

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 86/2

9020 SENATE RESOURCES

By declaring themselves to be non-profit corporations, each group had to seek a ruling from the Internal Revenue Service as to whether or not these activities and corporate structures would qualify. The wait for the IRS ruling resulted in an important-side benefit: each group was required by the State to keep 40% of their revenues in a dedicated tax liability fund. Consequently, during the first year of the CDQ program the groups were subject to enforced savings. This allowed them to grow and refine their development plans without over-spending on initial projects. The expenditure and savings patterns of the groups for 1992/93 reflect this.

CDQ Group Primary Development Philosophies

Due to the regional idiosyncratic nature of the CDQ groups, each CDQ organization developed goals and objectives to meet the both the long and short-term needs of their communities. As reported earlier, each group has commonalities such as high unemployment, low living standards and limited economic development opportunities. How each region decides to address these issues is entirely self-determined. The list of development philosophies below is an indication of the differing objectives of each group.

APICDA -

Create income and infrastructure generating business opportunities for the CDQ group in local communities and businesses.

BBEDC -

Create an investment fund with which to invest in the seafood industry outside local, highly capitalized fisheries.

CBSFA -

Use CDQ income to leverage local infrastructure development.

CVFC -

Invest in ownership of offshore processor and use vertical integration and CDQ allocations to generate local employment.

NSEDC -

Increase participation and profitability by residents in regional fisheries and invest in the seafood industry.

YDFDA -

Train community residents as fishermen and finance vessel and gear loans and infrastructure development.

CDQ Program Monitoring

The CDQ program requires both federal and state oversight. The federal and state governments have each added staff to respond to monitoring needs. Approximately the equivalent of one federal and three state full-time positions are dedicated to the CDQ administration as well as part-time assistance on policy-making decisions by staff from several agencies.

The federal monitoring agency is the National Marine Fisheries Service. Federal responsibilities include daily monitoring of catch, debriefing of fishery observers, writing regulations, and review of the overall program. As is the case in the open-access fishery, federal funds support the fishery management and allocation decision making process.

The State is responsible for the ongoing monitoring of each CDQ group's performance, ensuring compliance with CDQ plans and regulations, providing professional assistance, reviewing quarterly and annual reports, and participating in the allocation decision making process. State agencies involved in this process include the Departments of Community and Regional Affairs, Fish and Game, and Commerce and Economic Development. The State requires quarterly reports, conducts several meetings with each group annually, requires annual audit and compliance reports, and retains the right to conduct an internal audit and review of any CDQ group's accounts at any time.

CDQ Fisheries Monitoring

All at-sea processors in the open access pollock fisheries are required to carry a single authorized government observer. However, with the necessity of accurate accounting for all harvests to the pound, new methods were required. The CDQ organizations were attuned to this especially in terms of bycatch of species such as salmon and herring. These species are important to western Alaskans for both commercial and subsistence fishing. Therefore, the industry partners and CDQ groups voluntarily instituted new monitoring systems. They began using two observers on each processing vessel so that the trawls could be observed around the block. Also, they began implementing methods to volumetrically measure all harvest. The methods determined by the North Pacific Fishery Management Council may be used as a basis for monitoring programs currently under consideration for the rest of the industry.

IV. OVERVIEW OF CDQ GROUPS AND ACTIVITIES

This chapter provides a brief overview of each CDQ group and the activities that it has undertaken to date.

Table IV-1 provides an overview of all activities of the six CDQ groups. Activities listed in bold type are actually underway. Activities listed in italics are in a development or planning stage. Activities listed in parentheses are potential projects which have been suggested by the CDQ groups in their Community Development Plans or other documents.

Table IV-1

CDQ Organizations	APICDA	BBEDC	CBSFA	CVFC	NSEDC	YDFDA
PROJECT TYPE						
Administration	X	X	X	X	X	X
Business Development						
Alaska Seafood Investment Fund		X				
Salmon & Herring Marketing (Coastal Village Investment Fund)					X	
(Cable Ranch - revised)	X					
(Wildlife Tourism - revised)	X					
(Wood Mill Outfitting)			X			
(Seafood Waste Conversion)			X			
(Entrepreneurship Program)		X				
Employment						
Resident Employment Program	X	X	X	X	X	X
Equity Investments						
APICDA Management Co.	X					
APICDA Joint Ventures	X					
Impressment Partnership				X		
Longline Partnership			X		X	
Norlan Sound Fish Co.					X	
Vulcan Delta Fisheries, Inc.						X
24' Floating Processor						X
(Longline Vessel)						X
Fishery Development						
Salmon Restoration Program					X	
Exploratory Fishing Research			X	X		X
Product Diversification Program	X			X	X	
St. Lawrence Matted Fishery					X	
(Fishery Development Grants)		X				

Economic Impacts of the Pollock CDQ Program - Revised Draft 4/95
 Chapter IV

ORGANIZATION	APICDA	BBEDC	CBSFA	CVFC	NSEDC	YDFDA
IFQ/Limited Purchase						
IFQ Fund	X					
Permit Brokerage		X				
IFQ Permit Fund					X	X
Infrastructure						
Atka Cook Facility	X					
St. George Harbor	X					
False Pass Gear Storage	X					
Nelson Lagoon Dock	X					
False Pass Dock Improvement	X					
Nome Dock					X	
Bevunge Ice Delivery System					X	
Koyuk Ice Machine					X	
St. Paul Harbor			X			
St. Paul Dock			X			
Nikiski Boat Ramp	X					
Moose Pt. Buying Station					X	
Oakville Buying Station					X	
(Infrastructure Fund)		X				
Loan Program						
Small Business	X					X
Boat & Gear	X	X	X	(X)	X	X
Processing Plant						
Atka Trade Seafoods JV	X					
Unalakleet Fish Plant					X	
Coastal Village Fisheries				X		
Ermenek Cooperative						X
Nelson Sound Crab Co.					X	
Shaktovich Plant					X	
Mokryuk Plant				X		
Nelson Lagoon Plant	X					
(St. Lawrence Plant)			X			
Scholarship						
Scholarship Program	X	X	X	X	X	X
Training						
Shoreside Training Program	X					
Vocational Training & Education (Simon Fraser University)	X	X	X	X	X	X
(Observer Training Program)		X				
Other						
Impact Fund			X			

Activities are listed in thirteen different categories. All groups are involved in some categories, including administration, training, employment and scholarship programs. In contrast, only some groups are involved in IFQ purchases, infrastructure development, fisheries development and equity investments.

The remainder of this chapter provides a more detailed description of the goals and activities of each group.

ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

The Aleutian Pribilof Islands Community Development Association (APICDA) represents the five communities of Atka, False Pass, Nelson Lagoon, Nikolaki and St. George. Their industry partner is Trident Seafoods, Inc. APICDA received 18% of the total CDQ pollock allocation in 1992 - 1995.

Goals

According to the Community Development Plan submitted by APICDA, the major goals of APICDA are as follows:

- 1. Provide capital for construction and investment to facilitate community participation in Bering Sea/Aleutian Islands fisheries.** APICDA plans to acquire and conserve capital to avail itself of investment opportunities while at the same time be aware of the overcapitalization of the fishing industry. When making investments, APICDA must review a variety of factors to properly gauge the value of the opportunity.
- 2. Provide and promote employment and educational opportunities for local residents in all aspects of the Bering Sea/Aleutian Islands fisheries.** APICDA member communities are strategically located in the Aleutian Island/Bering Sea region. As the economic health of the industry deteriorates, and fishing seasons become shorter and shorter, the location of support services becomes more and more important to the industry. Local infrastructure such as harbors and docks are necessary to provide support services. APICDA will strive to provide infrastructure development to all member communities.
- 3. To become a self-sustaining entity that will foster continued development, participation and stability for the regions communities and their residents.** In the APICDA communities, there is no more valuable right than access to the right to fish commercially. To the extent that local residents do not receive IFQs, and/or to the extent that the accompanying CDQ programs for halibut and sablefish are insufficient to meet the harvest needs of local residents, APICDA plans to participate in programs designed to assist local residents in acquiring IFQs.

CDQ Group Management/Administration

APICDA's board of directors employs the firm of Pacific Associates for the daily management of the organization. Pacific Associates offices are located in Juneau, Alaska. APICDA also employs community liaison officers to disseminate information throughout their communities. Management and policy decisions are made by the Board and carried out by Pacific Associates, their harvesting partner and subsidiary corporations.

Other CDQ Activities

Offshore Employment - Trident/Starbound offers a preferential hire program for residents of the APICDA area. They also provide training when needed and are investigating the establishment of a shoreside training program.

Training and Educational Program - APICDA's training program strives to provide meaningful employment and training opportunities by ensuring that all residents of APICDA communities fully understand the program. APICDA does this through employment of community liaison officers in each community.

Product Diversification Program - The product diversification program constitutes a major commitment to work with Trident and Starbound to develop new and expanded product forms from salmon.

APICDA Joint Ventures - Atka Pride Seafoods - APICDA formed a joint venture partnership with Atka Fishermen's Association to upgrade the existing processing facility and operate the processing plant as Atka Pride Seafoods.

APICDA Management Corporation - AMC holds all wholly owned subsidiaries of APICDA. - **Atka Floating Dock -** APICDA has constructed a small floating dock to serve the need of the community until a larger, permanent dock can be constructed. AMC also owns three 32' longline vessels which are operated by local residents.

False Pass Dock Improvement - APICDA allocated funds to install sewer and water services to the dock.

St. George Dredge - APICDA provided \$1.2 million to match the \$3.3 million of state funds to dredge the St. George Harbor. APICDA views this as an economic investment since APICDA will participate in subsequent economic activity.

St. George Dock - APICDA has allocated almost a million dollars during 1995 for the design and construction of a dock in St. George. This facility will be owned by

APICDA Management Corporation and will be located on land APICDA leased from the City of St. George as a quid pro quo exchange for APICDA's earlier contribution toward the completion of the Zapadni Bay dredging project.

Loan Guarantee Program - APICDA has plans to provide an IFQ loan guarantee program to assist local residents in purchasing halibut and sablefish quota shares.

Nelson Lagoon Dock - The Nelson Lagoon Dock project continues on schedule, construction is expected to begin in the spring of 1995.

BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

Bristol Bay Economic Development Corporation (BBEDC) represents the thirteen communities of Aleknagik, Clark's Point, Dillingham, Egegik, Ekuk, Manokotak, Naknek, King Salmon, South Naknek, Togiak, Twin Hills, Pilot Point, Ugashik and Port Heiden. Their industry partner is Oceanrawl, Inc. BBEDC received 20% of the total CDQ pollock allocation in 1992-1995.

According to the Community Development Plan submitted by BBEDC, the major goals of BBEDC are as follows:

Long range goals:

1. Increase and improve the quality of employment opportunities.
2. Develop long term employment opportunities and job diversification by funding vocational and academic scholarships.
3. Strengthen and expand the region's fisheries industry.

Specific Goals

- A1 Provide a self-sustaining basis for community development and employment
- A2 Employment for the region's residents
- A3 Provide training and education to residents appropriate to developing new employment opportunities.

- A4 Develop a regional fishery's development plan that anticipates changes in North Pacific fisheries.
- A5 Provide for infrastructure development based on new economic development.
- A6 Develop a timely method for getting information about the corporation and its programs out to the region and interested public.
- A7 Develop and maintain an efficient and cost effective staff and internal administrative and management procedures.
- A8 Maintain an effective and efficient Board of Directors.

CDQ Group Management/Administration

The Bristol Bay Economic Development Corporation offices are located in Dillingham, Alaska. Employment at BBEDC consists of an executive director, an office manager and secretary. Various consultant services are contracted as needed.

Other CDQ Activities

Offshore Employment Program - BBEDC works closely with their industry partner, Oceantrawl, to place their people on factory trawlers as entry level workers and encourages upward mobility.

Permit Stabilization Program - BBEDC has developed a permit brokerage business as an independent broker with Permit Masters. Permit Masters, Ltd. in Seattle is an established and reputable broker of fishing permits. The objective is to retain limited entry permits within the community when an individual is forced to sell his/her permit for various reasons.

Training and Scholarship Program - The training program has altered from the original 1993 CDP. Factory trawler training at a vocational school has decreased due to the fact that Oceantrawl prefers to do their own training. BBEDC is concentrating on basic vocational training to develop human resources in a broad and diverse context. BBEDC is also working with industry and government to develop an observer training program for the region.

Alaska Seafood Investment Fund - BBEDC has established the Alaska Seafood Investment Fund (ASIF) to make investments in Alaskan seafood businesses. These investments will be made outside of Bristol Bay's fully developed sockeye salmon and herring fisheries.

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

Central Bering Sea Fishermen's Association (CBSFA) represents the community of St. Paul. CBSFA was allocated 10% of the total pollock CDQ allocation for the 1992/93 season and 8% for the 1994/95 season.

According to the goals of CBSFA's Community Development Plan, the major development goals are as follows:

1. Develop for St. Paul Island a stable, self-sufficient, enduring and diversified economy not based on the harvest of fur seals, as directed by the Fur Seal Act Amendment of 1983.
2. Develop an appropriate locally based, locally owned, Bering Sea fishing fleet, to contribute community economic benefits and stability, key participation in local fishery business infrastructure, and safe and efficient harvest of local commercially valuable species.
3. Establish and maintain local access to Bering Sea resources as a key component in establishment and maintenance of an economy for St. Paul Island.
4. Establish Aleut participation and CBSFA participation in management and preservation of a Bering Sea ecosystem that supports rational use of renewable Bering Sea resources for the benefit of all persons.
5. Convert and merge a successful community fishery development plan and CDQ quota with the NPFMC fishery rationalization plan.

CDQ Group Management/Administration

Central Bering Sea Fishermen's Association is managed by the President of the board of directors who acts as the executive director of CBSFA. CBSFA's main office is located in Anchorage, with another office in St. Paul. CBSFA staff is mainly comprised of St. Paul residents, with consultants contracted on a part-time basis.

Other CDQ Activities

St. Paul Harbor Dredge - CBSFA along with the State of Alaska has committed funds for the dredge of the St. Paul Harbor. This project has an expected completion date of Spring 1995.

Temporary Marine Facilities - A small dock will be constructed upon completion of the harbor dredge. The dock has been designed and materials purchased, however construction is on hold pending completion of the dredge.

Scholarship Program - CBSFA has dedicated funds to a scholarship fund for St. Paul Island students accepted to institutions of higher education.

Vocational Training - CBSFA makes funds available for St. Paul Island Aleuts to obtain vocational or technical training in any field related to development of a fishery economy on St. Paul Island.

Fishery Employment - CBSFA will provide meaningful employment for the Aleut population of St. Paul Island. Jobs will be generated in commercial fishing operations, seafood processing, resource management and other fishery management and service related employment opportunities.

Vessel Loan Program - CBSFA loans up to 1/3 of the value of a vessel at reduced interest rates for locally qualified applicants who are successful in obtaining traditional financing for the remaining 2/3.

Gear Loan Program - CBSFA provides 100% financing for local fishermen at reduced interest rates to finance fishing gear for locally owned fishing vessels.

Test Fishery Project - CBSFA chartered a Bering Sea fishing vessel to test fish waters around St. Paul Island using a variety of small vessel pot gear to determine future fishery development.

Equity Investment in Longline Vessel - CBSFA has purchased ownership interest in the F/V Zolotoi.

Impact Fund - CBSFA has established an impact fund available for social, recreational and cultural impacts.

COASTAL VILLAGES FISHING COOPERATIVE

The Coastal Villages Fishing Cooperative (CVFC) represents the communities of Cherfornak, Chevak, Eek, Goodnews Bay, Hooper Bay, Kipnuk, Konigianak, Kwigillingok, Mekoryuk, Newtok, Nightmute, Platinum, Quinhagak, Scammon Bay, Tooksok Bay, Tuntutuliak, and Tununak. CVFC received 27% of the total pollock CDQ allocation during 1992 - 1995.

The Community Development Plan submitted by CVFC identifies the following major development goals:

1. Through the CDQ program, to develop a self-sustaining, self-sufficient fisheries economy in the CVFC region.
2. Develop the technical and managerial potential of CVFC members to own and operate a diversified fishing company through a "career track" program.
3. Provide jobs and expand employment opportunities for the residents of CVFC member villages.
4. Accumulate capital for Coastal Village region fisheries infrastructure development through:
 - Profit distributions from CVFC/Golden Age Fisheries(GAF) owned vessels
 - Employment on CVFC/GAF owned vessels in the CDQ fisheries or others
 - Employment on all other GAF owned vessels in all fisheries
 - Identification and development of new local fisheries resulting from nearshore trawl survey
 - Increase employment in local fisheries
 - Increased ownership of local fisheries
 - Expanded markets for local fisheries
 - Higher prices for products from the local fisheries through competition
 - improved quality control and product development
 - Higher prices for products through sales and marketing which emphasize the superior quality of CVFC region products
5. Invest capital in new ventures to further develop the Coastal Villages region.
6. Establish CVFC ownership in onshore processing facilities (for value-added production) and off-shore harvesting and processing capacity (factory trawlers, longliner, crab and processing vessels) capable of fishing in nearshore and offshore fisheries.
7. Provide markets for local salmon and herring fisheries.

CDQ Group Management/Administration

The Coastal Villages Fishing Cooperative, organized as a *for-profit* cooperative corporation, made a conscious decision to remain relatively small and lean during its early development. The cooperative employs four individuals: one each located at offices in Chevak, Bethel, Tooksook Bay and the executive director in Juneau.

Other CDQ Activities

Resident Employment Program - CVFC has an employment coordinator who actively recruits CVFC residents for employment and internship opportunities especially with Golden Alaska Fisheries ventures.

Scholarship Fund - CVFC and GAF created the Coastal Villages Scholarship Fund through the contribution by CVFC and GAF joint ventures of 5% of their profits. The fund has been incorporated as a non-profit corporation under the State of Alaska and awards scholarship grants or loans.

Coastal Village Fisheries - CVF is the first major locally owned salmon operation on the Kuskokwim river. This venture became operational in 1993. Due to poor salmon returns, CVF did not operate in 1994.

Imarpiqamiut Partnership - A fundamental part of CVFC's CDP is the 50% ownership in the F/T Brown's Point with its partner, Golden Age Fisheries. This vessel provides CVFC with direct access to the Bering Sea groundfish resources as well as a platform for processing value-added salmon products. This also allows for training of CVFC residents aboard their own vessel.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

The Norton Sound Economic Development Corporation (NSEDC) represents the villages of Brevig Mission, Diomedes/Inalik, Elim, Gambell, Golovin, Koyuk, Nome, Savoonga, Shaktoolik, St. Michael, Stebbins, Teller, Unalakleet, Wales and White Mountain. NSEDC was allocated 20% of the total CDQ pollock allocation in 1992 - 1995.

According to the Community Development Plan submitted by NSEDC, the major goals of NSEDC are as follows:

1. Employment continues to be the top priority for the 94/95 program for the Bering Strait region. Increased employment and the resulting income are the prime objectives behind each of the programs described in the CDP. Whether the employment is jobs in shoreside fish plants, on floating processors, on fishing boats in existing or new fisheries, in office work etc., NSEDC is committed to this program.

2. Self-Sustaining Fisheries Development.

Another priority is that NSEDC's activities and programs be able to stand alone. NSEDC was established as a permanent regional economic development force for the future.

3. Education and Training

One of the biggest components of the NSEDC CDP continues to be education and training. These goals are addressed through NSEDC's training, education and employment program, and the endowment fund.

4. Retention/Addition of Locally Held Permits

The ability to participate in many nearshore fisheries has traditionally depended on who owns the limited-entry permits. One of the disadvantages of the transferable permits is that the ownership of the right to fish in regional waters may be sold or awarded to a party outside of the community, meaning that some of the economic value of the fishery is not captured locally. NSEDC will provide local fishermen with loan funds to purchase limited entry permits and IFQ's

5. Fisheries Rehabilitation and Enhancement

NSEDC intends to increase economic returns by rehabilitating or enhancing salmon runs in the Bering Strait region.

6. Provision of Value to State and Local Government

NSEDC believes that as in shore-based fisheries, CDQ operations should help pay for state costs related to establishing and implementing the CDQ program. The passage of a state landing tax by the Alaska legislature in 1993 accomplished this goal

CDQ Management/Administration

The Norton Sound Economic Development Corporation is organized as a tax-exempt not-for-profit corporation. NSEDC manages their CDQ program with an executive director, located in their Elim headquarters, and local staff personnel in various locations. NSEDC has five advisory committees which hold periodic meetings to review CDQ program activities. Consultants are contracted as needed.

Other CDQ Activities

Resident Employment Program - NSEDC has set near-term goals for hiring local people to work in the Bering Sea fishing industry in jobs that will directly result from CDQ fishing operations. GFC hires residents of the Bering Strait region on a preferential basis for CDQ operations and any other fisheries related to GFC and NSEDC.

Education Endowment Fund - NSEDC provides scholarships to qualified students in the region to obtain advanced or continuing, technical and vocational, and/or a college education. GAF contributes to the scholarship fund to assist residents attending college to obtain an education in a fisheries related field.

Revolving Loan Program - NSEDC has established a revolving loan program to provide capital at reasonable interest rates to fishermen throughout the region to help support commercial fishing activities. This includes: 1) vessel upgrade loans, 2) herring and salmon gear loans, 3) crab and halibut gear loans, and 4) permit loans.

Norton Sound Crab Company - The Norton Sound Crab Company operates as a crab, salmon and bait processing facility in Nome. Recently, a smoker was installed to process a value-added product as part of their long-term diversification strategy.

Norton Sound Fish Company - NSEDC made an equity investment in a joint venture with Glacier Fish Company (GFC) to acquire and operate a freezer/longliner vessel. The F/V Norton Sound became fully operational in 1995.

Unalakleet Processing Plant - The Village Council of Unalakleet received a grant to revitalize the fish processing plant in Unalakleet.

Salmon and Herring Marketing Program - NSEDC has organized salmon and herring buying/processing operations and will conduct additional market research for various products from the Norton Sound fisheries.

Koyuk Ice Delivery System - In 1993, NSEDC allocated funds to purchase and ship an ice machine to Koyuk as part of a project to develop an ice delivery system to support Norton Bay salmon fisheries.

Savoonga Ice Delivery System - The City of Savoonga received funds from NSEDC to build an ice delivery system to support the developing commercial halibut fishery.

Shaktoolik Processing Plant - The City of Shaktoolik was allocated funds to make repairs to their fish plant to support the salmon fishery.

Salmon Rehabilitation and Enhancement Program - The salmon restoration and enhancement program includes three components: 1) comprehensive planning with substantial local involvement, 2) resource inventory and 3) a development fund to finance future site-specific projects.

St. Lawrence Island Halibut Fishery - In 1993, NSEDC established a commercial halibut fishery at St. Lawrence Island. This work included successful efforts to change International Pacific Halibut Commission (IPIHC) regulations to establish an experimental fishery in area 4D.

YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

Yukon Delta Fisheries Development Association (YDFDA) represents the communities of Alakanuk, Emmonak, Kotlik and Sheldon Point. YDFDA received 5% of the CDQ pollock allocation in 1992-1993 and 7% of the total pollock CDQ allocation in 1994-1995.

According to the Community Development Plan submitted by YDFDA, the major development goals are as follows:

1. Stabilize, enhance, and diversify the economy of the Lower Yukon River Delta region by participating in the Bering Sea groundfish industry.
2. Maximize the social and economic benefits to the lower Yukon River Delta region from the harvesting and processing of Bering Sea fisheries.
3. Safeguard the benefits achieved in Objective 1 and 2 through responsible participation in a range of Bering Sea resource management institutions.

CDQ Management/Administration

The Yukon Delta Fishermen's Association is organized as a not-for-profit corporation created expressly to develop the economy of the Yukon Delta region. YDFDA currently has their main office in Seattle, with Golden Alaska Seafoods, and employs an executive director, office manager and accountant. YDFDA also maintains an office in Seward to be near the Alaska Vocational and Technical Education Center, which is conducting much of their industry and boat building training.

Other CDQ Activities

Fishery Employment Program - The employment objectives of the employment program are to provide on-the-job training and experience in offshore fisheries to community residents and provide immediate employment and income-earning opportunities to these residents.

Comprehensive Training Program - YDFDA will strive to assure that 1) an appropriately skilled native workforce is available for all opportunities created in the CDQ enterprises and 2) provide technical knowledge to the native workforce to assure that qualifications are developed to enable them to move into high paying senior positions.

Exploratory Fishing Research - The exploratory fishing research program conducts research on the distribution, appropriate gear, and preferred fishing methods suitable for community-based commercial fishing in the eastern Bering Sea.

Yukon Delta Fish Marketing Cooperative - YDFDA loaned funds to the Yukon Delta Fish Marketing Cooperative to provide matching funds for a federal Economic Development Assistance grant of \$680,000. The money will be used to upgrade and expand existing processing facilities in Emmonak.

Yukon Delta Fisheries, Inc. - The major component to YDFDA's CDP is the establishment of a small-multi fishery boat fleet. YDFDA currently has six, thirty-two foot aluminum boats and two larger vessels fishing several species, and two more 32' boats are being built at AVTEC in Seward.

V. ECONOMIC IMPACTS OF THE CDQ PROGRAM

This chapter examines the economic impacts of the CDQ program, narrowly defined as changes in employment and income attributable to the CDQ program. The following chapter will look at the broader and more difficult question of the contribution of the CDQ program to "economic development."

Direct Employment and Income Impacts of the CDQ Program

Table V-1 summarizes the "Number Working," "Total Wages" and "Work Hours" information reported for all CDQ group reported in the quarterly reports. The table shows the information reported for each quarter as well as annual average "Number Working" (the total for the four quarters divided by four) and total annual wages. In the discussion below, we use the term "jobs" in place of "number working." The annual average number working on CDQ group projects was 173 in 1993 and 387 in 1994. The highest quarterly number working was 213 in the third quarter of 1993 and 761 in the third quarter of 1994.

Total wages for all CDQ jobs were \$2.5 million in 1993 and \$4.2 million in 1994. Total wages divided by the number working (a rough measure of average annual income per CDQ job) was \$14.5 thousand in 1993 and \$13.4 thousand in 1994.

As shown in Figure V-1, in 1994 CDQ management and administration accounted for 10 percent of 1994 jobs and 19 percent of wages. Pollock harvesting and processing accounted for 18 percent of jobs and 26 percent of wages. Salmon, herring and halibut fisheries accounted for 32 percent of jobs and 19 percent of wages. Other employment accounted for 40 percent of jobs and 36 percent of wages.

Table V-1: CDQ Employment and Wages: All CDQ Groups

Employment by Quarter	Quarter								Annual Average/Total*	
	93-1	93-2	93-3	93-4	94-1	94-2	94-3	94-4	1993	1994
Number Working										
Management/Administrative	21	23	23	28	36	41	41	43	24	40
CDQ Pollock-Related	120	44	50	67	117	53	90	24	70	71
Salmos, Herring & Holbro-Related	0	110	122	0	0	217	276	0	58	123
Other Employment	13	21	18	31	63	133	354	58	21	152
Total	154	198	213	126	216	444	761	125	173	387
Total Wages inc. Benefits (\$)										
Management/Administrative	105,730	139,670	142,871	205,235	220,500	285,516	259,052	240,748	593,506	1,005,816
CDQ Pollock-Related	647,057	132,190	245,933	316,140	682,576	168,754	351,269	152,549	1,341,320	1,355,148
Salmos, Herring & Holbro-Related	0	26,447	15,477	0	0	210,898	789,205	0	41,924	1,000,103
Other Employment	150,448	51,779	40,709	267,604	243,062	277,883	769,349	521,085	530,740	1,811,399
Total	903,435	350,086	464,990	788,979	1,146,138	943,051	2,168,895	914,382	2,507,490	5,172,466
Total Wages/Number Working										
Management/Administrative	5035	6071	6212	7330	6125	6964	6318	5599	24,930	24,989
CDQ Pollock-Related	5392	3004	4919	4719	5834	3184	3903	6356	19,094	19,087
Salmos, Herring & Holbro-Related		240	127			972	2859		723	8,114
Other Employment	11548	2466	3373	8632	3858	2089	2173	8984	25,578	11,917
Total	3866	1768	2181	6262	5306	2124	2850	7315	14,515	13,383

*Annual average number working; total annual wages. Blanks indicate that data were not available. Source: CDQ Group Quarterly Reports

Relative Employment and Income Impacts of the CDQ Program

An overview of the relative impacts of the CDQ program may be gained by comparing employment and income generated by the CDQ program with employment and income reported by the 1990 U.S. Census on data from 1989. Note that the census measures employment at the time the census was taken (April 1990) rather than annual average employment. Thus the census employment data are not necessarily representative of annual average employment in 1989. However, the census does provide a measure of total annual income in 1989.

Relative Employment Impacts

The top two rows of Table V-2 show two different measures of employment in April 1989: total employment and "basic employment." "Basic" employment refers to employment in the following private sector basic industries:

Table V-2: CDQ Employment & Income Compared with 1989 Employment & Income Reported by 1990 U.S. Census	Total, All CDQ Groups
Employment in 1989 (from census)	6281
"Basic" employment in 1989	679
CDQ employment	
1993 average	173
1994 average	387
1993 highest quarter	213
1994 highest quarter	761
CDQ employment as % of 1989 emp.	
1993 average	3%
1994 average	6%
1993 highest quarter	3%
1994 highest quarter	12%
CDQ employment as % of "basic" emp.	
1993 average	25%
1994 average	57%
1993 highest quarter	31%
1994 highest quarter	112%
Total income in 1989 (from census)	\$219,708,878
CDQ wages	
1993 total	\$2,507,490
1994 total	\$5,172,466
CDQ wages as % of 1989	
1993 wages as % of 1989	1.1%
1994 wages as % of 1989	2.4%

- Agriculture, forestry and fisheries
- Mining
- Construction
- Manufacturing, nondurable goods
- Manufacturing, durable goods

Basic industries usually produce goods or services for sale outside a region, and usually represent the foundation of a region's economy. Other industries, such as transportation, communications, trade, and services are usually considered "support" industries, in that they provide goods or services for sale within a region and are driven by income produced in the basic industries. In rural Alaska, government often provides much of the foundation that basic industries might provide in other, more developed regions.

As can be seen in Table V-2, basic employment tends to be much lower than

total employment in most CDQ regions--although the census may have understated basic employment because fishing and mining activities are concentrated during the summer months.

The middle rows of Table V-2 compare these census employment data with four measures of CDQ employment:

- 1993 average number employed
- 1994 average number employed
- 1993 highest quarter for number employed
- 1994 highest quarter for number employed

Average 1993 CDQ jobs were 3% of 1989 employment, and average 1994 CDQ jobs were 6% of 1989 employment. CDQ jobs in the highest quarter (the third quarter) of 1993 were 6% of 1989 employment, and CDQ jobs in the highest quarter (the third quarter) of 1994 were 12% of CDQ employment.

CDQ jobs were much higher as a percentage of 1989 "basic employment." For example, average CDQ jobs in 1994 were 57 percent of total "basic" employment in 1989. For some CDQ groups the CDQ program represented more than a doubling of total "basic" employment compared with that reported in the 1989 census. Put differently, although CDQ jobs appear to represent a relatively small share of *total* jobs in the CDQ region, they represent a very substantial increase in "basic" employment.

Relative Income Impacts

The bottom rows of Table V-2 compare CDQ wages with total annual income in 1989 for each of the CDQ group areas. For the CDQ region as a whole, 1993 CDQ wages and benefits represented a 1.1% increase in income compared with 1989, while 1994 CDQ wages and benefits represented a 2.4% increase in income.

Indirect Employment and Income Effects

Some of the income earned in CDQ jobs, as well as spending for supplies and services in support of CDQ projects, passes through local merchants, service providers, and others before the money "leaks" out of the region for imports. The additional employment and income generated in this way is referred to as "indirect" economic impacts. In an area such as western Alaska, where very few goods and services are provided locally, money leaks out of the region relatively quickly. For example, a 1987 report by the University of Alaska's Institute of Social and Economic Research estimated that each dollar of income generated in commercial fishing in southwest Alaska generates an additional 24 cents of income within the region.¹

It is impossible to estimate precisely the indirect employment and income impacts of the CDQ region, but it is reasonable to assume that they are smaller than the direct impacts--probably about half the magnitude or less. Nevertheless, every extra contribution to jobs and income helps, and these additional impacts of the CDQ program should not be overlooked.

¹Matthew Norman and Teresa Hull, *The Commercial Fishing Industry in Alaska's Economy*, Institute of Social and Economic Research, March 1987, page 44.

Data Sources

The CDQ employment and income data are derived from quarterly reports provided by the six CDQ groups to the Alaska Department of Community and Regional Affairs (DCRA). For each of the eight quarters in 1993 and 1994, each of the six groups has prepared a Quarterly Activity Report for DCRA. Among other information, the quarterly activity reports include summary employment tables providing information on four kinds of employment:

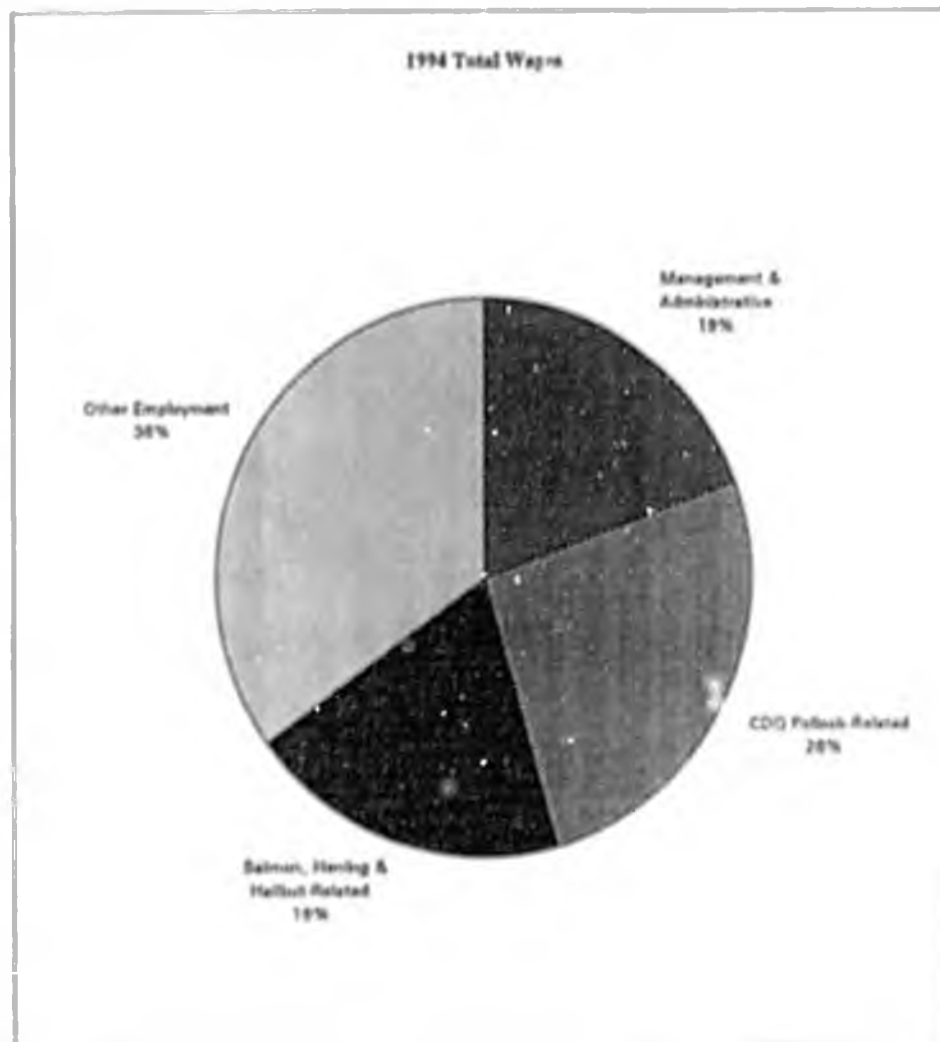
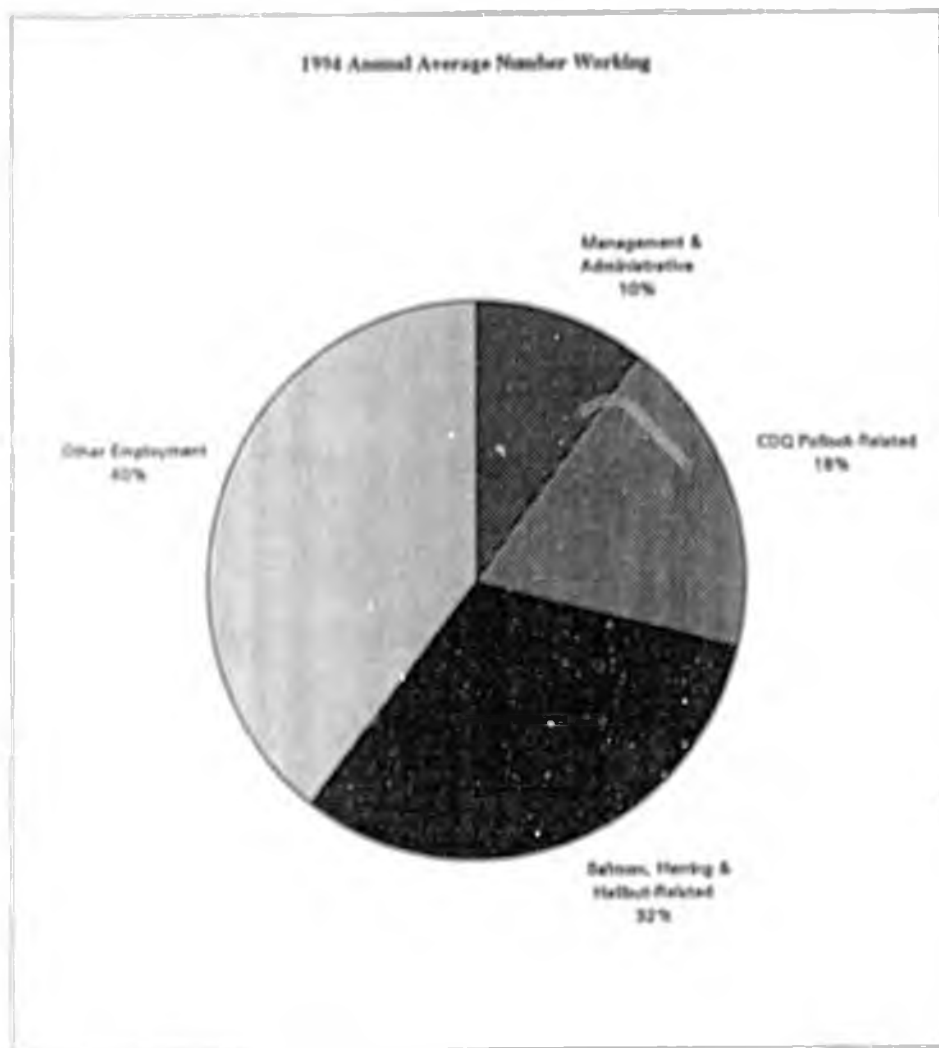
- Management/Administration Employment
- CDQ Pollock-Related Employment
- Salmon, Herring, and Halibut Fishing/Processing Employment
- Other Employment

For each of these kinds of employment, the following information is provided:

- Number of CDQ region residents working
- Total wages and benefits earned by CDQ region residents
- Total work days worked by CDQ region residents (not reported by some CDQ groups)

The data reported by the CDQ groups are not necessarily perfect for assessing the precise contribution of the CDQ program to employment and income in western Alaska. For example, some jobs are part-time or seasonal, or involve matching funds or joint ventures with non-CDQ organizations. However, the data represent the only detailed source of information on employment and income generated by the CDQ program. As long as the limitations described above are kept in mind, and it is recognized that actual employment and income impacts may be somewhat lower or higher than reported, it is reasonable to use these data to gain a general sense of the economic impacts of the CDQ program to date.

FIGURE V-1



VI. OTHER IMPACTS OF THE COMMUNITY DEVELOPMENT PROGRAM

Infrastructure Development

A major goal of many of the CDQ groups was to develop infrastructure within the region that would make possible greater participation in the fishing industry. Substantial progress has been made towards this goal. Major infrastructure projects which have been completed or are underway include:

- 1) Dock facilities in Atka, Nelson Lagoon, False Pass and Nome;
- 2) Harbor improvements in St. George and St. Paul;
- 3) Ice Delivery Systems in Savoonga and Koyuk;
- 4) Gear Storage facilities in False Pass.

Each of these infrastructure developments provide benefits to the region as a whole as well as the entire fishing industry. However, the exact economic impacts are difficult to measure at this time. Additional infrastructure is needed in many communities and there are several projects in the development stage:

- 1) Dock and small boat harbor in St. Paul
- 2) Boat ramp in Nikolski
- 3) Large dock facility in Atka
- 4) Additional buying stations in Golovin and Moses Pt.

Without additional CDQ funds from the continuation of the pollock CDQ program, the future of these projects is uncertain. The level of infrastructure development in Western Alaska is minimal, thus one of the reasons for the CDQ program. It is unreasonable to expect two years worth of activity sufficient to bring an area as large and diverse as the western coastal region up to current development standards. The gains to date represent 61% of the projects identified in the Community Development Plans as necessary to achieve the identified goals. This is remarkable given the short time frame involved.

Several other projects have been identified as necessary infrastructure for the development of even a limited fishing economy. However with the future of the pollock CDQ program unpredictable, it is difficult to draft a development strategy. A complete list of proposed infrastructure development projects was presented in chapter four.

Apart from the physical infrastructure needs of the community, equally important is the business infrastructure such as developed markets and management expertise necessary for the successful operation of a business. The Community Development Quota program has invested heavily in this type of infrastructure development through the technology transfers which exists between the CDQ groups and their industry partners.

The CDQ organizations work closely with their pollock partners in several aspects of the fishing industry. Several organizations have interns within their offices as well as providing expertise to the CDQ organizations staff and board members when needed. It is through this process that the knowledge necessary for the successful participation within the Bering Sea fishery is gained.

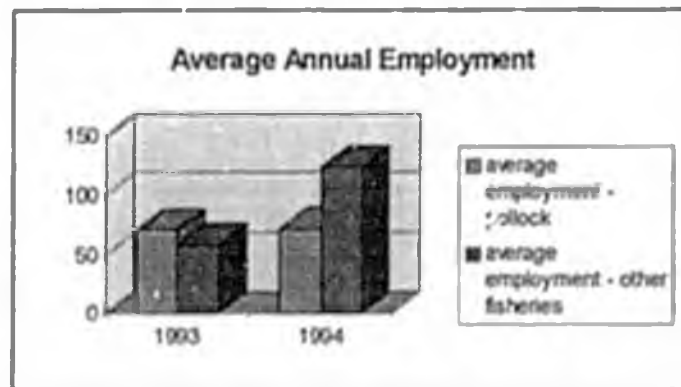
Another major contribution of the CDQ program has been the investment of resources and the assumption of risk in the development of new salmon products. Three CDQ groups and their harvesting partners have spearheaded industry efforts to produce boneless, skinless frozen salmon product forms at a time when the Alaska salmon industry needs to expand their product lines.

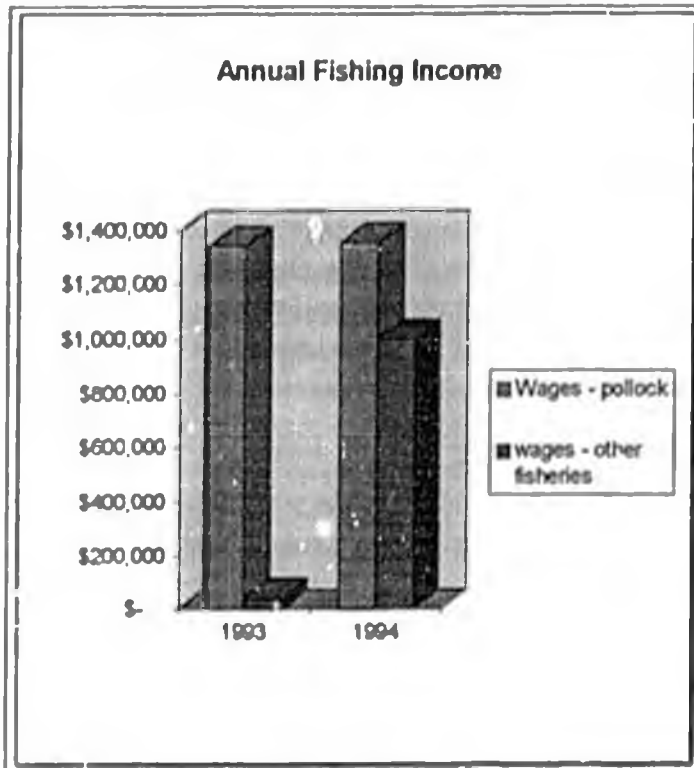
Fisheries Participation

Another major goal of the CDQ program was to provide for increased participation by western Alaska residents in the fisheries of the Bering Sea, including both the pollock fishery as well as other fisheries. Progress has been made towards this goal, but much remains to be achieved.

As discussed in chapter five, employment within the fisheries has increased dramatically for residents of western Alaska, not only on factory trawlers but on smaller vessels, and shoreside processing plants as well. Many CDQ groups have purchased interest in longliners, a factory trawler, or have begun to develop a small multi-fishery fleet. The establishment of loan programs has also facilitated increased involvement in the fisheries of the Bering Sea. Several fishermen are now able to purchase small vessels and/or gear where previously, conventional financing was not available.

The following graphs shows the level of employment and wages in the pollock and other Bering Sea fisheries:





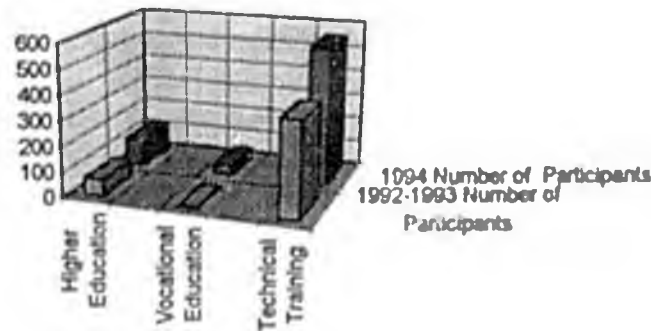
An important issue is whether future fisheries participation by western Alaska residents is dependent on continuation of the CDQ program. The State believes that most of the gains which have been made to date might be lost if the CDQ program were to end in 1995. For example, investments made by CDQ groups in fishing vessels and processing plants might not be viable if guaranteed access to pollock resources were not continued. Also, many of the projects which are in the development stage may not be completed if CDQ revenues cease.

With the exception of one, all of the CDQ groups now have access to the resources of the Bering Sea through their investments in a variety of fishing vessels. Although the investments are often limited to a minority position in a single vessel, the fact remains that the CDQ organizations are gaining entry. The amount of capital required to gain entry is enormous, and these efforts are the beginning of a localized fleet.

However, other gains are clearly permanent. For example, the small multi-fishery fleet built by the Yukon Delta Fishermen's Association participates in the halibut and sablefish, other bottom fish and crab fisheries. Their fleet operates from Norton Sound to Unalaska. The residents of the YDFDA region are quickly gaining skills that will prove useful for years to come.

Training and Education

Training and education of residents is an important goal for all of the CDQ groups and the training opportunities for the residents in the region are substantial. The chart below is indicative of the increased training opportunities to the residents of western Alaska. A total of 176 scholarship participants, 927 technical participants and 38 vocational students have benefited from the variety of educational opportunities available during the period late 1992 through Dec. 1994.



The importance of appropriate educational training at all levels cannot be overlooked. For any society to build sustainable development and improve the standard of living of their community, an educated populace is necessary. The CDQ groups provide training for their residents based not only on the needs of the individual, but the needs of the community overall.

The following table describes some the type of training and number of participant for the CDQ groups as a whole:

Table VI-1

	1992-1993 Participants	1994 Participants	Totals
Higher Education Includes University and College	64	112	176
Vocational Education			
Aluminum Boat Fabrication	0	18	18
Auto and Diesel Technology	0	4	4
Biomedics Electronic Technician	0	1	1
Business Management	0	8	8
Carpenter	0	1	1
Paralegal	0	2	2
Power Plant Operation	0	1	1
Seafood Industry Management	0	2	2
Travel Specialist	0	1	1
	0	38	38
Technical Training			
Processing Workers	161	44	205
Vessel Safety	49	92	141
Fishing Training	47	90	137
Computer Applications	30	151	181
Electronic Navigation	26	65	91
Equipment Operation	23	28	51
Mechanics/Welding	14	51	65
Grants Management	12	12	24
Clerical	6	15	21
EMS	5	0	5
HAZWOP	1	0	1
Baker	1	0	1
Marine Firefighting	0	1	1
Industrial Refrigeration	0	1	1
HVAC	0	2	2
	375	552	927

This table represents 1141 training opportunities for the residents of western Alaska during a twenty four month period. These training and educational opportunities

will enhance the ability of the residents to gain employment in all aspects of the fishing industry. When these numbers are compared with the figures in table II-2, which shows a total number of people unemployed in all CDQ regions of 1217, the impact of the CDQ group's training programs is enormous.

CDQ Financial Reporting

The CDQ groups are required to provide financial information on a quarterly basis and annual audited financial statements to the State of Alaska. The specific financial data for each group is confidential. Therefore, a report on the financial status of each CDQ group is not possible. However, overall the CDQ groups are taking a conservative approach in their investment decisions.

Several CDQ groups have advisory board members from the financial community who are non-voting board members. Due to the complexity of the fishing industry, these members are able to give insight from a financial perspective that may not otherwise be available.

The CDQ groups have received approximately \$53 million in royalties during the 1992-1994 period. The groups used these royalties to fund several infrastructure and product development projects, training and education programs, assist residents in gaining employment aboard factory trawlers as well as made investments in the fishing industry that will provide continued access to the Bering Sea.

Development Impacts

One of the goals of the Community Development Quota Program is to encourage "economic development" in the participating communities. An assessment of the program's success must have some way of recognizing the economic development consequences of the program. In this section we discuss what is generally accepted as the definition of economic development and suggest some ways to indicate the effect of the CDQ program on the economic development of the region.

Defining and measuring economic development is not easy. There are many potential dimensions to economic development. Development typically occurs over a period of time measured in decades rather than years, accompanied by other social, cultural and political changes. We should not expect to be able to measure progress towards "economic development" definitively after only two years. Much of the development has only been initiated through this initial infusion of capital. The CDQ program will require continued sustenance to survive its infancy.

Defining Economic Development

Definitions of economic development have evolved over time. The evolution of these definitions reflects the postwar development experience. Historically, economic development was perceived as synonymous with economic growth, and was measured in terms of the expansion of a region's output. In recent decades, however, economic development has increasingly been perceived as a process of complex structural changes in the economy and the society (Todaro, 1981).

According to currently accepted concepts of economic development, three characteristics help to define economic development in a region. First, when development occurs growth or at least expanded output becomes the norm. Put differently, short-term, one-time expansion of regional output is *not* economic development. In rural Alaska, the physical or economic exhaustion of a resource may end an economic boom, and leave a region no better off than it was prior to the boom. In contrast, economic development structure changes ensure higher levels of output which, once achieved, may be maintained or expanded.

A second characteristic of economic development is that the growth of output is shared. Regional economic development implies that the residents of the region share broadly in the gains in income created by economic growth. Regional economic development includes development of the people of the region as well as the surrounding and supporting infrastructure.

A final characteristic which is sometimes added to the definition of economic development is local control. This usually means that economic development also increases the importance of locally made economic decisions. Local residents can participate in economic growth as resource owners and entrepreneurs as well as employees.

Measuring Development Impacts of the CDQ Program

Because economic development is a complex process, it is difficult to measure. Attempting to assess the development consequences of the CDQ program is especially difficult because it has been in existence for only two years. Three questions can be asked which may serve as indicators of progress towards and potential for economic development resulting from the CDQ program.

Economic Growth How many jobs and how much income has the CDQ program created? How do these jobs compare with the kinds of jobs which existed previously in the region? By the simple measures of contribution to jobs and income, the CDQ program appears to be contributing to economic development. Clearly, the contribution varies between different CDQ groups. Clearly, the economic activity generated to date has not transformed the region economically--but there is no reason to expect that it

would have. But it has generated many new "basic" jobs and new income in a region where there is very little economic base other than government.

Local control: Are local residents in control of the new economic activities which are being created in the region? Has the program worked to expand local decision making? Are there more local entrepreneurs? Are more resources locally owned? The CDQ program provides for direct local control of a portion of the Bering Sea pollock resource--although this control is exercised in cooperation with industry partners. The additional activities being carried out using the revenues generated from the pollock resource are clearly under local control and the skills to sustain long-term economic development remain a high priority of the CDQ program.

Sustainability: Are the benefits generated by the CDQ program sustainable? Would they continue even if the CDQ program were to end? Have the CDQ group done things which will most likely result in continue growth or at least the maintenance of higher levels of income? Obviously some of the activities generated by the CDQ program to date would come to an end if the CDQ program were to end. However, the program has also brought about significant investment in the region's physical and human capital--investments which would continue to contribute to future growth even if the program were to end. Infrastructure projects contribute to the viability of new economic activities. Training and education programs are providing residents with skills which can be used within the region or in other places. The program is also helping to develop business and entrepreneurial skills within the region.

In sum, by all of these measures, the CDQ program is contributing towards the process of economic development within the western Alaska region. It is bringing about economic development, as measured by jobs, local control, and long-term sustainability. Another aspect that should be considered is that it provides opportunities to work where few existed before, especially during the long winters when jobs are scarce. Not everyone chooses to fish, however the hope and opportunities created are an invaluable addition to the collective self-esteem of the region's people. However, there should be no expectation that the program could or should transform the region within a few years.

CS FOR HOUSE JOINT RESOLUTION NO. 23(FSH)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Offered:
Referred:

Sponsor(s): REPRESENTATIVES AUSTERMAN, Ivan, Foster, Finkelstein

A RESOLUTION

1 Relating to the North Pacific Fishery Management Council's inshore/offshore
2 allocations and the Western Alaska Community Development Quota Program.

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

4 WHEREAS the Western Alaska Community Development Quota (CDQ) Program is
5 a fisheries development program involving the federal Department of Commerce, the North
6 Pacific Fishery Management Council, the State of Alaska, and 56 Bering Sea coast, Aleutian
7 Islands, and Pribilof Islands communities; and

8 WHEREAS the inshore/offshore allocation of fishery resources assures Alaska's
9 coastal communities, which are economically dependent on fishing, access to the fishery
10 resources off their coast; and

11 WHEREAS the current inshore/offshore allocations and the CDQ program are
12 scheduled to expire in December 1995; and

13 WHEREAS the CDQ program has set aside 7.5 percent of the available Bering Sea
14 pollock quota during 1992 through 1995 for Bering Sea coast, Aleutian Islands, and Pribilof
15 Islands communities; and

16 WHEREAS the amount of pollock available for harvest under the CDQ program is

1 more than 100,000 metric tons per year and has an approximate annual value of \$20,000,000;
2 and

3 WHEREAS the CDQ program allocates the available harvest of pollock among
4 eligible communities, local fishermen's organizations, and local economic development
5 organizations who in turn reinvest the proceeds from the harvest and processing of the pollock
6 in additional local fisheries development projects; and

7 WHEREAS the CDQ program is important to the economic development of the
8 Bering Sea coast, Aleutian Islands, and Pribilof Islands communities; and

9 WHEREAS the North Pacific Fishery Management Council established the CDQ
10 program as a component of the inshore and offshore allocation of Bering Sea pollock; and

11 WHEREAS, in 1992, according to the Department of Commerce and Economic
12 Development, Department of Labor, Department of Revenue, and the Alaska Seafood
13 Marketing Institute, the Alaska seafood processing industry harvested more than 5,500,000,000
14 pounds of fish; processed these fish in more than 500 large and small Alaska seafood
15 processors registered with the state; paid fish harvesters \$1,400,000,000; provided more than
16 35,000 shore-based jobs in Alaska; spent \$280,000,000 to support its activities; paid over
17 \$80,000,000 in taxes and cash benefits to the state and Alaska's coastal communities; paid
18 \$10,000,000 for salmon enhancement; paid \$700,000 in fisheries related and marine mammal
19 research and \$3,200,000 for domestic marketing of Alaska seafood products; invested
20 \$1,000,000,000 in shoreside plants; paid \$11,000,000 to local governments in municipal fish
21 taxes; and paid over \$3,000,000 in local real and personal property taxes; and

22 WHEREAS, in Western Alaska, the Aleutian Islands, and Kodiak, shore-based
23 processors pay over \$400,000,000 annually to fish harvesters; process 1,250,000,000 pounds
24 of crab, groundfish, salmon, herring, and halibut; employ over 13,000 people; pay over
25 \$90,000,000 in annual payroll; purchase \$45,000,000 in goods, services, and utilities; pay over
26 \$7,000,000 in local raw fish taxes; and in 1992 paid over \$900,000 in grants to nonprofit
27 organizations;

28 BE IT RESOLVED that the Alaska State Legislature strongly supports reauthorization
29 of the inshore/offshore allocations and CDQ program before they expire in December 1995.

30 COPIES of this resolution shall be sent to the Honorable Ron Brown, Secretary of the
31 U.S. Department of Commerce; the Honorable Richard Lauber, chair of the North Pacific

1 Fishery Management Council; and to the Honorable Ted Stevens and the Honorable Frank
2 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of
3 the Alaska delegation in Congress.



Alaska State Legislature

House of Representatives
Special Committee on Fisheries

SPONSOR STATEMENT

CSHJR 23 (FSH) - "NORTH PACIFIC MANAGEMENT COUNCIL'S
INSHORE/OFFSHORE ALLOCATIONS AND THE WESTERN ALASKA
COMMUNITY DEVELOPMENT QUOTA PROGRAM."

by Rep. Alan Austerzan

House Joint Resolution 23 asks the North Pacific Fishery Management Council (Council) to reauthorize the inshore/offshore allocations and the Community Development Quota (CDQ) program before they expire at the end of this year.

The inshore/offshore allocation stipulates that 100% of the pollock in the Bering Sea and 100% of the pollock in the Gulf of Alaska be brought ashore to processing facilities. The CDQ program developed a partnership between western Alaska communities and the multimillion-dollar Bering Sea groundfish industry. The economic successes of these programs are crucial to the small communities throughout western and southwest Alaska.

Extending the inshore/offshore allocation and the pollock CDQ program will preserve stability in the groundfish industry during the period required for the Council to develop a comprehensive rationalization plan. The inshore/offshore allocation and pollock CDQ's were initially passed to serve as a bridge to comprehensive rationalization. It has taken the Council longer than anticipated to accomplish its goal.

WESTERN ALASKA FISHERIES DEVELOPMENT ASSOCIATION

Central Village Fishing Corporation • Arctic Based Economic Development Corporation
North Sea Economic Development Corporation • Yukon Delta Fisheries Development Association

221 Christensen Drive, Suite 1 • Anchorage, Alaska 99501 907-279-6519 Fax 907-258-6688

RECEIVED

February 7, 1995

FEB 10 1995

The Honorable Alan Austerman
Chairman - Special Committee on Fisheries
Alaska House of Representatives
State Capitol
Juneau, Alaska 99801-1182

Am I.....

Dear Representative Austerman

The members of the Western Alaska Fisheries Development Association wish to thank you for your introduction of House Joint Resolution No. 23, "Relating to the Western Alaska Community Development Quota Program and the North Pacific Fishery Management Council Comprehensive Rationalization Program."

HJR 23 accurately presents all the relevant information and encourages the North Pacific Fishery Management Council to take action - the continuation of a innovative fisheries development program - that benefits the entire State of Alaska. WAFDA, comprised of four of the six regional groups that participate in CDQ program, strongly endorses this resolution.

WAFDA is an active participant in the NPFMC's ongoing efforts to develop a comprehensive rationalization plan, which would establish an allocation system for all North Pacific groundfish and shellfish species. To date, the council has included CDQ allocations for all species in its working documents for staff analysis.

Under the current CDQ program, the federal government allocates 7.5 percent of the harvestable Bering Sea pollock (approximately 100,000 metric tons annually) to economically disadvantaged communities that are located within 50 miles of the Bering Sea coast. The communities use this allocation to open up new opportunities for employment and to generate revenues for investment in job-creating fisheries development projects. The program has created over 700 jobs for western Alaskans and now comprises over 18 percent of the private sector economy in that part of the state.

February 7, 1995

For this reason, there is great interest in western Alaska in making pollock CDQs a permanent program and providing an opportunity for CDQs to diversify into additional Bering Sea species. These goals could be accomplished through the comprehensive rationalization plan.

HJR 23 is an affirmative statement that encourages the council, as it continues with comprehensive rationalization, to include CDQs in the final allocation plan.

Again, thank you for introducing HJR 23. We appreciate your broad outlook on fisheries issues and your initiative in supporting a program with both regional and statewide impact. Please do not hesitate to contact our office if we can provide you with more information.

Yours truly,



Karl Orls
Executive Director

HJR

24

FISCAL NOTE

REQUEST:

Revision Date: _____ Affected Agency: _____
 Title: Relating to reduction of vanton waste in North Pacific Ocean and Bering Sea Fisheries. BRU: _____
 Sponsor: Representative Moses Components: _____
 Requestor: House Special Committee on Fisheries _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 2000	FY 2001
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0					

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

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

FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
TOTAL	0					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

Estimated FY 95 Impact: 0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By: Cheryl Sutton, Legislative Aide Date: 2/7/95
 Division: Legislative/House Rules Committee Phone: 465-6848

Approved By:  Date: 2/7/95
 Agency: House of Representatives

DISTRIBUTION (BY PREPARER)
LEGISLATIVE FINANCE
LEGISLATIVE SPONSOR

REQUESTOR
OFFICE OF MANAGEMENT AND BUDGET
AGENCY(IES)

SENATE COMMITTEE REPORT

DATE: 4/29/95

FURTHER:

DATE TURNED INTO OFFICE: 5-5-95

Resources Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 24(FSH)
 Relating to reduction of wanton waste in North Pacific Ocean and Bering Sea fisheries.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:

- same title
- new title
- House Bill
- same title
- technical change
- new: SCR^o _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Deace</i>	✓				
<i>Chris L. Taylor</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
ADF+C	4/8	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Alaska State Legislature

Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

VICE CHAIRMAN
HOUSE SPECIAL COMMITTEE ON FISHERIES



SESSION:
STATE CAPITAL BUILDING
UNEAU, ALASKA 99501-1182
PHONE (907) 485-4451
FAX (907) 486-3445

INTERIM:
718 W 4TH AVE. #630
PHONE (907) 258-6167
FAX (907) 258-3488

SPONSOR STATEMENT

House Joint Resolution 24

Relating to reduction of wanton waste in North Pacific Ocean and Bering Sea fisheries

House Joint Resolution 24 addresses an issue of immediate concern to Alaska and its commercial fishing industry. In an August 1994 report prepared for the Alaska Department of Fish & Game by Pacific Associates, the wanton waste of fishery resources in the North Pacific Ocean and Bering Sea was documented.

HJR 24 complements the efforts of Alaska's congressional delegation. Senator Frank Murkowski proposed a resolution to the United Nations General Assembly calling on all the nations of the world to address the issue of commercial bycatch and discards in 1995. The resolution puts the United Nations on record as believing the issue warrants serious attention in the international community and that a continued response is needed to ensure long-term sustainable development of fisheries.

Discards of either dead or live fishery resources occur in the North Pacific Ocean and Bering Sea fisheries for three basic reasons: economics, management policies and fishing practices. Discards sometimes occur because of the economic loss associated with processing the entire harvest. When species of little or no value are harvested along with the target species, there is no real economic incentive to discourage discarding.

Management induced discards occur for several reasons. There are federal regulations that prohibit fishermen utilizing certain gear types from retaining certain species. The fact that the fish may be dead or alive does not matter. This is called *prohibited species catch*. Groundfish fisheries in the North Pacific are managed by an open-access method with species quotas. Fishermen are interested in targeting their particular species as rigorously as possible before the allotted quota is reached. This method also lends itself to waste through discards of non-target species.

Fishing practices' discards may be the result of direct action by fishermen or through a combination of management requirements and fishing practices. Some fishermen "prospect" for a closed-fishery species while targeting another species. Because they will harvest prohibited species while doing this, there is mortality associated with the non-targeted species. Technical modifications to gear to make it "legal" (e.g., modifying on-bottom trawl gear to mid-water trawl) can cause increased bycatch mortality.

HJR 24 respectfully urges Congress to either amend the Magnuson Fishery Management and Conservation Act, or to enact other legislation, to address the waste of fishery resources. It also recommends harvest priority incentives for clean fishing practices to reduce wanton waste in the Bering Sea and North Pacific Ocean fisheries.

in some commercial fisheries significant numbers of adult fish or fish parts which could be processed for human consumption, but which are required to be discarded for various fisheries management purposes, or which are considered unsuitable for a particular market of immediate interest to the fishing vessel operator.

(4) Fish currently harvested but discarded without processing include significant numbers of fish of species for which there is presently no viable market, but which, if they remained unharvested, could form the basis for future fisheries as new markets and processing techniques are developed.

(5) There is cause for concern that current levels of mortalities among non-target fish species may have adverse environmental consequences.

(6) High discard levels, if concentrated geographically, may cause damage to the productivity of the resources using the ocean bottom and near-bottom areas.

(7) The current level of scientific knowledge is insufficient to determine if adverse impacts may result from the removal of nutrients presently returned to the ocean through the discard of non-target fish species and of unutilized portions of targeted species.

(8) It is in the national interest both environmentally and economically to minimize mortalities among non-target species taken incidentally to the various directed fisheries.

(9) It is in the national interest to encourage the utilization where practicable of all parts of fish harvested in directed fisheries for the species.

SEC. 3. AMENDMENTS TO MAGNUSON ACT.

The Fisheries Conservation and Management Act (16 U.S.C. 1801 et. seq.) is amended--

(1) in subsection 1801(b)(4) by inserting "in a non-wasteful manner and" after "maintain,";

(2) in subsection 1801(b)(6) by inserting "in a non-wasteful manner" after "such development";

(3) in subsection 1802(21)(B) by inserting ", including efforts to limit mortality in non-target species for the purposes of resource conservation and food production" after "ecological factor";

(4) in section 1802 by adding at the end the following new paragraph:

"(33) The term 'non-target species' means fish caught incidentally to fishing for a particular species or group of species and which may or may not be retained aboard the fishing vessel for subsequent processing and/or sale.";

(5) in section 1851(a)(1) by adding "and encourage the minimization of mortalities among non-target species" after "prevent overfishing";

(6) in section 1851(a)(5) by striking the word "promote" and inserting in its place the word "consider";

(7) in section 1851(a) by adding at the end the following new paragraph:

"(8) Conservation and management measures shall encourage the non-wasteful taking of fishery resources, including the reduction of discards of fish and fish parts, and the minimization of mortalities among non-target species.";

(8) in section 1853(a) by redesignating paragraph (4) as paragraph (6) and renumbering the subsequent paragraphs accordingly; and by inserting the following new paragraphs:

"(4) assess and specify--

"(A) to the maximum extent practicable an estimate by numbers of fish or weight thereof of the extent of anticipated mortalities among non-target species taken incidentally to the fishery or fisheries for which the plan is prepared, and

"(B) to the maximum extent practicable, an estimate by numbers of fish or weight thereof of anticipated discard levels of fish and fish parts taken pursuant to the fishery, but not utilized;

"(5) contain a description of measures intended to reduce mortalities among non-target species taken incidentally to the fishery or fisheries for which the plan is prepared, and to encourage the use of target species in a manner which minimizes the discard of fish and fish parts:";
and

(9) in section 1853 by adding at the end the following new subsection:

"(g) Required Amendment of Management Plans.--Each council shall--

"(1) within one year from the date of enactment of this subsection, submit to the Secretary such amendments for each management plan under its jurisdiction as are needed to comply with subsections (a)(4) and (5)

of this section; and

"(2) thereafter submit annually to the Secretary a report identifying any changes to the estimates and descriptions required in subsection (a) (4) and (5) and in paragraph (1) of this subsection, and providing an explanation of the cause or causes of such changes."

.....
.....

Press ENTER to return to MAIN MENU:

Murkowski: U.N. Adopts Bycatch Resolution

December 20, 1994

as much as a year off the time when the full U.N. could take up the issue.

According to Murkowski, a recent report by the United Nations Food and Agriculture Organization, based in Rome, indicates that the total amount of fishery discards -- fish caught, but for various reasons not retained for processing -- is far larger than previously thought. The report estimates global discards at approximately 27 million metric tons per year. When added to global landings of 83 million metric tons, that means ocean harvesting may exceed the ocean's ability to produce a sustainable yield by ten million metric tons or more annually.

"This is extremely serious," said Murkowski. "The ocean is not limitless, and it is urgent that we undertake the research needed both to define the problem in accurate, scientific terms, and to make it possible to make better use of the resources we are harvesting. In a world where food is a major concern to millions of people and hundreds of nations, we cannot continue to harvest only the most profitable and throw away everything else. Even if only 25 percent of the discards are edible, that is still enough food to supply a quarter of the world's population with almost 50 protein-rich meals -- far in excess of what is currently available to many."

The resolution as approved notes that progress on bycatch and discard issues is already being made by a number of international organizations, but stresses that, "improvements in monitoring and assessing bycatch and discards and improving bycatch reduction techniques continue to be necessary."

The resolution puts the United Nations on record as believing the issue warrants serious attention in the international community, and that a continued response is needed to ensure long-term sustainable development of fisheries.

LEGI-SLATE Report for the 103rd Congress Wed, December 15, 1993 7:41pm (EST)
BILL TEXT Report for S.1756

As introduced in the Senate, November 20, 1993

.....
S.1756 As introduced in the Senate, November 20, 1993

103d CONGRESS

1st Session

S. 1756

To encourage the optimum utilization of fisheries resources, to reduce waste
in commercial fish harvesting and processing, and for other purposes.

IN THE SENATE OF THE UNITED STATES

November 20 (legislative day, November 2), 1993

Mr. Murkowski introduced the following bill; which was read twice and
referred to the Committee on Commerce, Science, and Transportation

A BILL

To encourage the optimum utilization of fisheries resources, to reduce waste
in commercial fish harvesting and processing, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Commercial Fisheries Waste Reduction Act of
1993".

SEC. 2. FINDINGS.

The Congress finds that:

(1) Current commercial fisheries practices in the United States and
world wide contribute to a significant waste of edible food resources
which are harvested, but discarded without processing for human
consumption or other uses.

(2) Fish currently harvested but discarded without processing include
in some fisheries large numbers of juvenile fish which would have
significantly greater value both as an economic asset to the fishery and
to the maintenance of the species if they were allowed to reach maturity
before harvesting.

(3) Fish currently harvested but discarded without processing include

NEWS



U.S. SENATOR

FRANK MURKOWSKI

OF ALASKA

For Immediate Release
December 20, 1994

Contact: Chuck Kleeschulte or Cindi Bookout
O(202) 224-9306; H 301/283-4149 O 224-8767

MURKOWSKI: U.N. APPROVES MURKOWSKI RESOLUTION; WILL ADDRESS BYCATCH ISSUES IN FALL GENERAL ASSEMBLY

WASHINGTON -- The United Nations General Assembly has unanimously approved a United States resolution calling on all the nations of the world next year to take up the issue of commercial fisheries bycatch and discards.

The resolution, proposed by Alaska Sen. Frank Murkowski, R, is designed bring international attention to the issue and build political support for ongoing efforts to address it. The resolution passed the U.N. as the body moves to wrap up its 49th General Assembly business prior to the Christmas holidays.

"This puts the issue of bycatch and discard out before the international community where it can no longer be ducked by those who would prefer to avoid talking about uncomfortable facts," said Murkowski. "We don't want to undermine the international efforts already underway, but we want the political side to realize what the conservation community already knows: this issue must be addressed head-on."

Murkowski, who is one of two delegates to the United Nations from the U.S. Congress for this 49th session of the General Assembly, presented an initial draft of the resolution to U.S. Ambassador to the U.N. Madeleine Albright and asked for her rapid support during a meeting in New York Nov. 28.

Murkowski said the resolution was needed to ensure that the international community is fully aware of the bycatch and discard issue, which is of great concern to scientists around the world.

The United Nations Committee on Environment and Sustainable Development last week gave unanimous approval to the resolution calling on the international community to consider the issue of global fishery bycatch and discard during next year's fall session of the United Nations. By pressing for action in this year's session, Murkowski shaved

HJR

25

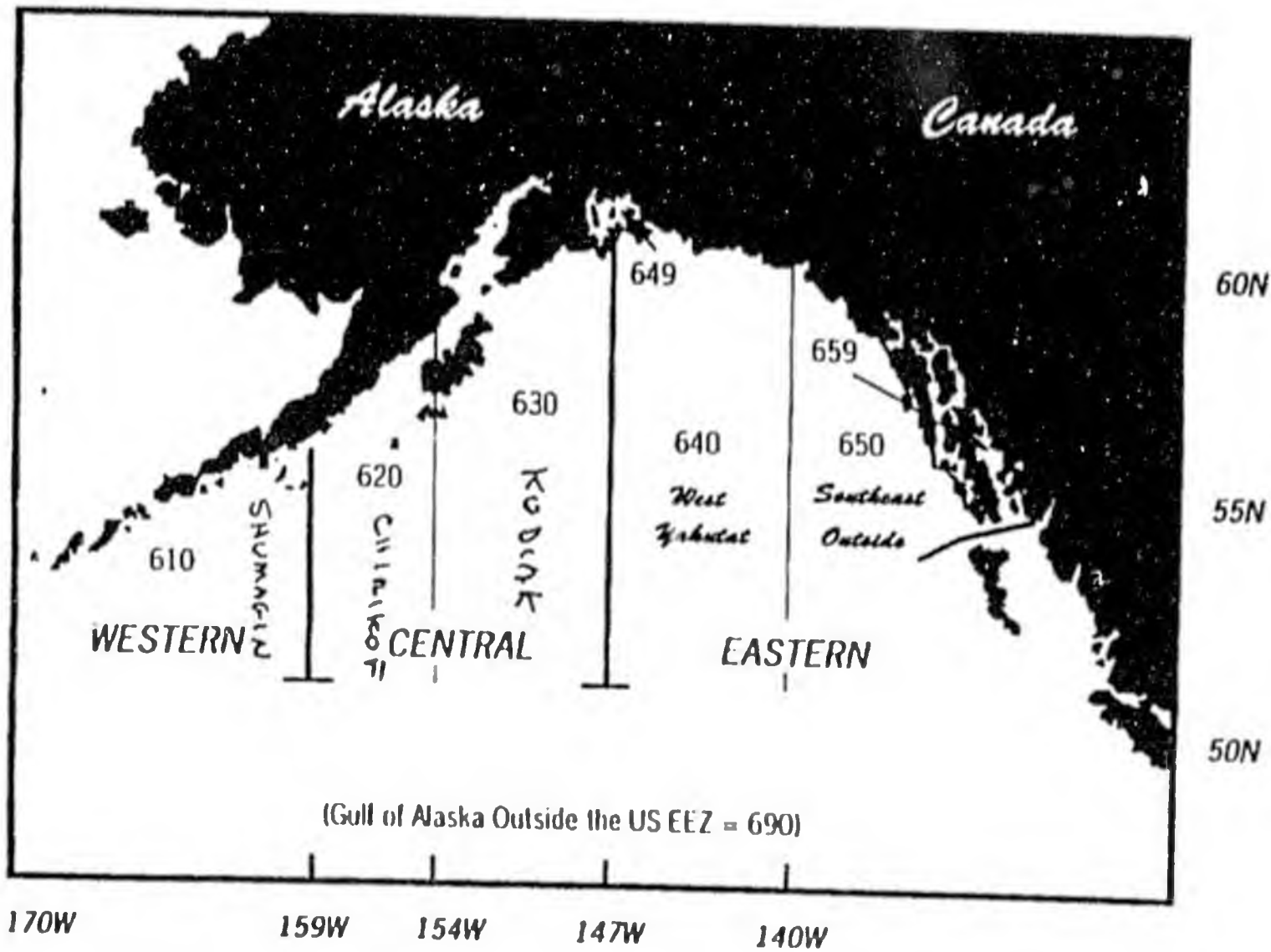


Chart 4. Gulf of Alaska Federal Reporting Areas

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

SITKA FISH AND GAME ADVISORY COMMITTEE

Gov. Tony Knowles
P.O. Box 110001
Juneau, Ak. 99801-0001

Subject: Southeast Alaska Trawl Closure.

At our March 1, 1995 meeting, the Sitka Fish & Game Advisory Committee discussed and unanimously supported House Joint Resolution No. 25, now before the Alaska State Legislature, banning trawling east of 140 degrees longitude. The 14 committee members and approximately 30 members of the public in attendance all reflected the same points. 1. The trawl fisheries have no economic benefit to southeast communities. 2. The potential for environmental damage, inherent to the nature of the trawl fisheries, could severely impact existing traditional fisheries. 3. Trawl fisheries could destructively affect fish stocks, on which all southeast communities are economically dependent.

The Sitka Fish & Game Advisory Committee would appreciate all of the consideration and support you can give this matter as we feel it's of utmost importance to the future of Southeast Alaska.

Respectfully,



Sue Sturm, Chairman
617 Katlian B 23
Sitka Alaska, 99835

c/c Lt. Gov. Fran Ulmer
Rep. Austerman
Rep. Grussendorf
Senator Taylor
Senator Stevens
North Pacific Fishery Mgmt. Council
Alaska Longline Fisherman's Assoc.

Serving the Alaska Board of Fisheries and Alaska Board of Game
Board Support Section, P.O. Box 25526, Juneau, Alaska 99802-1526

Support Letters

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SSMJR 25

Revision Date: _____ Dept. Affected: Fish and Game
 Title: Sanctuary in eastern Gulf of Alaska BRU: CFMG
 Component: Fisheries Management
 Sponsor: Rep. Grossenborg
 Requester: House Fisheries Component Serial No. 1961

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1008 GF/Program Receipts						
1008 GF/MHTLA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: \$ 0.0

POSITIONS

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Geron Bruce
 Division: Commissioner's Office
 Approved by Commissioner: [Signature]
 Agency: _____

Phone: 465-6143
 Date: 2/26/95
 Date: 2/23/95

PREPARER TO PROVIDE A
For further details

SLATIVE OFFICE

SENATE COMMITTEE REPORT

DATE: 3/21/95

FURTHER:

DATE TURNED INTO OFFICE: 4-7-95

Resources Committee considered CS SSHJR 25(RES)

Relating to a ban on trawling in the eastern Gulf of Alaska east of 140 degrees west longitude.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS SS HJR 25 (RES)
- attached amendment(s)
- adopt letter of intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:
 same title
 new title
 House Bill:
 same title
 technical change
 new SCR# _____

SIGNING; (NO PASS)	OR	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>		<i>[Signature]</i>	✓		
<i>[Signature]</i>		<i>[Signature]</i>	✓		
<i>[Signature]</i>					
<i>[Signature]</i>					
<i>[Signature]</i>					
CHAIR: <i>[Signature]</i>					

NEW FISCAL NOTES:

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES:*

Department	Date	Zero	Fiscal
P&G - CFMD	2-18	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill



Alaska Longline Fishermen's Assoc.

P.O. Box 1229 Sitka, AK 99835 (907) 747-3400

TESTIMONY ON HJR 25: RESOLUTION TO BAN TRAWLING OFF SOUTHEAST ALASKA

Senate Resources Committee, April 8, 1995

My name is Linda Behnken. I am testifying on behalf of the Alaska Longline Fishermen's Association, which has a membership that resides in communities throughout Southeast Alaska. I am testifying in support of HJR 25.

The socioeconomic health of Southeast Alaska depends on the region's coastal hook and line fisheries. The seafood industry is the largest private employer, and in many Southeast communities the only employer, providing a livelihood and a life-style to local residents. Residents of Southeast hold over 4,000 commercial fishing licenses; close to 6,000 people are employed as crew members. Another 1,000 people are employed in the shore-based processing sector, which has a total annual impact on the Southeast economy of \$547 million. The Southeast commercial fisheries pay over \$5.3 million in raw fish tax each year to local communities, and support a host of service industries. Down-sizing of the timber industry in Southeast has served to heighten the regional importance of the fisheries, and to emphasize the necessity of sustainable harvest. If properly managed, the seafood industry will be an increasingly important part of Southeast's socioeconomic base in the future.

The future socioeconomic health and stability of these communities is severely threatened by the incursion of trawl vessels into this hook and line zone. The oceanography, ecology and socioeconomic structure of Southeast combine to make this area unique--and uniquely vulnerable to trawl impact. The continental shelf/slope area, where most commercially valuable fish species reside, is rocky, relatively narrow, and close to the shore. The rocky substrate provides habitat for fragile deep water corals, making the benthic community particularly vulnerable to high-impact gear. The narrowness concentrates fishermen into the limited productive grounds, increasing potential conflicts between incompatible gear-types. The proximity of the shelf/slope to the shore makes the Southeast fishing grounds accessible to the local small boat fleet, boats too small in most cases to fish safely in other parts of the Gulf. The fishing families that operate these boats form the socioeconomic fabric of Southeast, weaving together livelihood and lifestyle.

The only trawlers that operate off Southeast are factory vessels. These vessels buy supplies, deliver product, and hire crew from outside the area--in most cases from outside Alaska. Although the harvest from Southeast waters constitutes only a fraction of each factory trawler's annual catch, the 7-15 factory trawlers that may receive Southeast licenses under the limited entry plan currently being considered by the North Pacific Fishery Management Council could have a major impact on the six thousand local fishermen who wholly depend on the Southeast fisheries. By taking as bycatch species important to local fisheries, factory trawlers could shut down the Southeast fisheries. In sum, factory trawlers contribute nothing to the Southeast economy yet could trigger closures of local fisheries and damage Southeast's uniquely sensitive habitat, wiping out the livelihood of Southeast.

Banning trawling in the waters east of 140 degrees West Longitude is Southeast's version of the Induce offshore allocation handed down by the Council in 1992. Alaskans must unite behind this resolution to provide Southeast with permanent protection. We ask that the Committee approve HJR 25 and move it swiftly forward.

Thank you for the opportunity to testify.

LETTERS TO THE EDITOR

Ban Trawling

Dear Editor: Remember the campaign to eliminate trawling from the waters off Southeast Alaska? After years of work, we lost that campaign by one vote before the North Pacific Fishery Management Council. Council members voting against the trawl closure called Southeast's concerns unquantifiable and anecdotal, demanding better documentation of the environmental and socioeconomic threat posed by the factory trawl fleet. We lost the battle, but not the war. Members of the Alaska Longline Fishermen's Association (ALFA) have watched and waited ever since, collecting information and preparing for the appropriate time to re-launch the campaign. The time is here — and this time we must win because it may be our last chance.

For the past three years, the North Pacific Fishery Management Council has been working on a comprehensive license limited entry program for the Gulf of Alaska and Bering Sea groundfish fisheries. This program will issue licenses to vessel owners based on that vessel's history. Unless we can convince the council to designate Southeast an exclusive hook-and-line zone, a number of factory trawlers will receive licenses to target groundfish species off Southeast. Factory trawlers threaten local fisheries through habitat damage, bycatch of locally important species, and direct competition for species such as gray cod and slope rockfish. Factory trawlers contribute nothing to the economy of Southeast, since they buy supplies, hire crew, process catch and deliver product outside Southeast — in most cases, outside Alaska. Yet these trawlers threaten the health of our marine resources and the livelihood of the 6,000 people employed in the Southeast seafood industry.

In April, the Alaska Longline Fishermen's Association will ask the council to eliminate trawling from Southeast by issuing only hook-and-line licenses for federal waters east of 140 degrees west longitude. If the council accepts the request, this option will be analyzed between the April and June council meetings as part of the comprehensive plan. The council is scheduled to take final action on the entire comprehensive plan in June; the Southeast trawl closure must be part of that package.

Rep. Grussendorf has introduced a resolution to the Legislature calling for the council to ban trawling off Southeast. On Tuesday, the Sitka city Assembly will consider endorsing this resolution. On Wednesday at 5 p.m. the House Fisheries Committee will consider Rep. Grussendorf's resolution, and the same evening the Sitka Fish and Game Advisory Committee will also address the issue. Testimony from all concerned fishermen and other Sitka residents is critical; please mark your calendar and attend prepared to testify. If you need any additional information, call or stop by the ALFA office. Remember, this could be our last chance!

Thank you for the opportunity to comment.

Linda Behnken, Sitka

Verstovia Petition

Dear Editor: This letter is in response to the article that was in Friday's paper about Verstovia Elementary School students signing a petition to have the burning of debris at a nearby construction site halted. I can't help to say that this article caught my attention because it is not every day a

person hears about elementary-aged students getting riled up over such an issue concerning the environment.

I was impressed at first, because I don't recall being so alert to such events when I was that age. It was great to see children that age being so aware. However, what scared me was that these children seemed to have a one-sided view of the issue. I think there needs to be some explaining done before these children jump on the Greenpeace bandwagon.

There are more components to this issue than devastation to the forest. The land behind Verstovia Elementary School is being developed into a housing subdivision which will undoubtedly help answer Sitka's cry for housing once this area is developed. This is only going to make Sitka stronger economically. This development creates jobs to keep Sitka's people working, these new lots will bring money to Sitka in the form of property taxes, and more people mean more business for our local merchants. So there is more to this issue than destroying trees and homes for animals.

Actually, this project is quite positive for Sitka considering that it has been just over a year since the pulp mill shut down and Sitka has not turned into the ghost town that some thought it would. I agree that maybe burning debris during school hours is not the best thing for the students, but as the article said, "the worst is over" and plans were made "to have the burning done at times when school is not in session." I hope this clarifies the issue; so the students at Verstovia have a better understanding of what is taking place. Thank you.

John Collins, Student
Sitka High School

Comprehensive Plan

Dear Editor: The Forest Service has been trying to make a transition into a new design. One that would be an ecosystem management responsible to the concerns of a number of groups: subsistence, fishing, hunting, tourism, conservation, etc.

This new ecosystem management would hopefully then use best-science in its strategic plan, where resource yields are responsible to all these citizens and not simply the by-product of a management committed to clearcutting industries. The Sitka Comprehensive Plan (a document recently drafted by local residents at the request of the City Assembly) had for some politicians some surprising results. The document is full of wording crying out for environmental responsibility, for preservation of the forest and our "subsistence way of life," for "small town self-reliance and diversified businesses."

Yet I understand that Assembly members Miller, Perkins, Hallgren and Smith have not gotten the message. On Feb. 14, they voted to endorse a resolution by Robin Taylor that was designed to slow down and halt the transition to a responsible ecosystem management. I thought that perhaps they might better understand if the message came from a different source, namely Republican President Dwight Eisenhower in his farewell address to the nation:

"We, ourselves and our government, must avoid the impulse to live only for today, plundering for our own ease and convenience the precious resources of tomorrow. We cannot mortgage the material assets of our grandchildren without risking the loss of their political and spiritual heritage."

Henry Miller, Sitka
TOTAL P.02



City of Pelican

BOX 737

PELICAN, ALASKA 99832

PHONE 735-2202

FAX 735-2258

CITY OF PELICAN, ALASKA

RESOLUTION 1995-5

A RESOLUTION RELATING TO A BAN ON TRAWLING IN THE EASTERN GULF OF ALASKA EAST OF 140 DEGREES WEST LONGITUDE.

- WHEREAS: the eastern Gulf of Alaska has been a significant hook and line fishing area for almost 100 years and most of the high value fisheries in the area are fully utilized by the hook and line fishing fleet; and,
- WHEREAS: the level of trawl fishing effort in the eastern Gulf of Alaska is expected to exert undue fishing pressure on fish stocks in the area and displace traditional hook and line fisheries; and,
- WHEREAS: foreign trawl fishing in the Gulf of Alaska resulted in depressed populations of several species of rockfish; and,
- WHEREAS: the eastern Gulf of Alaska contains a unique assemblage of valuable rockfish species in amounts small enough that the rockfish stocks could be easily damaged by large vessel activity; and,
- WHEREAS: under federal fishing regulations, if any single species in the rockfish complex reaches its overfishing level, the entire rockfish complex and any other fishery that might take any of the overfished rockfish species are closed; and,
- WHEREAS: the trawl fishery in the eastern Gulf of Alaska can significantly disrupt the traditional fisheries on which 3,000 Southeast Alaska hook and line fishermen depend; and
- WHEREAS: the narrowness of the continental shelf and continental slope in the eastern Gulf of Alaska concentrates trawl fishing effort in a small area and as a result prevents recovery of trawl fishing areas and may permanently impoverish the ecosystem of the eastern Gulf of Alaska; and,
- WHEREAS: the Southeast Alaska area contains limited smooth bottom areas suitable for trawls, but many rocky areas that support an abundant, diverse, but fragile deep water habitat; and,

WHEREAS: the impact of trawl roller gear and trawl doors could significantly affect corals and associated hard bottom species; and,

WHEREAS: only by closing the eastern Gulf of Alaska east of 140 degrees west longitude to trawl fishing, will the unique assemblage of local marine resources be protected;

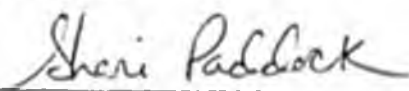
BE IT RESOLVED: by the Pelican City Council that the United States Secretary of Commerce is respectfully requested to immediately implement permanent regulations closing the eastern Gulf of Alaska east of 140 degrees west longitude to pelagic and bottom trawling.

PASSED, APPROVED, AND ADOPTED THIS 26th DAY OF March 1995.

Signed: 

Deborah A. Spencer,
Mayor Pro Tempore

attest:


Sheri Paddock
City Clerk/Treasurer

CITY OF WRANGELL, ALASKA

RESOLUTION NO. 03-95-558

A RESOLUTION OF THE COUNCIL OF THE CITY OF WRANGELL, ALASKA, ENDORSING HJR 25, AND URGING THE NORTH PACIFIC FISHERY MANAGEMENT COUNCIL TO ELIMINATE FACTORY TRAWLING FROM SOUTHEAST

WHEREAS, the fishing industry is a vital, economic industry in Alaska; and

WHEREAS, the recent closures of the Wrangell Sawmill, and the Sitka Pulp Company had a devastating effect on the local economy, heightening dependence on commercial fisheries; and

WHEREAS, the seafood industry is the largest, and in some communities the only private employer, providing a livelihood and lifestyle to local residents; and

WHEREAS, over 4,300 Southeast residents hold commercial fishing licenses, employ approximately 6,000 crew members and employ 1,400 in shore-based processing businesses; and

WHEREAS, Southeast commercial fisheries pay over \$5.3 million in raw fish tax each year to local communities, and support a host of service industries; and

WHEREAS, the seafood industry must be properly managed in order to maintain ecosystem health and ensure continued access of local fishermen to southeast fish stocks; and

WHEREAS, small Alaska based beam trawlers, unlike factory trawlers, contribute to the local and regional economy and pose no threat to fisheries habitat; and

WHEREAS, factory trawlers threaten the sensitive habitat unique to Southeast and could trigger closures of fisheries targeted by local Southeast fishermen; and

WHEREAS, factory trawlers do not contribute anything to the Southeast economy, yet could shut down local fisheries, eliminating the lifeblood of Southeast; and

WHEREAS, the factory trawl fleet presents the single greatest threat to the future socioeconomic health and stability of Southeast fisheries and fishery dependent communities.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WRANGELL, ALASKA, endorsing HJR 25 and urging the North Pacific Fishery Management Council to ban factory trawling in the federal waters east of 140 degrees West longitude (east of Yakutat).

ADOPTED: _____ March 14 _____, 1995

Fern Neimeyer
Fern Neimeyer, Vice Mayor

ATTEST: *Franette A. Vincent*
Franette A. Vincent, City Clerk

I certified a true and correct copy of the original filed in my office.
Franette A. Vincent
City Clerk
City of Wrangell

CITY of HOONAH

P.O. Box 360
HOONAH, ALASKA 99829

RECEIVED
APR 18 1991

Resolution No. 91-04-06

- WHEREAS, the Eastern Gulf Steller sea lion populations are stable and possibly increasing; and
- WHEREAS, the evidence suggests that trawling may be implicated in the decline of Steller sea lions in other parts of their range; and
- WHEREAS, the Eastern Gulf has been a hook and line zone for approximately 100 years; and
- WHEREAS, the community of Hoonah relies on the longline fishermen for economic support; and
- WHEREAS, the North Pacific Fishery Management Council postponed the longline sablefish fishery until May 15, 1991, to reduce halibut bycatch; and
- WHEREAS, factory trawlers, with 100% halibut bycatch mortality rate, will be working the same grounds closed to longliners in order to protect halibut stocks, and retaining their allowed 15% sablefish bycatch; and
- WHEREAS, there is substantial concern over the amount of salmon bycatch taken by trawlers.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HOONAH, ALASKA that trawling be prohibited in the Gulf of Alaska east of 140 degrees West longitude; and

BE IT FURTHER RESOLVED that closing the Eastern Gulf to trawlers will allow the Canadians to believe that the North Pacific Council honestly intends to reduce halibut bycatch.

Albert W. Wick
Mayor of Hoonah

ATTEST: Carol Christy
City Clerk

PO Box 23
Tenakee Springs, AK 99841

March 21, 1991

Mr. Robert Alverson
Interim Chairman
N.P.F.M.C.
PO Box 103136
Anchorage, AK 99501

Dear Mr. Alverson,

I am writing to express my deep concern about the expansion of trawl fleet operations into the Eastern Gulf of Alaska. Traditionally, the stocks in this area are harvested by the hook and line fisheries. The resources that those fisheries depend upon are already fully utilized. I am also very concerned about the destructive effects of trawling on marine habitat.

At this point, management is maintaining a delicate balance in the Eastern Gulf fisheries by imposing quotas, area restrictions, and limiting fishing periods, etc.. One effect of the trawl fleet (and their incessant demand for more and more by-catch) moving into the Eastern Gulf would be to destroy this delicate balance. This would be devastating to the local economies that depend on the existing fisheries. It would be a disaster for the hook and line fishermen! Where would this by-catch come from? Are the existing fishermen expected to bite the bullet yet again and donate part of their quotas for the benefit of the trawl fleet?

I have fished the Gulf for 14 years and I do not want to see these rich, productive grounds left as a biological desert in the wake of the trawl fleet! I strongly support permanently closing the Eastern Gulf of Alaska to trawling.

Sincerely,

Samuel E. McBeen

copies: ALFA
Governor Walter Hickie
Representative Ben Cussendorf
Senator Dick Eliason



SEAFOOD PRODUCERS COOPERATIVE

PRODUCERS, PROCESSORS & MARKETERS OF PREMIUM QUALITY SEAFOODS

March 14, 1995

Representative Ben Grussendorf
House of Representatives
Room 415
State Capitol
Juneau, AK 99801-1182

Dear Representative Grussendorf:

The 350 member fishermen of Seafood Producers Cooperative enthusiastically support HJR 25, which would ban trawling in the waters east of 140 degrees west longitude.

The oceanography, ecology, and socioeconomic structure of Southeast Alaska make the area unique, and uniquely vulnerable to the impact of trawl fishing. Factory trawlers in Southeast Alaska will displace the local small boat fleet with a handful of large vessels who buy supplies, hire crews, process, and deliver product outside Alaska. Factory trawlers contribute nothing to the economy of Southeast, yet could damage sensitive habitat, deplete locally important fish stocks, and cause extreme economic harm to local Southeast residents and communities.

Economic changes in Southeast Alaska during the past few years have served to heighten the regional dependence on local commercial fisheries. Southeast residents hold over 4300 commercial fishing licenses, with over 6000 people employed as crew members. Another 1400 people work in the shore based processing sector, which has a total annual impact on the Southeast economy of \$547 million. The Southeast commercial fisheries pay over \$5.3 million in raw fish taxes each year, and support a host of service industries in the region.

We feel the future of Southeast will be determined by the future of the local fisheries. Our concern for the long term ecological and socioeconomic stability in Southeast Alaska mandates that factory trawling be eliminated east of 140 degrees west longitude.

Thank you for your consideration.

SEAFOOD PRODUCERS COOPERATIVE



Barry S. Lester

General Manager/C.E.O.

CITY OF PORT ALEXANDER

P.O. Box 8725 Port Alexander, AK 99836 909/568-2211

RESOLUTION 95-3

A Resolution relating to a ban on trawling in the eastern Gulf of Alaska east of 140 degrees west longitude.

BE IT RESOLVED BY THE CITY COUNCIL OF PORT ALEXANDER, ALASKA:

WHEREAS the eastern Gulf of Alaska has been a significant hook and line fishing area for almost 100 years and most of the high value fisheries in the area are fully utilized by the hook and line fishing fleet; and

WHEREAS the level of trawl fishing effort in the eastern Gulf of Alaska is expected to exert undue fishing pressure on fish stocks in the area and displace traditional hook and line fisheries; and

WHEREAS foreign trawl fishing in the Gulf of Alaska resulted in depressed populations of several species of rockfish; and

WHEREAS the eastern Gulf of Alaska contains a unique assemblage of valuable rockfish species in amounts small enough that the rockfish stocks could be easily damaged by large vessel activity; and

WHEREAS, under federal fishing regulations, if any single species in the rockfish complex reaches its overfishing level, the entire rockfish complex and any other fishery that might take any of the overfished rockfish species are closed; and

WHEREAS the trawl fishery in the eastern Gulf of Alaska can significantly disrupt the traditional fisheries which our community has participated in since the early 1900s and on which 3,000 Southeast Alaska hook and line fishermen depend; and

WHEREAS the narrowness of the continental shelf and continental slope in the eastern Gulf of Alaska concentrates trawl fishing effort in a small area and as a result prevents recovery of trawl fishing areas and may permanently impoverish the ecosystem of the eastern Gulf of Alaska; and

WHEREAS the Southeast Alaska area contains limited smooth bottom areas suitable for trawls, but many rocky areas that support an abundant, diverse but fragile deep water habitat; and

WHEREAS the impact of trawl roller gear and trawl doors could significantly affect corals and associated hard bottom species; and

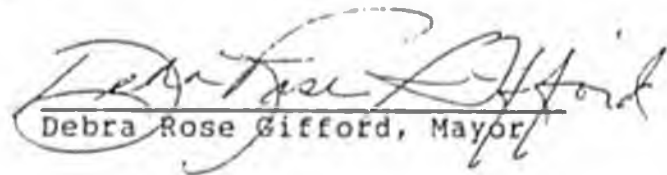
WHEREAS only by closing the eastern Gulf of Alaska east of 140 degrees west longitude to trawl fishing, will the

unique assemblage of local marine resources be protected;

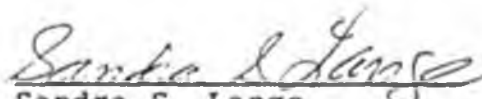
BE IT RESOLVED by the City of Port Alexander that the United State Secretary of Commerce is respectfully requested to immediately implement permanent regulations closing the eastern Gul of Alaska east of 140 degrees west longitude to pelagic and bottom trawling.

Copies of this resolution shall be sent to the Honorable Ron Brown, Secretary, U.S. Department of Commerce; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Adopted this 6th day of March, 1995, at a Port Alexander City Council meeting.

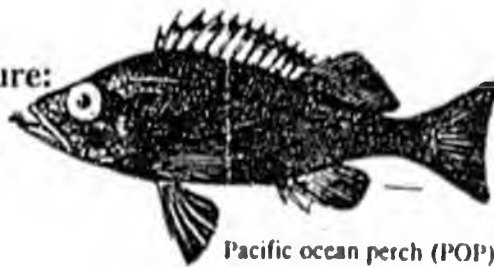

Debra Rose Gifford, Mayor

ATTEST:


Sandra S. Lange
City Clerk

Southeast Alaska trawl closure: A case study in risk-averse management

Linda Behnken
P.O. Box 6065
Sitka, Alaska, U.S.A. 99835



Pacific ocean perch (POP)

INTRODUCTION

In February 1991, the fishers of Sitka, Alaska launched a campaign to protect the waters off Southeast Alaska from the effects of trawling. Over the following year and a half, fishers, seafood processors, environmental organisations, towns and communities, the Alaska State Legislature and the Governor's office joined Sitka's effort. Letters, resolutions, and petitions were sent to the North Pacific Fishery Management Council, the federally-appointed management body requesting protection for Southeast's marine resource and coastal communities. The Alaska Department of Fish and Game compiled an Environmental Assessment (EA) emphasizing the importance of precautionary management in Southeast's unique environment. And yet, despite this enormous effort, in September, 1992, the North Pacific Fishery Management Council voted 7 to 4 against closing Southeast to trawling, dismissing the EA and the public testimony documenting trawl impacts as either "unquantified" or "anecdotal."

The Council's decision highlights a flaw in U.S. fisheries management policy: despite a Congressional mandate in the Magnuson Fishery Conservation and Management Act to err on the side of conservation, managers too often place the burden of the proof for "quantifying" habitat or ecosystem damage on concerned fishers and environmentalists. Since information on the deepsea environment is limited, and quantifying damage occurring at 260 metres (140 fathoms) is difficult at best, the suspected offenders, in this case the factory trawlers, have an easy upper hand. Until risk-averse management becomes integral to fisheries policy, the marine environment will continue to pay the price for unquantified or unquantifiable effects. With the Magnuson Act scheduled for reauthorization in 1993, policy-makers have a responsibility to evaluate the effectiveness of U.S. fishery management policy. As a case study, the Southeast trawl closure provides insight into the current interpretation and application of the Act.

HISTORY

Trawling off Southeast began in the 1960s when foreign factory trawlers first prosecuted slope rockfish stocks in the waters of the Eastern gulf of Alaska (the Eastern Gulf includes both the Southeast and the Yakutat regulatory areas). Catches peaked in 1965, then dropped off precipitously. Species in the slope rockfish complex are long-lived (95-140 years), have a late age of reproduction and limited movement patterns. These characteristics make the complex highly vulnerable to over-exploitation. By the late 1960s, stocks of Pacific ocean perch (POP) (*Sebastes alutus*), the dominant and most targeted species within the slope complex, had been reduced to 10-16% of historic levels. In 1982 the North Pacific Fishery Management Council

significantly reduced slope rockfish quotas in the Eastern Gulf and initiated a rebuilding program for Pacific ocean perch. In the same year, the council prohibited foreign trawlers from fishing off Southeast Alaska.

In 1985, the domestic factory trawl fleet first appeared in the Southeast area. Local hook-and-line fishers, called longliners, watched with concern. As was the case with the foreign trawlers operating off Southeast, the domestic trawlers targeted POP and other slope rockfish species. Although little or no stock recovery had yet occurred, slope rockfish quotas were raised in response to lobbying pressure from domestic trawlers and the rebuilding program was abandoned. Between 1985 and 1991, factory trawl landings increased from 423 metric tonnes (mt) to 1,402 mt in the Southeast area, and from 807 mt to 5,108 mt in the Yakutat area. Although only five to seven factory trawlers fished off Southeast in any one year, the impact was noticeable. Slope rockfish live on or near the ocean floor, hence are targeted with hard-on-bottom trawls. After the arrival of trawlers on traditional fishing grounds, local longliners pulled up empty hooks from once productive areas. Their concern deepened.

In February 1991, representatives from a factory trawl company visited Sitka to investigate crew transportation and emergency docking facilities. The representatives mentioned that their company intended to send three factory trawlers into Southeast to fish its "virgin grounds" for Pacific cod (*Gadus macrocephalus*), a traditional longline species. As is the case with most factory vessels, all supplies, gear, crew, etc. were to be obtained outside of Alaska, and all fish would be processed on board the vessels. The intent of this company sparked the smouldering fire: Sitka fishers drafted a proposal to prohibit trawling off Southeast Alaska.

The fishing grounds that appeared "virgin" to the trawlers have been fished by shore-based longline fishers for close to a century. Over the years the grounds have remained productive, evidence that longline fishing is a sustainable harvest technique appropriate to the area. Southeast longliners target Pacific halibut (*Hippoglossus stenolepis*), sablefish (*Anoplopoma fimbria*), demersal shelf rockfish (*Sebastes* spp.) and the Pacific cod. The local longline fleet is composed of relatively small vessels (less than 20 metres (60 feet) in length) that deliver to processors in the Southeast coastal communities. Many of the vessels are family-owned and operated, part of a fishing tradition that stretches back through two or three generations. In many of these communities commercial fishing is the sole source of employment and revenue. Consequently, local fishers and processors have supported conservative management of marine fish species. Longliners had already seen the destructive force of the foreign trawlers; how they feared that history was repeating itself. The grass-roots effort to protect communities and the resources they depend on grew from that fear.

CONSERVATION CONCERNS

Pacific ocean perch are the dominant species harvested with domestic trawl gear in the Southeast area. POP recruit into the trawl fishery (i.e. start to be caught by trawlers) between the age of five and seven, but do not become sexually mature until age nine or eleven. Prior

to exploitation, the POP population consisted of a wide distribution of age classes from juveniles to 95 year old adults. According to 1987 data now only 12% of the population is over age 15, which is an indication of the severely reduced reproductive potential of the stock (Heifetz and Clausen, 1991). The POP biomass reached minimum levels during the late 1970s and early 1980s, showed signs of slight recovery following the Council's rebuilding effort, then, according to triennial trawl research surveys, declined by 43% between 1984 and 1990. Recent verification of the trawl survey data by submersibles suggests that stock depletion may be more severe than previously assumed; observations indicate that the biomass figures currently used to evaluate quotas may over-estimate POP abundance by a factor of two (Krieger, 1992).

The rockfish conservation problem is further exacerbated in the waters off Southeast by the narrowness of Southeast's continental shelf/slope and the abundance of rocky, high-relief terrain. The Southeast trawl closure EA emphasizes that the Southeast area contains very little smooth bottom suitable for trawls, which serves to concentrate trawl effort. Submersible observations recorded row after row of trawl furrows in this limited smooth bottom habitat, some estimated to be almost 2 metres (5 feet) deep (Krieger, video footage, 1992). Since rockfish are widely recognized as being non-migratory and area-specific, concentrating trawl effort in the few smooth bottom areas may result in localized depletion of rockfish species (Bracken and Hibb, 1992).

The smooth-bottom habitat off Southeast is interrupted by deep-water canyons and boulder fields. Although adult POP are found in the smooth bottom areas, rougheye rockfish (*Sebastes aleutianus*) and shortraker rockfish (*Sebastes borealis*), slope rockfish species of secondary importance to the factory trawl fleet, are commonly associated with this rocky, high-relief terrain. Using rolling gear (similar to over-sized tires filled with cement) along the lower edge of the net, some rockfish trawlers have recently developed techniques that allow them to fish the rocky areas. These rocky areas support a high abundance and diversity of fragile deep-water corals, including octocorals, hydrocorals and hexacorals. These corals are presumed to be long-lived and slow-growing. During public testimony, rockfish trawlers claimed to avoid contact with corals, stating that corals tear and damage nets, a claim supported by the lack of corals in the fish-catch observer data. However, submersible observations recorded pieces of broken coral along trawl tracks and attributed to trawl impact the displacement of boulders 1.5-3.0 metres (5-10 feet) in diameter. This suggests that, although trawl nets may not come in contact with corals and associated hard-bottom species, the impact of roller gear and trawl doors could be significant (trawl doors, used to spread the net mouth, weigh several tons apiece).

The canyons and other isolated rocky areas are often uncharted, hence are difficult for large vessels with heavy gear to avoid. In recent years three trawl vessels brought into Sitka for emergency repairs have all had significant amounts of *Primnoa*, or red tree coral, piled on deck. (Pictures of these vessels with coral on deck were submitted to the Council by local fishers). Although research vessels conducting the triennial trawl surveys tried to avoid rough-bottom terrain, in 1990 eight Southeast survey crews reported the occurrence of substantial amounts of

coral; one tow reported 925 kg (2,039 pounds) of *Primnoa* (Derrah, 1990). *Primnoa* is predicted to have a growth rate of 1 cm/year (0.4 inches/year) and to require 100 years to reach full size. After reviewing a 1987 trawl impact study conducted in near-shore, South Atlantic waters, the South Atlantic Fishery Management Council (SAFMC) concluded that repeated trawling in live-bottom, coral areas could result in significant habitat loss (SAFMC, 1988). Cold water corals are presumed to be slower growing and have a lower rate of production than warm water corals (Cimberg, *et al.*, 1981). A recent study concluded that the effect of trawling on the seabed environment in deeper water (greater than 500 m (1,600 feet) could be severe and that any recovery may be measured in decades (Jones, 1992). The rockfish trawlers fishing off Southeast operate in cold water at depths of 200-600 m (650-2000 feet). Although information on the deepsea environment and the coral/trawl interactions occurring off Southeast are limited, the best available information indicates that the impacts on habitat could be long-term and significant.

MANAGEMENT ISSUES

There are several documented management problems associated with trawl effort in the Southeast area. The quotas for many fish species are relatively small. The trawl fisheries are fast-paced and high-volume, and have a history of exceeding the small Southeast quotas. In recent years actual catches have been as high as 185% of the area quota. Many of the rockfish species in the Eastern Gulf are managed close to biological threshold levels (i.e., estimated maximum sustainable harvest levels). Exceeding quotas and these threshold levels may pose severe conservation problems.

In some cases quotas are also set close to the "overfishing" definition¹. In 1991, one trawl vessel's misreporting of its demersal shelf rockfish (DSR) bycatch almost triggered the overfishing definition for DSR. Along with creating a potential conservation problem, triggering the overfishing definition would have preempted the traditional longline halibut and directed DSR fisheries in the Southeast area. This demonstrates the potential for a single trawl vessel to affect the traditional fisheries of the entire area. Even after reclassifying most of the misreported DSR bycatch, the National Marine Fisheries Service (NMFS) closed by emergency rule the Southeast area to trawl gear to prevent overfishing of DSR and to ensure that the fall halibut longline fishery was not preempted (emergency rules can be implemented for a maximum of 180 days). Although the emergency rule prevented a disaster, such crisis management can not be expected to function effectively in every situation.

The ability of high-volume trawl fisheries to quickly harvest small quotas has also caused many species in the Southeast area to be listed early in the year as "bycatch" or "prohibited." When a species is listed as "bycatch," it may only be harvested in limited amounts incidental to other target fisheries. If this limited amount is exceeded, the species must be discarded. When

¹ When the overfishing definition for a species is reached, any fishery that may affect the species is closed.

a species is listed as "prohibited," any amount harvested must be discarded. For example, during the 1990-1992 fall halibut fisheries, rougheye and shortraker rockfish were listed as "prohibited" and had to be discarded by longline halibut fishers. Factory trawlers also discarded rougheye and shortraker during the 1992 POP fishery. Since the mortality of discarded rockfish is 100%, such listings mandate waste. Eliminating the directed rougheye and shortraker trawl fishery would ensure that small quotas were adequate to meet the bycatch needs of traditional fisheries, preventing waste and minimizing the risk of exceeding quotas.

SOCIAL CONSIDERATIONS

The continental slope is significantly closer to the shore off Southeast Alaska than it is off central or western Alaska. This proximity enables Southeast's small boat longline fleet to safely access the off-shore sablefish and halibut grounds. Most of the over 3,000 longliners fish only in the Southeast area, being limited by vessel size to the near-shore fisheries. The Southeast longline fleet is shore-based, delivering 75% of its harvest to Southeast processing plants. These landings are taxed by the State of Alaska at 3%, with half of the revenue generated by the tax accruing to the Southeast coastal communities. The seafood industry is the largest private, basic industry employer in the State; in many of the small Southeast communities, it is the only employer. Both Southeast fishers and the communities in which they live depend on the long term productivity of their traditional fisheries.

In 1991, a total of eleven trawl vessels fished off Southeast. These factory vessels are highly mobile and currently participate in fisheries throughout the Gulf of Alaska and Bering Sea. Fishing off Southeast contributes to, but does not fully constitute the fleet's annual income. None of these factory vessels deliver to Southeast processing plants nor pay any seafood tax to the communities or State of Alaska. However, as was demonstrated by the rockfish trawler in 1991, any one of these eleven vessels could significantly disrupt the traditional fisheries on which the 3,000 Southeast longliners depend. Such disruption would impose severe social and economic costs on Southeast fishers and coastal communities. As North Pacific Council member Lary Cotter stated, "This region is scared to death for the future if trawling is allowed to continue."

ECONOMIC CONSIDERATIONS

The Environmental Assessment (EA) separates the economic effects of the proposed trawl closure into three categories: losses to trawl vessels, gains to hook-and-line vessels, and net benefits to the nation. The EA estimates that gross revenue losses to the trawl fleet would range from \$3 million to \$3.6 million. These losses would be mitigated to some extent by the ability of the affected trawl vessels to fish in other areas. Estimated economic gains to the hook-and-line fleet and the coastal communities ranged from \$1.9 million to \$2.3 million. Additional gains identified in the EA arise from: protecting rockfish stocks from overfishing, preventing curtailment of other groundfish and halibut fisheries, and ensuring that "increased trawl effort in the future will not erode the economic base of the [Southeast] coastal communities" (Bracken and Hobb, 1992).

Closing the Southeast area to trawling would result in an estimated net loss to the nation of \$1.1 to \$1.3 million. Virtually all of this loss is attributed to the forgone harvest of POP in the Southeast area (estimated value of POP in the Southeast area is \$1.2 to \$1.4 million). The analysis states that this loss would occur only if the POP quota constitutes a "truly harvestable surplus." Given the current depleted status of POP and the conservation concerns associated with the rockfish trawl fishery, it is difficult to consider the POP quota a "truly harvestable surplus."

Prohibiting trawling off Southeast would benefit the resource and the nation through habitat protection, decreased waste, and the conservation of depleted rockfish stocks. Southeast coastal communities would benefit through increased economic and social stability. The Council weighed these "unquantified" benefits against the trawler's economic loss and found them insufficient. To the dismay of a region united in its concern, the trawl closure was denied.²

SUMMARY

At the recent United Nations Conference on Environment and Development (UNCED), participating nations agreed that: "States should commit themselves to the conservation and sustainable use of living marine resources...promote the development and use of selective fishing gear...[and] preserve rare or fragile ecosystems as well as habitats and other ecologically sensitive areas." Southeast Alaska's nearly century-long tradition as a productive, hook-and-line area indicates that longline fishing is an appropriate, sustainable means of harvesting Southeast's marine resources. Southeast fishers fear that factory trawlers could destroy that tradition. The United Nations have urged managers to promote sustainable, selective gear and to protect critical habitat. Through the Southeast trawl closure, local fishers sought to follow this directive.

The Magnuson Fishery Conservation and Management Act directs regional Councils to base decisions on the "best scientific information available," (Section 301 (a) (2)). The Act defines the terms "conservation and management" as "all the rules, regulations, conditions, methods and other measures which are required to rebuild, restore and maintain...any fishery resource and the marine environment, and which are designed to assure that...irreversible or long-term adverse effects on fishery resources and the marine environment are avoided" (Section 3 (2)). Proponents of the Southeast trawl closure sought to apply these directives. Gathering the best scientific information available, proponents asked the Council to rebuild depleted slope rockfish stocks and to prevent long-term adverse effects on the marine environment off Southeast. Although quantifiable information specific to the Southeast was limited, in the words of Council member Ron Hegge: "It does not do much good at all the fact to know for sure that the damage has been done." Given the complexity and inaccessibility of the marine resource, information on marine fish species and the ecological sensitivity of deep sea habitat is likely to

² Four of the six Alaskan council members voted in favor of prohibiting trawling off Southeast; Council members from Oregon, Washington and the National Marine Fisheries Service voted against the trawl closure.

remain limited. Only risk-adverse policy will protect the diversity and productivity of the marine environment. The UNCED Resolutions mandate conservative management in the face of uncertainty; the Magnuson Act provides a similar directive. Application of the Act should reflect these directives.

The State of Alaska, Southeast coastal communities, fishing organizations, seafood processors, environmentalists, and several thousand Southeast residents asked the Council to protect local marine resources by prohibiting trawling off Southeast. The request was denied. Southeast fishers are now working to compile additional information, hoping to someday "quantify" trawl damage to the satisfaction of the Council. As Congress begins the process of reauthorizing the Magnuson Act, those same individuals and organizations will be looking for opportunities to strengthen the conservation standards within the Act.

REFERENCES CITED

- Bracken, Barry and Bibb, Sally. 1992. *Environmental Assessment and Regulatory Impact Review for Amendment 20 to the Gulf of Alaska Groundfish Management Plan*. North Pacific Fishery Management Council, Anchorage, Alaska.
- Cimberg, R. L., Gerridette, T., and Mazik, K. 1991. *Habitat requirements and expected distribution of Alaska Corals*. Final Report Research Unit 8001 to Office of Pollution Assessment, Alaska Office VTN Oregon, Inc. 54 pp.
- DeLoach, Christopher W. 1990. *Fishing log: 1990 trawl survey of the Eastern Gulf of Alaska*. Aleut Bay Fisheries Laboratory, National Marine Fisheries Service, NOAA, Juneau, Alaska. 90 pp.
- Francis, Robert C. 1985. *Fisheries research and its application to West Coast Groundfish Management*. In T. Prada (Editor), *Proceedings of the Conference on Fisheries Management: Issues and Options*. Alaska Sea Grant Report 85-2.
- Hofler, Jonathan and Clausen, David M. 1991. *Slope rockfish*. In *Stock Assessments and Fisheries Evaluation (SAFE) Reports for the 1992 Gulf of Alaska Groundfish Fishery*. 1991. Gulf of Alaska Groundfish Plan Team, North Pacific Fishery Management Council, Anchorage, Alaska.
- Jones, J. R. 1992. *Environmental impact of trawling on the seabed: A review*. *New Zealand Journal of Marine and Freshwater Research* 20: 59-67.
- Asseger, Ron. 1992. *Sustainable/Trawl studies of slope rockfish*. In *1992 Agency Report to the Technical Subcommittee of the Canada-U.S. Groundfish Committee*. Alaska Fisheries Service Center of the National Marine Fisheries Service.
- South Atlantic Fishery Management Council. 1988. *Amendment Number 1 and Environmental Assessment and Regulatory Impact Review to the Fishery Management Plan for the Snapper Group Fishery of the South Atlantic Region*. Charleston, South Carolina. 60 pp.
- Van Liden, R. F., Wendi, P. H. and Michelson, N. 1987. *Effects of a research trawl on a hard-bottom assemblage of sponges and corals*. *Fishery Research* 3: 39-54.

A sweep towards change in Nova Scotia! The Moushead-Clean Nova Scotia Beach Sweep and Litter Survey.

Randy Miller
The Clean Nova Scotia Foundation
P.O. Box 2528, Station "M"
Halifax, N.S. B3J 3N5, Canada

INTRODUCTION

Starting in 1989, The Clean Nova Scotia Foundation has helped volunteers organize local beach clean ups throughout the province of Nova Scotia at hundreds of locations. The first Beach Sweep attracted 119 volunteers in April 1989. In September of the same year, 700 volunteers participated. Since that time, thousands of Nova Scotians have shown their concern for our coastal environment by participating in the Beach Sweep and Litter Survey Programmes. The June 1992 Sweep involved close to 10,000 participants making it one of the largest per capita coastal clean-up projects in North America.

In 1992, during Spring and Fall Beach Sweep programmes, volunteers across the province recorded over 4,075 bags of plastic trash from approximately 260 kilometres of Nova Scotian coastline. Collection results indicate an estimated 20 tonnes of marine debris and beach litter were gathered from our beaches in 1992.

Now sponsored by Moushead Breweries Limited, the Beach Sweep programme provides volunteer groups with the practical materials to organize a fun and rewarding shoreline clean up. In 1992, organizational guides, sample media releases, posters, garbage bags, data collection cards, pencils and rubber gloves were provided to participants at 214 clean up locations. Over the years, the Foundation has modified and enhanced materials to reflect our Nova Scotian coastal environment and address specific environment concerns. For instance, the Beach Sweep organizational guide now lists all beach areas which are home to the Piping Plover, an endangered bird species which nests each spring on Nova Scotia's shoreline.

Beach Sweep volunteers not only collect garbage but record their findings as well. Specially designed data collection cards enable participants to efficiently document the debris they are collecting. The data cards are available in either French or English. These data collection cards are modelled on cards created by the Center for Marine Conservation in Washington, D.C. for their Coastal Clean-up Project. The debris survey results from the Fall Beach Sweep are forwarded to Washington to be included in the International Clean-up Project numbers each year. The International Project now compiles statistics from 26 countries around the world. The results from the data cards provide researchers with pertinent information about the numbers and sources of marine debris. Common sources include commercial and recreational fishing activity, galley wastes and beach-front garbage, illegal shoreline dumping and antiquated sewage systems.

**Joint Testimony of the
United Fishermen of Alaska
and the Alaska Trollers Association
to the Alaska Senate Finance Committee
April 7, 1995**

HJR 25: Ban Trawling East of 140

The United Fishermen of Alaska and the Alaska Trollers Association (ATA) support HJR 25, which seeks to ban trawling in the waters off Southeast Alaska. UFA and ATA are concerned about issues related to conservation and allocation of the fisheries resource.

Trawl bycatch of salmon has been documented by the National Marine Fisheries Service (NMFS) observer programs for many years. Observers believe that 100 percent of the salmon caught in trawl nets die.

In 1993, trawlers operating in the Bering Sea discarded 46,000 chinook and 241,000 "other species" salmon. Also in 1993, 19,000 chinook and 86,000 "other species" salmon were discarded by trawlers in the Gulf of Alaska. "Other species" is predominately chum salmon.

Since the mid-1970's fishermen in Southeast Alaska have suffered reduced harvests to rehabilitate chinook stocks from Oregon to Alaska. Gillnetter's lost their directed fishery on chinook salmon in the 1970s and in 1980 quota of 263,000 chinook salmon was established for the troll fishery; a full

100,000 below the historic average. In 1985, the United States and Canada signed the Pacific Salmon Treaty and committed to rebuilding the coastwide salmon resource. The Southeast all-gear chinook quota was set at 283,000, further reducing the troll harvest. Sport anglers were limited to a set quota in 1992.

In 1991, several races of Snake River salmon were listed under the Endangered Species Act. In 1993, trollers lost 11 days of fishing time. In 1994, trollers lost 19,000 and sport anglers 4,000 chinook salmon. In both years, our fishermen's loss was estimated to save only one Snake River salmon.

There is no good historical data to estimate the expected trawl chinook bycatch in Southeast. However, it is known that chinook salmon from Southeast Alaska, the lower 48 and Canada rear in this region. And, it is clear that chinook salmon cannot bear additional fishing pressure, nor can Alaskan's fishermen afford increased competition for the chinook resource.

In response to the declining opportunity for chinook salmon, trollers have increasingly diversified into other species, such as rockfish and cod. The North Pacific Fishery Management Council (Council) is currently working to establish a comprehensive limited entry program for the Gulf of Alaska. Unless the Southeast Gulf is designated an exclusive hook and line area,

factory trawlers will be granted groundfish licenses. This will put local, small boat fishermen in direct competition with a highly capitalized fleet, which contributes nothing to our region's economy.

With well over 10,000 license holders and crew members, the Southeast region is critically dependent upon healthy fisheries.

HJR 25 will send a strong message that the legislature is concerned about fisheries conservation and protection of the Southeast economy. We encourage you to vote yes on HJR 25.

Alaska State Legislature

REPRESENTATIVE
REN GRUSSENDORF
1881 HALIBUT POINT ROAD
SITKA, ALASKA 99582
(907) 747-8488

FINANCE COMMITTEE

DISTRICT 2
KUPREANOF
PETERSBURG
SITKA
WRANGELL



WHILE IN JUNEAU
STATE CAPITOL
JUNEAU, ALASKA 99901-1182
(907) 486-3824

House of Representatives SPONSOR STATEMENT

SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION 25

"Relating to a ban on trawling in the eastern Gulf of Alaska east of 140 degrees west longitude."

Southeast Alaska has a unique marine environment. The delicate marine environment differs from northern areas. It is extremely vulnerable to long term damage to the habitat of the bottom. Southeast Alaska also has a long history of longline fishing offshore. This economy is threatened by the activities of the factory trawlers. The species affected by the trawlers are fully allocated.

Southeast's marine environment has provided longline fishers the opportunity to make a living for over a century. Targeted species of halibut, sablefish, shelf rockfish and cod are caught on longlines with little damage, if any, to the bottom of the Pacific shelf. Most of the longline vessels are small. In many small towns commercial fishing is the only commercial opportunity.

I have introduced this resolution at the request of the Alaska Longline Fisherman's Association. I believe it is a good compromise with the trawl fleet and protects a generously productive marine environment from harm. It also will protect an industry that is for the most part locally owned and operated and which provides great returns to the communities and the economies of those communities.

I respectfully request your support.

Sponsor Statement

Alaska State Legislature

REPRESENTATIVE
BEN GRUSSENDORF
1881 HALIBUT POINT ROAD
SITKA, ALASKA 99838
(907) 747-8458

FINANCE COMMITTEE

DISTRICT 3
KUPREANOF
PETERSBURG
SITKA
WRANGELL



WHILE IN JUNEAU
STATE CAPITOL
JUNEAU, ALASKA 99901-1182
(907) 485-3824

House of Representatives

TO: Senator Loren Leman
Chair
Senate Resources Committee

FROM: Representative Ben Grussendorf

DATE: March 22, 1995

RE: SSHJR 25, "Relating to a ban on trawling in the eastern Gulf of Alaska east of 140 degrees west longitude."

SSHJR 25 was introduced in response to concerns expressed by Southeast fishermen for the devastating impacts of trawl fisheries on the condition of the rockfish stock and on the delicate habitat on the bottom of Southeast Alaska waters. The level of trawl fishing effort in the eastern Gulf of Alaska is expected to increase, resulting in depressed populations of several species of rockfish and damage to the fragile deep water habitat in Southeast. I believe this resolution represents a good compromise with the trawl fleet and protects a generously productive marine environment from harm. It also will protect an industry that is for the most part locally owned and operated and which provides great returns to the economy of the state.

The sponsor substitute made the following changes from the original resolution:

page 1, lines 1 - 2 was amended as follows:

"Relating to a ban on trawling in the eastern Gulf of Alaska east of 140 degrees west longitude."

page 1, line 12 added a new whereas:

"Whereas the eastern Gulf of Alaska contains a unique assemblage of valuable rockfish species in amounts small enough that the rockfish stocks could be easily damaged by large vessel activity; and"

page 1, lines 15 - 16; page 2, line 1 reworded a whereas:

"Whereas, under federal fishing regulations, if any single species in the rockfish complex reaches its over fishing level, the entire rockfish complex and any other fishery that might take any of the over fishing rockfish species are closed; and"

page 2 lines 13 - 14 was amended as follows:

"Whereas, only by closing the eastern Gulf of Alaska east of 140 degrees west longitude to trawl fishing, will the unique assemblage of local marine resources be protected;"

page 2 line 16 was amended by deleting the reference to emergency regulations.

I appreciate your consideration in scheduling a hearing for this resolution in your committee at your earliest convenience.

Thank you.

HJR

27

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

NO. _____
BILL VERSION: HJR 27
PUBLISH DATE: _____

Revision Date: _____
Title: Requesting the United States Congress
to accommodate Alaska's wetlands
Sponsor: Representative Green
Requestor: Representative Green

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: Thousands of Dollars.

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	01	01	01	01	01	01
TRAVEL	01	01	01	01	01	01
CONTRACTUAL	01	01	01	01	01	01
SUPPLIES	01	01	01	01	01	01
EQUIPMENT	01	01	01	01	01	01
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	01	01	01	01	01	01
CAPITAL	01	01	01	01	01	01
REVENUE FUND SOURCE	01	01	01	01	01	01

FUNDING: Thousands of Dollars:

GENERAL FUND	01	01	01	01	01	01
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	01	01	01	01	01	01

POSITIONS

FULL-TIME	01	01	01	01	01	01
PART-TIME	01	01	01	01	01	01
TEMPORARY	01	01	01	01	01	01

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Karla Scholfield, Deputy Director Phone: 465-3852
Division: Administrative Services Date: 2/5/95

Approved By: Pamela A. Varni, Executive Director Date: 2/8/95
Agency: Legislative Affairs Agency

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov., & Impacted Agency(ies).

SENATE COMMITTEE REPORT

DATE: 2/21/95

FURTHER:

DATE TURNED INTO OFFICE: 2-27-95

Resources Committee considered HOUSE JOINT RESOLUTION NO. 27 am

Requesting the United States Congress to accommodate Alaska's wetlands circumstances in the federal Clean Water Act reauthorization by increasing statutory flexibility on wetlands use in Alaska, and to recognize Alaska's unique and outstanding history of wetlands conservation.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:
 same title
 new title
 House Bill:
 technical change
 new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Boik Halford</i>	✓	<i>Tom Hoff</i>	✓		
<i>Mark</i>	✓				
<i>Alvin L. Taylor</i>	✓				
CHAIR: <i>Arwen A. Luman</i>	✓				

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>LAA (House)</i>	<i>2/1/95</i>	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Senate Resources committee:

Ms. Hawkins indicated that eliminating "No Net Loss" policy would eliminate
1) Avoidance 2) minimization and 3) compensatory mitigation.

The only measure that will be relaxed is compensatory mitigation, avoidance and minimization will still be in place. Corps of Engineers will still have oversight. I would be happy to answer any questions ~~regarding~~ ^{regarding} this issue.

Ken Freeman

Resource Development Council



Alaska State Legislature

Please enter into the record my testimony to the Resources
committee name

committee on HJR 27, dated Feb 27 1995
bill/subject 1530 PM

I would like to compliment the professional approach/services from the ALASKA CORP OF ENG. IN my recent dealings, application for dredge permit they were over helpful, and also in other respects, I feel there should be complimented on public assistance —

Signed: Bob VanLaeta
Testifier

Self
Representing (Optional) Seward

Address PO 1267
907-224-5656
Phone No.



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

Phone: 907-463-3366

Fax: 907-463-3312

House Joint Resolution No. 27: Requesting the United States Congress to accommodate Alaska's wetlands circumstances in the federal Clean Water Act reauthorization by increasing statutory flexibility on wetlands use in Alaska, and to recognize Alaska's unique and outstanding history of wetlands conservation.

The Alaska Environmental Lobby opposes HJR 27:

HJR 27 is a clear example of a misrepresentation of existent state and federal regulations. A review of the public record demonstrates that Alaska's section 404 program does not suffer from a lack of flexibility. Far from posing a hardship to Alaskans, the current permit process is hardly more than a formality that does little to protect the public's interest in wetlands resources. In fact, permit statistics show that Section 404 (b) (1) of the Clean Water Act has granted the overwhelming majority of permit applications. Over the past ten years, only 2.4% of the individual Section 404 permit applications were denied.

To exclude Alaska from the "no net loss" policy alluded to in this legislation is irresponsible. This could serve to absolve the state of its responsibility to provide and maintain non-toxic living environments and safe drinking water for all citizens now and in the future. There are communities in Alaska where surrounding wetlands have been destroyed; decimating waterfowl and wildlife habitat, adversely effecting commercial fisheries, subsistence hunting and fishing, sport hunting, fishing and tourism industries and traditional Alaskan lifestyles.

ms 2/27/95

ALASKA CENTER FOR THE ENVIRONMENT • BERING COUNTY • COOK COUNTY • ALASKA FRIENDS OF THE EARTH
ANCHORAGE ALTERNATIVE SOCIETY • SOUTHERN ALTERNATIVE SOCIETY • ELLSWORTH SOCIETY • DENALI CITIZENS COUNCIL
DENALI CENTER • SOUTHERN ALASKA ALTERNATIVE SOCIETY • DENALI CENTER • DENALI CLUB
KATAGAITAN DISTRICT ALTERNATIVE SOCIETY • KATAGAITAN DISTRICT ALTERNATIVE SOCIETY • KATAGAITAN DISTRICT ALTERNATIVE SOCIETY
KATAGAITAN DISTRICT ALTERNATIVE SOCIETY • KATAGAITAN DISTRICT ALTERNATIVE SOCIETY • KATAGAITAN DISTRICT ALTERNATIVE SOCIETY
KATAGAITAN DISTRICT ALTERNATIVE SOCIETY • KATAGAITAN DISTRICT ALTERNATIVE SOCIETY • KATAGAITAN DISTRICT ALTERNATIVE SOCIETY





P.O. Box 1353
Valdez, AK 99686
Phone: 907-835-4300
Fax: 907.835.5679

To: Senator Loren Leman and Senate Resources Committee members
From: Nancy R. Lethcoe, President *NL*
Date: Feb. 27, 1995

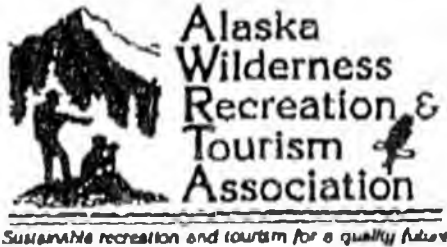
RE: Opposition to HJR 27 Exempt Alaska from Federal Clean Water Act

The Alaska Wilderness Recreation and Tourism Association represents over 250 tourism businesses including sport fishing, river runners, hunting guides, and watchable wildlife tour operators. AWRTA participated as one of the representatives of the tourism industry in the White House Alaskan Wetlands Initiative where we provided materials on the use and economic importance of wetlands to tourism. We supported some changes in current wetlands policy, but in general our research of current wetlands management in Alaska showed that wetlands permits were issued 98% of the time even when there was a known negative impact on tourism.

In considering this and other legislation before you, we ask you to consider some basic public policy questions: what is the best way to balance the sometimes conflicting needs of different industries? Is this best done by negotiation in the planning and regulatory process or legislation? Which industries does a resolution or bill favor? Which does it hurt? Is the same industry being hurt by a number of bills? How important is this industry to the economic future of rural Alaska, to the State as a whole?

Tourism is the State's third largest employer. Many, including the Alaska Department of Labor, see tourism as a very important industry in the economic future of Alaska. However, many bills and resolutions, such as HJR 27, will have a negative economic impact on tourism, especially rural tourism — fishing, hunting, and backcountry guides. These are small business people, Native and non-native, who want to live in Alaska, generally rural Alaska, and create their own businesses and jobs to do so. We encourage you to think about the economic impact of the loss of wetlands-dependent wildlife on these businesses and on the effects of reduced business opportunities in tourism for rural communities.

Attachment: AWRTA Resolution on Wetlands



P.O. Box 1353
Valdez, AK 99686
Phone: 907-835-4300
Fax: 907.835.5679

Wetlands Policy Statement

Whereas Alaska's wetlands are among the most productive ecosystems in the world and a source of revenue to Alaskan tourism; and

Whereas Alaska's wetlands provide critical feeding, rearing, and stop-over habitat for millions of shorebirds, waterfowl, and migratory birds; and

Whereas Alaska's shorebirds, waterfowl, and bird migrations are marketed by the tourism industry; and

Whereas Alaska's wetlands maintain water quality in the spawning areas and provide spawning, feeding, rearing, and over-wintering for five species of Pacific salmon, trout, whitefish, grayling, and pike; and

Whereas Alaska's charterboat operators, lodges, back-country guides and outfitters depend on a continued supply of Alaska's fresh and saltwater fish and shellfish as a basis of their business endeavors;

Whereas Alaska's wetlands provide a valuable source of inland and marine detritus to coastal estuaries supporting shrimp, crab and other shellfish; and

Whereas Alaskan charterboat operators depend on marketing and delivering the opportunity to catch shrimp, crab, and other shellfish; and

Whereas Alaska's wetlands provide essential habitat for moose, brown bear, caribou, beaver, mink, and otter; and

Whereas Alaska's professional hunting guides and businesses offering watchable wildlife opportunities depend on strong populations of moose, brown bear, caribou, beaver, mink, and otter; and

AWRTA, P.O. Box 1353, Valdez, AK 99686

p. 2

Whereas Alaska's wetlands represent a variety of water-dependent plant communities;
and

Whereas Alaskan tourism companies offer botanical tours to these unique vegetative
communities; and

Whereas in the past two decades the Army Corps of Engineers has only denied 2.7% of
the Alaskan wetlands applications and required compensatory mitigation on .5% of the
applications;

Therefore Alaska Wilderness Recreation and Tourism Association finds wetlands to be an
essential economic component of the recreation and tourism industry; and

Therefore the Alaska Wilderness Recreation and Tourism Association recommends
stronger protection of Alaska's wetlands as they are important to the tourism industry.

Approved by the Board: 10/20/93



Resource Development Council for Alaska, Inc.

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503-2035
Phone 907/276-0700 Fax 276-3887

EXECUTIVE DIRECTOR
Becky L. Gay

1994-95 EXECUTIVE COMMITTEE

- David J. Parish, President
- Elizabeth Rensch, Sr. Vice President
- Scott L. Thorson, Vice President
- Lyle Von Bargen, Secretary
- Allen Bingham, Treasurer
- Jacob Adams
- Cynthia Bailey
- Gerald G. Booth
- Kelly M. Campbell
- James L. Cloud
- John Forceskie
- Mano Frey
- Paul S. Glavinovich
- Uwa L. Gross
- Roger C. Herrera
- Dan H. Keck
- Jerome M. Selby
- John Sturgeon
- William A. Thomas
- Mich Usibelli
- James D. Weeks

FEB 27 1995

RDC Testimony on HJR 27 in Senate Resources Committee, February 27, 1995

Chairman Leman, members of the Committee, on behalf of the Resource Development Council for Alaska, Inc. (RDC), thank you for the opportunity to submit comments on HJR 27, a House Joint Resolution requesting the United States Congress to accommodate Alaska's wetlands circumstances in the federal Clean Water Act reauthorization by increasing statutory flexibility on wetlands use in Alaska, and to recognize Alaska's unique and outstanding history of wetlands conservation.

Regulation of Alaska's wetlands needs to be tailored to the unique features of our state.

Approximately 170 million acres in Alaska, nearly half the state, are classified as wetlands, compared with the contiguous U.S. which has 95 million acres. Put another way, Alaska currently has 64% of all the wetlands remaining in the United States.

About 5% of the surface area in the contiguous United States is wetlands, compared to approximately 45% of Alaska, accounting for three-quarters of Alaska's non-mountainous, developable land.

Unlike the lower 48 states, many of which face significant losses of wetlands, over 99% of Alaska's wetlands remain untouched and intact. The great irony, of course, is that the overwhelming proportion of these lands provide little in the way of traditional wetland functions and values. For the most part, they are "wetlands" in name only.

Many of Alaska's wetlands are isolated and remote from navigable waters. Many of the millions of acres of wet tundra which cover Alaska's North Slope are wet precisely because they are too far removed from waterways to drain and because the underlying permafrost prevents water from filtering down.

DIRECTORS

- Will Abbott
- Irene A. Anderson
- Sharon E. Anderson
- Ernesta Ballard
- Richard F. Barnes
- Mark Begich
- William C. Behrke
- R. G. "Dick" Birkinshaw
- Rex I. Bishopp
- James E. Carmichael
- Thomas Cook
- Marilyn Crockett
- Larry Daniels
- James C. Dora
- James V. Drew
- Paula P. Easley
- Donald S. Follows
- Scott Goldsmith
- Arvid Hall
- John L. Harris
- Robert S. Hatfield, Jr.
- Joseph R. Herrin
- Karen J. Holstad
- William L. Hopper
- David W. Hughes
- Jim Jansen
- John T. Kelsey
- John A. Landrum
- Pete Leathard
- Wayne Lewis
- Dale R. Lindsey
- Robert W. Looscher
- Carl M. Mays
- Howard M. Williams
- H. Raymond Measles
- Clarence "Rocky" Miller
- E. H. "Pete" Neilson
- John H. Norman
- Wilbur O'Brien
- James Parsons
- Kenneth E. Pearyhouse
- Kenneth R. Pohle
- Stephen M. Rehbberg
- John A. L. Renna
- Dan Rowley
- Walt Schoddelet
- George R. Schmidt
- Thyes J. Shub
- Herbert "Henry" Springer
- A. B. Stiles
- Michael E. Stone
- Scott B. Thompson
- Barry D. Thomson
- Doug M. Webb
- J. C. Wingfield
- George P. Wurich

HONORARY DIRECTORS

- Phil R. Hildebrandt
- William R. Wood

EX-OFFICIO MEMBERS

- Senator Ted Stevens
- Senator Frank Murkowski
- Congressman Don Young
- Governor Tony Knowles

Alaska wetlands, wildlife and migratory waterfowl are not threatened or jeopardized by use of wetlands here. Special protection of coastal areas and many inland areas such as the entire North Slope is provided by the Alaska Coastal Management Program which encompasses 34,000 miles of shoreline. More importantly, wildlife is in no way habitat-limited in Alaska.

It is important to note that much of Alaska is protected from development and many of its wetlands will never be developed. Much of Alaska is already protected from development as federal and state parks, wildlife refuges, and other conservation units.

As many of you are aware, approximately 87 percent of the state is in public ownership -- 59% under federal jurisdiction, where many development activities are prohibited or carefully regulated. Over 57 million acres (an area the size of Utah) are in Wilderness status.

Since so much of the state is wetlands, Alaska's villages, cities and municipalities often have no alternative to "wetlands" for development. Because so much of Alaska is undeveloped, restoration of degraded or damaged wetlands, or creation of new wetlands is not much of an option.

Strict application of Section 404 is clearly unwarranted in Alaska and can offset our basic needs such as building basic services, facilities and infrastructure such as schools, homes, roads and hospitals, as well as expediting potable water and sanitation systems in rural Alaska.

The options for development are limited, and most industries that utilize Alaska's wetlands, including but not limited to tourism, hunting, commercial and sport fishing, agriculture, recreation, oil and gas, mining and forest products, all have a stake in what happens to the wetlands regulatory climate in Alaska.

Many non-development groups look at Corps of Engineers statistics to demonstrate that administration of section 404 is already more flexible in Alaska than the lower 48. What they do not take into consideration is the number of permits that are withdrawn, how many projects are delayed at tremendous costs, how many permits were accepted only after mitigation took place with other regulatory agencies and was not accounted for in the official process. Whether section 404 is more flexible in Alaska is not the issue, what is the issue is that "no net loss" is unwarranted in Alaska.

The Section 404 program needs to be significantly reformed to address the problems experienced by public and private landowners in Alaska. Senator Steven's and Murkowski's new wetlands bill looks to do this in a fair and effective manner.

Alaska will likely never face many of the wetlands problems seen in the contiguous United States. Alaskans have been excellent stewards of our land and resources and should not be penalized for its outstanding conservation record.

House Joint Resolution 27 sends a clear signal to the administration and lawmakers in Washington D.C. that Alaska needs current wetlands regulation that is tailored to provide flexibility in Alaska wetland permitting commensurate with the vast amount of wetlands, the large amount of wetlands set aside and the low historic loss of wetlands in Alaska.

RDC supports HJR 27, because it is directed at stimulating policy that is balanced and driven by reason.

RDC hopes the Senate Resources committee will move HJR 27 expeditiously and that the Alaska State Legislature passes this resolution.

Thank you very much for the opportunity to present comments on HJR 27.

HJR 27

TABLE 1: WETLAND LOSSES
IN THE UNITED STATES
1780'S TO 1980'S

STATE	SURFACE AREA (ACRES)*			WETLANDS						
	LAND	WATER	TOTAL	ESTIMATES OF ORIGINAL WETLANDS (CIRCA 1780'S)		ESTIMATES OF EXISTING WETLANDS (CIRCA 1980'S)				
				SOURCE	% OF SURFACE AREA	SOURCE	% OF SURFACE AREA	% OF SURFACE AREA	% OF WETLANDS LEFT	
AL	32,544,840	445,130	33,029,740	7,567,600	1	22.9%	3,783,800	11.5%	-50%	
AZ	72,688,320	221,400	72,909,740	91,000	0	1.3%	600,000	0.8%	-36%	
AR	33,992,800	494,440	34,487,240	9,848,600	11	29.0%	2,763,600	12	8.1%	-72%
CA	140,181,600	1,179,800	141,361,400	5,000,000	13,14	4.9%	654,000	15,16	0.4%	-91%
CO	66,428,800	299,920	66,728,720	2,000,000	17	3.0%	1,000,000	18	1.5%	-50%
CT	3,116,200	88,960	3,205,160	670,000	9	20.9%	172,500	19	3.4%	-74%
DE	1,268,000	48,000	1,316,000	479,700	20	36.4%	225,000	20	16.9%	-54%
FL	54,667,000	2,311,000	56,978,000	20,325,000	21,22,23	34.2%	1,010,000	26	20.5%	-66%
GA	17,200,000	44,940	17,244,940	6,841,200	11	10.2%	1,200,000	25	10.1%	-23%
ID	52,906,800	543,200	53,450,000	877,000	9	1.6%	565,700	10	0.7%	-56%
IL	33,761,200	334,720	34,095,920	9,212,000	27	22.8%	1,234,500	28	3.5%	-83%
IN	23,166,960	45,200	23,236,160	5,600,000	29	24.1%	750,600	30	3.2%	-87%
IA	34,867,620	150,000	35,017,620	8,000,000	31,32	11.1%	671,000	31,33	1.2%	-89%
KS	52,913,000	193,120	53,106,120	641,000	6	1.6%	435,000	10	0.8%	-68%
KY	29,500,000	604,000	30,104,000	1,566,000	34	6.1%	600,000	31	1.2%	-81%
LA	28,899,200	2,155,420	31,054,620	14,194,500	11	52.1%	6,784,200	36	28.5%	-66%
ME	19,797,120	1,460,000	21,257,120	6,640,000	37	30.4%	3,199,200	38	24.5%	-20%
MD	6,310,200	430,000	6,740,200	1,650,000	11	24.4%	640,000	39	6.5%	-73%
MA	5,013,120	271,000	5,284,120	810,000	17	15.5%	540,000	19	11.1%	28%
MI	6,363,420	800,000	7,163,420	11,200,000	40	50.1%	1,511,000	10	11.0%	-56%
MS	4,700,000	110,000	4,810,000	15,000,000	11	76.0%	9,700,000	41	10.2%	-62%
MO	30,509,120	229,120	30,738,240	9,872,000	42	32.1%	4,007,000	12	13.3%	-59%
ND	64,199,000	1,000,000	65,199,000	1,800,000	11,43	10.9%	641,000	44	1.4%	-87%
MT	63,101,620	942,000	64,043,620	1,147,000	6	1.2%	840,000	10	0.9%	-27%
NE	69,970,000	611,200	70,581,200	2,910,000	11	4.9%	1,095,000	10	1.9%	15%
NV	79,129,000	410,000	79,539,000	67,100	44	0.7%	2,600,000	40	0.9%	12%
NH	3,781,120	179,000	3,960,120	220,000	6	5.7%	700,000	67	1.4%	9%
NJ	6,320,000	700,000	7,020,000	1,400,000	10	29.9%	915,000	48	10.5%	-39%
NM	77,724,000	1,610,000	79,334,000	70,000	6	0.9%	641,000	10	0.6%	33%
NY	38,801,120	1,000,000	39,801,120	2,462,000	11,45	9.1%	1,475,000	45	5.2%	-60%
NC	11,200,000	2,171,000	13,371,000	1,000,000	46	13.0%	1,000,000	12	1.0%	10%
ND	64,199,000	1,000,000	65,199,000	6,900,000	46	20.9%	2,800,000	11	1.1%	60%
OH	29,211,120	1,000,000	30,211,120	1,400,000	13	19.2%	600,000	10,12	1.0%	30%
OK	60,109,200	1,000,000	61,109,200	2,042,000	13,46,47	6.0%	600,000	13,46,48	2.1%	67%
OR	11,171,200	600,000	11,771,200	2,200,000	6	18.6%	1,000,000	10	2.0%	10%
PA	29,800,000	900,000	30,700,000	2,100,000	16	1.9%	600,000	30,36	1%	-66%
RI	1,700,000	100,000	1,800,000	100,000	17	1.7%	61,000	16	0.3%	17%
SC	40,179,200	600,000	40,779,200	6,610,000	22	12.4%	4,100,000	12	1.0%	27%
SD	64,199,000	1,000,000	65,199,000	2,110,000	16	6.5%	700,000	11	1.1%	11%
TN	26,070,200	600,000	26,670,200	1,910,000	47	7.2%	700,000	11	2.6%	59%
TX	60,305,000	2,700,000	63,005,000	11,000,000	48	9.0%	7,012,012	61	6.0%	52%
VT	12,721,000	1,000,000	13,721,000	800,000	49	1.5%	140,000	61,66	1%	10%
VT	1,000,000	200,000	1,200,000	500,000	50	4.2%	250,000	39	1.0%	15%
VA	29,000,000	1,000,000	30,000,000	1,000,000	11	7.1%	670,000	60,66	0.2%	62%
WA	47,000,000	1,000,000	48,000,000	1,500,000	51	3.1%	600,000	67	1.2%	11%
WV	11,013,200	400,000	11,413,200	1,500,000	52	9.9%	100,000	60	0.7%	20%
WI	54,200,000	1,000,000	55,200,000	9,000,000	49	27.5%	4,111,000	70	14.0%	60%
WY	67,200,000	600,000	67,800,000	2,000,000	19	4.7%	1,200,000	71	2.0%	-10%

SUBTOTAL									
CONTOUR LINE	1,000,000	1,000,000	2,000,000	22,100,000		11%	10,000,000	11%	11%
ALASKA	62,100,000	12,700,000	74,800,000	17,200,000	1	61.5%	17,000,000	7.9	21.4%
HAWAII	6,117,000	1,000,000	7,117,000	14,000	20	1.0%	11,000	16,20	1.0%
TOTAL U.S.	2,200,100,000	17,000,000	2,217,100,000	99,000,000			27,400,000	11.9%	10%

*1970 Surface Area - Based on water distribution between the four surface area categories. These estimates are probably due to data gaps from changes in land use. The data were obtained from the U.S. Geological Survey, National Atlas of the United States, 1970.
Wetland distribution and change are dramatically shown when overlaid on their geographical map - see map page 100.