

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672  
5491 SRES SJR 51 - SR 7

1263

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of \_\_\_\_\_ 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: *Russ*

\*\*FISCAL NOTE(S) ATTACHED \_\_\_\_\_ \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

1/18/88 DATE TURNED INTO OFFICE \_\_\_\_\_  
Mr. President: \_\_\_\_\_  
Resources \_\_\_\_\_ Committee considered *Russ* SJR 51

Requesting a support services priority for American carriers and bulk fuel suppliers servicing foreign processing vessels in the exclusive economic zone.

and recommended:

[ ] replace with CS \_\_\_\_\_ [ ] same title  
[ ] new title

*may* [ ] attached amendment(s) and  
[ ] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

[ ] letter of intent adopted and attached

\*\* Committee [ ] attached or [ ] adopted fiscal note(s)  
[ ] zero [ ] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Tommy Harris*  
*John J. ...*  
*Steve ...*  
*Paul ...*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*John ...*  
Chairman signature and recommendation

[ ] Committee Backup Attached

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

P.O. BOX EE  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 465-2017

### DIVISION OF BUSINESS DEVELOPMENT

JAN 27 1988

BRIEFING MEMO -- HJR45 and SJR51

#### SUPPORT SERVICES PRIORITY FOR FISHERY OPERATIONS IN THE EEZ

The Southwest Alaska Municipal Conference submitted a proposal in October 1987 to the North Pacific Management Council to "establish a linkage between the issuance of permits to foreign fish processing vessels and their use of U.S. transport and bulk fuel carriers. Permits to foreign processing vessels would be issued only upon the condition of existing contracts for the purchase of specific volumes of the services of U.S. cargo and bulk fuel carriers for their at sea operations. The volume required by the contract would equal U.S. capacity to provide those services."

The Department of Commerce and Economic Development (DCED) supports this proposal and the intent of the resolutions before the Legislature. The idea clearly has merit and support service development has great potential to spur economic growth in Alaska. The proposed support services preference should provide U.S. suppliers of at-sea services with needed market access to the foreign fleets, and is likely to generate spinoff business on-shore. It is unlikely that such access will be achieved through other developments such as market forces or Americanization of the processing and fishing sectors.

The department has not conducted an in-depth legal review of the proposal, however, there are several options for the council to consider for implementation. The resolutions may be overly specific in calling for an amendment to the Fishery Management Plan. As the council and NOAA review the legal framework and ramifications, DCED will elaborate on its position.

#### COUNCIL ACTIONS TO DATE

At its January meeting, the NPFMC set up a work group to study the proposal. There was general support on the council for the amendment, but there was concern about legal aspects and the staff workload from this and several other major proposals pending in the amendment process. This proposal could have sweeping implications and members felt that adequate staff work at this stage was essential.

To date, NOAA general counsel has not advised the council on the legality of the proposal. The council reserved the right to put the proposal in the amendment cycle following issuance of the legal opinion (due March 1) and work group report. This would likely occur at the April meeting. The amendment could be adopted at the September meeting and be in force by December.

#### THE LEGAL ASPECTS

The Magnuson Act provisions cited below appear to be specific to U.S. vessels that service the fishing fleet. Under the proposal, these support vessels could obtain a preference over foreign providers. The Act is mute on shore-based service suppliers and there is nothing in the law that would require U.S. fishing and processing vessels to buy domestic services.

A legal opinion prepared for American President Lines found that:

The Magnuson Act can be read to justify an FMP giving preferential treatment for U.S. support services: Under the act, "fishing" includes "any operations at sea in support of, or in preparation for" catching, taking or harvesting or other activities reasonably expected to result in these activities. Similarly, the Act defines "fishing vessel" to include "any vessel . . . which is normally used for . . . aiding or assisting one or more vessels at sea in the performance of any activity relating to fishing, including . . . transportation."

NMFS currently requires foreign-flag transport vessels to obtain activity code 3 (support) permits in recognition of this provision of the FCMA.

#### MAGNITUDE OF PROPOSAL

In 1985, there were 359 foreign flag vessels operating in the Bering Sea, and 99 of them were freighters and tankers. Almost no goods or services are procured by foreign fleets from U.S. firms or from U.S. coastal communities. The Russian fleet of approximately 40 vessels does buy some fuel and provides shore leave in Dutch Harbor.

Supporters estimate current foreign fleet fuel consumption at 160 million gallons annually. DCED estimated 144 million gallon consumption in 1985. Using an average of 150 million gallons at \$.60/gal yields about \$90 million in potential fuel sales. Dutch Harbor vendors sold approximately 56 million gallons to all customers in 1986.

SWAMC materials state that

"In 1986, more than 5,000 vessel-to-vessel at-sea transshipments were made of frozen fish and meal products by foreign vessels. This amounted to 1,200,000 metric tons . . . in contrast to the total estimated shipment of fish on U.S. bottoms of 50,000 to 75,000 metric tons."

That total of 1.2 million metric tons equals 2.6 billion pounds, and freight related tariffs are estimated to be in the range of \$350 million.

The Jones Act prohibits shipping between American ports on foreign bottoms and the Nicholson Act prohibits landing fish on foreign bottoms. Therefore, U.S. vessels are needed to transport products to U.S. ports and markets. With joint venture operations rapidly dwindling, there will soon (perhaps by 1990) not be enough domestic vessels and cargo handling facilities to move the volume of products required by the growing U.S. market. Without additional capacity, seafood products from the Bering Sea will have to be first shipped overseas on foreign vessels.

#### TECHNICAL ASPECTS OF NPFMC ACTION ALTERNATIVES

Lawyers for supporters indicate that linking foreign processing allocations to the use of U.S. support services in the Fishery Management Plan (FMP) would be legally permissible, only if the action was not based solely on economic considerations. Biological justifications might include improved enforcement which would follow from more accurate foreign catch reporting through monitoring of shipping records on domestic carriers.

As an alternative to FMP amendments, the council could recommend permit restrictions on foreign processing permits, requesting that NOAA impose conditions linked to the use of U.S. support services. If the council offered the permit restriction as a "recommendation" rather than as a part of a formal FMP, NOAA would have more latitude to impose conditions which reflect commercial considerations, but would also be less compelled to act on the recommendation.

#### EFFECT ON DOMESTIC SERVICE PROVIDERS

The DCED has been encouraging the development of support services for some time, as roughly two-thirds of the processing capacity for North Pacific groundfish is expected to develop off-shore due to the location of the resource relative to good harbors and the relative economics of at-sea processing. That was the conclusion of the North Pacific Fisheries Delphi study conducted by DCED in 1985.

A Support Services Survey, released last year, was undertaken by DCED to determine the supply patterns of the existing American fleet and to examine the potential for development of support services. The conclusion was that there is significant potential, especially in the Pribilof Islands and for at-sea fuel and supply services. However, lack of adequate infrastructure was identified as a critical bottleneck. Another problem has been the degree of vertical integration in the foreign fishing operations, and the reluctance to break established supply patterns even if the U.S. alternative is less expensive.

Development of harbors in the Pribilofs and transportation infrastructure there and in the regional transshipment centers at Dutch Harbor and Kodiak must go hand-in-hand with initiatives such as this if the state is to realize its full potential for development from the North Pacific fisheries resources.

The DCED has been investigating the possibility of public/private partnerships in infrastructure development for the region with some success. Cargo carriers and fuel suppliers are poised to move, and have been following events in the Bering Sea very closely. Those approached have expressed considerable interest in the public/private infrastructure development concept. Clearly, the financial markets would be much more receptive if there were a federal policy giving domestic carriers priority in the Bering Sea.

The SWAMC proposal was supported in testimony before the NPFMC permit review committee by: Western Pioneer, Crowley Maritime, Sea Land, Total Ocean Trailer Express, American President Line, Foss Maritime, Petro Marine, Coastal Transportation and American Waterway Operators.

For Further Information Contact:  
Paul Peyton, Development Officer  
Phone: 465-2162



Statement by the City of St. Paul in support of passage  
of SJR51  
Before the Senate Resources Committee  
January 25, 1988

The Bering Sea City of St. Paul enthusiastically supports the initiative of the Senate Special Committee on Local and Regional Economic Opportunity in drafting SJR51 and respectfully urges the Senate Resources Committee to pass this resolution out with a strong do pass recommendation.

The City of St. Paul located on the largest island of the Pribilof Island group, surrounded by the vast and rich fishing grounds of the Bering Sea, is some 300 miles north of the Aleutian Chain and 775 miles west of Anchorage. By the end of this year the City of St. Paul expects to complete phase-two development of the harbor project in time to commence service to the Bering Sea bottom fishery.

This last December President Reagan signed into law an appropriation of \$11.8 million (plus a discretionary 20% contingency of \$2.36 million for available funds of 14.6 million) for this top-rated US Army Corps of Engineers project. Use of these federal monies will be made possible by passage of Governor's FY89 capital budget item for St. Paul. These appropriations will fund extension of the present St. Paul breakwater from 750 feet to 1800 feet as well as completion of all required dredging.

With completion of this second phase of Harbor development, the very support services SRJ51 seeks to have performed by the domestic fishing industry within the 200 mile Exclusive Economic Zone can and will be performed on St. Paul by virtue of the considerable and existing support facilities already in place on the Island.

The airport facilities and runway (5075'1 x 200 w) together with 2.65 mm gallon refueling plant and developed fresh water sources supplied by five deep wells producing over 500,000 gallons per day are an essential part of St. Paul's fishing support services infra-structure. The city uses an average of 60,000 to 80,000 gallons per day leaving more than 400,000 gallons per day available for commercial use.

Saint Paul Island is strategically located within the Bering Sea adjacent to some of the richest fishing grounds in the world. Until the early 1980's, a large American king crab fleet once harvested as much as 100 million pounds annually in the Bering sea. Hundreds of foreign travelers and factory ships caught and processed more than one million tons of cod, Alaska pollock and other groundfish available from the area.

As full Americanization of the groundfish fishery has accelerated over the past five years, there has been an increasing demand for a wide range of services to support the growing American fleet. These requirements include a fisheries service dock with fuel supplies, ship chandlery, provisioning of goods and commodities, expediting, consolidation and transshipment of product, coordinated crew transfer and observer exchange. Demand for these services has led to expansion of the facilities at Dutch Harbor, new or reconstructed processing plants at several locations along the Aleutian chain, and, among other developments, serious consideration of additional shorebased locations that, with major investments in harbor and port facilities and support services, could contribute to more effective and efficient operation of the U.S. fleet.

Completion of the harbor facility at Saint Paul Island is consistent with the National Economic Development objective - - to increase the net value of goods and services provided to the United States economy. The proposed harbor and associated support services are intended to enhance the competitive position of the U.S. fleet operating in the Bering Sea. SJR51 is designed to remind the North Pacific Fisheries Management Council and other federal officials that we need to protect and not fritter away the opportunities the U.S. has with the establishment of the EEZ and with the development of domestic shore based facilities like the St. Paul Harbor project.

FISCAL NOTE

REQUEST:

Revision Date: January 25, 1988  
Title: SJR 51

Agency Affected: Commerce & Econ. Dev.  
BRU: Division of Business Development

Sponsor: Sturgulewski  
Requester: \_\_\_\_\_

Components: \_\_\_\_\_

EXPENDITURES / REVENUES : (Thousands of Dollars)

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

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Paul Peyton *RP*  
Division: Business Development

Phone: 465-2162  
Date: January 25, 1988

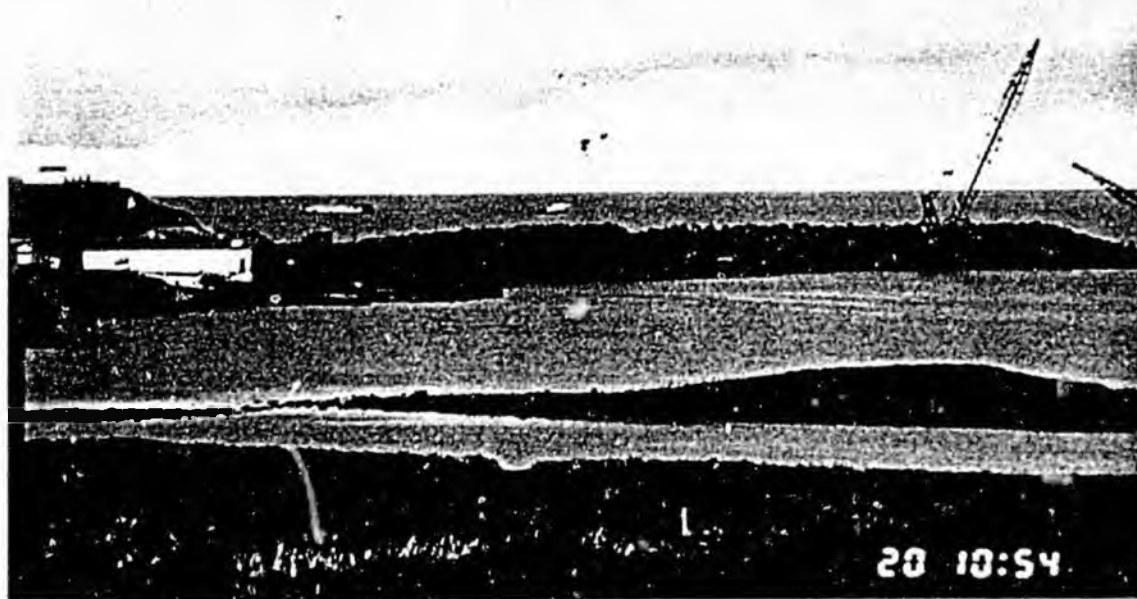
Approved by Commissioner: J. Anthony Smith  
Agency: Department of Commerce and Economic Development

Date: January 25, 1988

Distribution (by preparer):

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

## SCOPE OF PROJECT



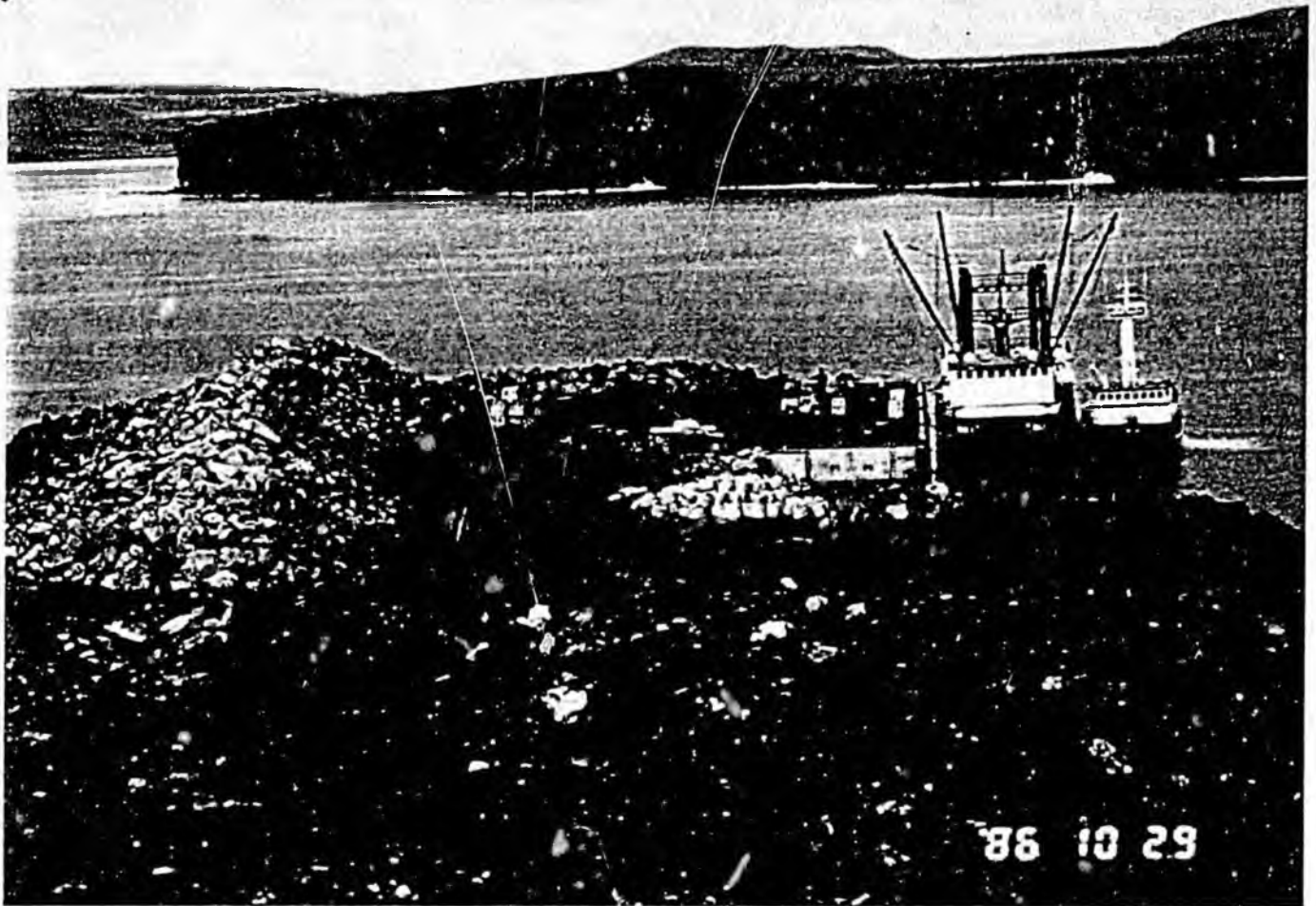
THE INITIAL PHASE OF THE ST. PAUL HARBOR CONSTRUCTION HAS PROVIDED THE CITY WITH A BREAKWATER, 750 FT LONG AT THE CREST ELEVATION OF 37 FT, 930 FT LONG AT THE TOE ON THE SEA FLOOR AND A DOCK 200 FT LONG. FOR COMPARISON, THE BOOM OF THE CRANE IN THIS PICTURE IS 180 FT IN LENGTH. THIS MASSIVE STRUCTURE, 60% BELOW THE WATER SURFACE, IS NECESSARY TO INSURE A SAFE HARBOR PROTECTED FROM THE SEVERE BERING SEA STORMS. NO ROCK DISPLACEMENT HAS OCCURRED IN THE PAST TWO STORM SEASONS.

## ROCK SIZE



THE ROCK SIZES USED FOR ARMOR TO PROTECT THE SEAWARD SIDE OF THE BREAKWATER FROM THE CONSTANT BERING SEA WAVE ATTACK VARY FROM AN AVERAGE OF 10 TONS NEAR THE SHORE TO A MAX OF 35 TONS IN THE DEEPER WATER AT THE HEAD. FOR PERSPECTIVE, A 35 TON ROCK WOULD BE A CUBE  $7\frac{1}{2}$  FEET PER SIDE OR THE SIZE OF A SMALL CAR. THIS BREAKWATER WHEN EXTENDED WILL PROVIDE ST. PAUL WITH A SAFE HARBOR WITH MINIMAL MAINTENANCE FOR MANY YEARS.

## SAINT PAUL HARBOR



ST. PAUL IS THE ONLY HARBOR BETWEEN NOME, 500 MILES TO THE NORTH AND UNALASKA, ALMOST 300 MILES TO THE SOUTH, CAPABLE OF ACCOMMODATING SHIPS OF THE SIZE SHOWN ABOVE. THE FIRST TWO SHIPS TO USE THE NEW FACILITY, THE "SALLY J", A 185 FOOT FREIGHTER AND THE SMALLER "LADY ACE", A FISHING BOAT, WERE ACTUALLY MOORED AS WORKMEN WERE COMPLETING THE FINAL GRADING OF THE MATERIALS HANDLING AREA.

ROADWAY AND MATERIALS HANDLING AREA LIGHTING HAS BEEN INSTALLED SINCE THIS PHOTO AND ELECTRICAL POWER WILL BE AVAILABLE FOR SHIP USE BY THE SPRING OF 1988. THE FUEL AND WATER SUPPLY SYSTEMS FOR THE HARBOR ARE NOW UNDER DESIGN AND CONSTRUCTION WILL BE COMPLETED BY THE FALL OF 1988.

THE HARBOR AS IT EXISTS TODAY CONSISTS OF A BREAKWATER 750 FEET LONG AT THE CREST WHICH IS 37 FEET ABOVE SEA LEVEL AND A 200 FOOT LONG CONCRETE CAISSON, WHICH WAS TOWED TO SAINT PAUL, LOWERED INTO PLACE AND FILLED WITH ROCK. THE CAISSON AND THE SPACE BETWEEN IT AND THE BREAKWATER PROVIDE A MATERIALS HANDLING AREA 145 FEET IN DEPTH.

THE DESIGN IS COMPLETE AND CONSTRUCTION TO EXTEND THE BREAKWATER TO ITS ULTIMATE LENGTH OF 1,800 FEET IS PLANNED FOR THE 1988 CONSTRUCTION SEASON. THE DOCK LENGTH WILL BE EXTENDED AN ADDITIONAL 800 FEET AS FUNDS BECOME AVAILABLE. THE EXTENDED BREAKWATER WILL PROVIDE A HARBOR USABLE 100% OF THE TIME AND THE ADDED DOCK SPACE WILL BE ABLE TO SUPPORT THE BERING SEA BOTTOM FISHERY FLEET.

# Alaska State Legislature



SENATOR  
ARLISS STURGULEWSKI

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

2957 SHELDON JACKSON STREET  
ANCHORAGE, ALASKA 99508

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

## Senate

### PRESS RELEASE

SJR 51 "Requesting a support services priority for American carriers and bulk fuel suppliers servicing foreign processing vessels in the exclusive economic zone."

BY: Senator Arliss Sturgulewski  
CONTACT: Frank Homan - 465-3818

January 18, 1988

Senator Arliss Sturgulewski, Chairman of the Senate Special Committee on Local and Regional Economic Opportunity, today announced the introduction of Senate Joint Resolution 51 calling for further "Americanization" of the fishery resources within the U.S. 200 mile limit. The resolution calls upon the North Pacific Fisheries Management Council (NPFMC) to include a support services priority in the allocation of the fishery resources of the U.S. Exclusive Economic Zone. Specifically the resolution requests the NPFMC to amend the 1989 Groundfish Fishery Management Plan for the Bering Sea and the Gulf of Alaska to establish a linkage between the issuance of permits to foreign fish processing vessels and their use of U.S. transport and bulk fuel carriers.

Sturgulewski said "This is a logical extension of the Magnuson Act. The act visualized the complete "Americanization" of the 200 mile zone and we have been progressing in that direction. It is now time for another step forward. This resolution has its basis in Section 3.10 and 3.11 of the

Magnuson Act." Section 3.10(d) defines fishing as any operation at sea in support of fish harvesting activities. Section 3.11 defines a fishing vessel as one used for (1) fishing or (2) aiding or assisting one or more vessels at sea in the performance of any activity relating to fishing, including, but not limited to, preparation, supply, storage, refrigeration, transportation or processing.

Senator Sturgulewski continued, "To the extent that American carriers and bulk fuel suppliers can provide services to foreign processing vessels, they should be allowed to do so. The fisheries of the 200 mile zone off of Alaska are a great economic resource and our communities and citizens should benefit from the harvesting of that resource. If we can begin to provide support services to foreign vessels, then our coastal communities should see increased employment, improved infrastructure and additional tax revenues."

The NPFMC will be meeting in Anchorage this week to discuss the support service issue as well as other agenda items.

Senate Joint Resolution 51 was introduced by the Senate Special Committee on Local and Regional Economic Opportunity comprised of Senator Arliss Sturgulewski of Anchorage as Chairman, and Senators Lloyd Jones of Ketchikan and Fred Zharoff of Kodiak. The special committee was formed to encourage economic development in Alaska's local communities in regional areas.



January 21, 1988

Senator Jack Coghill  
Chair, Senate Resources Committee  
State Capitol  
Juneau, Alaska

Dear Senator Coghill:

Enclosed is a copy of Port of Tacoma Resolution Number 88-2 in support of SJR 51. This resolution was passed unanimously by the Port Commission on January 14.

Also enclosed is a letter of support from Tacoma's long-shore union, ILWU Local 23, and a press release that was issued by the Port on January 20.

Please let us know if we can be of any help in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Lynn C. Anderson". The signature is written in dark ink and is positioned above the printed name and title.

LYNN C. ANDERSON  
Governmental Affairs Manager

LCA:ram

cc: Shari Gross

PORT OF TACOMA ENDORSES DUTCH HARBOR GROUND FISH PROPOSAL  
January 20, 1988 PAGE TWO

According to Port of Tacoma Commission President Robert Earley, "We know that groundfish is a tremendous opportunity for Alaska. The Port of Tacoma will do whatever we can to support this important issue, and to get other Washington State businesses to support it as well."

Tacoma's longshore union, ILWU Local 23, has also officially endorsed the Dutch Harbor proposal, and Tacoma longshore and Port officials will work together to further promote support of the plan.

In recent years, the Port of Tacoma has emerged as the "New Gateway to Alaska", handling over 65% of all waterborne commerce to that state. Both Sea-Land and Totem Ocean Trailer Express call at Tacoma.

# Port of Tacoma

P.O. Box 1837  
Tacoma, Washington 98401  
(206) 383-5841  
From Seattle area (206) 838-0142



## News Release

CONTACT: ROD KOON, DIRECTOR, PORT RELATIONS  
JUDY GISH, COMMUNICATIONS MANAGER  
JANUARY 20, 1988

---

### PORT OF TACOMA ENDORSES DUTCH HARBOR GROUND FISH PROPOSAL

The Port of Tacoma Commission unanimously passed a resolution on January 14 in support of Dutch Harbor's Support Services Priority Proposal, which is currently under review by the North Pacific Fishery Management Council.

The resolution officially urges the Management Council to "amend the 1989 groundfish management plan for the Bering Sea and the Gulf of Alaska to include a support services priority for American carriers and bulk fuel suppliers servicing foreign processing vessels in the United States Exclusive Economic Zone."

Port of Tacoma officials have travelled to Dutch Harbor several times to meet with Dutch Harbor Mayor Paul Fuhs and other officials to discuss fishing issues and other matters of mutual importance and interest to Alaska and Tacoma.

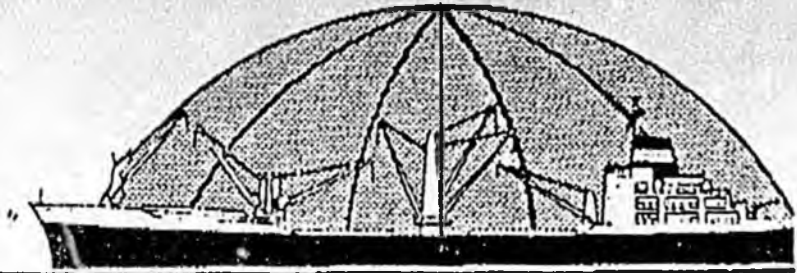
**International  
Longshoremen's and  
Warehousemen's Union**

**LOCAL 23**

**(206) 383-2468**

**1710 MARKET STREET**

**TACOMA, WASHINGTON 98402**



January 8, 1988

To Whom It May Concern:

The Tacoma longshoremen endorse the Ground Fish Plan Amendment Proposal. When passed, this plan, made by Paul Fuhs, Mayor of Unalaska/Dutch Harbor to the North Pacific Fishery Management Council, will put Alaska and the State of Washington into a support partnership arrangement. This will help the shipping and fishing industry and affect the balance of trade problems of the United States.

The Tacoma longshoremen's name and efforts will be used to affect the passage of this proposal. Please contact me if you can be of service in securing the passage of this proposal.

Sincerely,

Philip M. Lelli  
Vice President

Send correspondence to:  
4901 Jenks Pt. Way  
Sumner, WA 98390-8906

PORT OF TACOMA

RESOLUTION NO. 88-2

A RESOLUTION of the Port Commission of the Port of Tacoma, Washington, regarding the Groundfish Fishery Management Plan for the Bering Sea and the Gulf of Alaska.

WHEREAS, the 200-mile Exclusive Economic Zone (EEZ) was established to encourage the development of the domestic fishing industry; and

WHEREAS, the Magnuson Fishery Conservation and Management Act is intended to stimulate new jobs and new sales for the domestic fishing industry; and

WHEREAS, regulations adopted under the Magnuson Act define the term "fishing" to include the "transferring or transporting of fish or fish products" and other support activities; and

WHEREAS, more than 500 foreign flag vessels spent 34,000 vessel days operating in the United States EEZ in 1986, but used only marginal amounts of United States shipping capacity and other support services; and

WHEREAS, in 1986, more than 5,000 vessel-to-vessel at-sea transshipments were made involving frozen fish and meal products by foreign vessels, amounting to 1,200,000 metric tons of fish product; and

WHEREAS, value-added activities involving processing, transportation, cold storage, fuel bunkering, provisioning, and ship repair will benefit Alaska communities through increased employment, improved infrastructure, and additional tax revenue; and

WHEREAS, domestic fishery support firms should have the opportunity to service these needs to the greatest extent possible, as intended by this Magnuson Act.

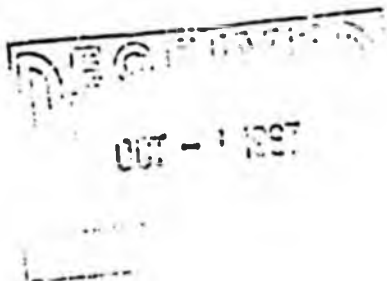
NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF TACOMA that the Port of Tacoma Commissioners strongly urge the North Pacific Fishery Management Council to amend the 1989 groundfish fishery management plan for the

OCT 01 '87 16:07 CITY OF UNALASKA

P.1 #16

CITY OF UNALASKA  
P.O. BOX 89  
UNALASKA, ALASKA 99685  
(907) 581-1251  
"Capital of the Aleutians"

COPY



October 1, 1987

Jim Campbell, Chairman  
North Pacific Fisheries Management Council  
Box 103136  
Anchorage, AK 99510

Dear Mr. Campbell:

Attached is our proposal for the 1989 Fisheries Management Plan for the Bering Sea and Gulf of Alaska. As you may know, we only recently were able to receive transshipment data from NMFS so we will be supplying you with additional supportive data in the future.

Sincerely,

*Paul Fuhs*  
Paul Fuhs, Mayor  
Unalaska/Dutch Harbor

# CITY OF UNALASKA

P.O. BOX 88  
UNALASKA, ALASKA 99588  
(907) 581-1281

"Capital of the Aleutians"

October 8, 1987



James O. Campbell, Chairman  
North Pacific Management Council  
P.O. Box 103136  
Anchorage AK 99510

Dear Mr. Campbell:

This letter is to outline and clarify our proposal for the 1989 Groundfish FMP.

The proposal calls for a priority system for U.S. shippers and U.S. fuel suppliers in the U.S. EEZ. Foreign fishing and processing vessels would be required to ship their products on U.S. carriers and purchase fuel from U.S. distributors to the extent that the domestic industry has the capacity to supply these services.

These service industries are specifically cited in the Magnuson Act right next to fishing and fish processing. It is clear the intent is to capture maximum return to American companies in an "exclusive economic zone" not just a "fishery zone". The Council is charged in the Magnuson Act with representing the domestic interests of all parties with standing as named in the act.

Since NMFS has released the data, we now have a clear analysis of the volumes of fish cargoes. It is not difficult to assess domestic shipping capacity and require that Foreign Processors fully utilize that capacity before foreign shipping is allowed to carry it.

In many ways, it is easier to assess domestic shipping and fueling capacity than it is to assess domestic processing capacity. In addition cargo shipped data is easier to obtain and verify than fisheries data.

While you have seen mainly fishermen and processors in the past, you will see a much more active presence at the Council meetings by the shipping and fuel supply industry. They are fully aware of and in support of this proposal.

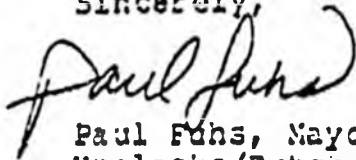
James O. Campbell  
October 8, 1987  
Page 2 of 2

We are making this proposal because the benefits of this support activity would be great for our town, as well as other west coast parts. Employment for local residents (and American seaman) would be substantial, along with tax revenues we need to provide the infrastructure for the developing domestic bottomfish industry.

Last year when the 100 mile zone was being considered, joint venture interests suggested that we focus on service industries rather than primary processing. While we are still doing what we can to support our shoreplants, we are taking their advice and pursuing the service aspect of the industry by filing this proposal.

Please contact us if you have any further questions concerning our proposal.

Sincerely,



Paul Fuchs, Mayor  
Unalaska/Dutch Harbor

## **I. STATEMENT OF PROPOSAL**

This transmittal requests that the Council incorporate this proposal into the 1989 Fishery Management Plan (FMP) for the U.S. support industry specifically marine transportation and bulk fuel.

The Alaskan groundfish industry is developing and becoming progressively more Americanized. A key catalyst for Americanization of harvesting and processing has been the Magnuson Act. Like harvesters and processors, the United States support industry, specifically marine transportation, cold storage, bulk fueling and other support services are also eligible to benefit from the Magnuson Act. These support operations are specifically identified as a form of "fishing" in the Magnuson Act. According to the Magnuson Act, the term "fishing vessels" includes vessels engaged in the transport of fish and/or fish products or any other support activity (Sec. 3.11). The CFR further clarifies that support activity includes "transferring or transporting fish or fish products; or supplying a fishing vessel with water, fuel provisions, . . . . .  
..... " (50 CFR 611.2)

Despite successes in harvesting and more recently in processing, U.S. support services and small Southwest Alaska coastal communities have realized only marginal economic gains. More than 500 foreign flag vessels spent 34,000 vessel days operating in the U.S. EEZ in 1986 but used only marginal amounts of U.S. shipping capacity or other support services. U.S. support services are both cost and quality competitive with foreign support services. However, large foreign flag fleets continue to support their distant water fleets operating in U.S. waters from home ports using little if any U.S. provided support services .

## **II. OBJECTIVE**

### **A. PROBLEM STATEMENT**

Despite recent gains made by U.S. harvesting and processing sectors, the economic value accruing to U.S. interests continue to be a small fractional part of the total economic value of the resource. Some estimates place the U.S. return at about 10 percent of the total. Foreign flag processing fleets, tramps and other support vessels continue to maintain a high level presence in U.S. waters, declining only seven percent in the number of vessel days from 1985 to 1986. The U.S. support industry has not experienced gains comparable to harvest and processing because foreign fishing companies have large vertically integrated operations that provide a strong disincentive to use U.S. support services even when such services are more economical. So long as foreign fishing companies continue to preclude participation by U.S. support firms, an increased amount of economic benefit of the resource will

not flow to Southwestern Alaskan communities or to the U.S. support industry.

## **B. IMPLICATIONS IF THE PROBLEM IS NOT SOLVED**

Because of the market dominance exercised by Japan, Korea, and the state-owned nature of the Polish and USSR fishing companies, free-market economics cannot play its traditional role in establishing a competitive framework within which U.S. support firms can successfully operate and compete on fair terms. It is a well understood fact that both Japan and Korea exercise tight control through tariff and quotas over the importation of U.S. processed fish products. This scheme closely regulates the import of designated fish and shellfish species to protect Japanese and Korean domestic processing industries. Japan controls its domestic market partly to protect its large investment in its distant water fishing fleets. The implications for Japan and Korea's highly restrictive import policies on the development of U.S. processing capacity is ominous in that there will be significant political pressure put on their respective governments to maintain trade protectionist measures especially aimed at U.S. processed product. Therefore, the Japanese and Koreans will move energetically to maintain their current dominance in support services, especially maritime transportation. And, as long as foreign fishing companies refrain from procuring transport, fuel, provisions or repair services, from the U.S. support industry, Southwest Alaskan communities will not derive more than marginal economic benefit from the fisheries.

Following application of the Magnuson Act, investment will begin to flow into new capacity for vessels and support facilities to increase the level of services available to support the fishery. U.S. capacity, especially marine shipping, and bulk fuel sales are now cost competitive with existing foreign supplied transport and fuel. Capital investment in the support industry will accomplish two goals: first, it will increase the overall competitive position of the fishery in relation to other world class fisheries and second, it will improve the economic returns earned by small Southwest Alaska communities and U.S. support service firms.

## **C. IMPLEMENTATION MEASURES**

There are a number of possible methods by which a Fishery Management Plan for the U.S. support industry could be implemented. One possible method is to first make a determination of U.S. support capacity in relation to the total amount of support services now provided by foreign operators. This percent of capacity could then be applied across the board to all foreign countries processing fish in the EEZ. It would therefore be up to each country to be responsible to see that their respective fishing companies in total use the

established percent (expressed in units of capacity, e.g. metric tons of cargo or gallons (tons) of fuel) of U.S. support service.

### III. JUSTIFICATION FOR COUNCIL ACTION

The objective of the Fishery Management Plan should be to achieve for the U.S. fishing industry the optimum value of the support fishery. "Optimum value" in this case is defined as that portion of the sustainable support activity which will provide the greatest overall benefit to the United States.

Should the council not apply the Magnuson Act by establishing a Fishery Management Plan for the support industry, foreign fishing companies will continue to use their in-place support service capacity (arising from vertical integration or state-owned enterprise) rather than U.S. support services. Consequently, only marginal value added benefits from the fishery resource will flow to U.S. firms and Alaskan communities. Large foreign fishing companies have vertically integrated operations that encourage them to forego using U.S. support services even when these services are cost competitive.

This request for Council action follows in the track of previous Council actions with respect to providing preference to the resource for U.S. harvest and processing capacity. Creation of a FMP for the U.S. support fishery would mean that foreign processing vessels would receive allocations only to the level of the in-place capacity of the U.S. support industry. Establishment of a FMP for the U.S. support industry would be accomplished under the process outlined in the Magnuson Act and as directed by existing federal codes and regulations.

### IV. FORESEEABLE IMPACTS

A FMP for support services would provide a wedge for U.S. companies to offer support services to foreign flag fleets that are competitive in terms of price and quality. A FMP would achieve for the U.S. fishing industry the optimum value of the support fishery. A FMP would facilitate raising capital for investments in expanded and upgraded shipping capacity, docks, storage yards, cargo areas and cold storage facilities thus resulting in greater efficiency for the entire industry. It would have the overall effect of making products produced from U.S. Alaskan groundfish stocks more competitive in world markets. Enhanced economic benefits from increased value added activities could be realized from increases in domestic support activity.

In 1986 more than 5,000 vessel - to - vessel at-sea transshipments were made of frozen fish and meal product by foreign vessels. This amounted to 1,200,000 metric tons of fish product transshipped at-sea by foreign flag vessels within the U.S. EEZ. This is in sharp contrast to the total estimated shipment

of fish on U.S. bottoms of 50,000 - 75,000 metric tons. Currently more than ninety percent of the fishery resource is harvested, processed and transhipped at-sea with only a small amount of activity taking place shoreside. More than 500 foreign flag vessels operate in the area and spent in excess of 34,000 operational days servicing the industry in 1986. Yet, almost no goods or services are procured by foreign fleets from U.S. firms or from U.S. coastal communities.

Following establishment of a FMP for the support industry, U.S. shipping firms would develop a feeder system to consolidate fish cargo at Dutch Harbor and Kodiak for containerized shipment to overseas markets in addition to increased shipments to U.S. west coast ports. Cold storage facilities for temporary holding of frozen product would be constructed to allow for a more even flow of product. Improved docks, cargo staging areas and other support services would be developed to provide economical support services to the industry.

#### **V. POSSIBLE ALTERNATIVE SOLUTION**

A vessel permitting system could be established that would link the issuance of a permit to operate with the use of a set amount of U.S. provided support service. Total fish tonnages or the total number of operational days would be set by the amount of U.S. support services utilized by foreign processors.

#### **VI. OTHER DATA - MARITIME TRANSPORTATION AND BULK FUEL**

GROUND FISH PLAN AMENDMENT PROPOSAL  
North Pacific Fishery Management Council

Name of Proposer: Paul Fuhs, Mayor Unalaska/Dutch Harbor

Address: P.O. Box 89  
Unalaska, Alaska 99685

Telephone: (907) 581-1251

Date: October 1, 1987 (amended 12/1/87)

Fishery Management Plan: Fishery Management Plan for the  
Groundfish Fishery in the Bering Sea and Aleutian Islands (FMP)

Brief Statement of Proposal: This proposal would establish a linkage between the issuance of permits to foreign fish processing vessels and their use of U.S. transport and bulk fuel carriers. Permits to foreign processing vessels would be issued only upon the condition of existing contracts for the purchase of specific volumes of the services of U.S. cargo and bulk fuel carriers for their at-sea operations. The volume required by the contract would equal U.S. capacity to provide those services. For example, if it were determined that U.S. support service firms could supply 25 percent of the total volume requirements generated by the fishery for cargo shipping and bulk fuel, then foreign processing permits would require that 25 percent of the processed fish and fuel consumed be transported and served by U.S. firms.

A conditional permit could be applied in one of two ways: to an entire country or to individual processing companies. Each country could elect either method. If a country elects to meet the permit conditions as a single entity, the allocation of U.S. support service capacity to individual processing companies would be decided by that country. Compliance would be monitored on a company by company basis. In either case, failure to meet the permit conditions would preclude the issuance of a permit for the following year.

Objectives of Proposal: To increase the economic return to U.S. citizens from the EEZ fishery resource by allowing for fuller participation by U.S. support firms. U.S. support firms cannot now fairly compete because of state-owned foreign fishing enterprises and large vertically integrated foreign fishing firms that exclude the purchase of services that could otherwise be provided by U.S. firms. This proposal will also provide an additional management tool to confirm the quantity of fish being shipped through improved documentation of cargo.

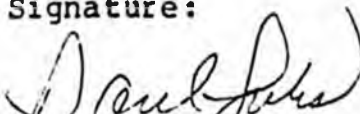
Need and Justification for Council Action: U.S. support service firms are largely excluded from participating in the industry. The total economic return accruing to U.S. citizens from the resource amounts to only a small fractional amount of the resource's total value. More than 500 foreign vessels spent in excess of 34,000 vessel days in the EEZ in 1986 by purchased only small amounts of U.S. support services. Almost all value added activities involving processing, transportation, cold storage, fuel bunkering, provisioning and ship repair continue to be provided by foreign firms. Council action will provide a wedge to open the industry to greater involvement by U.S. cargo and bulk fuel firms.

Foreseeable Impacts of Proposal: The U.S. support service industry would gain a considerable volume of new business. Alaska communities gain through increased employment, improved infrastructure and additional tax revenues. U.S. citizens will earn an improved return on the EEZ fishery resource. The U.S. enforcement agencies gain through improved data collection capabilities and other enforcement measures that will allow confirmation of quantities of fish cargoes shipped.

Are There Alternative Solutions: None. Under the current system, U.S. firms will continue to be largely excluded from participation. Foreign firms will continue to use their in-place support service capacity arising from vertical integration or state-owned enterprises.

Supportive Data: Additional data is being gathered and analyzed. Refer to the text of the Dutch Harbor Groundfish proposal for transshipment data and product volume.

Signature:



---

Paul Fuhs, Mayor Unalaska

TESTIMONY TO NPFMC PERMIT REVIEW COMMITTEE  
By Max Soriano, Vice-President Western Pioneer

My name is Max Soriano. I am Vice President of Western Pioneer and run our subsidiary company, Delta Western--a fuel distribution firm based here in Anchorage. Today, I am testifying on behalf of my own company and the following others:

- Crowley Maritime
- Sea Land
- Totem Ocean Trailer Express
- American President Line
- Foss Maritime
- Petro Marine
- Coastal Transportation
- American Waterway Operators

Our industry joins the Southwest Alaska Municipal Conference in supporting Dutch Harbor's proposal to impose a condition to the issuance of permits to fish processing vessels operation in the EEZ.

The condition would require contracts for the purchase of specified volumes of the services of U.S. cargo and bulk fuel carriers for their at-sea operations before permits could be issued.

While we are all familiar with application of the Magnuson Act for harvesting and processing, we believe that the language and intent of the Act also clearly addresses the transportation of fish or fish products and other support activities.

The Act requires the Secretary of Commerce to establish certain conditions and restrictions on foreign fishing permits, but only after considering the Council's recommendations. We ask, then, that the Council recommend to the Secretary of Commerce adoption of the Dutch Harbor proposal.

The condition would enable American fishing and support industries, and communities in Alaska, to derive a substantially greater return from the EEZ than today's current 10% estimate. Despite the U.S. maritime industry's greater efficiencies, the large vertically integrated foreign fishing companies continue to transship by an outmoded and cumbersome system. Like harvesters and processors, we need the Magnuson Act's authority to break through the foreign integrated companies' protective barriers.

Besides aiding carriers, the permit condition would facilitate investment in Alaska coastal communities for:

- Expanded and upgraded docks
- Storage yards
- Cargo staging areas
- Cold storage and bulk fuel facilities

U.S. bulk fuel companies, which today supply very little of the 160 million gallons consumed annually by the foreign fleet, could service the fleet more efficiently and from Alaskan bulk transfer shore facilities. All of these increased efficiencies would lead to lower rates and more competitive prices for product in the world marketplace.

Again, like harvesters and processors who just a few short years ago started small in working up to capacity, we are confident that the maritime and fuel industries can build up to provide full support to the offshore fleet when the Act is fully applied. This will:

- Bring greater economic return to Alaska communities
- Create many more jobs
- Provide additional sources of data, and
- Improve current reporting and enforcement systems for offshore activities.

While all of us are excited by the rapid increase in U.S. harvesting and processing capabilities, Americanization of support services has been far less impressive.

By linking foreign fish processing vessel permits to their use of U.S. transport and bulk fuel carriers, the Secretary of Commerce will enable the support industry to move forward quickly, too.

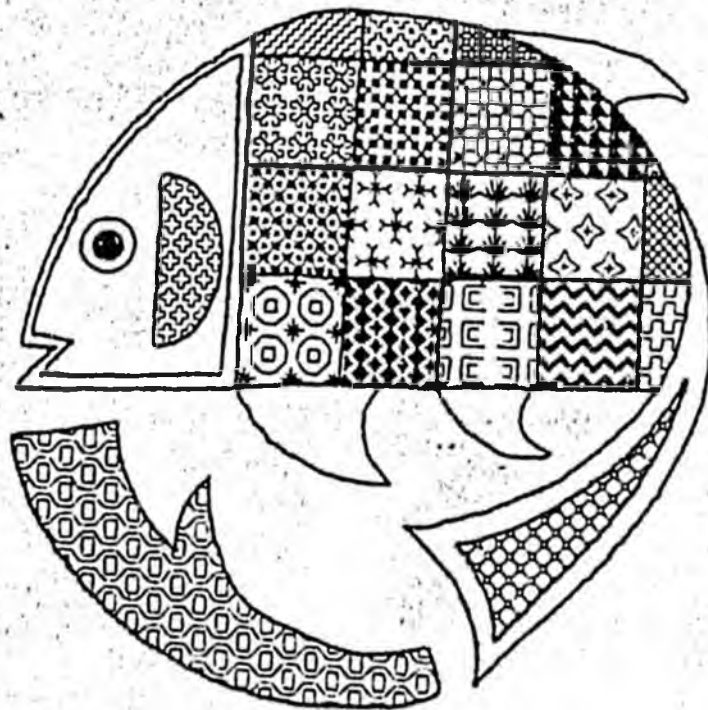
We ask, therefore, that you recommend to the Council that they ask the Secretary of Commerce to impose support service conditions on permits for the foreign processing fleet in 1988.

Thank you for your attention.



# Magnuson Fishery Conservation and Management Act

As amended through January 12, 1983



See  
p. 6-7

U.S. DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration  
National Marine Fisheries Service

MAGNUSON FISHERY CONSERVATION AND MANAGEMENT ACT

As amended through January 12, 1983

AN ACT

To provide for the conservation and management of the fisheries, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Magnuson Fishery Conservation and Management Act".

TABLE OF CONTENTS

- Sec. 2. Findings, purposes, and policy.
- Sec. 3. Definitions.

TITLE I -- FISHERY MANAGEMENT AUTHORITY OF THE UNITED STATES

- Sec. 101. Fishery conservation zone.
- Sec. 102. Exclusive fishery management authority.
- Sec. 103. Highly migratory species.
- Sec. 104. Effective date.

TITLE II -- FOREIGN FISHING AND INTERNATIONAL FISHERY AGREEMENTS

- Sec. 201. Foreign fishing.
- Sec. 202. International fishery agreements.
- Sec. 203. Congressional oversight of governing international fishery agreements.
- Sec. 204. Permits for foreign fishing.
- Sec. 205. Import prohibitions.

TITLE III -- NATIONAL FISHERY MANAGEMENT PROGRAM

- Sec. 301. National standards for fishery conservation and management.
- Sec. 302. Regional fishery management councils.
- Sec. 303. Contents of fishery management plans.
- Sec. 304. Action by the Secretary.
- Sec. 305. Implementation of fishery management plans.
- Sec. 306. State jurisdiction.
- Sec. 307. Prohibited acts.

- Sec. 308. Civil penalties.
- Sec. 309. Criminal offenses.
- Sec. 310. Civil forfeitures.
- Sec. 311. Enforcement.
- Sec. 312. Effective date of certain provisions.

#### TITLE IV -- MISCELLANEOUS PROVISIONS

- Sec. 401. Effect of law of the sea treaty.
- Sec. 402. Repeals.
- Sec. 403. Fishermen's Protective Act amendments.
- Sec. 404. Marine Mammal Protection Act amendment.
- Sec. 405. Atlantic Tunas Convention Act amendment.
- Sec. 406. Authorization of appropriations.

#### SEC. 2. FINDINGS, PURPOSES AND POLICY

(a) FINDINGS.--The Congress finds and declares the following:

16 USC 1801.

(1) The fish off the coasts of the United States, the highly migratory species of the high seas, the species which dwell on or in the Continental Shelf appertaining to the United States, and the anadromous species which spawn in United States rivers or estuaries, constitute valuable and renewable natural resources. These fishery resources contribute to the food supply, economy, and health of the Nation and provide recreational opportunities.

(2) As a consequence of increased fishing pressure and because of the inadequacy of fishery conservation and management practices and controls (A) certain stocks of such fish have been overfished to the point where their survival is threatened, and (B) other such stocks have been so substantially reduced in number that they could become similarly threatened.

(3) Commercial and recreational fishing constitutes a major source of employment and contributes significantly to the economy of the Nation. Many coastal areas are dependent upon fishing and related activities, and their economies have been badly damaged by the overfishing of fishery resources at an ever-increasing rate over the past decade. The activities of massive foreign fishing fleets in waters adjacent to such coastal areas have contributed to such damage, interfered with domestic fishing efforts, and caused destruction of the fishing gear of United States fishermen.

(4) International fishery agreements have not been effective in preventing or terminating the overfishing of these valuable fishery resources. There is danger that irreversible effects from overfishing will take place before an effective international agreement on

fishery management jurisdiction can be negotiated, signed, ratified, and implemented.

(5) Fishery resources are finite but renewable. If placed under sound management before overfishing has caused irreversible effects, the fisheries can be conserved and maintained so as to provide optimum yields on a continuing basis.

(6) A national program for the conservation and management of the fishery resources of the United States is necessary to prevent overfishing, to rebuild overfished stocks, to insure conservation, and to realize the full potential of the Nation's fishery resources.

(7) A national program for the development of fisheries which are underutilized or not utilized by the United States fishing industry, including bottom fish off Alaska, is necessary to assure that our citizens benefit from the employment, food supply, and revenue which could be generated thereby.

Amerded by 95-354.

(b) PURPOSES.--It is therefore declared to be the purposes of the Congress in this Act--

(1) to take immediate action to conserve and manage the fishery resources found off the coasts of the United States, and the anadromous species and Continental Shelf fishery resources of the United States, by establishing (A) a fishery conservation zone within which the United States will assume exclusive fishery management authority over all fish, except highly migratory species, and (B) exclusive fishery management authority beyond such zone over such anadromous species and Continental Shelf fishery resources,

(2) to support and encourage the implementation and enforcement of international fishery agreements for the conservation and management of highly migratory species, and to encourage the negotiation and implementation of additional such agreements as necessary;

(3) to promote domestic commercial and recreational fishing under sound conservation and management principles;

(4) to provide for the preparation and implementation, in accordance with national standards, of fishery management plans which will achieve and maintain, on a continuing basis, the optimum yield from each fishery;

(5) to establish Regional Fishery Management Councils to prepare, monitor, and revise such plans under circumstances (A) which will enable the States, the fishing industry, consumer and environmental organizations, and other interested persons to participate in, and advise on, the establishment and administration of such plans, and (B) which take into account the social and economic needs of the States; and

(6) to encourage the development by the United States fishing industry of fisheries which are currently underutilized or not utilized by United States fishermen, including bottom fish off Alaska, and to that end, to ensure that optimum yield determinations promote such development.

Amended by 95-354.

(c) POLICY.--It is further declared to be the policy of the Congress in this Act--

(1) to maintain without change the existing territorial or other ocean jurisdiction of the United States for all purposes other than the conservation and management of fishery resources, as provided for in this Act;

(2) to authorize no impediment to, or interference with, recognized legitimate uses of the high seas, except as necessary for the conservation and management of fishery resources, as provided for in this Act;

(3) to assure that the national fishery conservation and management program utilizes, and is based upon, the best scientific information available; involves, and is responsive to the needs of, interested and affected States and citizens; promotes efficiency; draws upon Federal, State, and academic capabilities in carrying out research, administration, management, and enforcement; and is workable and effective;

(4) to permit foreign fishing consistent with the provisions of this Act; and

(5) to support and encourage continued active United States efforts to obtain an internationally acceptable treaty, at the Third United Nations Conference on the Law of the Sea, which provides for effective conservation and management of fishery resources.

### SEC. 3. DEFINITIONS

16 USC 1802.

As used in this Act, unless the context otherwise requires--

(1) The term "anadromous species" means species of fish which spawn in fresh or estuarine waters of the United States and which migrate to ocean waters.

(2) The term "conservation and management" refers to all of the rules, regulations, conditions, methods, and other measures (A) which are required to rebuild, restore, or maintain, and which are useful in rebuilding, restoring, or maintaining, any fishery resource and the marine environment; and (B) which are designed to assure that--

(1) a supply of food and other products may be taken, and that recreational benefits may be obtained, on a continuing basis;

(ii) irreversible or long-term adverse effects on fishery resources and the marine environment are

avoided; and

(iii) there will be a multiplicity of options available with respect to future uses of these resources.

(3) The term "Continental Shelf" means the seabed and subsoil of the submarine areas adjacent to the coast, but outside the area of the territorial sea, of the United States, to a depth of 200 meters or, beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of such areas.'

(4) The term "Continental Shelf fishery resources" means the following:

#### COLEENTERATA

Bamboo Coral--*Acanella* spp.;  
 Black Coral--*Antipathes* spp.;  
 Gold Coral--*Callogorgia* spp.;  
 Precious Red Coral--*Corallium* spp.;  
 Bamboo Coral--*Keratoisis* spp.; and  
 Gold Coral--*Parazoanthus* spp.

#### CRUSTACEA

Tanner Crab--*Chionoecetes tanneri*;  
 Tanner Crab--*Chionoecetes opilio*;  
 Tanner Crab--*Chionoecetes angulatus*;  
 Tanner Crab--*Chionoecetes bairdi*;  
 King Crab--*Paralithodes camtschatica*;  
 King Crab--*Paralithodes platypus*;  
 King Crab--*Paralithodes brevipes*;  
 Lobster--*Homarus americanus*;  
 Dungeness Crab--*Cancer magister*;  
 California King Crab--*Paralithodes californiensis*;  
 California King Crab--*Paralithodes rathbuni*;  
 Golden King Crab--*Lithodes aequispinus*;  
 Northern Stone Crab--*Lithodes maja*;  
 Stone Crab--*Menippe mercenaria*; and  
 Deep-sea Red Crab--*Geryon quinquedens*.

#### MOLLUSKS

Red Abalone--*Haliotis rufescens*;  
 Pink Abalone--*Haliotis corrugata*;  
 Japanese Abalone--*Haliotis kamtschatkana*;  
 Queen Conch--*Strombus gigas*;  
 Surf Clam--*Spisula solidissima*; and  
 Ocean Quahog--*Arctica islandica*.

## SPONGES

Glove Sponge--*Hippiospongia canaliculata*;  
 Sheepswool Sponge--*Hippiospongia lachne*;  
 Grass Sponge--*Spongia graminea*; and  
 Yellow Sponge--*Spongia barbera*.

If the Secretary determines, after consultation with the Secretary of State, that living organisms of any other sedentary species are, at the harvestable stage, either--

(A) immobile on or under the seabed, or

(B) unable to move except in constant

physical contact with the seabed or subsoil, of the Continental Shelf which appertains to the United States, and publishes notices of such determination in the Federal Register, such sedentary species shall be considered to be added to the foregoing list and included in such term for purposes of this Act.

(5) The term "Council" means any Regional Fishery Management Council established under section 302.

(6) The term "fish" means finfish, mollusks, crustaceans, and all other forms of marine animal and plant life other than marine mammals, birds, and highly migratory species.

(7) The term "fishery" means--

(A) one or more stocks of fish which can be treated as a unit for purposes of conservation and management and which are identified on the basis of geographical, scientific, technical, recreational, and economic characteristics; and

(B) any fishing for such stocks.

(8) The term "fishery conservation zone" means the fishery conservation zone established by section 101.

(9) The term "fishery resource" means any fishery, any stock of fish, any species of fish, and any habitat of fish.

(10) The term "fishing" means--

(A) the catching, taking, or harvesting of fish;

(B) the attempted catching, taking, or harvesting of fish;

(C) any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish; or

(D) any operations at sea in support of, or in preparation for, any activity described in subparagraphs (A) through (C).

Such term does not include any scientific research activity which is conducted by a scientific research vessel.

(11) The term "fishing vessel" means any vessel, boat, ship, or other craft which is used for, equipped to be

used for, or of a type which is normally used for--

(A) fishing; or

(B) aiding or assisting one or more vessels at sea in the performance of any activity relating to fishing, including, but not limited to, preparation, supply, storage, refrigeration, transportation, or processing.

(12) The term "foreign fishing" means fishing by a vessel other than a vessel of the United States.

(13) The term "high seas" means all waters beyond the territorial sea of the United States and beyond any foreign nation's territorial sea, to the extent that such sea is recognized by the United States.

(14) The term "highly migratory species" means species of tuna which, in the course of their life cycle, spawn and migrate over great distances in waters of the ocean.

(15) The term "international fishery agreement" means any bilateral or multilateral treaty, convention, or agreement which relates to fishing and to which the United States is a party.

(16) The term "Marine Fisheries Commission" means the Atlantic States Marine Fisheries Commission, the Gulf States Marine Fisheries Commission, or the Pacific Marine Fisheries Commission.

(17) The term "national standards" means the national standards for fishery conservation and management set forth in section 301.

(18) The term "optimum," with respect to the yield from a fishery, means the amount of fish--

(A) which will provide the greatest overall benefit to the Nation, with particular reference to food production and recreational opportunities; and

(B) which is prescribed as such on the basis of the maximum sustainable yield from such fishery, as modified by any relevant economic, social, or ecological factor.

(19) The term "person" means any individual (whether or not a citizen or national of the United States), any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State), and any Federal, State, local, or foreign government or any entity of any such government.

(20) The term "Secretary" means the Secretary of Commerce or his designee.

(21) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, and any other Commonwealth, territory, or possession of the United States.

(22) The term "stock of fish" means a species, subspecies, geographical grouping, or other category of fish capable

of management as a unit.

(23) The term "treaty" means any international fishery agreement which is a treaty within the meaning of section 2 of article II of the Constitution.

(24) The term "United States", when used in a geographical context, means all the States thereof.

(25) The term "United States fish processors" means facilities located within the United States for, and vessels of the United States used or equipped for, the processing of fish for commercial use or consumption.

Amended by 95-354.

(26) The term "United States harvested fish" means fish caught, taken, or harvested by vessels of the United States within any fishery for which a fishery management plan prepared under title III or a preliminary fishery management plan prepared under section 201(h) has been implemented.

(27) The term "vessel of the United States" means--

Amended by 97-453.

(A) any vessel documented under the laws of the United States;

(B) any vessel numbered in accordance with the Federal Boat Safety Act of 1971 (46 U.S.C. 1400 et seq.) and measuring less than 5 net tons; or

(C) any vessel numbered under the Federal Boat Safety Act of 1971 (46 U.S.C. 1400 et seq.) and used exclusively for pleasure.

TITLE I -- FISHERY MANAGEMENT AUTHORITY OF THE UNITED STATES

SEC. 101. FISHERY CONSERVATION ZONE

16 USC 1811.

There is established a zone contiguous to the territorial sea of the United States to be known as the fishery conservation zone. The inner boundary of the fishery conservation zone is a line coterminous with the seaward boundary of each of the coastal States, and the outer boundary of such zone is a line drawn in such a manner that each point on it is 200 nautical miles from the baseline from which the territorial sea is measured.

SEC. 102. EXCLUSIVE FISHERY MANAGEMENT AUTHORITY

16 USC 1812.

The United States shall exercise exclusive fishery management authority, in the manner provided for in this Act, over the following:

(1) All fish within the fishery conservation zone.

(2) All anadromous species throughout the migratory range of each such species beyond the fishery conservation zone; except that such management authority shall not extend to such species during the time they are found within any foreign nation's territorial sea or fishery conservation zone (or the equivalent), to the extent that such sea or zone is recognized by the United States.

SJR

57

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 2-2 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

\*\*FISCAL NOTE(S) ATTACHED  \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

1/26/88 DATE TURNED INTO OFFICE \_\_\_\_\_  
Mr. President:  
Resources \_\_\_\_\_ Committee considered SJR 57

foreign fishing in the international water of the Bering Sea

and recommended:

replace with CS SJR 57 (Res)  same title  
 attached amendment(s) and  new title

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*[Signature]*  
*[Signature]*  
*[Signature]*  
*[Signature]*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Signature]* DO PASS  
Chairman signature and recommendation

Committee Backup Attached

FISCAL NOTE

REQUEST:

Revision Date: February 5, 1988  
Title: Foreign fishing in the interna-  
tional water of Bering Sea  
Sponsor: Sturgulewski  
Requester: \_\_\_\_\_

Agency Affected: Commerce & Econ. Dev.  
BRU: Division of Business Development  
Components: \_\_\_\_\_

EXPENDITURES / REVENUES : (Thousands of Dollars)

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

FUNDING: (Thousands of dollars)

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

POSITIONS:

FULLTIME	-0-	-0-	-0-			
PARTTIME	-0-	-0-	-0-			
TEMPORARY	-0-	-0-	-0-			

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact on this department

Prepared by: Paul Peyton, Project Manager  
Division: Business Development

Phone: 465-2162  
Date: February 5, 1988

Approved by Commissioner: J. Anthony Smith  
Agency: Department of Commerce and Economic Development

Date: 2/8/88

Distribution (by preparer):

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

page \_\_\_\_ of \_\_\_\_

# Alaska State Legislature

55r57

**SENATOR**  
**ARLISS STURGULEWSKI**  
Chairman, Senate Community and Regional Affairs Committee  
Vice-Chairman, Senate Judiciary Committee  
Member, Senate Resources Committee



JAN 25 1988

2957 SHELDON JACKSON STREET  
ANCHORAGE, ALASKA 99508

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

## Senate

MEMORANDUM

January 25, 1988

**TO:** Senator Jack Coghill

**FROM:** Senator Arliss Sturgulewski

**RE:** Calling for action to control foreign fishing in international waters (Donut Hole area) of the Bering Sea

There is a need for immediate action by the U.S. to protect the fisheries resources of the 200-mile zone off the coast of Alaska.

The area of international waters between Alaska and Soviet Union known as the Donut Hole is subject to unlimited and uncontrolled harvesting which may be detrimental to fish stocks within the 200-mile zone.

This resolution calls upon the federal government to take a number of initiatives including negotiation with the Soviet Union, increased enforcement, and increased observation to protect the fisheries resources of the U.S. and Alaska.

I am planning to introduce this resolution on Tuesday, January 26 and welcome your co-sponsorship. Please advise my office (465-3818) by 4:30 today if you would like your name added.

Enclosure

# Fish group wants government to eat 'doughnut hole'

By STAN JONES  
Daily News reporter

The group charged with managing high seas fishing in the North Pacific may ask Uncle Sam to swallow the so-called "doughnut hole" in the Bering Sea.

The North Pacific Fishery Management Council is scheduled today to consider recommending that the United States extend its fisheries jurisdiction westward to the 1867 Convention Line, established when America bought Alaska from Russia.

That would take in the doughnut hole, a 4,500-square-mile triangle of ocean that is outside both the U.S. 200-mile limit and Russian jurisdiction. The area is international waters and foreign vessels may fish there, although they are banned from doing so in more fertile U.S. waters south, east and north of the hole.

Under the proposal to come before the management council today, the hole would become U.S. waters, from which foreigners could be excluded at will.

The doughnut hole has come up repeatedly at the council's Anchorage meeting this week, because American

fishermen believe that Japanese and other foreign vessels, operating under cover of darkness or cloud, slip from the doughnut hole into adjacent U.S. waters, poach U.S. fish, then report them as having been taken legally in the hole.

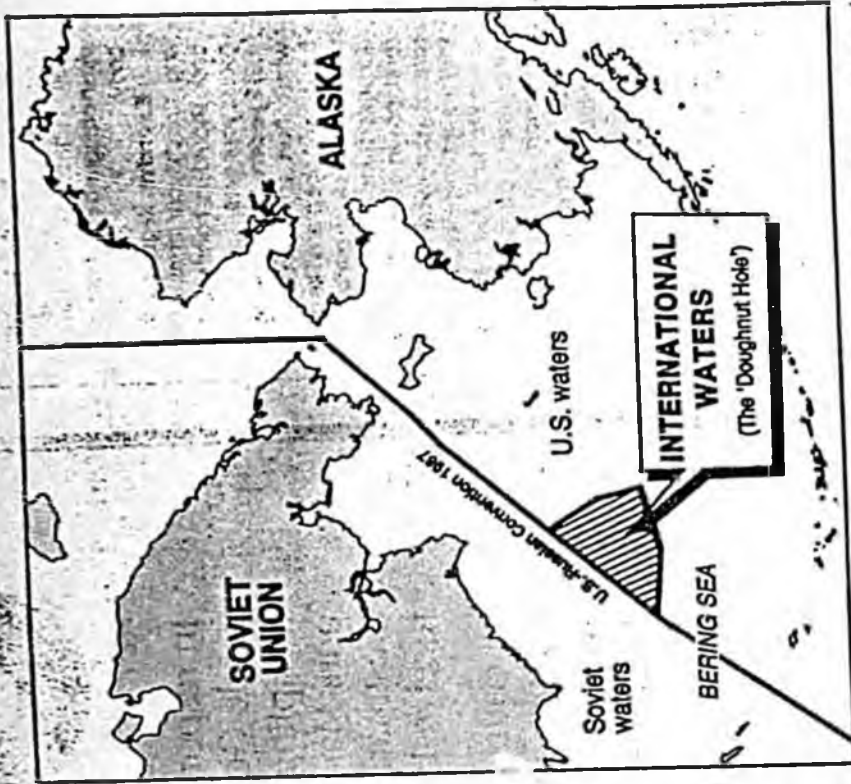
The council, in addition to seeing a videotape of foreigners allegedly fishing in U.S. waters, heard from Mayor Paul Fuhs of Unalaska. He presented a report that seemed to show that more fish are being shipped out of the Bering Sea than were reported as being caught, lending further weight to the charges of foreign poaching.

If the council does recommend that the United States take over the doughnut hole, it could set the stage for complicated national and international politicking.

The first step would be an act of Congress asserting U.S. jurisdiction.

Because international sea law does not provide for fisheries jurisdiction beyond 200 miles, "We would have to go out and negotiate with foreign countries to exert our jurisdiction out there," said Robert Ford, a U.S. State

See Page C-6, HOLE



Anchorage Daily News map/Dave Boyle

## HOLE: Group wants boundary to be extended

Continued from Page C-1

Department fisheries officer and a non-voting member of the management council. The countries that now use the hole include Japan, South Korea, China and Poland, Ford said.

Such unilateral assertions of jurisdiction are rare, but not unheard of, he said. One example was Libya's claim of jurisdiction over the Gulf of Sidra a few years ago, a claim rejected by the United States.

Extended jurisdiction is at the top of a long list of suggestions for ending foreign fishing violations that the council will consider adopting as formal recommendations to the federal government today.

Others include increased Coast Guard surveillance and patrol activity, increased enforcement against foreign violators by their own governments, prohibiting countries whose vessels poach from entering into joint ventures with American fishermen, and stationing U.S. observers on foreign ships in the doughnut hole.

The State Department, meanwhile, on Thursday asked Japan to allow American inspectors to board Japanese trawlers to search for evidence the ships had been fishing illegally inside the U.S. zone.

ANCH DAILY NEWS  
1/22/88

1 IN THE SENATE

BY STURGULEWSKI

2 SENATE JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Relating to foreign fishing in the  
6 international water of the Bering Sea.

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

8 WHEREAS the Magnuson Fishery Conservation and Management Act has  
9 contributed to the rapid "Americanization" of the fisheries within the  
10 200-mile Exclusive Economic Zone (EEZ) off Alaska's coast; and

11 WHEREAS harvesters and processors in the United States are increasing  
12 their ability to utilize the vast groundfish resources in the EEZ; and

13 WHEREAS Alaska's coastal communities are benefiting from the economic  
14 activity caused by the Americanization of the fisheries resources off  
15 Alaska's coast; and

16 WHEREAS those fishery resources are worth billions of dollars annually  
17 to the United States; and

18 WHEREAS the area of the Bering Sea outside the EEZ of the United  
19 States and outside the jurisdiction of the Soviet Union is not managed by  
20 any country or international organization; and

21 WHEREAS the fish stocks in the EEZ are not stationary, but circulate  
22 beyond the 200-mile boundary, where they are subject to unlimited and  
23 uncontrolled harvesting that is detrimental to the stocks; and

24 WHEREAS the extent of the harvest in the international water of the  
25 Bering Sea is unknown, but is estimated to be in excess of 1,000,000 metric  
26 tons a year; and

27 WHEREAS Japanese, Chinese, Polish, and South Korean commercial fishing  
28 vessels conduct harvest operations in the international water of the Bering  
29 Sea; and

1           WHEREAS unregulated foreign fishing in the international water of the  
2 Bering Sea adversely affect United States fishing efforts in the EEZ and  
3 the development of markets for United States fishery products; and

4           WHEREAS this area is used as a staging area for illegal fishing within  
5 the United States' EEZ by foreign vessels; and

6           WHEREAS the lack of observers and the lack of accurate data on the  
7 fishery resources and harvest level in the international water of the  
8 Bering Sea significantly hinder decision-making on stocks in the United  
9 States' EEZ; and

10           WHEREAS prompt action is necessary to protect the fishery resources of  
11 the United States that migrate into international water and to protect the  
12 integrity of the Magnuson Act;

13           BE IT RESOLVED by the Alaska State Legislature that the President of  
14 the United States is respectfully requested to seek negotiations with the  
15 Soviet Union to implement harvesting controls in this area; and be it

16           FURTHER RESOLVED that the President of the United States is respect-  
17 fully requested to seek agreements with foreign nations whose vessels fish  
18 in the international water of the Bering Sea that would provide for annual  
19 reporting of fishing activities in that area; and be it

20           FURTHER RESOLVED that the Secretary of Commerce is respectfully re-  
21 quested to direct that, in accordance with the permit conditions estab-  
22 lished by the North Pacific Fishery Management Council, the United States  
23 observer program be expanded to include foreign fishing vessels operating  
24 in the international water of the Bering Sea; and be it

25           FURTHER RESOLVED that the Commandant of the United States Coast Guard  
26 is respectfully requested to order increased patrols in the international  
27 water of the Bering Sea; and be it

28           FURTHER RESOLVED that the United States government take steps neces-  
29 sary to prevent the overharvest of fishery resources of United States

1 origin in the international water of the Bering sea, including the  
2 extension of United States' jurisdiction over the area.

3 COPIES of this resolution shall be sent to the Honorable Ronald  
4 Reagan, President of the United States; to the Honorable George Shultz,  
5 Secretary of State; to the Honorable C. William Verity, Jr., Secretary of  
6 Commerce; to Admiral Paul A. Yost, Jr., Commandant, United States Coast  
7 Guard; to James O. Campbell, Chairman, North Pacific Fishery Management  
8 Council; and to the Honorable Ted Stevens and the Honorable Frank  
9 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,  
10 members of the Alaska delegation in Congress.  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

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

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 57 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Relating to foreign fishing in the  
6 international water of the Bering Sea.

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

8 WHEREAS the Magnuson Fishery Conservation and Management Act has  
9 contributed to the rapid "Americanization" of the fisheries within the  
10 200-mile Exclusive Economic Zone (EEZ) off Alaska's coast; and

11 WHEREAS harvesters and processors in the United States are increasing  
12 their ability to utilize the vast fisheries resources in the EEZ, including,  
13 but not limited to groundfish, salmon, and herring; and

14 WHEREAS Alaska's coastal communities are benefiting from the economic  
15 activity caused by the Americanization of the fisheries resources off  
16 Alaska's coast; and

17 WHEREAS those fishery resources are worth billions of dollars annually  
18 to the United States; and

19 WHEREAS the area of the Bering Sea outside the EEZ of the United  
20 States and outside the jurisdiction of the Soviet Union is not managed by  
21 any country or international organization; and

22 WHEREAS the fish stocks in the EEZ are not stationary, but circulate  
23 beyond the 200-mile boundary, where they are subject to unlimited and  
24 uncontrolled harvesting that is detrimental to the stocks; and

25 WHEREAS the extent of the harvest in the international water of the  
26 Bering Sea is unknown, but is estimated to be in excess of 1,000,000 metric  
27 tons a year; and

28 WHEREAS Japanese, Chinese, Polish, and South Korean commercial fishing  
29 vessels conduct harvest operations in the international water of the Bering

1 Sea; and

2 WHEREAS unregulated foreign fishing in the international water of t  
3 Bering Sea adversely affect United States fishing efforts in the EEZ a  
4 the development of markets for United States fishery products; and

5 WHEREAS this area is used as a staging area for illegal fishing with  
6 the United States' EEZ by foreign vessels; and

7 WHEREAS the lack of observers and the lack of accurate data on t  
8 fishery resources and harvest level in the international water of t  
9 Bering Sea significantly hinder decision-making on stocks in the Unit  
10 States' EEZ; and

11 WHEREAS prompt action is necessary to protect the fishery resources  
12 the United States that migrate into international water and to protect t  
13 integrity of the Magnuson Act;

14 BE IT RESOLVED by the Alaska State Legislature that the President  
15 the United States is respectfully requested to seek negotiations with t  
16 Soviet Union to implement harvesting controls in this area; and be it

17 FURTHER RESOLVED that the President of the United States is respec  
18 fully requested to direct the Secretary of Defense, the Secretary of State  
19 and the Secretary of Commerce to work collectively to monitor fishin  
20 activities in the Bering Sea; and be it

21 FURTHER RESOLVED that the President of the United States is respect  
22 fully requested to seek agreements with foreign nations whose vessels fi  
23 in the international water of the Bering Sea that would provide for annu  
24 reporting of fishing activities in that area; and be it

25 FURTHER RESOLVED that the Secretary of Commerce is respectfully re  
26 quested to direct that, in accordance with the permit conditions estab  
27 lished by the North Pacific Fishery Management Council, the United State  
28 observer program be expanded to include foreign fishing vessels operatin  
29 in the international water of the Bering Sea; and be it

1           FURTHER RESOLVED that the Commandant of the United States Coast Guard  
2 is respectfully requested to order increased patrols in the international  
3 water of the Bering Sea; and be it

4           FURTHER RESOLVED that the United States government take steps necessary  
5 to prevent the overharvest of fishery resources of United States  
6 origin in the international water of the Bering sea, including the extension  
7 of United States' jurisdiction over the area.

8           COPIES of this resolution shall be sent to the Honorable Ronald  
9 Reagan, President of the United States; to the Honorable George Shultz,  
10 Secretary of State; to the Honorable C. William Verity, Jr., Secretary of  
11 Commerce; to Admiral Paul A. Yost, Jr., Commandant, United States Coast  
12 Guard; to James O. Campbell, Chairman, North Pacific Fishery Management  
13 Council; and to the Honorable Ted Stevens and the Honorable Frank  
14 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative  
15 members of the Alaska delegation in Congress.



**SENATOR FRED F. ZHAROFF**  
**ALASKA STATE LEGISLATURE**

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

DURING SESSION:


P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 485-3473 • 465-3474

**DISTRICT N**

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

MEMORANDUM

TO: Senator Jack Coghill  
Chairman  
Senate Resources Committee

FROM: Senator Fred F. Zharoff 

DATE: February 2, 1988

RE: Request committee time for special presentation

I respectfully request that time be made available during the Feb. 8 Senate Resources Committee meeting, if possible, for a special presentation by Mr. Paul Fuhs, the mayor of Unalaska.

Mr. Fuhs will show and explain a videotape made of illegal foreign fishing in the U.S. Exclusive Economic Zone (200-mile limit). He will also describe the reaction the videotape and the news of the illegal foreign fishing received when they were presented in Washington, D.C. In addition, Mayor Fuhs wishes to brief the committee on an Alaskan plan for bottomfish development. Currently, millions of dollars are being made from the harvest of the North Pacific's bottomfish resource, but precious little of the wealth is accruing to Alaska.

This presentation should tie in with the committee's consideration of SJR 57, "Relating to foreign fishing in the international waters of the Bering Sea". Mr. Fuhs is an excellent speaker with first hand knowledge of the events now occurring in the North Pacific. I can assure you his presentation will be most interesting.

# Alaska State Legislature



**SENATOR  
ARLISS STURGULEWSKI**

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

2957 SHELDON JACKSON STREET  
ANCHORAGE, ALASKA 99508

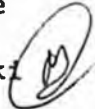
While in Juneau  
P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-3818

## Senate

MEMORANDUM

February 2, 1988

**TO:** Senator Jack Coghill, Chairman  
Senate Resources Committee

**FROM:** Senator Arliss Sturgulewski 

**RE:** SJR 57 Relating to foreign fishing in the international water of the Bering Sea.

There is a need for immediate action by the U.S. to protect the fisheries resources of the 200-mile zone off the coast of Alaska.

The area of international waters between Alaska and the Soviet Union known as the "Donut Hole" is subject to unlimited and uncontrolled harvesting which may be detrimental to fish stocks within the 200-mile zone.

This resolution calls upon the federal government to take a number of initiatives including negotiation with the Soviet Union, increased enforcement, and increased observation to protect the fisheries resources of the U.S. and Alaska.

The North Pacific Fisheries Management Council members are scheduled to go to Washington D.C. at the end of February to encourage action and passage of this resolution would support their efforts.

## Letter to the Editor:

# DANGER IN THE DONUT HOLE

Dear Editor:

The Americanization of the Bering Sea bottomfish industry is proceeding at a remarkable pace. American industry is fast closing the gap on foreign domination of the processing sector, much as U.S. harvesters have already done in their sector.

Before we congratulate ourselves, however, we need to take a hard look at where the foreign fishing effort we've displaced has gone. Out of our waters and away from our stocks, some would say. But recent data from the Japanese and other foreign fleets might prove this to be a hasty conclusion.

Much of the foreign fishing effort seems to have moved out into the international waters of the Bering Sea, to an area known as the donut. According to figures given the North Pacific Fisheries Management Council (NPFMC), foreign fishermen harvested almost one million metric tons of pollock in the donut this past year, with the Japanese alone taking over 700,000 tons. This means foreigners are taking almost as much pollock in the donut as the NPFMC allows U.S., joint venture and foreign harvesters to take in the entire Bering Sea management zone.

These catch figures were given to us by the governments involved. Given the past record of inaccuracies in foreign fishing data, who is to say exactly how much fishing really goes on out there? Besides the Japanese, there are Chinese, Polish and South Korean vessels that operate in the donut as well. And while we know little about the fishing effort, we know next to nothing about the composition of fish stocks in the 70,000 square-mile donut.

The composition of fish stocks in the donut will be the key to determining the impact this massive, unregulated fishery will have on American fisheries in the Exclusive Economic Zone (EEZ). It is quite possible that the pollock stocks of the donut and the U.S. EEZ are interrelated, which would mean that unregulated fishing in the donut could prove disastrous for the long-term health and management of the Bering Sea fisheries resource.

In December the NPFMC will consider recommendations to increase the allowable catch levels for pollock

beyond last year's 1.2 million metric tons. If the NPFMC does not take the massive donut zone harvest into account when setting allowable catch levels for pollock in American waters, overharvesting may result. If stocks in the two zones turn out to be closely mixed, the resource could collapse. Such a collapse would come at a particularly bad time for the continued Americanization of the fisheries.

By raising the cap set in the management plan for the Bering Sea/Aleutian Islands, the NPFMC could increase the allowable catch level for a number of species, which could benefit some segments of the fishing industry. But the bulk of the increase would go to pollock. This would mean increased JVP (joint venture) and TALFF (directed foreign fishing) allocations, which in turn would reduce the percentage of U.S. processed fish on the market, reducing the influence American processors need to break into closed foreign markets. And if a collapse did come, it would hit in a few years, right when the multi-million dollar factory trawlers many American companies are building finally come on line.

The point is, we just don't know what the impact of fishing in the donut zone will be. Historically, we have found that unregulated fishing is destructive and leads to overharvesting of the common resource as individuals seek to maximize their returns. It was unregulated fishing by large foreign fleets that helped precipitate the Magnuson Act in the first place.

We should not ignore the warnings of the past. At the very least, we should consider ways to obtain observer coverage and comprehensive data for vessels operating in the donut, as well as conducting research to determine the composition of the stocks. The U.S. should also take steps to bring about the regulation or elimination of high seas fisheries in the donut. But until that time, it would seem prudent for the NPFMC to consider the possible impact of intensive fishing in the donut when setting catch levels for bottomfish in the U.S. EEZ.

*Earl Comstock  
Bering Sea Fishermen's Association*

"Given the past record of inaccuracies in foreign fishing data, who is to say exactly how much fishing really goes on out there?"

FBS 1/21/88

# Japan trawlers alleged to violate U.S. waters

The New York Times

SEATTLE, Wash.—Federal officials meeting in Anchorage Wednesday began investigating evidence that foreign trawlers may have been fishing illegally in rich American waters off the Aleutian Islands in Alaska.

The officials were studying a videotape, taken last week in the Bering Sea, that apparently shows seven large foreign trawlers fishing 39 miles inside the 200-mile territorial limit north of the Aleutians.

State Department officials said four of the vessels in the videotape were registered in Japan. Several officials said U.S. representatives expressed "grave concern" to the Japanese Embassy in Washington on Friday. A spokesman for the Japanese Embassy said that the matter would be investigated and that any violators would be penalized.

If the incident is confirmed, it would represent the most extensive illegal intrusion into America fishing grounds in the Pacific since the 200-mile limit was put into effect 10 years ago. American fishermen have argued that illegal fishing by foreign vessels costs them up to \$650 million each year.

Sen. Frank Murkowski, R-Alaska, has protested to the Japanese government about the alleged fishing violations in the Bering Sea.

In a letter to Nobuo Matsunaga, Japanese ambassador to the U.S., Murkowski said several Japanese trawlers have been observed fishing within the American economic zone, where foreign operations are illegal.

"The location of these vessels bears out what many members of the United States fishing industry have been at for some time, that the Japanese vessels have been harvesting pollock not only in the international waters of the Bering Sea . . . but also in nearby areas within the U.S. economic zone," Murkowski wrote.

Coast Guard and American fishing industry officials have recently suspected that illegal fishing, mainly by Japanese traw-

lers, has been going on in the rich, shallow waters over an area called Ulm's Plateau. But they said they suspected that the boats usually slipped over the boundary at night or under the cover of low clouds to avoid detection by Coast Guard aircraft.

"We caught them red-handed," said Ted Evans, director of the Alaska Factory Trawlers Association, which represents about 3,000 bottom fishermen. Last week Evans, another fishing industry official, and two pilots flew over the area and videotaped seven foreign vessels with their nets out.

"If this is true, those vessels will be given severe penalties," said Yasuo Endo, fishing counselor for the Japanese Embassy. He said officials in Tokyo had begun an investigation.

At issue is the booming market in bottom fish like Alaskan pollock and cod, long harvested by the Japanese but ignored by America fishermen until recently. When the 200-mile limit was established, it took away much of the fishing grounds long used by the Japanese. In the last five years, the American bottom fish industry has grown tenfold, reflecting growing demand for Alaskan pollock, most of which is used to make artificial crab meat.

"We've got the best fishing grounds in the world in the Bering Sea and everybody knows it," Evans said. "The problem has been enforcement."

State Department officials said the national origin of three other large ships in the videotape could not be determined because their hull identification numbers were covered up, a violation of Coast Guard rules.

The 200-foot trawlers not only catch the fish but also process them in on-board factories. The fish products are then sold to international markets, including the United States. The vessels often remain at sea for months.

# Anchorage Daily News



Winner, 1976 Pulitzer Prize Gold Medal for Public Service

Gerald E. Grilly  
Publisher

Howard Weaver  
Managing Editor

Michael Carey  
Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983  
Lawrence Fanning, Editor and Publisher 1967 to 1971

Founded in 1946 by Norman C. Brown

Frank 2/27/88

## Protecting the fish and the fishermen

American fishermen apparently have clear and convincing evidence that foreign trawlers have been operating illegally in U.S. waters. Videotape of seven ships — four Japanese, three unidentified — 39 miles inside the 200-mile limit north of the Aleutians seems to provide incontrovertible proof of the illegal activity.

Quite rightly, the U.S. fishermen want the violators punished and not just with the rather minor 90-day confinement to port provided by Japanese law. Foreign fishermen who enter U.S. waters threaten American fishermen's livelihood — and the health of fish stocks that are the basis for the billion dollar bottomfish industry.

Washington should make it clear to the Japanese that such intrusions will not be tolerated, perhaps by proposing stiff new penalties for documented violations. Banning foreign violators from joint ventures with American fishermen is a potent example of what could be done.

The federal government also should fund improved Coast Guard surveillance in the Bering Sea. The waters along Alaska's coast deserve protection in the national interest — and only Uncle Sam can do the job.

But laying down the law to Japan and tougher enforcement may not be the only measures needed to protect U.S. fishermen and the fish.

The history of big-time fishing is replete with stories of boom and bust. The bottomfish industry is booming today but will bust if improperly managed. The North Pacific Fishery Management Council is attempting to keep catches well below maximum sustainable yields, but does it have enough biological information to guarantee such protection? Is its management system adequate to ensure a steady harvest?

If the Japanese are poaching in U.S. waters they should be disciplined. But U.S. fishery managers must remain ever vigilant to the dangers of over-fishing even if the Japanese toe the line.

# Fishing group: Foreign ships exceeding quotas

By GUY DARST  
Associated Press Writer

WASHINGTON—Foreign ships appear to have taken three times as much fish from U.S.-reserved waters off Alaska in 1986 than the quota for those waters, a fishing group claimed Friday.

However, a federal enforcement official said he was confident the group's figures were a large overstatement and he "wouldn't for a minute" agree with its conclusion.

Members of the Seattle-based Alaska Factory Trawlers Association said a survey of reports to the Commerce Department showed that foreign fishing vessels transferred 1.39 million tons of fish product from the 200-mile U.S. economic zone to freighters at sea for shipment to market.

Counting U.S. vessels and fish product from fish taken in international waters, 1.83 million tons of product was transferred.

By weight, 21 percent to 25 percent of the fish survives as product such as filets, so the figures mean 7.3 million to 8.2 million tons of fish were taken from the ocean, 5.6 million to 6.6 million tons by foreign vessels, said Sam Hjelle, a trawler operator and member of the association.

The quota, set by the department's National Marine Fisheries Service, was 2.2 million tons.

The figures were provided by Dutch Harbor Mayor Paul Fuhs, who hired an accounting firm to go through transfer reports radioed to the service by vessels at sea, said Hjelle and Ted Evans, executive director of the association. Fuhs did not appear at a news conference called by Hjelle and Evans.

"If this is not controlled you are going to have exactly what happened on the East Coast in the '50s and '60s, devastation of the resource," said Hjelle.

Foreign vessels fishing in the U.S. economic zone have U.S. observers aboard, but "There's only so much an observer can do," Evans said.

At the National Marine Fisheries Service, Steven Springer said the trawler group assumed that all transfers recorded for the U.S. 200-mile Alaska zone represented fish taken in the zone, but Soviet and Polish vessels typically make transfers there of fish caught off California, Oregon and Washington, and other vessels might well include Canadian-caught fish in those transfers.

There also is some double-counting of transfers from a "catcher boat" to a processing vessel and from the processing vessel to a freighter for shipment to market, said Springer. The accounting firm could not catch these because names of vessels involved and dates of transfers are deleted

from the public file as commercially confidential information, he said.

Finally, the 21 percent to 25 percent yield represents only processing into surimi—fake lobster, crab and other products. For other operations, where meal and oil are made from the non-filet waste, 38.5 percent "is about as low as you'll go," and 55 percent is possible sometime.

The higher percentages mean correspondingly less fish taken from the ocean to make the "product" logged in the transfers.

"We recognize there are a number of schemes out there, even with observers on board, to underlog fish. But we wouldn't for a minute agree that, with 100 percent observer coverage, that the take is larger by a factor of three," said Springer.

Springer is special agent in charge of enforcement for the East Coast and Gulf of Mexico, a new position for which no counterpart has yet been appointed for Alaska or the Pacific Coast, he said. Nonetheless, he said he was familiar with Alaska matters.

Hjelle, Evans and Fuhs were in Washington to press for action against foreign ships they claim are illegally fishing in the zone. "We think the government is reacting," said Evans.

No foreign ships have permits this year for waters off Alaska. Evans showed a videotape that he and Hjelle made on Jan. 13 flying over ships north of the Aleutian Islands.

Near the Ulm Plateau, an underwater mound 35 to 40 miles inside the zone, seven ships were at work. Evans used the freeze-frame feature of the tape player to point out lines over the stern, and wake patterns he said indicated the crew was hauling in the net over the stern.

Numbers on five of the ships have identified them as Japanese. Two of the ships covered their numbers but are believed to have been Japanese because of their similarity to the others, he said.

On the flight back to the mainland, two more ships were spotted fishing two miles inside the zone, one Polish and one Korean, they said.

Evans and Hjelle were skeptical about a reported denial by two of the Japanese masters that they were fishing illegally when spotted.

"If they're 40 miles into our zone and they've got their nets out, they're definitely in violation," said Hjelle.

The Japanese government said in a preliminary report to the State Department that masters of two of the videotaped vessels have denied illegal fishing.

January 26, 1988

Mr. Paul Fuhs, Mayor  
City of Unalaska  
Unalaska, Alaska 99685

Dear Paul:

FOREIGN VESSEL TRANSSHIPMENT DATA IN THE BERING SEA

The purpose of this letter is to provide information about the statistical data compiled by Ernst & Whinney concerning the transshipment by foreign flag vessels of processed fish cargos originating in the U.S. EEZ in the Bering Sea for calendar year 1986.

BACKGROUND

As you know, accurate data regarding at-sea transshipment by foreign flag fleets operating in U.S. waters of the Bering Sea has not been available. Ernst & Whinney's Anchorage office obtained copies of radio messages received from foreign vessels transshipping cargo in the U.S. EEZ from the National Marine Fisheries Service Enforcement Division (NMFS) office in Juneau, Alaska. Under U.S. law, all transshipments of cargo in the EEZ that involve a foreign vessel must be reported by radio to NMFS Enforcement Office.

The radio messages contain the following information about each transshipment:

- \* vessel radio call sign
- \* vessel name and national registry
- \* date
- \* time
- \* latitude and longitude
- \* EEZ fishing area
- \* species of fish
- \* number of metric tons transshipped and product type (e.g. meal, oil, fillets)

Mr. Paul Fuhs, Mayor

January 26, 1988

## TOTAL TRANSSHIPMENT TONNAGE

The purpose of compiling the transshipment data was to determine the amount of processed bottomfish products being transshipped from the U.S. EEZ by foreign flag carriers. The total transshipment tonnage reported in the radio message logs for 1986 exceeded 1.2 million metric tons. This amount is far in excess of what the harvest tonnages would indicate using rough estimates of yield by species and product type. Also, the total transshipment tonnage amount does not include processed product that leaves the U.S. EEZ in the holds of foreign processors when they depart to return to their mother countries.

## RADIO MESSAGE LOG DATA

As stated in the preceding section, we relied upon NMFS radio message logs to develop the total transshipment tonnage figure. Many of these radio message logs contain inaccurate data elements including inaccurate latitudes, longitudes, product types, species, etc. The errors are of an obvious nature and would be evident to any person reviewing the logs. A reasonable conclusion would be that NMFS Enforcement Division does not use this information in any of its enforcement activities notwithstanding the fact that this type of information provides an additional method to verify and substantiate catch levels.

Very truly yours,



Ray Benish  
Senior Manager

RB:csd

### Metric Tons Transshipment By Country

<u>Country</u>	<u>Tons</u>	<u>% T</u>
Japan	657,107.	52
USSR	284,119.	23
Korea	237,207.	19
Poland	77,626.	6
China	<u>4,882.</u>	<u>-</u>
Total	1,260,941.	100

### Tonnage By EEZ Fishing Area

<u>Fishing Area</u>	<u>Tons</u>	<u>% T</u>
50	2,220.	-
51	925,860.	73
52	259,440.	21
53	2,294.	-
54	33,464.	3
61	25,786.	2
62	11,463.	1
63	<u>414.</u>	<u>-</u>
Total	1,260,941.	100

### Transshipment Tonnage By Specie

<u>Specie</u>	<u>Metric Tons</u>	<u>% T</u>
Other Flounders	104,086.	8.0
Atka Mackerel	19,068.	1.0
Other Species	2,681.	.5
Polloack	742,875.	59.0
Pacific Cod	51,639.	4.0
Pacific Hake	7,054.	.5
Yellowfin	171,240.	14.0
Unspecified	<u>162,298.</u>	<u>13.0</u>
	1,260,941.	100.0

Species recorded as less than 2,000 metric tons were: Greenland turbot, Pacific herring, squid, sablefish, arrowtooth flounder, Pacific halibut, shortspine thornyhead, Pacific Ocean perch, and rockfish. The total reported tonnages for these species amounted to 2,421 metric tons. For reporting purposes, this tonnage was classed as unspecified.

The following product types were reported for tonnage.

### Transshipment Tonnage By Product Type

<u>Product</u>	<u>Metric Tons</u>
Canned Meat	2,072
Fillets, with skin/two per fish	62,754
Fillet, one-piece (butterfly) with skin	1,376
Fillet, without skin/two per fish	27,652
Gutted only	7,164
Headed only	3,337
Headed & Gutted	190,130
Fish Meal	136,404
Other Product	1,592
Roe, separate from remainder of fish	15,761
Flounder Steaks - diagonol cut from midsection of fish	564,366
Surimi: Frozen minced fish product	38,516
Tucza: heads, guts, fins, tail and portions of the belly flap	

removed (Poland)	16,027
Whole Fish	191,890
Other - Less than 1,000 mts reported	<u>1,900</u>
Total	1,260,941

Product types with less than 1,000 metric tons reported:

- gutted and gilled
- heads separate from remainder of fish
- headed, gutted, and tails removed
- intestinal organs separate from remainder of fish
- Otoshimi: frozen minced fish product (Japan)
- pectoral collars separate from remainder of fish
- flounder pieces - from midsection of fish
- Tara Shimiku - frozen minced product (Japan)

SJR

69



**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

SJR 69

**REQUEST:** \_\_\_\_\_

Bill Version : \_\_\_\_\_

Publish Date : \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected: Leg. Affairs

Title: SJR 69, Relating to revision of  
Tongass Management Plan of 1980

BRU: \_\_\_\_\_

Sponsor: Sen. Spec. Comm. Resource Deve.

Components : \_\_\_\_\_

Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

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

<b>CAPITAL</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

<b>REVENUE</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Senate Resources Committee

Phone: 3-18-88

Division: \_\_\_\_\_

Date: \_\_\_\_\_

Chairman

Approved by Commissioner: 

Date: 3-18-88

Agency: \_\_\_\_\_

Distribution (by preparer):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

Senate Secretary

SJR

71



FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Relating to British Fur  
Labeling  
Sponsor: Senate Finance  
Requestor: \_\_\_\_\_

Agency Affected: \_\_\_\_\_  
BRU: \_\_\_\_\_  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Senate Resource Committee Staff

Phone: 4797

Division: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by ~~COMMISSIONER~~: Senator Coghill

Date: 5/4/88

Agency: Senate Resource Committee

Distribution (by preparer):

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



SR

4

COMMITTEE OF REFERRAL

Date of passed 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

*Full*

\*\*FISCAL NOTE(S) ATTACHED ? \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

1/21/87 DATE TURNED INTO OFFICE \_\_\_\_\_  
Mr. President:

RESOURCES \_\_\_\_\_ Committee considered SR 4

Establishing a Senate Special Committee on Oil and Gas.

and recommended:

- replace with CS SR4 (Res)  same title
- attached amendment(s) and  new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_
- letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero F.N.  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*[Signature]*  
\_\_\_\_\_  
*[Signature]*  
\_\_\_\_\_  
*[Signature]*  
\_\_\_\_\_  
*[Signature]*  
\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

DO PASS *[Signature]*  
 Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION

FISCAL NOTE SENATE

BILL VERSION: CSSR 4(Res)

PUBLISH DATE: 1/27/87

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Title: Establishing a Senate Special Committee  
on Oil and Gas

Sponsor: Senate Rules Committee

Requestor: Senate Resources Committee

Agency Affected: Legislative Affairs Agency

BRU: Legislative Council

Legislative Leadership

Components: Session Expenses

Senate Leadership

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No additional fiscal impact. Funding is contained within Session Expenses and Senate Leadership components.

Prepared by: Pamela A. Sloops, Manager Phone: 465-3850  
 Division: Administrative Services Date: 01/26/87  
 Approved by: Warren W. Endicott  
 Agency: Legislative Affairs Agency Date: 1/26/87

Distribution (by preparer):

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

SR

7

STATEMENT OF CRAIG J. LINDH  
OFFICE OF THE GOVERNOR  
DIVISION OF GOVERNMENTAL COORDINATION  
OFFICE OF MANAGEMENT AND BUDGET  
STATE OF ALASKA  
BEFORE THE SUBCOMMITTEE ON PUBLIC LANDS  
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE  
OVERSIGHT HEARINGS ON THE TONGASS NATIONAL  
FOREST PURSUANT TO SECTION 706(b)  
ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT  
MAY 8 - 9, 1986

Mr. Chairman, and members of the Committee:

My name is Craig Lindh. I am employed by the State of Alaska in the Office of Management and Budget, Division of Governmental Coordination. With me is Mr. Eric Laschever of the Alaska Governor's office in Washington, D.C.

I am here today to present testimony on behalf of the State of Alaska regarding its concerns with management of the Tongass National Forest in the southeast part of our state, and with Forest Service implementation of Section 705 of the Alaska National Interest Lands Conservation Act (ANILCA). The State of Alaska and several other entities in Alaska were specifically named in Section 706(c) as participants in the preparation of a status report on the Tongass Forest required by Section 706(b). For this reason, and because the State of Alaska has an enduring interest in federal land management as it affects the lives and varied livelihoods of Alaskans, we have followed closely the Forest Service's preparation of this status report.

One of the most difficult issues which faced Congress during the ANILCA deliberations was to simultaneously satisfy the national desire for the protection of large acreages of wilderness in the Tongass National Forest while continuing to maintain employment in the existing timber industry which depended on federal timber supplies. By adopting Section 705 of ANILCA, Congress reaffirmed the Forest Service's long-standing social objective of creating and maintaining year-round employment and community stability based on the timber resources of the Tongass Forest. The economies of Ketchikan, Sitka, Wrangell and Petersburg have, in varying degrees over the past 30 years or more, been shaped by this federal policy.

These and other communities in Southeast Alaska also rely, to a greater or lesser extent, on other natural resource values of the Tongass for their economic and cultural well-being. The importance of Southeast Alaska's commercial fishing industry can be appreciated when one considers that the 1982 harvest of salmon, for example, was in excess of 29 million fish, or more than 3½ times the combined catch of Washington, Oregon, and California. The recreational value of hunting and fishing in Southeast Alaska has worldwide recognition, as evidenced by the thousands of visitors and residents alike who spend considerable sums to visit the Tongass. Southeast Alaska's fish and wildlife populations are also an important subsistence resource for its citizens, regardless of their occupation. This is a part of the United States where local residents can still count on

supplementing their income by putting wild meat in the freezer at a reasonable cost. Both timber and fisheries production are important in the management of the Tongass Forest and the state wants to ensure their compatibility.

Commercial timber resources, as well as other commodity and noncommodity resources in portions of the forest outside of designated wilderness areas are intended to be managed, utilized and protected in accordance with the Tongass Land Management Plan (TLMP), and applicable law.

It is clear from reviewing Chapter 7 of the 706(b) status report that none of the contributors is wholly satisfied with the current status of the Tongass Forest. Some are dissatisfied with the terms of Section 705, others with its implementation. The State of Alaska does not seek or support the amendment or repeal of Section 705 of ANILCA. While some may advocate repeal or amendment of this section, any such action by Congress at this time would be a serious mistake. The legislative solution to competing demands for the resources and uses of the Tongass Forest was extremely difficult to achieve. We believe that this solution has not been fully tested. Until fully tested and found to be deficient, we cannot support any substantive alteration of Section 705. We are, however, interested in seeing that the provisions of this section are properly implemented by the Secretary of Agriculture and the Forest Service. On a number of occasions, the State has urged the Forest Service and the

Department of Agriculture to provide additional funds for the purposes identified in Section 705 and TLMP and to fully implement TLMP's other provisions.

In its recent efforts to evaluate and amend TLMP (a periodic requirement of the National Forest Management Act, or NFMA), the Forest Service, to its credit, has acknowledged a number of steps which it must take to achieve full implementation of the plan. An amended version of TLMP is expected to be adopted by the Forest Service this month. Time will tell if acknowledgement is followed by accomplishment. To some degree, this will require a reallocation of agency resources and additional funds. At page 83 of the 706(b) report you will find the views of the State of Alaska. In this report, we have reiterated a number of specific recommendations to the Forest Service which, if taken together, would greatly improve the implementation of Section 705 of ANILCA as Congress intended, and TLMP as adopted pursuant to NFMA.

As our contribution to the report indicates, not enough money has been provided pursuant to Sec. 705, to achieve the Congressional employment objective. It may be that no amount of federal money would cause timber industry employment to return to pre-ANILCA levels under the current depressed market conditions. We believe however, that additional funds may be appropriately applied to the construction of roads specified in timber sale contracts, to more fully implement mitigating measures, to expanded monitoring and reporting on the effectiveness of these measures, and to the

loan program of Section 705(b). The surviving members of the timber industry recognize the necessity of adjusting to new markets in a competitive environment, and with assistance from the State of Alaska, are attempting to open new Pacific Rim markets, as well as to capture a larger share of Alaska's relatively small domestic market.

The State of Alaska has on numerous occasions requested that the Forest Service increase the amount of money which it allocates to road construction. We are not urging the construction of roads just for the sake of building them, or the development of an unneeded transportation system. Rather, the State of Alaska has urged the Forest Service to fund roads which will most efficiently provide access to commercial timber with the potential of economic viability. During the past 5 years, the Forest Service has elected to "preroad" with ANILCA funds. Unfortunately some preroading has not provided access to timber scheduled for harvest in the near term. This preroading is accomplished by construction contracting in advance of timber sales. Where the Forest Service does not elect to preroad, it requires, as a condition of its timber sale contracts, that certain "specified roads" be built by the timber purchaser. Under favorable market conditions, the purchaser of this type of timber sale is reimbursed, or compensated, for the roads he has constructed. This compensation is made by the Forest Service in the form of credit against federal timber harvested by the purchaser. Under the current depressed market situation when the value of timber

is low, the purchasers of these timber sales are not reimbursed for the costs of necessary road construction which they incur. At page 59 of the report, the Forest Service acknowledges that one of the possible consequences of this situation is that dependent purchasers, in order to secure their timber supplies, may have to operate at a loss. During the past few years in Southeast Alaska, we believe that this situation has contributed to closures or reduced operations of mills and logging camps in the timber industry, and accounts for the absence of bidders on many recent Forest Service timber sale offerings.

We believe that the Forest Service currently has sufficient authority to compensate timber purchasers monetarily for their construction of specified roads when purchaser credits are not available. Equitable compensation of timber purchasers would bring needed relief to the dependent industry. It may not increase the purchasers' profits, but it will reduce their costs substantially. Such compensation should not be treated as a cost to the government, but rather as a public investment in a federal transportation facility which is expected to serve future users of the Tongass Forest.

The Forest Service is to be commended for lowering some of the other logging costs experienced by purchasers of Tongass timber. We believe that there may be room for some additional cost cutting measures, although we caution against measures which

could pose unacceptable risks to other resource values of the Tongass.

The potential for adverse impacts from timber harvesting and associated activities is greatest on those portions of the Tongass Forest which possess commercially valuable timber outside of designated wilderness areas. It is from these areas, because they are often close to communities, that much of the fish and wildlife harvesting occurs, and water is drawn for human consumption. While some impact is unavoidable in pursuing timber harvest objectives, this impact must be consistent with the protective provisions of TLMP, and applicable laws and regulations, including where appropriate, Alaska's coastal management program. We believe that inadequate implementation of these provisions may jeopardize the wildlife and fisheries values in the Tongass Forest, as well as water quality as it relates to fisheries and human consumption.

In the past decade, we have learned a lot about the impacts of developmental activities on fish and wildlife populations and their habitats in Southeast Alaska's mature (200-300 years old) rain forest. This is recognized by biologists both within the Forest Service and the Alaska Department of Fish and Game. It is generally agreed, for example, that harvesting of mature timber stands eliminates important winter habitat for Sitka black-tailed deer and other species.