the domestic processor preference embodied in section 204 of the MPCMA. In addition, both foreign and domestic processing vessels may avoid the U.S. labor requirements if the vessels are based in foreign ports.

These loopholes in the law hinder any meaningful attempt on the part of Federal fishery managers to develop a management regime which encourages the continued development of domestic processing capacity.

Widespread reflagging would impose a competitive disadvantage on legitimate domestic operations which have made substantial investments in on-shore processing equipment and U.S.-built vessels. Unless something is done, foreign companies will have the ability to claim the domestic preference, and compete with the domestic industry at greatly reduced capital costs.

There is also the potential for reflagging to create a competitive disadvantage within the domestic sector. The ability to reflag foreign-built vessels received little attention in the North Pacific until recently.

Domestic processors are now concerned that a decision to build vessels in U.S. shipyards in anticipation of the domestic preference could be turned into a costly mistake by the reflagging loophole.

In response to the growing concern of the North Pacific fishing industry, I am introducing legislation which will eliminate the ability of reflagged vessels to process fish.

This bill is designed to establish a level playing field for all domestic operators without impeding the free flow of investment capital necessary for the development of the fishing industry.

Section 1 imposes a 10-year moratorium on the ability of foreign-built vessels to engage in fish processing under the U.S. flag. The moratorium applies to foreign-built vessels documented after January 1, 1987. I know of no such vessels documented after January 1, and believe it is fair and equitable to close the loophole as of that date.

I want to put forth foreign and domestic companies on notice that a race to reflag vessels during the pendency of the congressional review process will not be tolerated. Any companies which reflag vessels after January 1 in anticipation of a different effective date do so at their peril.

Section 2 imposes a permanent requirement that all seamen employed on fish processing vessels documented under the laws of the United States be U.S. citizens, irrespective of the port from which such vessels may depart.

Section 3 addresses an issue which is related to another aspect of activities by foreign fish processors. It has come

to my attention that the law permits U.S. cargo vessels to deliver fish into U.S. ports from foreign fish processors, even though direct delivery by the foreign processor itself is prohibited.

The Federal Government has very little information about the actual extent of such transshipment of fish products. This section grants the Secretary of Commerce the authority to issue regulations requiring U.S. cargo vessels engaged in transshipment to provide information on the extent to which this activity is taking place. It also requires the Secretary to submit a report within 9 months on the potential impact of such transshipment on the development of the U.S. fishing industry, and to provide recommendations on how to best regulate this practice, if necessary.

Section 4 provides for the termination of the provisions of this act at the end of a 10-year period. This sunset provision is necessary to ensure that the provisions of this legislation did in fact assist in the continuing americanization of the U.S. fishing industry.

The fishermen and processors of Alaska have convinced me of the urgency of addressing these issues so that investments in the domestic fishing industry can continue apace. I urge the Senate to review this issue as quickly as possible.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, it shall be unlawful for any foreign-built vessel documented under the laws of the United States after January 1, 1987 to engage in the processing of fish for commercial use or consumption.

Sec. 2. Section 8103(b) of title 46, United States Code, is amended—

(1) by striking "or yacht" and inserting in lieu thereof "yacht, or foreign-built fish processing vessel"; and

(2) by adding immediately after the first sentence the following: "All of the seamen employed on a fish processing vessel documented under the laws of the United States shall be citizens of the United States."

Sec. 3. Section 4311(a) of the Revised Statutes of the United States (48 App. U.S.C. 2511(a)) is amended by adding at the end the following: "The Secretary of Commerce may issue such regulations as the Secretary considers necessary to obtain information on the transportation of fish products by vessels of the United States from foreign fish processing vessels to points in the United States. The Secretary shall submit a report to the Senate Committee on Commerce, Science and Transportation, and to the House Committee on Merchant Marine and Fisheries—

(1) setting forth, within six months of the date of enactment of this Act—

(A) an evaluation of the potential impact of such transportation of fish products on

the development of the domestic United States fishing industry; and

(B) recommendations, if any, for legislation or other action to regulate such transportation of fish products in a manner most beneficial to the future development of the domestic United States fishing industry; and

(2) a. such other times as the Secretary of Commerce determines that legislation is needed to assure the full development of the domestic United States fishing industry.

Sec. 4. The provisions of this Act shall be effective until June 1, 1997.

Mr. MURKOWSKI. Mr. President, it is a pleasure to join my colleague, Senator STEVENS, in introducing this legislation of vital importance to the development of a strong U.S. fish processing industry.

This legislation would remove a loophole caused by various interpretations of the vessel documentation laws and the Magnuson Fisheries and Conservation Management Act. It would impose a 10-year prohibition on the use of reflagged foreign vessels for the purposes of fish processing.

Documentation does not require that a vessel be built in the United States or that corporations seeking to document a vessel have U.S. shareholders. The law does restrict the use of reflagged vessels in the coastwise trade and as fish harvesting vessels. However, there is no restriction on the use of reflagged vessels as fish processing vessels.

This loophole, if not closed, could result in a situation in which a foreign processing company can, by merely establishing a U.S. subsidiary and employing minimal U.S. management, document a foreign vessel as a "vessel of the United States" and thereby receive access to prime fishing areas reserved for the domestic industry. The fish processed on such a vessel could then be directly delivered to markets in the United States.

In order to encourage the development of a strong domestic fish processing industry, the MFCMA grants the authority to reserve access to prime U.S. fishing resources for the domestic fishing industry. Under U.S. law, a vessel is considered "a vessel of the United States" if it is documented under U.S. law.

Because U.S. law does not require vessels of the United States which embark from foreign ports to employ U.S. labor other than the master and chief of this ship, vessels could enjoy this access while employing predominantly foreign seamen.

The law it currently stands has put U.S. built and manned offshore processors and onshore processors at a competitive disadvantage in relation to reflagged processors. While the bill would grandfather in the rights of existing reflagged processing vessels, a 100 percent U.S. citizenship requirement would be imposed for crews working on these vessels. This requirement, and the 10-year prohibition on the use of reflagged vessels for fish processing would serve to level the playing field for all fish processors.

Finally, let me note the importance of additional provisions of this legislation requiring the Secretary of Commerce to investigate the extent to which transshipment, the practice by which foreign processors transfer processed fish to U.S. cargo vessels for delivery to the U.S. market, may impair the continuing effort to fully develop the U.S. fishing industry.

In the closing days of the 99th Congress, I introduced similar legislation to call to my colleagues' attention the need to address this serious problem. I am pleased to join my colleague, the senior Senator from Alaska in once again addressing this issue and I urge my colleagues to join us in supporting this legislation.

By Mr. THURMOND:

S. 378. A bill to amend the Tariff Schedules of the United States to continue the suspension of duty on menthol feedstocks; to the Committee on Finance.

SUSPENSION OF DUTY ON MENTHOL FEEDSTOCKS

● Mr. THURMOND. Mr. President, today I am introducing a bill that was introduced by me in the 99th Congress which would further extend the temporary suspension of the duty on certain menthol feedstocks. These feedstocks are utilized by domestic manufacturers to produce synthetic menthol. A duty is imposed on these chemicals when they are imported into the United States from West Germany. Since there are no domestic industries that produce these particular feedstocks, this duty affords no protection to any chemical manufacturer in the United States. To the contrary, it imposes an unnecessary financial burden on the U.S. menthol industry by increasing production costs.

To relieve this unnecessary burden, I introduced a bill in 1983 to temporarily suspend the duty on menthol feedstocks. That legislation was ultimately incorporated into the Miscellaneous Tariff Act of 1984 which became law in October 1984. It provided for the suspension of this duty until December 31, 1987.

Unfortunately, the situation facing our domestic menthol industry has worsened since 1984. There are still no American producers of menthol feedstocks. The American menthol industry must import these vital feedstocks to produce menthol products. The American menthol industry is then forced to compete against foreign, cheaply produced menthol products in domestic and international markets. In 1984, the market price for the finished menthol product was \$10.70 per pound. Since that time, the market price has steadily declined. The decline in market prices is due to foreign countries which subsidize and protect their menthol producers. This decline in prices has had a severe impact on our domestic industry. The United States has only one domestic manufacturer of menthol. This producer has suffered a 40-percent drop in operat-

ing profits from 1985-1986. Despite eroding profits, this company has managed to maintain its market share over the past few years. However, if the suspension of this duty is not extended, the future of domestic menthol production looks bleak.

This bill would simply extend the suspension of the duty on menthol feedstocks for 5 more years, until December 31, 1992. It would permit the continued receipt of the particular feedstocks necessary to produce menthol without paying a duty.

Mr. President, I realize this bill will not solve all the numerous trade difficulties faced by our domestic menthol industry. However, it would assist one domestic business in its competition against foreign manufacturers. It will help preserve the American menthol industry and many American jobs. For these reasons, I urge the prompt passage of this important legislation.

By Mr. THURMOND:

S. 379. A bill to amend the Tariff Schedules of the United States with respect to extracorporeal shock wave lithotripters; to the Committee on Finance.

EXTRACORPOREAL SHOCK-WAVE LITHOTRIPTERS

● Mr. THURMOND. Mr. President, today I am introducing legislation which is designed to remedy an existing inequity in the Tariff Schedules of the United States concerning the classification of extracorporeal shock wave lithotripters.

The extracorporeal shock wave lithotripter is a new invention which generates a shock wave to disintegrate kidney stones without invasive surgery. At present, the only lithotripter manufacturer which has received Food and Drug Administration approval for use in the United States is Dornier Medical Systems, which is based in West Germany. There are no domestic manufacturers presently producing a lithotripter approved by our Government.

The lithotripter enables patients to avoid surgery. It reduces pain and suffering, inpatient hospitalization, and the cost of kidney stone treatment. In fact, many lithotripter procedures can be performed on an outpatient basis.

Under the present tariff schedule, lithotripters fall under the "electromedical apparatus" category. Within this category there are two different duty schedules. A duty of 9.2 percent is imposed on an "electrosurgical apparatus." All other items in this category carry a 4.4-percent duty. Whether the procedure is surgical or nonsurgical is apparently a determining factor in regards to the amount of the duty. The duty on a surgical apparatus is over twice the duty on any other electromedical apparatus, and represents a great deal of money on costly items like lithotripters. Specifically, the difference in duties when applied to the present price of the lithotripter is approximately \$100,000.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

January 23, 1987

MEMORANDUM

TO: Representative Cliff Davidson

ATTN: Cecil Ranney

FROM: Karen Oakley *leo*
Legislative Analyst

RE: Groundfish Harvest and Processing and Reflagging of Vessels
Research Request 87.082

You requested that we locate recent figures on the amount of groundfish harvested and processed in Alaska and the number of foreign vessels that have been reflagged for use as fish processors in United States waters.¹ You specifically asked:

- How much groundfish was harvested from state waters during the last three years?²
- How much groundfish was harvested within the Exclusive Economic Zone (EEZ) off Alaska by U. S. and foreign vessels during the last three years?³
- How much groundfish was processed in Alaska by floating and by shore-based processors during the last three years?
- How many foreign vessels have been reflagged for use as fish processors in United States waters?

¹A vessel built in another country may be documented as a U.S. vessel and then used for international trade. A foreign-built vessel that has been reflagged cannot be used to harvest fish, but it can be used to process fish outside the three-mile limit. A reflagged vessel may transport goods between U.S. and foreign ports only; it may not be used to transport goods between two U.S. ports.

²State waters extend three miles from shore.

³The EEZ, formerly the Fisheries Conservation Zone, extends approximately 200 miles from shore.

Groundfish Harvest and Processing in Alaska

Fish tickets for groundfish harvest have only recently been modified to include the specific catch location within state waters. Fred Gaffney, Extended Jurisdiction Coordinator, Commercial Fisheries Division, Alaska Department of Fish and Game (ADF&G), could provide data on groundfish harvest from state waters for 1985 only. There were 3,575 metric tons of groundfish taken from state waters in 1985. These fish represented 0.2 percent of the approximately two million metric tons of groundfish harvested from the EEZ off Alaska in 1985. The relative volume of groundfish taken from state waters is small because the major groundfish stocks typically reside over three miles from shore.

The amount of groundfish harvested and processed in Alaska during the last three years is presented in the attached table. These data were prepared by Janet Smoker of the National Marine Fisheries Service.⁴ You may wish to contact her at 586-7221 if you have further questions about these data.

Reflagging

According to Rod Moore of Congressman Don Young's office, three foreign vessels have been reflagged to allow them to operate as fish processors in United States waters. Two of the vessels, the F/V GOLDEN ALASKA and the F/V ALASKA ONE, are now operating in Alaska waters; the third vessel, M/V HOLLAND, operated on the east coast for a time, but its owners are presently bankrupt. The F/V GOLDEN ALASKA is processing pollack in the Bering Sea, and the F/V ALASKA ONE is processing rockfish in the Aleutians.

As you are probably aware, Congressman Young recently introduced HB 438 to address the reflagging issue. This bill would change U. S. maritime law regarding the use of reflagged vessels in the U. S. fishery by:

- prohibiting the use of any foreign-built vessel that was reflagged after October 31, 1986;
- requiring that controlling interest in any corporation that uses a reflagged vessel be owned by United States citizens; and
- requiring that 75 percent of the crew of any reflagged vessel be United States citizens.

I hope you find this information useful. Please feel free to contact me if you have any questions. We have requested a copy of HB 438, and we will forward it to you when it arrives.

KO

Attachment

⁴The National Marine Fisheries Service recently assumed primary responsibility for collection and analysis of groundfish data. Formerly, the ADF&G and NMFS had joint responsibility.

TABLE 1

 1984-1986 Groundfish Harvest and Processing in Alaska
 (1000's metric tons)

	Harvest from Alaska Exclusive Economic Zone			Processing in Alaska		
	Total	Joint Venture Vessels	Foreign Vessels	Total	Shore- based	Floating*
1984	1,892.3	577.2	1,315.1	na	na	na
1985	1,947.0	870.8	1,076.2	na	na	na
1986	1,663.4	1,167.7	495.7	144.0**	35.0**	109.0

 Notes:

All data are from the National Marine Fisheries Service (NMFS).

na=data not available from NMFS.

*includes catcher-processors

**Data from November and December 1986 have not yet been processed, so these values are for January through October 1986. A fair amount of groundfish is typically processed during November and December, and Janet Smoker of NMFS estimates that an additional 10,000 to 20,000 metric tons were processed by shore-based processors in November and December 1986.

Prepared by the House Research Agency, January 1987, 87-082.