

# News from

1st Congressional District, Oregon

329 Cannon Building  
Washington, D.C. 20515  
(202) 225-0855

345 U.S. Court House  
Portland, Oregon 97205  
(503) 221-2901

FOR IMMEDIATE RELEASE

January 27, 1977

## AUCOIN SEEKS TO CORRECT FLAW IN 200-MILE-LIMIT LAW

WASHINGTON, D.C. -- Oregon Congressman Les AuCoin today introduced legislation to plug an apparent loophole in the new 200-mile American coastal fishing limit.

AuCoin said congressional oversight hearings conducted at his request last September showed that foreign fishing fleets can sidestep provisions of the law setting the 200-mile limit simply by buying into companies that own U.S. fishing vessels.

"Without passage of this bill, the great promise of the Fishery Conservation and Management Act may prove to be an illusion," AuCoin said. "There is nothing in the present law to prevent foreign nationals -- or foreign nations -- from buying into U.S. fishing corporations and, through them, roaming at will throughout our 200-mile zone."

The issue came to the surface in the Pacific Northwest last year when the Soviet Union entered into a joint fishing venture with a Bellingham, Washington, company.

"Evidence is mounting that this practice is not an isolated thing," AuCoin said, pointing to a 30 per cent increase in such foreign activity in 1974 alone. "This legislation will make it certain that we won't awaken someday to find we are right back where we started -- lacking substantial protection of already-depleted offshore fish stocks."

Congressman Gerry Studds of Massachusetts, author of the law creating the American 200-mile limit, is principal co-sponsor of AuCoin's bill.

The 200-mile limit prohibits foreign fleets from harvesting fish within 200 miles of the U.S. shore unless the species sought is surplus to American needs. Foreign fishermen are required to pay fees for the harvest of surplus fish. The fees are earmarked for a fund to develop and manage the fish resources within the zone.

The 200-mile law is scheduled to take effect March 1. AuCoin's bill, which he intends to pass prior to March 1, provides that any fishing vessel in more than 25 per cent foreign ownership will be regarded as a foreign company and subject to limited fishing rights and payment of required fees.

The bill also calls for a broad study by the Secretary of Commerce of foreign investment in all aspects of the American fisheries industry, not just the 200-mile limit.

AuCoin said this program is aimed at giving Congress its first in-depth examination of the scope of foreign investment, its impact on the employment of U.S. citizens, its impact on the U.S. industry, and other information required to develop sound future offshore fisheries policy.

In remarks on the floor of the House, AuCoin said, "I want to make very clear that this bill is not intended to discourage foreign investment in our domestic fishing industry. Such investment will still be profitable. But this bill will not allow such investment to be a ruse to sidestep the landmark 200-mile law, the intent of Congress, and the will of the American people."



United States  
of America

# Congressional Record

Attachment #

PROCEEDINGS AND DEBATES OF THE 95<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 123

WASHINGTON, THURSDAY, JANUARY 27, 1977

No. 15

## A BILL TO PROTECT THE AMERICAN 200-MILE FISHING LIMIT

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 10 minutes.

Mr. AuCOIN. Mr. Speaker, today along with my friend and distinguished colleague from Massachusetts, Mr. STUBBS, I am introducing legislation to help protect the new American 200-mile coastal fishing limit.

The 200-mile law was one of the landmark bills passed by Congress in America's Bicentennial Year. By establishing a 200-mile fisheries conservation and development zone, and by accepting American responsibility for managing it, this law reaffirmed our commitment to a proud industry whose roots are as old as the Republic itself: the U.S. fishing industry.

We all know why the law had to be written. In recent years, the men and women of this industry were facing economic ruin because huge foreign fleets devastated fish stocks off our coast through overfishing and a lack of respect for sustained yield conservation practices.

When it goes into effect on March 1 of this year, the 200-mile act will bar foreign nations from their old practices.

Fees will be required for the privilege of fishing in U.S. fishing waters.

American rules of sound conservation will hold sway.

Foreign harvests will be limited to surplus fish not harvested by American fishermen.

This, and more, is the promise and the purpose of the 200-mile act, giving us the potential to turn to the sea as a major source of food and protein in future generations.

Yet I must warn my colleagues today that these great hopes may vanish; that we may awaken one day to find that we are right back where we started. We may find that loopholes will be discovered and used to circumvent the intent of this historic legislation.

I say this because there is nothing to prevent foreign countries from buying U.S. fishing enterprises and, through them, roaming at will throughout our 200-mile zone, despite the new law.

What is more, evidence is mounting that this practice is already underway.

If this practice takes hold, it would be a crippling blow to the new 200-mile act. It could adversely affect this act in at least two ways: First, by severely reducing the fishing fees to be collected from foreign fleets, and second, by curbing the ability of the United States to allocate to foreign countries only those fish that are surplus to U.S. needs. Mr. Speaker, I say to my colleagues that allowing foreign countries to again gain unrestricted access to U.S. fisheries would, in effect, be a repudiation of the 200-mile law.

The losers would not only be the U.S. fishing but also the American consumer.

For example, the silence of the new law leaves nothing to prevent a foreign controlled U.S. vessel from simply transferring its catch to a foreign ship stationed 201 miles off the U.S. coastline. Once filled to capacity, that ship could head home without the slightest regard for the protein needs of the American

I want my colleagues to know that foreign investment in the U.S. fishing industry is already reaching significant proportions. In its study, Foreign Direct Investment in the U.S. Commercial Fisheries Industry, the Commerce Department noted that at the end of 1974, 47 U.S. fisheries firms reported foreign ownership of at least 10 percent of their voting stock. That was only 2 years ago. Today the number has increased to approximately 56 firms—the 10-percent figure is actually misleading because foreign firms in fact own controlling interest in many of these companies.

Mr. Speaker, foreign investment doubled between the years 1970 and 1974—and increased 30 percent during 1974 alone. Indeed, in surveying these statistics, the Commerce Department study reached this pointed conclusion:

The transient extension of U.S. jurisdiction to 200 miles probably was a factor in the surge of direct investment in U.S. commercial fisheries in 1974.

Because of these questions and concerns, I sought oversight hearings in the Merchant Marine and Fisheries Committee in the closing weeks of the last Congress. Those hearings were held on September 8. I would like to share some of our findings with my colleagues.

At present, the law (46 U.S.C. 802(a)) requires only that to be considered a U.S. firm, corporations be incorporated under the laws of the United States or of any state; that the president or chief executive officer and the chairman of the board of directors be citizens of the United States, and that no more than a minority of the number of directors necessary to constitute a quorum be non-citizens.

I would like to quote an exchange I had with a representative of the U.S. Coast Guard concerning this point during the oversight hearings.

Mr. AuCOIN. Having satisfied all of those requirements, a joint venture that is dominated on the basis of stock by a foreign state could own vessels which would then be treated as U.S. flag vessels.

Mr. WALLACE. Yes, Sir.

Mr. AuCOIN. Therefore, the joint venture would be just as able as any wholly owned U.S. venture to fish at will within the 200-mile zone.

Mr. WALLACE. Yes, Sir.

Later in the same hearing, I asked the representative from the Commerce Department about the effect these arrangements might have on the 200-mile law:

Mr. AuCOIN. Doesn't it really boil down to this: A foreign company that feels squeezed as a result of the foreign fishing quotas—or for that matter, a foreign government which feels itself in need of additional fish protein—could easily establish a U.S. business venture, build or acquire fishing vessels, take as many of the species as it can until the American catch hits the ceiling established by the management plan for that species, and market that species to whomever it wants to. In short, don't those foreign business operations have an opportunity to entirely circumvent the fee requirements, and the surplus American catch requirements of the 200-mile law?

Mr. WALLACE. I think it is clear that they can do all of the things that you outlined under the present situation.

Mr. Speaker, I believe the facts speak for themselves.

The potential for violating the spirit if not the actual letter of the new law is clearly there. For this reason, today, along with my able colleague, the gentleman from Massachusetts (Mr. STUBBS), who authored the 200-mile limit, I am introducing legislation which I believe will insure that foreign fishing fleets remain under the umbrella of the 200-mile act as Congress intended.

I want to make very clear that this bill is not intended to discourage foreign investment in our domestic fishing industry. Such investment will still be profitable. But this bill will not allow such investment to be a ruse to sidestep the landmark 200-mile law, the intent of Congress, and the will of the American people.

Part one of the bill says that for purposes of the 200-mile law any foreign country must treat as one of its own any U.S.-flag vessel which is 25 percent or more owned by a citizen or entity of that nation.

This means that U.S.-flag vessels controlled by foreign countries shall be subject to the same fees, quotas and other restrictions which that nation's own vessels would be subject to under the 200-mile law. In effect, what we would be telling foreign countries is that they are welcome in our fisheries but only so long as they play by the rules Congress laid down when it passed the 200-mile bill last year.

Part two of the bill goes beyond the issue of vessel ownership.

It would require the Secretary of Commerce to undertake a broad study of foreign investment in all aspects of the American fisheries industry. This is aimed at giving Congress in-depth baseline information regarding the scope of investment, the impact of such investment on the employment of U.S. citizens, the impact of such investment on the future of the U.S. industry, and other information it needs in order to develop sound future policy.

Mr. Speaker, I anticipate broad support for this legislation. During hearings on similar legislation introduced in the 93d Congress, State fisheries personnel and fisheries associations from across the country supported the concept of bringing the harvest of our fisheries resource under the control of U.S. citizens.

At that time, the deputy director of the Federal agency most directly responsible for the well-being of U.S. fisheries resources—National Marine Fisheries Service—stated:

From the viewpoint of the existing fishing industry of the United States it would appear that the bill may be beneficial.

At the very least, it is time for the Congress to come to grips with the problem. In the words of the Pacific Marine Fisheries Commission in a resolution adopted November 15, 1973, time and events are pushing Congress to clearly define a "national policy with respect to any permitted majority alien ownership of U.S.-flag vessels."

To this end—and to the proposition that American fishermen deserve the help and support of Congress promised them in the new 200-mile act—I introduce this legislation and commend it to my colleagues.



1977

March 1

Meet March 23-25

Drafting teams working on FMP for crab, trawl fisheries, troll salmon.

AP should designate subpanels to work with MPDT

April

Meet April 27-29  
(optional meeting)

Work continues

May

Meet May 25-27  
(Mandatory meeting)

First draft to Council  
→ Reviews for policy only and distributes to SSC and AP.

(5/18/77) First draft to SSC and AP for review prior to May 25-27 meeting.

\*SSC meets during Council session to review DMP's.

\*AP meets during Council session to review DMP.

June

Meet June 29-July 1  
(Mandatory meeting)

Council gets recommendations from SSC and AP. Continues process or sends back to MPDT.

MPDT does necessary revisions.

Evaluate U.S. tanner crab catch for EBS - 1977.

Economic study gives preliminary report on tanner crab market impact (Sea Grant proposal).

DAY 0

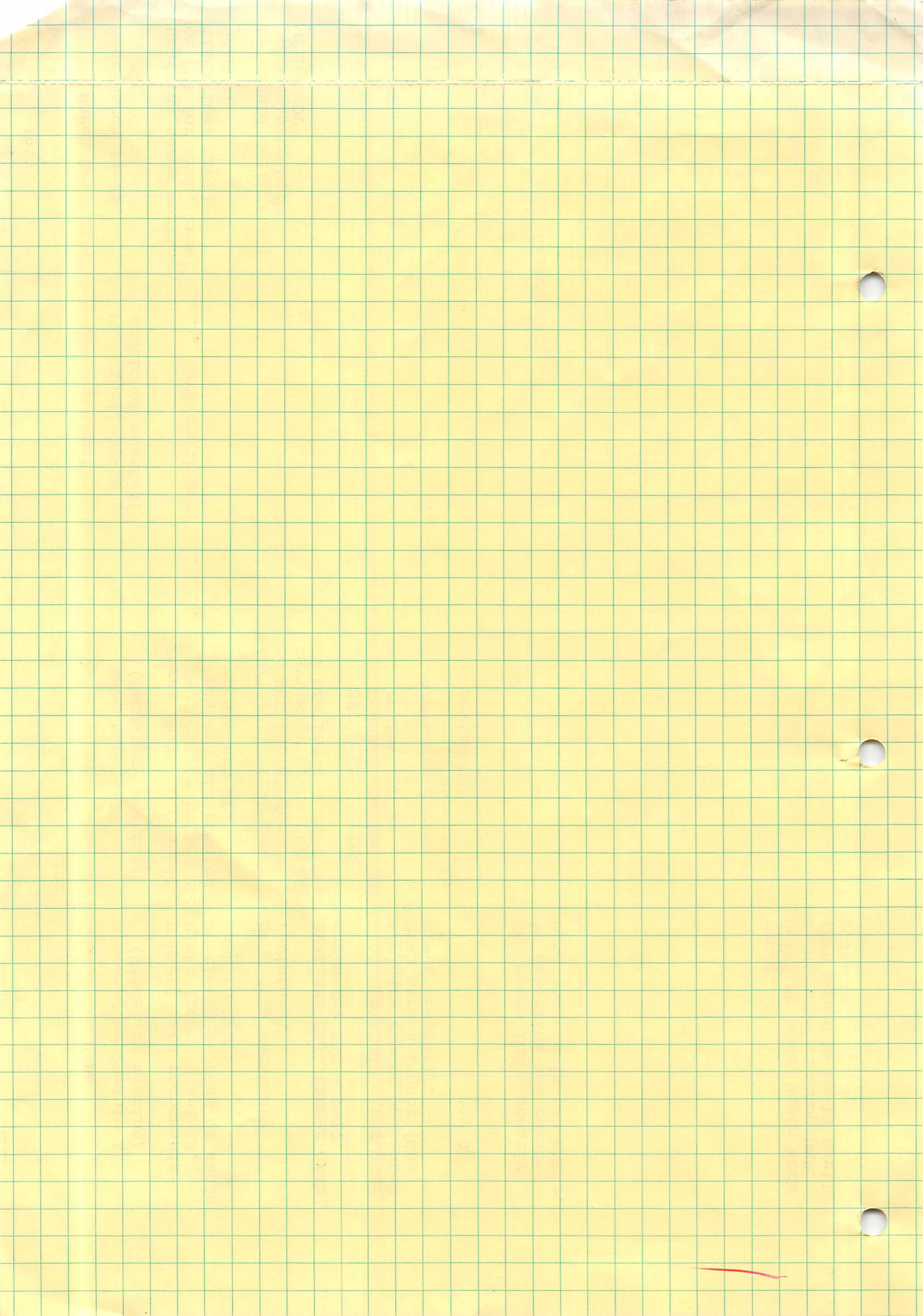
SSC meets independently to determine and recommend changes in the DMP's.

Attachment #16

INPFC

Drafting teams begin work on High Seas Salmon DMP. (FMP possible by 15 April 1978)







July

August

September

October

Meet July 27-29  
(optional meeting)

Meet August 24-26  
(optional meeting)

Meet September 28-30  
(mandatory meeting)

Meet October 26-28  
(optional meeting)

July 17  
DMP printed and available, notice in FR

August 5  
Public hearings begin, take 20 days

Begin revising DMP's Aug. 25

Revised DMP's to Council - adopted Sept. 30

October 12  
DMP submitted to the Secretary

Resubmits to Council - Council approves and goes ahead with process, etc. Effective date set back to February 16, 1978

Drafting teams begin work on FMP for shrimp, dungeness crab, scallop

2 Council member terms expire

Chairman's term expires Oct. 5 - election on last day of meeting.

The SSC meets to assist drafting teams on FMP's shrimp, crab, and scallop.

DAY 36

DAY 57

DAY 93

DAY 105

Public Hearings  
Crab Kodiak  
Sand Point  
Dutch Harbor

Trawl Kodiak  
Dutch Harbor  
YAK area  
Petersburg

Troll Ketchikan  
Sitka  
Juneau  
Pelican/Craig  
Petersburg

The AP meets to assist drafting teams on FMP's shrimp, crab (D) and scallop.

Work continues

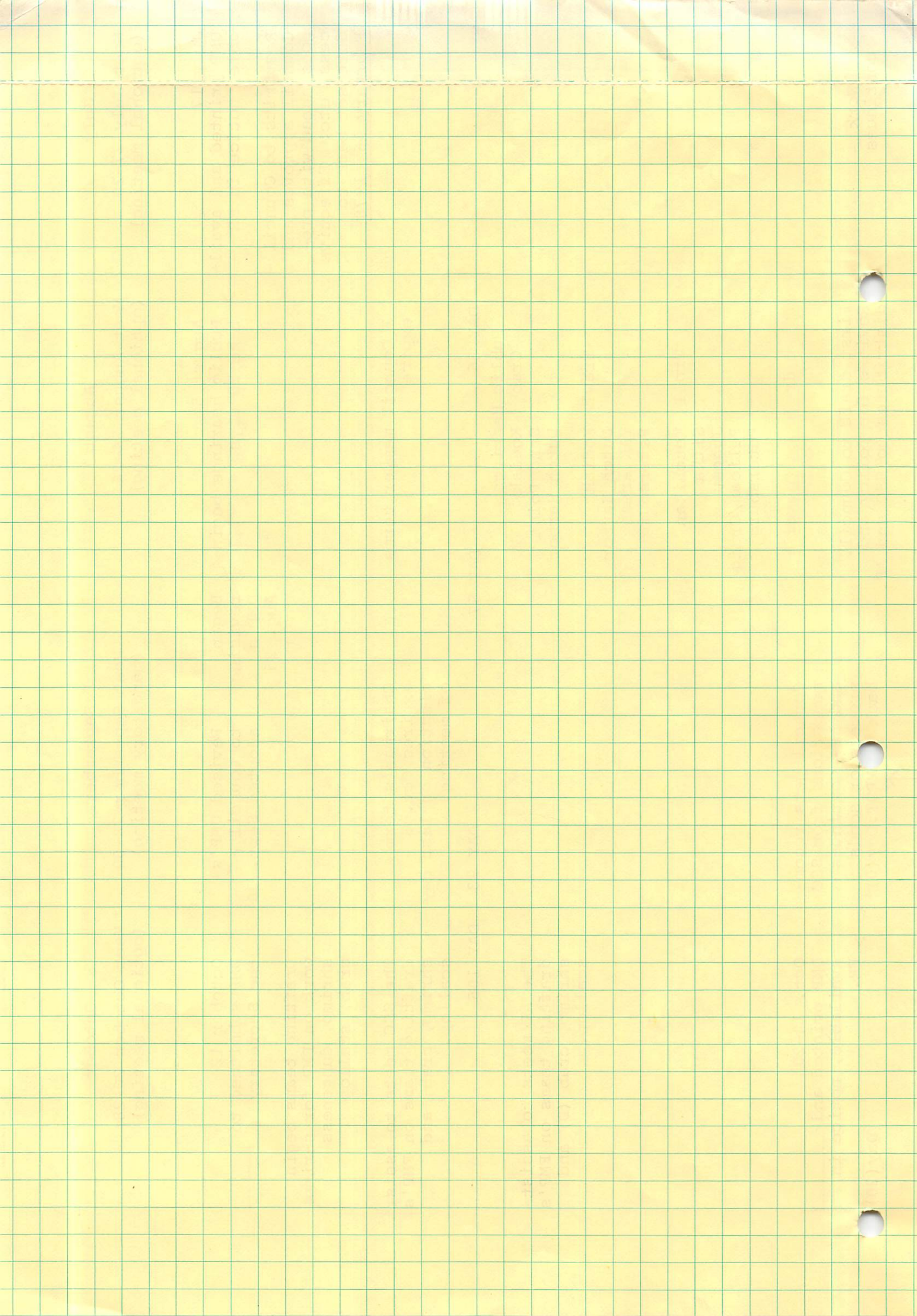
First draft to Council. Reviews for policy and distributes to SSC and AP.

Council gets recommendations from SSC and AP. Continues process or sends back to MPDT. Day (0)

Oct. 18-20  
DMP printed and available, notice in FR.

Day (20)







November

December

1978

January

February

Meet November 30 - December 2  
(mandatory meeting)

Jan. 25-27

Feb. 22-24

60 day review  
period by  
Secretary

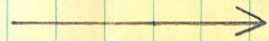


December 12  
Secretary publishes  
MP and notice of regs.  
in FR

45 day  
review  
period



January 16  
MP and regs.  
become law



FMP could  
be in effect  
by August 1978

DAY 165

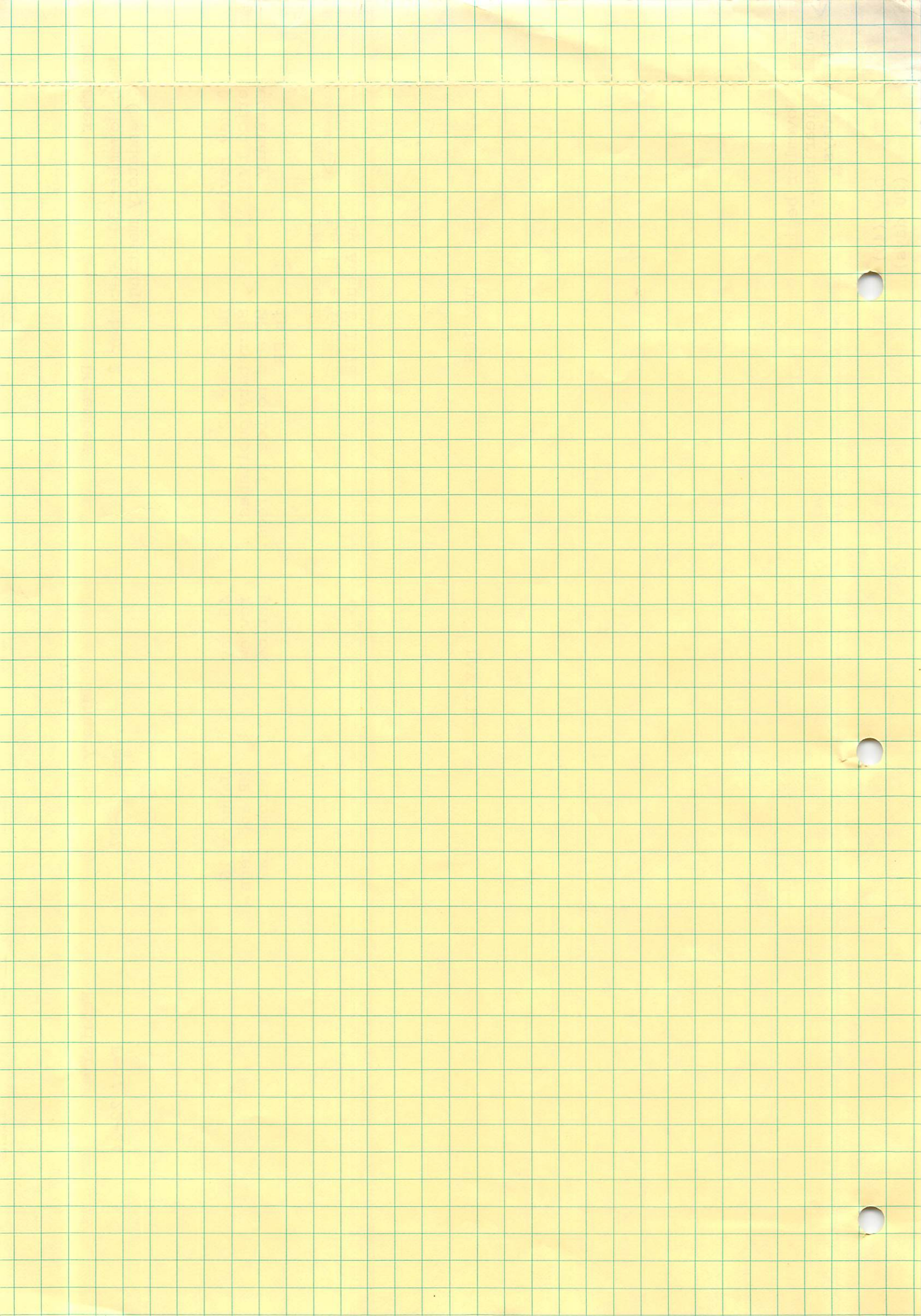
DAY 210

11-6

Early November begin  
public hearings.  
> Take 20 days.

Day (40)  
(20 days)



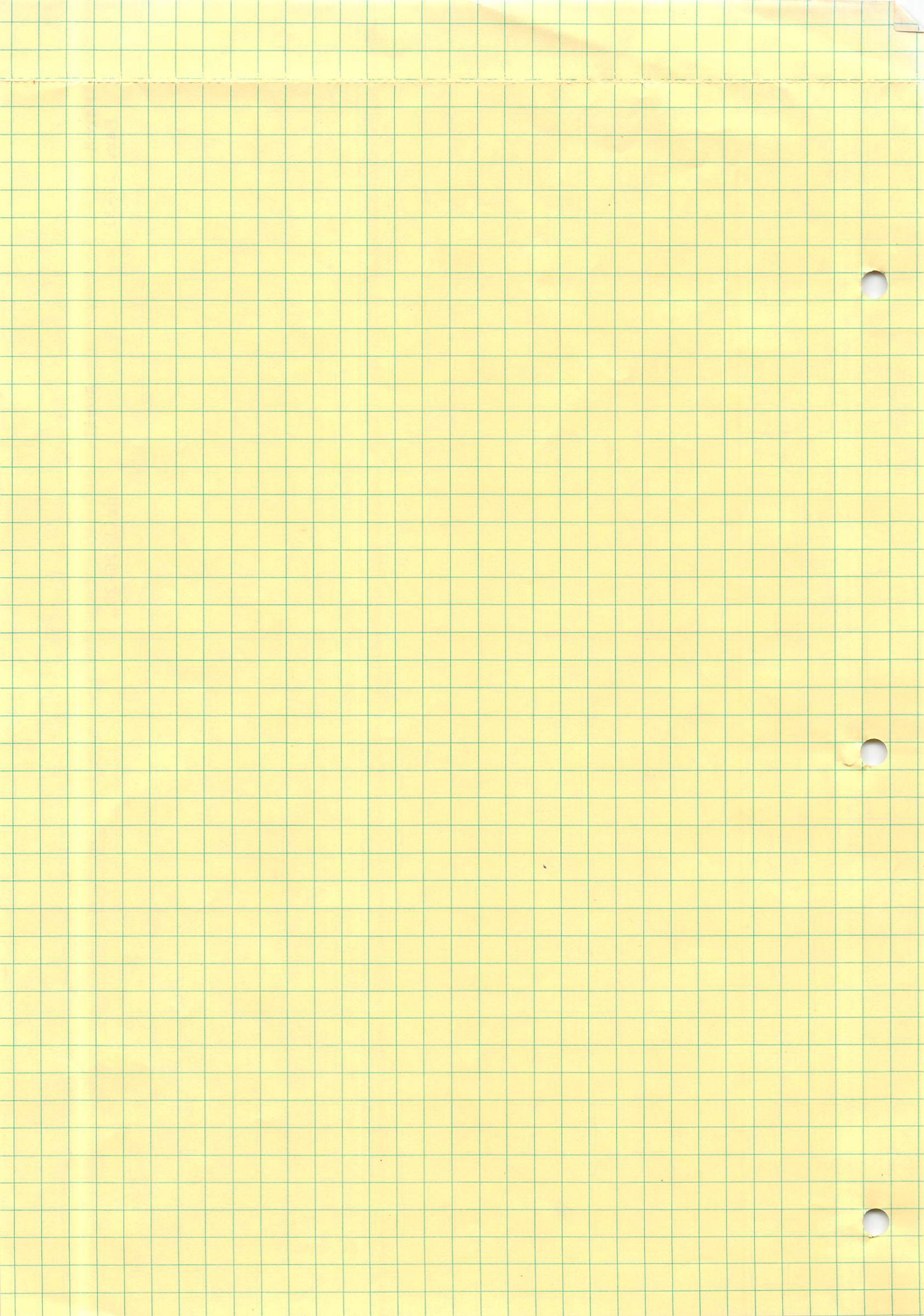




March  
Mar. 29-31

April  
April 26-28







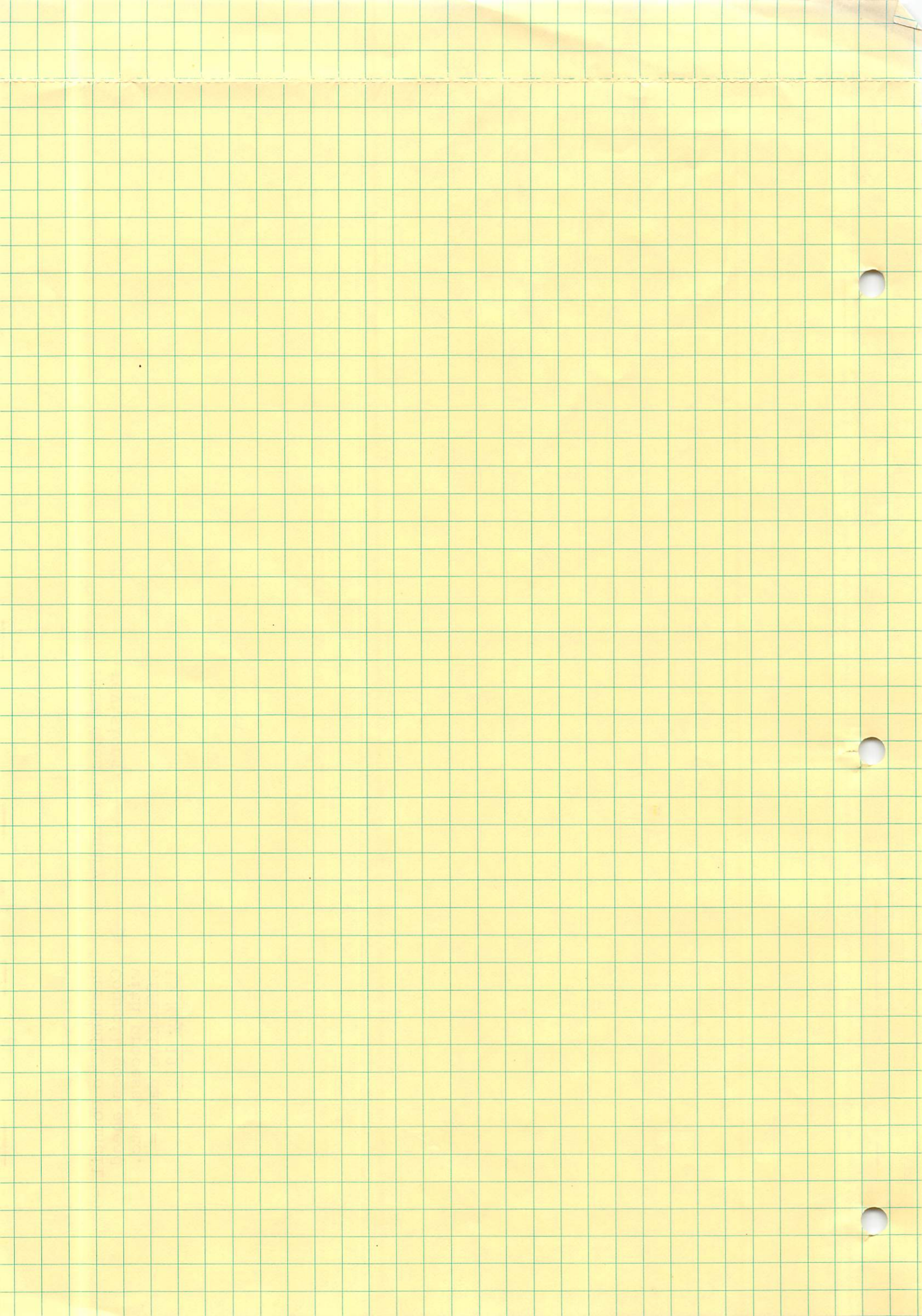
Sept.

Oct.

↓  
MPDT does necessary  
revisions. →

Resubmit to Council -  
Council goes ahead  
with process, etc.  
Effective date =  
15 May 1978







11-26

Begin revising  
DMP's

Dec. 2

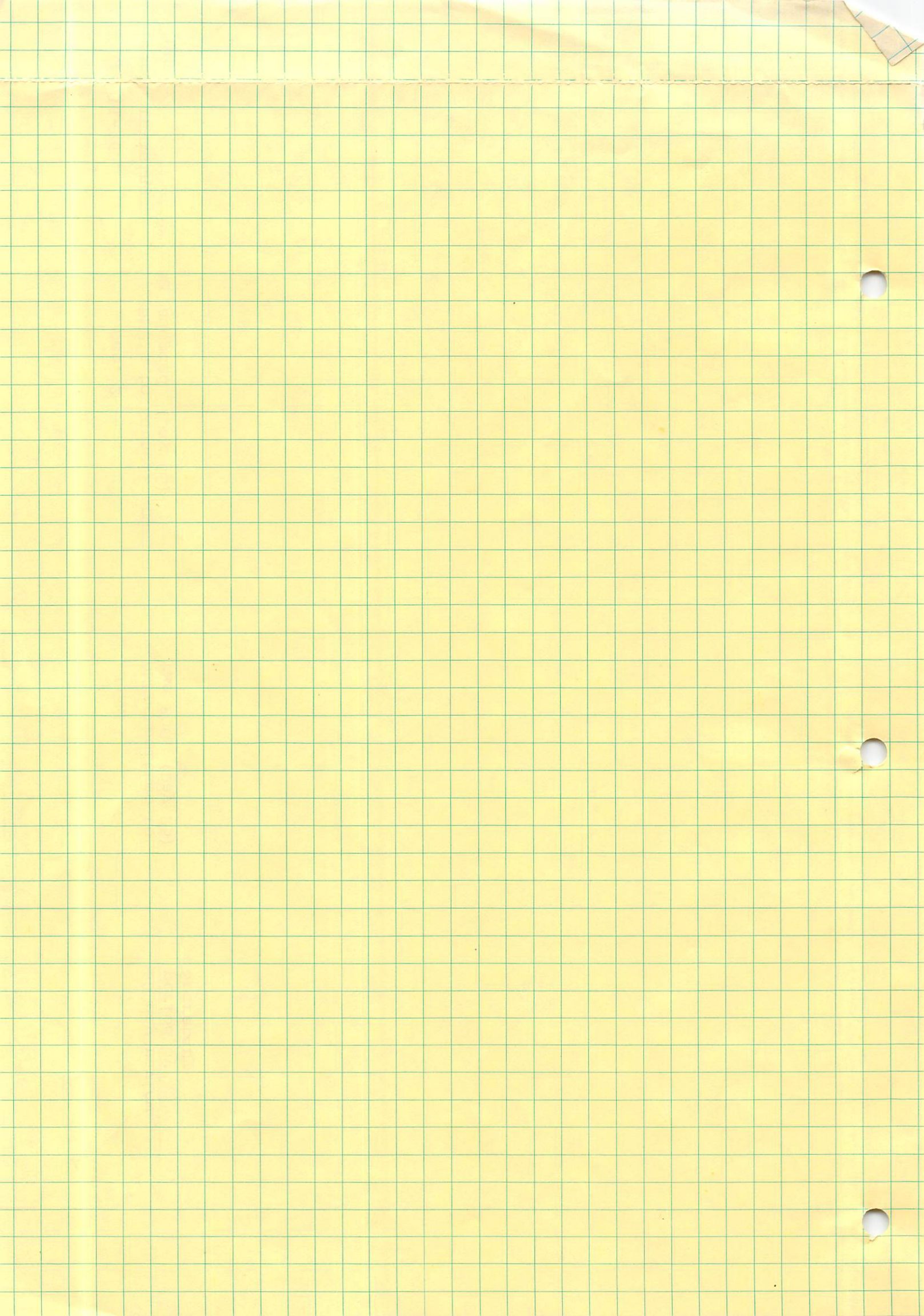
DMP's to Council and  
adopted (Day 65)

Jan. 1

DMP submitted to  
the SOC (Day 95)

60 day review  
period by  
Secretary







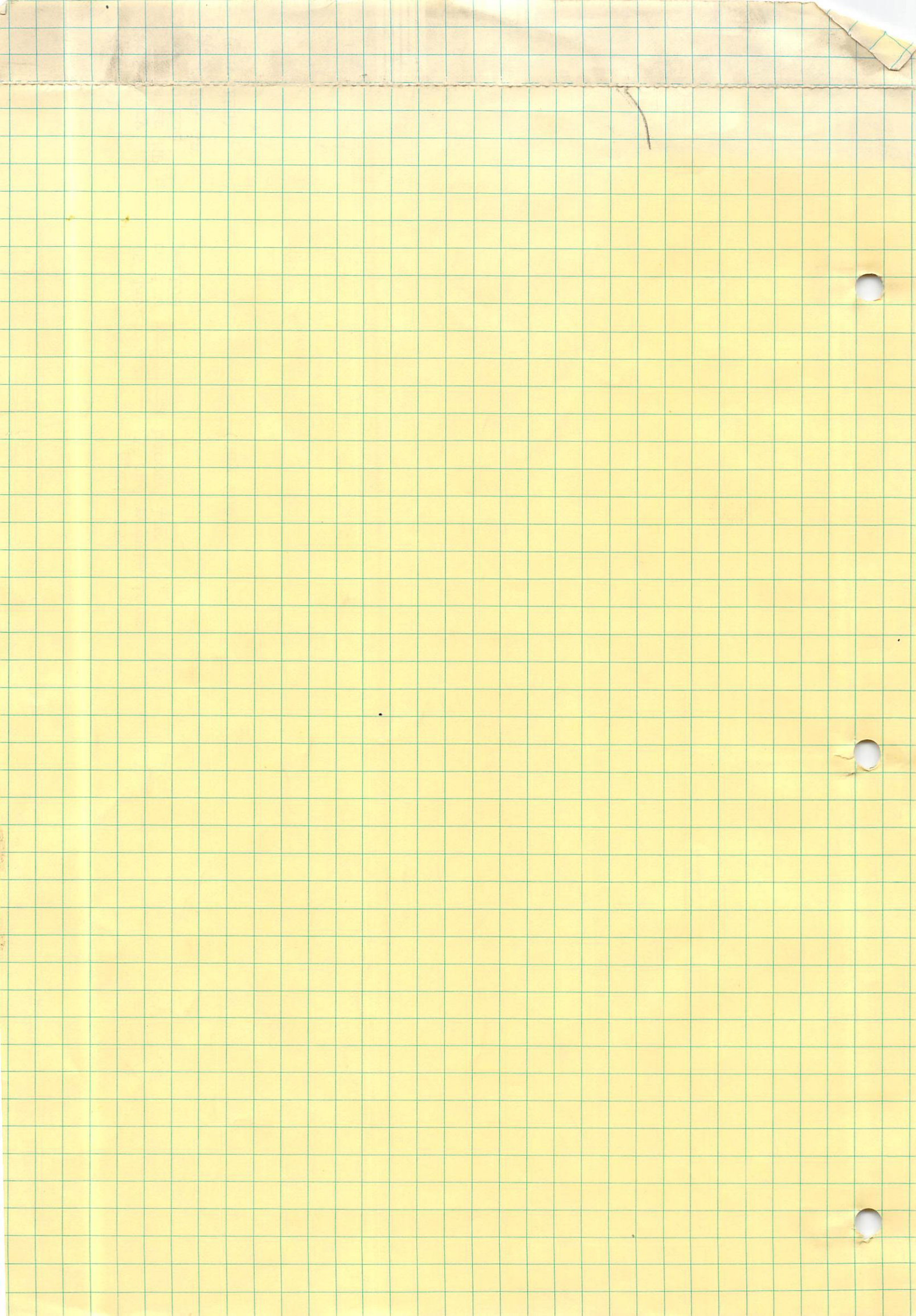
March 1  
Secretary  
publishes MP  
and notice  
of regs. in  
FR  
(Day 155)

45 day  
review  
period

April 15  
MP and regulations  
become Law

(Day 200)







# North Pacific Fishery Management Council

## CHAIRMAN

Mr. Elmer Rasmuson  
P.O. Box 600  
Anchorage, Alaska 99501

## EXECUTIVE OFFICE

Suite 32, 333 West 4th Avenue  
Post Office Mall Building  
Phone: 907-274-4563  
Mailing Address: P.O. Box 3136DT  
Anchorage, Alaska 99510

February 1977

If You wish to testify before  
the Council, please sign below. You  
will be allowed 10 minutes.

NAME

Address

subject

Keith Speckling

Mick Gardo

~~\*~~

Tom Casey

Sig Jaeger



**NUNAM KITLUTSISTI**

Protector of the Land

BOX 267

BETHEL, ALASKA 99559

James Branson  
Director,  
North Pacific Fisheries Management Council  
Post Office Mall, 3rd Floor  
Anchorage, Ak. 99501

Dear Mr. Branson,

The United Fishermen of the Kuskokwim and the Lower Yukon Fishermen's Association who represent our commercial fishermen on the major rivers, and the Association of Village Council Presidents which represents the 56 villages of the region in all affairs relating to fish and wildlife, requests that Steve Burgess of Calista Regional Corporation's Land Department be added to the list of technical consultants to the NPFMC. Mr. Burgess, a resource analyst, has been our villages technical support in the area of fisheries. It is the feeling of our regional groups that the addition of Mr. Burgess to the TAC would allow for a balanced input of information from our region. Currently, Mr. Guy and Mr. Wilde take the information from the meeting back to the villages, and prepare themselves to address the NPFMC at its next meeting with the opinions of our villages. Because of their constant travels, there have been times when Mr. Guy and Mr. Wilde have been unable to meet with their technical consultant and discuss the issues from a resource perspective. Through the addition of Mr. Burgess to the TAC, continuity of both public input from the villages, and technical analyses from the region would be better achieved. At this time, neither the fishermen groups or Nunam Kitlutsisti, the environmental advisors to A.V.C.P., can sustain the technical demands being made upon our region due to the recent involvement in matters relating to the establishment and management of the continental shelf fisheries resources under jurisdiction of the NPFMC.

in peace,

*Harold Sparck*

harold sparck, director

