


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke 
Executive Director

DATE: June 13, 1989

SUBJECT: Inshore-Offshore Preference

ACTION REQUIRED

Review public proposals and give direction for further development of alternatives.

BACKGROUND

During the April Council meeting, a coalition of shorebased interests petitioned the Council for some form of inshore-offshore preference. The Council agreed to review the concept at its June meeting. The Council also requested that public proposals be submitted. All proposals and comments received are summarized in item C-7(a) and included as item C-7(c). These comments include two (the Pribilof Islanders and Wards Cove Packing Company) received before the April Council meeting which pertain to this issue. Testimony was also received at several scoping meetings relating to the implementation of vessel size restrictions in Bristol Bay to favor local fishermen.

The management measures proposed by the public cover a wide range of possible approaches to inshore-offshore preference. By and large, they fall into three main categories: allocations, limited access, and differential regulations. The proposals are summarized by approach in item C-7(b). In addition, recommendations were made to require mandatory observers on at-sea processors, prohibit roe stripping, and increase the pollock quota in the Gulf of Alaska for the remainder of 1989. These latter three are covered in Agenda items D-1(b), D-1(c), and D-2(b), respectively. AFTA and Arctic Alaska commented that the problem was not clearly defined and requested the opportunity to submit proposals later.

Shoreside allocations were considered previously by the Council during the drafting of Amendment 11 to the Bering Sea/Aleutian Islands FMP. The original regulatory measures contemplated would have closed waters within 100 miles of Dutch Harbor and Akutan to joint venture pollock catches. In that case, such allocations were to be used to give domestic shoreside processors protection from joint venture harvests of pollock and allow for year-round surimi production. The alternative was eventually dropped in favor of a split joint venture pollock season. The split season in conjunction with DAP preference was designed to accomplish the same goal.

After reviewing the proposals received and adding others as appropriate, the Council then needs to decide the next step. One avenue would be to request the staff or team to briefly expand each proposed approach and send them forward to public review as issues documents. They also could be submitted to NOAA General Counsel to determine their legality under the Magnuson Act. These descriptions and comments could then be brought back to the Council at its September meeting for development into more well-defined proposals for inclusion in the 1990 amendment cycle.

SUMMARY OF INSHORE-OFFSHORE PUBLIC COMMENTS

Alaska Factory Trawlers Association - The nature of the problem should be defined in detail. There is no hint of any super priority being created for either on shore or at sea processors in national policy. Presently, AFTA favors the status quo and requests that the Council accept their proposals at a later date.

Aleutian Dragon Fisheries - Unconditional support for the proposal submitted by the Coastal Coalition.

American High Seas Fisheries - Recommends three proposals concerning open access allocations. 1) Earmark a portion of the OY for allocation as "JVP transitional quota" to harvesting vessels switching from JV to domestic processors. 2) Concerning resource access preference, give weight to U.S. content at the harvesting level based on where costs were incurred in construction or conversion. 3) Implement a new preference system to the resource allowing vessels 50% or more U.S. built, owned and operated first priority.

Arctic Alaska Fisheries - The "problem" should be thoroughly reviewed and analyzed before any public proposals are requested or considered. The current Council agenda item is unclear in its description and intent. Until further clarification, Arctic Alaska requests an extension for submitting a proposal.

City of Kodiak - Recommends a shorebased processor preference for 1990.

City of Sand Point - Recommends a DAP (Direct Allocation) shorebased processor preference for 1990.

City of Unalaska - Recommends the analysis of five options for consideration in a plan amendment providing protection for the resource and the economic viability of coastal communities. 1) Area designation to identify near shore stocks for shoreplant use. 2) Priority allocations to shoreplants with consideration given to domestic support services. 3) Identification of a set portion of the quota for shoreplant use. 4) Establishment of a share quota system which grants quota to fishermen, processors, and coastal communities. 5) Time closures during periods of low fish quality.

Coastal Coalition - A four point proposal for groundfish quotas in the EEZ off Alaska. 1) Allocate groundfish quotas between shorebased and factory-trawler operations. 2) Give allocation preference to shorebased operations when dividing the TAC. 3) Designate certain time and/or area closures for factory-trawler operations to assure distribution of catch over the entire stock and to reduce gear conflicts. 4) Apportionments should be allocated as is done between DAP and JVP operations with any reapportionments done in a timely manner.

Larry Cotter - Separate the quota by percentage into at-sea processing and community maintenance quotas. This separation would provide stability for processors. For communities that have not yet developed a seafood industry, short term allocations could be made from adjacent stocks. This quota could be leased to assist in generating funds for development. When the development is completed, the quota would revert to where it came from and the community would fish from the overall maintenance quota.

Pribilof Islanders - Request an allocation of not less than 5% of the Bering Sea resource. They would be permitted to harvest or lease the quota with the proceeds assisting in their seafood industry development.

ProFish International, Inc. - The factory trawlers had every right to participate in the Gulf pollock fishery as did any other trawler regardless of where or how their catch is processed. The real problem is too many boats chasing too few fish. The only solution to shortened fishing seasons is to limit entry into all the fisheries under the Council's jurisdiction. Therefore, establish a moratorium date of June 23, 1989 except for vessels less than 40 feet in length or any qualified vessel which reports catch before June 1, 1991, and establish a buy-back program to reduce at-sea processing vessels.

Representative Don Young of Alaska (H.R. 2105) - Should a limited entry or access program be instituted in the Bering Sea, 10% of the TAC would be allocated to the Pribilof Islanders. They could lease this quota during the first five years. After that time all they did not harvest themselves would be reassigned by the Council.

Southwest Alaska Shorebased Processors' Coalition - A four point proposal for shoreside pollock processing preference in the Bering Sea. 1) Start the pollock season between April 1 and June 1. 2) Create a shoreside only zone around Dutch Harbor and Akutan (168 - 163 degrees West, 56 degrees North to the chain). 3) Allow

at-sea processors to operate in the zone during the roe season but restrict the percentage of pollock harvested by all vessels during that season. 4) Require full utilization (including meal) of all pollock harvested from the area.

Wards Cove Packing Company - Provide for priority access to the resource for shorebased harvesters. Items to consider in this issue include: species, gear types, areas, means of qualification, distribution by entity and time of priority access, and the socioeconomic and political justifications for such priority access.

SUMMARY OF PUBLIC INSHORE-OFFSHORE MANAGEMENT MEASURE PROPOSALS

The management measures aimed at inshore-offshore preferences proposed by members of the public during the first half of 1989 are arranged below. Some effort has been made to condense and organize them. These proposals include all those from the written comments in item C-7(a) combined with ones voiced during limited access scoping meetings earlier in the year.

Allocate quota:

- Between shore and at-sea processors.
 - Preference given to shorebased processors based on requests.
 - Set amount of quota to shorebased processors.
- Preference to U.S. harvesters based on ownership and nationality of monies invested.
- Allocations to shoreside communities for "maintenance" and temporarily for "development".
- JVP harvesters to receive "transitional" quota for limited period.
- Direct allocation to Pribilofs with special use and lease provisions.

Limited Access:

- Limit the number of vessels to reduce overall effort.
- Initiate an immediate moratorium with allowance for vessels under construction.
- Issue individual fishing quotas to fishermen, processors, and coastal communities.

Regulations:

- Establish shoreside processing only areas.
- Gear restrictions favoring smaller vessels for certain species/areas.
- Special limiting restrictions on at-sea processing.
- Change the pollock season beginning to the second quarter.
- Restrict the pollock TAC by season.

AGENDA C-7(c)
JUNE 1989

**ONSHORE-OFFSHORE PREFERENCE
WRITTEN COMMENTS AND PROPOSALS RECEIVED**



ALASKA FACTORY TRAWLER ASSOCIATION

4039 21ST AVE. WEST, SUITE 400
SEATTLE, WASHINGTON 98199
(206) 285-5139

TELEFAX 206-285-1841

TELEX 5106012568, ALASKA TRAWL SEA

June 9, 1989

Mr. John Peterson
Chairman
North Pacific Fishery Management Council
605 West 4th Avenue
Anchorage, Alaska 99501

Re: Groundfish Priority Proposals

Dear John,

The Alaska Factory Trawler Association represents 23 companies which have invested more than seven hundred million dollars into floating processors and catching processors to develop the groundfish fisheries off of Alaska. Our national Congress established a series of preferences for participants in this fishery in 1978. First preference was established for processors operating on the shores of the United States and for United States flag floating processors. There has never been a hint in our national policy of any superpriority being created for either on shore or at sea processors within this first preference. That is the law and the Council has an obligation to uphold it.

The Council newsletter of 4/21/89 solicits proposals from the industry "on resolving the problem of mobile harvesting and processing operations competing on the more limited fishing grounds available to stationary inshore operations". Certainly, the investment of our members was based upon the premise of mobility and equality of access without reference to where the fish may be processed. It is unfathomable that the same shoreplants that have a history of using mobile platforms to process and transport salmon away from the nearshore harvesting grounds, would now assert such a claim to push floating groundfish processors off of established fishing grounds.

AFTA continues to assert the "level playing field" that shore processors and floating processors have been advocating jointly for the past twelve years. Certainly the Council is aware of the serious economic consequences of any shoreside preference proposal. It is important that before the Council continues deliberations on this matter, that the nature of the problem be defined in detail.

In view of the fact that at the present time we are for the status quo, and are uncertain of the nature of the proposals which may be entertained by the Council, we request the Council hold open our ability to submit proposals at a later time.

Sincerely,

A handwritten signature in cursive script, appearing to read "Edward D. Evans".

Edward D. Evans
Executive Director

ALEUTIAN DRAGON FISHERIES

Anchorage Bay • Chignik, AK
Telephone (907) 749-2276 or (907) 749-2208 • Fax (907) 749-2248

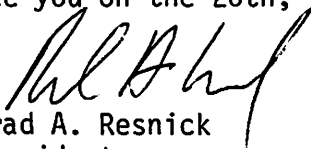
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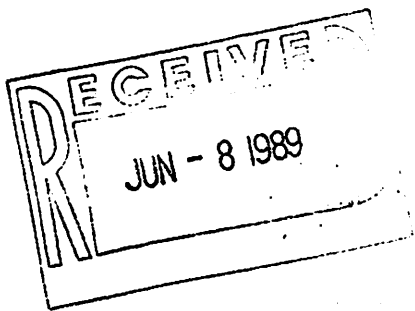
John G. Peterson
Clarence G. Pautzke
North Pacific Fisheries Management Council
P.O. Box 103136
Anchorage, AK 99510

Gentlemen,

Please accept this letter as our expression of unconditional support for the Shorebased Preference Proposal submitted by the Coastal Coalition for consideration by the council at the June meeting.

See you on the 20th,


Brad A. Resnick
President



June 8, 1989

John G. Peterson
Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

RE: Onshore - offshore issue

Dear Sir:

This is to transmit for Council consideration a proposal on the above issue.

We wish to make it clear to the Council that it is our usual policy to first bring concerns to our Regional Council before going to the Congress. We hope you understand that circumstances surrounding the sudden scheduling of the Senate MFCMA oversight hearing in May resulted in our having to unavoidably reverse this policy. However we have made available the full text of our submission to the Council. Most of what we propose herein was contained in that submission.

In summary we request the Council consider

- (1) a temporary quota for those U.S. owned, operated and crewed harvester vessels in transition from JVP to DAP markets;
- (2) requesting NOAA General Counsel develop draft standards and rank priority provisions upon which access rights might be based in the event a limited entry system is contemplated;
- (3) implementing a new preference system which rewards American content. Within this give reasonable consideration to the needs of vessels fishing to shorebased operations as exemplified.

Acceptable Share Holding

Within the open access system there has been no consideration of the share of the defined OY (common property) that any one individual or corporation may attain. When this is finally

debated and settled upon, we believe there will be individuals who will have already exceeded the acceptable share of the resource. Who will pay to buy back their efforts to reduce their share to a defined acceptable level?

National Standard #4 speaks to this issue. Yet in the face of this standard, it is apparent from the statements of AFTA and NOAA May 17 during the Senate MFCMA oversight hearing, that management has allowed 85-86 percent of the OY to fall to the factory trawlers.

Uncertainty in the Fishery

Although philosophically fishermen oppose lines on maps or any restrictions on their movements as to what they should be allowed to withdraw from the common property fish resource bank in time and space, we believe we have exceeded the point where serious consideration of these matters be undergone.

Already it is apparent that there is a juxtaposition of opposing views within the minds of individual fishermen and fishermen groups. This was exemplified in testimony before the NPFMC on April 12 and 13, 1989, with regard to the future options for groundfish management. On one hand both the smaller coastal fishermen and the factory processors, or a large majority of them, urged the Council to retain an open access system. Yet in the same breath the fishermen representing vessels fishing to shoreside facilities were calling for some sort of protection for their operations. And in light of the fact that the current open access system would result in shortened seasons, and further in the light of the fact most factory processor's business plans are predicated on an eleven out of twelve month operating year, that group, in the main, called for a continuance of open access. The fear and uncertainty created by uncontrolled entry of new catcher-processor capacity into the fishery is giving rise to calls to limit erosion and destruction of the position of those of us with a long standing stake in the fishery. The present uncertainty creates an unstable business environment except for those whose business it is to pump new capacity into the fishery. The planning and investment horizon from harvesting to market is very short term.

Catch History Base. Standards for Access Rights

The members of this Association would like to see their catch histories, or a major portion of them, recognized as a basis of their continued access rights to the common property resource. A system which recognized catch histories would allow fishermen to choose the most efficient and economic market to provide their catches to, whether it be onshore or offshore. We are presently unaware of any such standards or a ranking of priorities given

to a defined array of access rights to the common property. Again we are fearful that under the present law and under the present open access regime, of losing our equity and position in the fishery. This is further exacerbated by what we believe is a foreign dominance in the fishery. Therefore those of our membership who are in transition from JVP to DAP towards servicing shorebased processing plants find it difficult not to support some protection for their future market. The remainder of the membership either already are H & G catcher processors or intend to fish to a floating processor which has yet to come into the fishery.

Transition from JVP to DAP

The majority of the members are in transition towards attaining a DAP market through existing or planned shoreside and at sea processing facilities. The uncontrolled rapidity with which the fishery has become "Americanized" and over-capitalized, has eroded the position of the U.S. JVP wholly owned and operated harvester vessels with a long standing commitment to and dependence upon the fishery; to the point of marginality. Some of the members have agreements, which if shoreside expansion occurs to plan, may not be implemented until late 1990 or after. The time between now and when these markets "kick in" is the transition time mentioned above. In the meantime they are dependent upon surplus to DAP to make their payments. This flood of new effort of course reduces the chances for surplus to DAP. We are working with the Agency to minimize this marginal effect by requesting it to tighten up its discretionary powers in conducting the process of establishing DAP and therefore surplus available to JVP by requiring far greater accountability for access to and use of the common property resource.

Interim Harvester Quota

We now draw your attention to promises that were made by some Senators during the anti-reflagging debate in 1987. In exchange for our reasonable approach during that debate those Senators promised that they would take care of us and not allow the High Seas fishermen to be set adrift! We make the following request for your consideration. Recognizing that the "Americanization" process has caught us in transition from JVP to DAP, we would like you to earmark a portion of the OY for JVP transitional quota for our vessels. To assure you that this is not a ploy to extend joint ventures in time, we will provide you with the business plans to show the manner in which we will transit from JVP to DAP. We suggest this would provide a socio-economic band-aid to those U.S. harvester vessels in transition, as well as provide for the much needed continuance of the time series of data for management.

New Preference Priority Proposal

Further we propose that weight be given to U.S. content at the harvesting level in determining resource access preference. We suggest a converted "U.S. Vessel" (factory trawler) in which more than 50% of its cost including equipment was incurred in a foreign country or shipyard is no less foreign than a reflagged foreign processor. At least the latter could have provided a market option for U.S. harvesters.

Background

We propose that the current (DAP, JVP, TALFF) three tiered preference for resource access be modified to reflect more accurately American content within the context of "Americanization".

In 1976 the MFCMA created a preferential access for U.S. citizens.

In 1978 the Processor Preference Amendment gave a further preference to U.S. processors and created the three tiered system.

At this time the Congress specifically treated processors and harvesters as two separate categories.

The vision of U.S. fishermen and Congress at that time has not happened in reality. Instead of U.S. processing capacity expanding to take our harvests, the integrated at sea catcher-processor has submerged that vision. Catcher processors do just that, catch and process. They don't buy from us, they displace us.

In 1979, Congress took specific action to address an anomalous U.S. Coast Guard ruling that would have permitted foreign vessels to be reflagged and used as fishing vessels in the then recently established EEZ. In clarifying its position on this issue, Congress made it clear that foreign built vessels were not to be used as U.S. fishing vessels in the EEZ. (See PL 96-61).

In proposing the provision which was ultimately included in Public Law 96-61, Senator Magnuson specifically noted that "it bears repeating that this amendment does not apply to processing vessels. It applies only to vessels engaged in harvesting fish from the 200 mile limit or our fishing management jurisdiction." 125 Cong. Record 21740, August 1, 1979.

Indeed, the Report of the Senate Committee on Commerce, Science and Transportation on S.917, which became Public Law 96-61, made it abundantly clear that there were strong policy reasons for

retaining the right to reflag foreign built vessels for use as processing ships in the U.S.EEZ.

"On the other hand, the United States does not have a similar longstanding policy as to processing vessels. Furthermore, because two of the purposes of the FCMA (the Magnuson Act) are 'to encourage the development of fisheries which are currently underutilized or not utilized by U.S. fishermen' and 'to promote domestic commercial...fishing,' it is important to distinguish fishing vessels from processing vessels. Under the amendment in Section 2 of this bill, vessels engaged in the processing of fish within our fishery conservation zone would not be required to be U.S. built. Instead, existing law would remain in effect."

"The economics of developing the underutilized species, in particular, appears marginal at this time, and such development also appears particularly dependent upon the use of floating processors at sea. The committee does not believe that the amendment in Section 2 will have a substantial adverse impact on the development of our fisheries. However, the same confidence does not exist if the amendment were extended to apply to processing vessels, as foreign built vessels may be the only economical and feasible way of fully developing these underutilized resources in the near future. The committee intends to support the potential for developing markets and purchasing sources for U.S. fishermen and thus did not include processing vessels in the amendment."

Not only was the reflagging possibility raised and considered in the content of the 1979 law, it was specifically anticipated and encouraged and the bill received wide industry support.

The reflagging option did not happen however, for many different reasons.

- (1) Most American harvesters, because of the high cost of pioneering the fishery did not have the capital to implement this provision. Markets were limited, costs high, and prices low.
- (2) The American processing companies did not seem to favor this option.
- (3) The foreign processing companies were not in favor of changing flags and falling under U.S. laws and regulations.
- (4) The factory trawler fleet was being built by other means.

In 1987 the Anti-Reflagging Act was passed. That closed the provision for reflagging and with it an option for markets to

U.S. harvesters as their JVP markets were being diminished.

The Anti-Reflagging Act, besides closing reflagging market opportunities, also was intended to put teeth into other provisions that defined parameters of what and who could operate in the fishery, vis a vis the vessels, where they could be built or converted; how they were to be manned, and who could own them.

Interestingly enough, the Coast Guard and Customs at this time, started to provide a very loose interpretation of what constituted a U.S. vessel and very loose guidelines on how much of a vessel can be converted overseas and still remain a U.S. vessel. Also, because these vessels which were converted overseas had a large processing component, the tight provisions on what constituted a harvesting vessel were relaxed.

Today we find a majority of the factory trawler fleet being converted and rebuilt in Norway, Japan, Korea, and Singapore. Many for foreign owners under U.S. Corporate fronts. These same vessels are receiving fish allocations in our waters and are competing at great economic advantage with and against American built, manned, and owned harvesters, processors, and factory trawlers. They are at the same time displacing many of the U.S. harvesters who have lost JVP market opportunities.

We take strong exception to this.

We propose that to bring equity to this situation there have to be changes in the Coast Guard interpretation of what constitutes a U.S. vessel.

Our recommendation is that the law be strengthened to provide that any vessel that has spent more than 50% of its cost for both vessel and gear, in a foreign country, be considered foreign in relation to harvesting. It should not be considered a fishing vessel, but a processor that can only process fish in the U.S. zone.

Further, we recommend that any vessel found to be in violation of U.S. ownership provisions lose its license to catch and/or process in the U.S. zone permanently. Ownership should be interpreted as no more than 49% may be foreign owned no matter what U.S. business structure or combination structure is used. This should include, but not be limited to, Corporations, Limited Partnerships, etc. Violations of the ownership provision should have the same penalties as applied to Coastwise trade, 46 CFR S 67.17-8 once lost, Coastwise privileges can only be rehabilitated through special legislation.

Order of Preference

(1) DAP

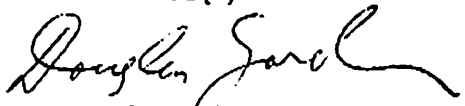
- (a) U.S. built, owned and operated, harvesters to shorebased plant.
- (b) U.S. built, owned and operated, catcher-processors (factory trawlers)
- (c) U.S. built, owned, and operated at sea processors (Motherships) delivered to by U.S. built, owned, and operated harvesters.

Some reasonable consideration¹ should be given to vessels fishing to shorebased operations which recognizes their relative immobility vis a vis the highly mobile at sea catcher processor fleet.

- (2) Converted vessels in which more than 50% of the cost was expended in foreign yards or vessels with more than 50% foreign ownership and equipment that buy fish from U.S. built, owned, and operated harvesters.
- (3) (a) U.S. built, owned, and operated harvesters delivering to foreign processors.
- (b) catcher processors (factory trawlers) in which more than 50% of the cost including equipment was expended in foreign yards or whose foreign ownership is more than 50%.

If this category (3b) wants to revert to category # 2 it must commit as of January 1 for the entire year. A commitment is conditional on, but not limited to, taking all harvesting equipment off the vessel.

Sincerely,

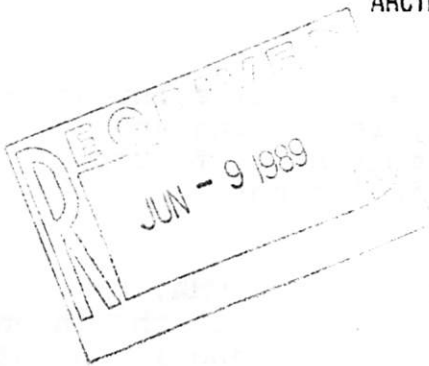


Douglas B. Gordon
Executive Director

¹ For example where the sum of allocation requests for any groundfish species exceeds its TAC, then preference be afforded shorebased needs over offshore. The Regional Director NMFS, in conjunction with the council may effect time and area closures and reapportion available TAC for a species between onshore and offshore needs along the lines presently used to reapportion surplus DAP to JVP.



ARCTIC ALASKA FISHERIES CORPORATION



June 9, 1989

Mr. John Peterson
Chairman
North Pacific Fishery Management Council
605 West 4th Avenue
Anchorage, AK 99501

Re: Agenda C-2

Dear Mr. Chairman:

As I discussed with you this week, I take exception to the description of Agenda C-7 in the June 2, 1989 Council mailing "resolving the problem of mobile harvesting and processing operations competing on the more limited fish grounds available to stationery inshore operations".

First of all, the "problem" should have a thorough review and analysis by the Council and then a detailed explanation made to the public before any type of request for proposal is either requested or considered.

In this situation, it is not clear whether the Council is addressing the mobile harvesting situation or the mobile processing situation, or both. Furthermore, the specifics for which species are of concern have not been addressed. Do you want proposals for cod, halibut, pollock, black cod, yellowfin sole, king crab, opillio, salmon? Again, the description of the agenda item is not clear.

If the intent of this request for proposal is to prioritize the resource to different user groups, this discussion should be included in Agenda Item C-6, Future Fisheries Management.

Mr. John Peterson
June 9, 1989
Page Two

Finally, because of confusion as to the Council's intent in requesting proposals, I am hereby formally requesting an extension prior to submitting a proposal on behalf of Arctic Alaska Fisheries Corporation until there is further clarification.

Furthermore, after a thorough analysis of the FCMA, the concept of a preference within the DAP sector was not the intent of the priority system between TAIF, JVP and DAP, and if any of the user groups feel they need this type of preference then legislation would be required at the congressional level.

If you should have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Terry J. Baker
Chief Executive Officer

TJB:mm

MAY - 1 1989

CITY OF KODIAK
RESOLUTION NUMBER 09-89

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK SUPPORTING
FULL UTILIZATION OF POLLOCK AND A SHOREBASED PREFERENCE IN THE
DOMESTIC ALLOCATION OF ALL FISHERIES

WHEREAS, the Americanization of the 200-mile Economic Zone has been accomplished faster than anyone thought was possible; and

WHEREAS, competition for fish among American fishermen has become very intense; and

WHEREAS, the development of floating processors that can move all over the Pacific Ocean has far exceeded all expectations; and

WHEREAS, the floating processors have an unfair advantage over shorebased processors due to their ability to move from area to area; and

WHEREAS, the shorebased processors are the economic lifeblood of coastal communities throughout Alaska and other states; and

WHEREAS, it is the legislative intent of the Magnuson Act to provide and protect the economic viability of coastal communities; and

WHEREAS, the floating processors have demonstrated they can easily shut down an entire region for most of a year; and

WHEREAS, the entire Gulf of Alaska's 1989 pollock allocation of 60,000 metric tons has been reached in three months; and

WHEREAS, the shorebased processors fully utilized 23,000 metric tones of pollock in three months of operation; and

WHEREAS, eight factory/trawlers consumed 37,000 metric tons in eleven days utilizing the roe only and discarding the carcasses; and

WHEREAS, this constitutes criminal wanton waste of a valuable Alaskan protein resource in light of today's world food shortage; and

WHEREAS, 1,500 Kodiak residents, indeed the entire Kodiak economy depends upon the Fall pollock harvest for their September through December livelihood; and

WHEREAS, this problem will become more prevalent in other areas as resources shrink and/or processing capabilities continue to increase; and

WHEREAS, a Kodiak community meeting of processors, fishermen, businessmen, workers, and local government unanimously agreed that the following request for action be conveyed to the North Pacific Fishery Management Council; and

WHEREAS, a meeting of the Alaska Municipal League Board of Directors agreed the following request for action be conveyed to the North Pacific Fishery Management Council,

NOW, THEREFORE, BE IT RESOLVED the Council of the City of Kodiak, Alaska, urges the North Pacific Fishery Management Council recommend the following policies to the Secretary of Commerce:

1. If the National Marine Fisheries Service and other data support it, recommend at least a 40,000 metric ton allocation of pollock;
2. For 1990, recommend a prohibition of roe stripping in the pollock fisheries;
3. For 1990, recommend a mandatory observer program adequate to provide accurate scientific data; and
5. For 1990, recommend a shorebased processor preference.

PASSED AND APPROVED this 25TH day of APRIL, 1989.

CITY OF KODIAK


MAYOR

ATTEST:


CITY CLERK

City of Sand Point

P.O. Box 249
Sand Point, Alaska 99661
(907) 383-2696

CITY OF SAND POINT RESOLUTION NO. 89-11

A RESOLUTION OF THE CITY OF SAND POINT ASSEMBLY SUPPORTING FULL UTILIZATION OF POLLOCK AND A SHORE-BASED PREFERENCE IN THE DOMESTIC ALLOCATION OF ALL FISHERIES.

WHEREAS, the Americanization of the 200 mile Economic Zone has been accomplished faster than anyone thought was possible, and

WHEREAS, competition for fish among American fishermen has become very intense, and

WHEREAS, the development of floating processors which can move all over the Pacific Ocean has far exceeded all expectations, and

WHEREAS, the floating processors have an unfair advantage over shore-based processors due to the ability to move from area to area, and

WHEREAS, the shore-based processors are the economic lifeblood of coastal communities throughout Alaska and other states, and

WHEREAS, it is the legislative intent of the Magnusen Act to provide and protect the economic viability of coastal communities, and

WHEREAS, the floating processors have demonstrated they can easily shut down an entire region for most of a year, and

WHEREAS, this constitutes criminal wanton waste of a valuable Alaskan protein resource in light of today's world food shortage, and

WHEREAS, this problem will become more prevalent in other areas as resources shrink and/or processing capabilities continue to increase;

NOW, THEREFORE, BE IT RESOLVED by the City of Sand Point Assembly that the North Pacific Fishery Management Council is urged to adopt the following policies:

1. For 1990, adopt a full-utilization requirement for all pollock, prohibiting roe-stripping only,

1. For 1990, make the Domestic Observer Program 100% mandatory.
2. For 1990, adopt a DAP (Direct Allocation) shorebase processor preference.

PASSED AND APPROVED THIS 6th DAY OF June, 1989.

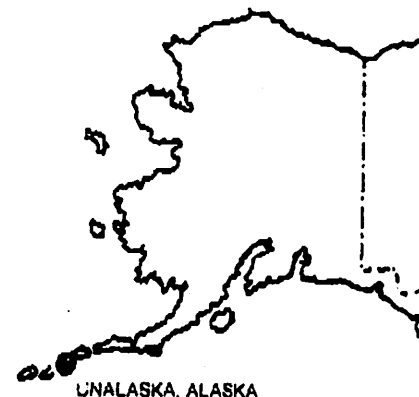
Alvin D. Osterwald

ATTEST:

Albert K. Rushton

CITY OF UNALASKA

P.O. BOX 89
UNALASKA, ALASKA 99685
(907) 581-1281



June 9, 1989

John Peterson, Chairman
North Pacific Fisheries Management Council

Dear Mr. Peterson,

The attached resolution contains the proposal for the City of Unalaska/Dutch Harbor concerning shorebased processor preference and full utilization of harvested fish.

You will notice our proposal does not specifically endorse any particular management strategy. We see a potential merit in all these proposals and we wish to work together with you in analyzing them and finding the best solution.

Thank you for your concern shown to coastal communities by issuing the call for these proposals.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul Fuhs", is written over the typed name.

Paul Fuhs, Mayor
City of Unalaska/Dutch Harbor

**CITY OF UNALASKA
UNALASKA, ALASKA**

RESOLUTION 89-26

A RESOLUTION ON SHOREBASED PROCESSOR PREFERENCE.

WHEREAS: The City of Unalaska has promoted the development of onshore processing through provision of utilities, tax credits and other encouragement, and

WHEREAS: Significant onshore processing now exists in Unalaska, providing a sound tax base, with additional processing capacity to be added in the next 18 months, and

WHEREAS: We have already witnessed the 1989 Kodiak roe fishery in which Factory trawlers stripped roe, catching the whole quota in a short period of time, shutting down the shoreplants, and

WHEREAS: Many more factory trawlers are under construction and will soon enter the fishery over capitalizing the fleet, and

WHEREAS: Factory trawlers do not carry observers, making it difficult to manage the fishery without any data. Many factory trawlers also do not fully utilize the whole fish.

NOW THEREFORE BE IT RESOLVED that the Unalaska Cit Council hereby requests the North Pacific Fisheries Management Council to analyze the following options for consideration in a plan amendment which would provide protection for the resource and the economic viability of coastal communities:

- 1) Area designation to identify near shore stocks for shoreplant use.
- 2) A priority system which would allocate available quota to shoreplant use as a first priority. Consideration should be given to use of domestic support services.
- 3) Identification of a set portion of the quota for shoreplant use.
- 4) Establishment of a share quota system which grants quota to fishermen, processors and coastal communities.
- 5) Time closings during periods of low fish quality.

BE IT FURTHER RESOLVED that the Unalaska City Council requests the NPFMC to identify the amount of waste on factory trawler operations and to phase in a program requiring full utilization of harvested fish.

BE IT FURTHER RESOLVED that the Unalaska City Council requests the Alaska Congressional delegation to push for inclusion of language in the Magnuson Act reauthorization bill which would enable the NPFMC to take action on protecting coastal economies.

PASSED AND APPROVED THIS 8th DAY OF June, 1989 BY THE CITY COUNCIL OF THE CITY OF UNALASKA ALASKA.

Paul Fuhs
Paul Fuhs Mayor

ATTEST:

Judy Mayhew
Judy Mayhew, City Clerk

101st CONGRESS

1st SESSION

H.R. 2105

(Original signature of Member)

Insert
title
here

A bill to amend the Fur Seal Act to provide continued
access to certain fisheries in the Bering Sea

IN THE HOUSE OF REPRESENTATIVES

April 25, 1989

Insert
sponsor's
name
here

Mr. Young of Alaska

A BILL

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

SEC. 1. This Act may be cited as the "Fur Seal Act Amendments of 1989."

SEC. 2. The Congress finds that --

(1) the Fur Seal Act Amendments of 1983 provided for a continuation of commercial fur sealing, then the dominant employment base on the Pribilof Islands of Alaska, but directed the Federal government to take steps to create an alternative economic base on the Islands;

(2) this Congressionally-directed partnership among entities to create a fishery-based economy on the Pribilof Islands is a unique commitment;

(3) in reliance on that Congressional decision, the State of Alaska and municipal and Native private entities on the Pribilof Islands have invested, since 1983, tens of millions of dollars in boat harbors and infrastructure to participate in and service the Bering Sea fishing fleet and to base vessels at those harbors;

(4) funding delays as well as natural disasters have delayed completion of harbors on both Islands;

(5) Congress terminated the commercial fur seal harvest in 1985, thereby imposing enormous financial and social burdens on the residents of the Pribilof Islands;

(6) access to the Bering Sea fisheries by Pribilof residents is threatened by limited entry proposals pending before the North Pacific Fishery Management Council.

SEC. 3. The Act of October 14, 1983 (P.L. 98-129), known as the Fur Seal Act Amendments of 1983, is amended by addition of a new section:

"Sec. 212.(a) In order to further promote the development of a stable, self sufficient, enduring, and diversified economy not dependent on sealing, the Pribilof Islands shall be afforded, pursuant to the circumstances described herein, a share of the Bering Sea fishery.

(b) If under the terms of 16 U.S.C. 1801 et seq., the Secretary receives from the North Pacific Fishery Management Council a fishery management plan or amendment to a plan, that would establish a limited entry or access program related to the groundfish fishery of the Bering Sea, and such program takes effect, notwithstanding any other provision of law the Secretary shall immediately provide an annual allocation of 10% of the total allowable catch of that fishery, as such term is defined in the applicable fishery management plan, to the Pribilof Islands, in accordance with subparagraph (c). Such allocation shall continue for as long as the limited entry or access program remains in effect.

(c) There shall be established in accordance with State law a Pribilof Aleut Fisheries Development Association, hereinafter referred to as the Association, for the purpose of accepting and managing the allocation. The Association shall be formed by agreement among the Alaska Native village corporations and the Indian Reorganization Act entities for the Islands. Only upon determination by the Secretary that the Association has been established shall the allocation be effective.

(d) The allocation may be transferred or assigned, in whole or in part, by the Association to citizens of the United States who are not members of the Association, during the first five years that the allocation is made. Thereafter, any portion of the allocation that is not used by the Association during any calendar year shall be assigned by the North Pacific Fishery Management Council pursuant to the applicable fishery management plan.

(e) Grant of this allocation shall not affect existing and future participation by residents of the Pribilof Islands or the Association in other fisheries."

TESTIMONY OF PERFENIA PLETNIKOFF to NPFMC
APRIL 13, 1989

MR. CHAIRMAN, COUNCIL MEMBERS, MY NAME IS PERFENIA PLETNIKOFF JR. AND I AM PRESIDENT OF CENTRAL BERING SEA FISHERMEN'S ASSOCIATION. I AM SPEAKING TODAY ON BEHALF OF MY ASSOCIATION AND THE ALEUT NATIVE CORPORATIONS, TRIBAL COUNCILS AND COMMUNITIES OF ST. PAUL AND ST. GEORGE ISLANDS.

MR. CHAIRMAN, OUR ISLANDS ARE UNIQUELY LOCATED IN THE CENTRAL BERING SEA, CENTRAL TO A LARGE PERCENTAGE OF THE RENEWABLE RESOURCES WHICH THIS COUNCIL DEBATES AND DISTRIBUTES FROM TIME TO TIME. ON OUR ISLANDS WE HAVE THREE RESOURCES: FIRST, THE LARGEST ALEUT COMMUNITIES IN THE WORLD NUMBERING OVER 800 PERSONS BETWEEN BOTH ISLANDS; SECOND, THE LARGEST FUR SEAL BREEDING GROUNDS IN THE WORLD; AND THIRD, OVER 200 SPECIES OF BIRDS. PRIOR TO 1983, UNDER GOVERNMENT CONTROL, WE LIVED OFF FUR SEAL RESOURCES. IN 1985, WHEN THE GOVERNMENT DECIDED IT NO LONGER WANTED TO HARVEST FUR SEALS, ALEUTS WERE CUT OFF FROM THEIR INCOME BASE, AND WERE LEFT WITH THE PROMISE THAT WE WOULD BE ASSISTED IN DEVELOPING AN ECONOMY BASED ON THE FISHERY RESOURCES OF THE BERING SEA. FOR PRIBILOF ALEUTS THERE ISN'T ANY OTHER CHOICE, BUT TO TURN TO THE FISHERY RESOURCES. WE CAN ONLY GET SO MUCH MILEAGE OUT OF SEABIRDS AND TOURISTS.

WE HAVE AN INSTRUMENT CREATED BY THE UNITED STATES CONGRESS TO HELP US ACHIEVE OUR GOALS AND THE GOVERNMENT'S GOALS FOR OUR ISLANDS. THAT GOAL IS THE CREATION OF "A STABLE, ENDURING, DIVERSIFIED AND SUSTAINING ECONOMY, NOT BASED ON FUR SEALING." IT IS CALLED THE FUR SEAL ACT. IT IS AN INSTRUMENT SPECIFICALLY INTENDED TO CARRY OUT THE PURPOSES OF THE MAGNUSON ACT. WITH THE FUR SEAL ACT AMENDMENTS OF 1983, WE WERE INSTRUCTED TO DEVELOP A FISHERIES ECONOMY AND A BASE FOR OPTIMUM DEVELOPMENT OF THE FISHERIES. BECAUSE OF THE ACT, BETWEEN 1983 AND THE PRESENT, OVER \$100.0 MILLION DOLLARS IN INFRASTRUCTURE IMPROVEMENTS, MAINLY IN BOAT HARBOR CONSTRUCTION, HAVE BEEN MADE OR ARE UNDER WAY, SO THAT OUR ISLANDS CAN SUPPORT THE FISHING FLEETS. AS MUCH AS \$35.0 MILLION DOLLARS OF THAT MONEY MUST BE PAID BACK BY OUR ORGANIZATIONS AND PEOPLE. WE SUBMIT

FOR THE RECORD A LEGAL AND FACTUAL HISTORY OF THE PRIBILOF ISLANDS THAT EXPLAINS OUR POSITION IN GREAT DETAIL.

MR. CHAIRMAN, WE HAVE WATCHED SINCE 1977 THE DEVELOPMENT OF AMERICAN FISHERIES INDUSTRY IN THE EXCLUSIVE ECONOMIC ZONE, BOTH FROM OUR SHORES IN THE CENTRAL BERING SEA AND FROM THE CHAIRS OF THIS CONFERENCE ROOM. DURING THIS SAME PERIOD, WE HAVE WITNESSED THE DECLINE OF OUR FUR SEAL RESOURCE, THE STOPPING OF OUR ACCESS TO IT, AND THE GROWTH OF A FISHERY, WHICH IN ITS APPETITE AND ITS CAPACITY, THREATENS NOT ONLY THE NEED FOR OUR HARBORS, THE VERY ECOSYSTEM UPON WHICH OUR ECONOMY IS TO BE BASED. AFTER SEVEN LONG YEARS OF WAITING FOR GOVERNMENT AIDED HARBOR DEVELOPMENT, WE ARE ABOUT TO SEE COMPLETION OF THESE PROJECTS. WE ARE CONCERNED NOW THAT THERE WILL BE NO RESOURCES WHICH WE CAN FEASIBLY ACCESS TO MAKE THE HARBORS WORK FOR US, AND THAT NO FLEET WILL NEED OUR SERVICES.

WE HAVE THIS CONCERN BECAUSE WE SEE AN EXPLOSIVE BUILD UP IN HARVESTING AND PROCESSING CAPACITY IN THE FACTORY TRAWLER SECTOR OF THE INDUSTRY. THROUGH THE SHEER VOLUME OF THEIR HARVESTING CAPACITY, AND THROUGH BYCATCH AND OTHER IMPACTS ON THE ECOSYSTEM, THIS INDUSTRY IS IMPACTING OTHER FISHERIES WHICH WE MUST RELY UPON, NAMELY, THE CRAB AND LONGLINE FISHERIES. AT THE PRESENT RATE OF DEVELOPMENT, WE WILL BE LEFT STANDING AT OUR EXPENSIVE DOCKS, WATCHING THE RESOURCE DISAPPEAR BEFORE OUR EYES.

FOR THIS REASON, WE RESPECTFULLY SUGGEST THAT THIS COUNCIL'S ADOPTION OF THE JANUARY 16, 1989 CUT-OFF DATE FOR PARTICIPATION IN THE FISHERY IS UNFAIR TO OUR FISHERMEN. WE MUST SUGGEST AS WELL THAT A PIPELINE DEFINITION THAT DOES NOT RECOGNIZE THE MASSIVE INVESTMENTS UNIQUELY MADE BY THE UNITED STATES GOVERNMENT, THE STATE OF ALASKA, AND OURSELVES, IS UNFAIR TO OUR COMMUNITIES. UNDER THE MAGNUSON ACT, THE AMERICAN FISHERMEN RECEIVED PRIORITY ACCESS TO THE RESOURCES OF THE BERING SEA FOR 13 YEARS BEFORE ASSUMING THEIR RIGHTFUL SHARE. HOW MUCH TIME SHOULD ALEUT-AMERICANS BE GIVEN TO ASSUME THEIRS?

WE HAVE LEARNED THAT WE HAVE TO TAKE CARE OF OURSELVES ON THE PRIBILOF ISLANDS. WE DO NOT WANT A FUTURE OF DEPENDENCY FOR OUR CHILDREN, EVEN THOUGH WE OURSELVES WERE WARDS OF THE FEDERAL GOVERNMENT. WE DO NOT BELIEVE THAT, BECAUSE THE GOVERNMENT PREVENTED US FROM ENTERING INTO THE FISHERIES IN THE PAST THAT WE SHOULD BE PENALIZED NOW IN RESOURCE ACCESS. BACK WHEN HALIBUT LIMITED ACCESS WAS BEING DISCUSSED, THE HALIBUT ACT PROMISED RESIDENTS NORTH OF 56 DEGREES THREE YEARS TO PARTICIPATE, EVEN IF LIMITED ACCESS SYSTEMS WERE IMPLEMENTED. WE BELIEVE THIS SHOULD APPLY TO ALL SPECIES.

WE HAVE A PLAN TO MAKE AN ECONOMY WORK ON OUR ISLANDS THAT MEETS OUR NEEDS, THE GOVERNMENT'S NEEDS, AND HELPS IN OPTIMUM DEVELOPMENT OF THE FISHERY AND THE BERING SEA ECOSYSTEM. THAT PLAN IS TO OBTAIN A PRELIMINARY ALLOCATION OF NOT LESS THAN 5% OF THE BERING SEA GROUND FISH RESOURCES, THAT WE CAN USE TO LEVERAGE AN APPROPRIATE LEVEL OF FISHERY PARTICIPATION FOR OUR PEOPLE, AND AN APPROPRIATE AMOUNT OF ONSHORE DEVELOPMENT FOR JOBS, AND LOCAL ECONOMY. MORE MAY BE NECESSARY TO ASSURE THAT OUR ISLANDS CAN AFFORD TO BE INHABITED, AND THE NEEDS OF OUR PEOPLE ARE MET. WE ASK THAT THE ALLOCATION BE NON-TRANSFERABLE, BUT LEASABLE, SO THAT WE MAY TRANSITION ITS USE TO OUR LEVEL OF ONSHORE DEVELOPMENT. WE ARE ASKING THIS FROM THE NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL AND THE FEDERAL GOVERNMENT BECAUSE WE VIEW ACCESS TO BERING SEA RESOURCES AS CRITICAL TO DEVELOPING THE ECONOMY PROMISED TO US UNDER THE FUR SEAL ACT. UNDER THE PRESENT STATUS QUO, AND UNDER THE PROPOSED LIMITED ACCESS SCHEMES FOR MANAGING THE RESOURCES BY THIS COUNCIL, WE WILL NEVER QUALIFY, OR BE ABLE RAISE THE RESOURCES, FOR MORE THAN TOKEN PARTICIPATION IN THE FISHERY. OUR PEOPLE CANNOT SURVIVE ON 350,000 POUNDS OF HALIBUT PER YEAR. THIS IS WHY WE MUST ASSERT OURSELVES AND INVOKE THE PROMISES OF THE GOVERNMENT IN THE FUR SEAL ACT. IT IS ALSO WHY WE MUST OPPOSE THE LIMITED ACCESS PROGRAMS THAT HAVE BEEN PROPOSED.

IF IT APPEARS TO YOU, MR. CHAIRMAN, THAT THE NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL CANNOT OR WILL NOT ACT ON THIS

REQUEST AT THIS SESSION, WE RESPECTFULLY REQUEST THAT YOU OPEN A STAFF INQUIRY AND PREPARE AN ENVIRONMENTAL ASSESSMENT OF OUR PROPOSAL, IN TIME FOR A COUNCIL VOTE FOR IMPLEMENTATION IN 1990.

THE RECENT QUICK DEPLETION OF QUOTA IN THE GULF FISHERY, AND THE MANNER IN WHICH THE RESOURCE WAS TAKEN IS A GRAPHIC EXAMPLE OF WHAT WE EXPECT TO SEE IN THE BERING SEA IF PRESENT TRENDS CONTINUE. SOME SAY IT ALREADY OCCURS. AS WE HAVE POINTED OUT, POLLOCK IS A FOOD FISH FOR MARINE MAMMALS, SEABIRDS AND OTHER FISHES, AS WELL AS HUMAN BEINGS. OUR PLAN IS TO DEVELOP THE COD AND FLATFISH RESOURCES AND THE SHELLFISH RESOURCES AROUND OUR ISLANDS. WE WILL TARGET THESE RESOURCES, NOT ONLY BECAUSE OF THEIR ABUNDANCE AROUND OUR ISLANDS, BUT ALSO BECAUSE OF THE NEED FOR BALANCE AND DIVERSIFICATION IN THE AMERICAN FISHERY. THE UNITED STATES CONGRESS SAW THIS POTENTIAL CLEARLY IN 1983. WE KNOW THAT OVERHARVESTING OF ONE SPECIES IS NOT GOOD CONSERVATION FOR A FISHERY. WE KNOW THAT THE LIVELIHOODS OF ALL SERIOUS AMERICAN FISHERMEN IS DEPENDENT UPON MAINTAINING RENEWABLE RESOURCES. WE WILL USE THIS ALLOCATION TO FURTHER THE GOALS OF THE LONG TERM RENEWABLE ECONOMIC RETURN FROM BERING SEA RESOURCES. OUR ALLOCATION IS UNIQUE, JUST AS IS OUR SITUATION. WE DO NOT NEED AN ALLOCATION JUST TO HAVE AN ONSHORE PROCESSOR, BUT TO EFFECT A FULL PARTICIPATION IN THE USE AND CONSERVATION OF THE RESOURCES WE MUST DEPEND UPON.

WE RECOGNIZE THE NOVELTY OF THIS PROPOSAL AND THE DIFFICULTY IT MAY PRESENT. BUT WE JUST AS FIRMLY BELIEVE THAT WE ARE RIGHT IN SEEKING A RESOURCE FOR OUR PEOPLE. I DO NOT PRETEND TO HAVE ALL THE ANSWERS, BUT I WILL BE MORE THAN HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE, AND I ASSURE YOU THAT IF I DO NOT HAVE THE ANSWERS WE WILL FIND THEM FOR YOU. THANK YOU, MR CHAIRMAN, FOR ALLOWING US TO PRESENT OUR PROPOSAL.

THE PRESENT STATE OF THE FISHERIES IN THE BERING SEA

1. RAPID GROWTH OF THE DOMESTIC BOTTOMFISH HARVESTING AND PROCESSING CAPACITY.
2. OVERCAPITALIZATION OF THE TRAWL FLEET THREATENS LONGLINE AND CRAB FISHERIES.
3. INCREASED ENVIRONMENTAL CONCERN OF THE IMPACTS OF THE FISHERY ON MARINE MAMMAL AND SEABIRD POPULATIONS,
4. BYCATCH IMPACTS OF THE BOTTOMFISH TRAWL FLEET CAUSING CONSIDERABLE HARDSHIP, AGITATION AND DISSENSION BETWEEN DIFFERENT GEAR TYPE FISHERIES, AND FOCUSING ATTENTION AWAY FROM ECOSYSTEM PERSPECTIVE.
5. INTERNATIONAL CONTROVERSY OVER DONUT HOLE FISHERIES, SALMON INTERCEPT, FOREIGN POACHING AND BYCATCH IMPACTS TO CANADIAN HALIBUT FISHERY.
6. INADEQUATE INTERNATIONAL SCIENTIFIC COOPERATION, AND THE LACK OF ECOSYSTEM MODELING NECESSARY TO ADEQUATELY ASSESS IMPACTS OF FISHERIES MANAGEMENT DECISIONS, AND CONSERVATION AND MANAGEMENT PRACTICES NECESSARY FOR LONG TERM RENEWABILITY OF BERING SEA RESOURCES.
7. NEED TO MANAGE OR LIMIT THE FISHERY OR THE FISHING EFFORT ON A SCALE APPROPRIATE TO THE LONG TERM VIABILITY OF THE RESOURCE.
8. ALEUTS HAVE ENTERED THE FISHERY ALSO, IN A MODEST WAY, SCALED TO HOMEPORTING CAPABILITY OF HARBORS. BY PARTICIPATING IN THE HALIBUT FISHERY AND BECOMING INVOLVED IN INDUSTRY DELIBERATIONS AND DISCUSSIONS, A LEVEL OF INDUSTRY ACCEPTANCE HAS BEEN ACHIEVED, AS WELL AS INDUSTRY RECOGNITION OF THE UNIQUE NATURE OF THE PRIBILOF SITUATION.
9. THE NEED FOR ALEUT PARTICIPATION AT AN ECOSYSTEM LEVEL, AND THE ECONOMIC NECESSITY OF STANDING ON THEIR OWN, DEMAND ALEUT ENTRY AND PARTICIPATION INTO THE FISHERY.

WHAT ARE THE OPTIONS FOR GUARANTEEING PRIBILOF ALEUT ACCESS TO
THE FISHERY RESOURCES IN THE BERING SEA?

1. AREA REGISTRATION: Create an area one hundred miles radius from the Pribilof Islands to insure local participation in fisheries and to insure that shore based facilities get product to process. Provides resource and habitat protection thru area registration. Similiar to the 4C halibut area. This option would provoke major opposition from the fishery, even as 4C has been a major irritant to the longline halibut fleet.
2. OPEN ACCESS: This is status quo. As long as the opportunity exists to participate in the fishery, it remains open to Aleuts. Yet rapid growth, overcapitalization, and the need to dedicate local resources to infrastructure presents a formidable obstacle to financing vessels and entering the fishery by Aleuts. The same applies to development of shore based processing.
3. LICENSE LIMITATION: Allow for a number of licenses to be issued to the Pribilof Island residents. The number should be high enough to insure successful participation, probably as many as 25. Criteria discussed by NPFMC committees base issuance of licenses on past participation in the fishery. Licenses under limited access could be acceptable as collateral to lenders, but leverage would be limited and pressure to sell them would be considerable.
4. INDIVIDUAL FISHING QUOTAS (IFQ): Allow for quotas high enough to insure success. Criteria discussed is again based on past history and past volumes. Acceptable as collateral to lenders but limited by past histories.

5. ACQUISITION OF VESSELS: Provide grants to purchase vessels or allow first right of refusal of Coast Guard seized vessels, i.e. catcher processors, motherships. In either case would present federal budget obstacles, or awkward entry because directed selection of vessels would be based on chance.

6. ALLOCATION OF RESOURCES TO PRIBILOFS: Provide for a 5% allocation (100,000 mt) of bottomfish resources to be administratively or legislatively issued to Pribilof Aleuts to secure a self sustaining economy not dependent on continued federal and State bailouts. The obvious best choice to start immediate participation even while island infrastructure development is ongoing, with or without limited access schemes in the fishery. Would smoothly fit into limited access schemes. No cost to federal budget. Immediate leveraging possibilities. The Pribilof Islands could afford to be inhabited.

WHY AN ALLOCATION?

1. AN ALLOCATION CAN BE USED TO LEVERAGE PRIBILOF PARTICIPATION IN THE FISHERIES IMMEDIATELY EVEN IF HARBOR DEVELOPMENT ACTIVITIES ARE INCOMPLETE. SUCH PARTICIPATION CAN BE ROLLED SMOOTHLY INTO HARBOR DEVELOPMENT WHEN FACILITIES ARE IN PLACE.

2. UNDER LIMITED ACCESS SCHEMES, EVEN IF THEY ARE NOT IMPLEMENTED IMMEDIATELY INTO THE FISHERIES, PRIBILOF ACCESS TO RESOURCES WILL BE GUARANTEED, THUS LESSENING DEPENDENCY UPON FEDERAL BUDGET BAILOUTS FOR THE PRIBILOFS.

3. UNDER OPEN ACCESS FISHERIES PRIBILOF ENTRY TO THE FISHERIES WILL BE DIFFICULT IF NOT IMPOSSIBLE, DUE TO LIMITED RESOURCES AND LACK OF EXPERIENCE.

4. AN ALLOCATION WILL SECURE REPAYMENT OF EXISTING FEDERAL LOANS AND INVESTMENTS ON THE PRIBILOFS, AS WELL AS PRIVATE INVESTMENTS IN PRIBILOF BASED VESSELS AND PROCESSING PLANTS, AND THE ECONOMIC FUTURE OF A CULTURE ON THE PRIBILOFS NOT DEPENDENT ON FUR SEALS.

5. THE LONG TERM OUTLOOK FOR CONTINUED FEDERAL AND STATE INVESTMENT IN THE PRIBILOFS IS NOT FAVORABLE DUE TO BUDGET AND FINANCIAL RESTRICTIONS.

6. DEVELOPMENT AND CAPITALIZATION IN THE FISHERY ARE PROCEEDING AT A PACE THAT WILL PRECLUDE LATER ENTRY BY PRIBILOF ALEUTS WITH REASONABLE ABILITY TO COMPETE FOR LIMITED RESOURCES.

7. UNDER THE FUR SEAL ACT, FEDERAL TRUST RESPONSIBILITIES TO THE PRIBILOFS REQUIRE THAT AN ALTERNATIVE TO A FUR SEAL ECONOMY BE PROVIDED FROM BERING SEA RESOURCES. MAJOR INVESTMENTS HAVE ALREADY BEEN MADE IN THIS AREA, WHICH CAN BE BACKED UP WITHOUT ADDITIONAL COSTS TO THE FEDERAL GOVERNMENT. BY AFFIRMATIVELY RECOGNIZING THE UNIQUENESS OF BOTH PRIBILOF LOCATION AND THE ALEUT EXPERIENCE BASED ON THE FUR SEAL ACT, NEGATIVE REACTION BY INDUSTRY TO PRECEDENT SETTING ACTIONS WILL BE MINIMIZED. THERE IS ALREADY CONSIDERABLE INDUSTRY UNDERSTANDING OF THE UNIQUENESS OF THE PRIBILOF SITUATION.

COASTAL COALITION - PAGE 1
SHOREBASED PREFERENCE PROPOSAL

June 8, 1989

PROPOSAL FOR
SHOREBASED PREFERENCE

PROPOSAL

Groundfish quotas in the Bering Sea and Gulf of Alaska shall be allocated between shorebased operations and factory-trawler operations.

When the sum of user requests by DAP (shorebased and factory trawl) for a trawl-caught groundfish species exceeds the TAC, preference will be given to shorebased operations.

When factory-trawl and shorebased operations are allocated fish in the same management area, the Regional Director, on advice from the North Pacific Fishery Management Council, may designate certain time and/or area closures for factory trawl operations to assure distribution of catch over the entire stock and reduce gear conflicts.

Apportionments of TACs between shorebased and factory trawl operations will be done in the same manner as is done between DAP and JVP operations. Any reapportionments from shorebased allocations to factory-trawl operations will be done in a timely manner.

DEFINITION

Factory trawler - for purposes of this regulation a factory trawler is defined as any trawl vessel which both catches and freezes or otherwise processes groundfish or any vessel operating outside the baseline which receives fish from other trawl vessels.

A vessel or operation, after receiving its designation as shorebased or factory trawler for purposes of this regulation, may not change its designation or mode of operation without approval from an official oversight board or committee complying with all Alaska and Federal administrative procedures.

JUSTIFICATION

I. SOCIO-ECONOMIC

A. Communities

The recent dramatic increase in factory-trawl effort seriously reduced the economic base of Kodiak this year and is expected to have equally adverse impacts on other coastal communities in the near future.

Though the 60,000 MT pollock TAC was expected to last the Kodiak area shorebased operations until December, the entire TAC was taken by March 25 due to unanticipated intense factory-trawler effort.

The factory trawl fleet was able to take an estimated 70% (100 million pounds) of the TAC in two weeks.

As a result 2,000 processing plant employees are without work. The loss of employment and revenues hurts every segment of the community from shippers and local merchants to municipal budgets.

Without some protection for shorebased operations, this scenario will be repeated in other coastal communities due to increased factory-trawl effort in their vicinities.

Processors and fishermen in many coastal communities spent millions of dollars after the loss of the crab and shrimp fisheries in order to convert to groundfish. For Kodiak, the groundfish industry is just now beginning to replace the revenues and employment lost when the crab and shrimp stocks declined.

In the decision handed down in *State v. F/V Baranof* in 1984 the Alaska Supreme Court wrote "The Magnuson Fishery Conservation and Management Act (FCMA) was enacted in 1976 to protect the United States fishing industry and dependent coastal economies . . ."

In his opening statements at the May 1989 Senate MFCMA Reauthorization hearings in Washington, D.C., Sen. Ted Stevens said the coastal communities and canneries are being left out of the Americanization process.

B. Harvesting Vessels

The joint venture harvesting vessels successfully displaced foreign harvesters and created opportunities for American processors. American processing has replaced joint ventures. However, the pioneer joint venture harvester now finds his shorebased market threatened with elimination by factory-trawlers.

"Americanization hasn't necessarily helped everyone, especially the original joint venture fishermen whose activity enabled the exclusion of the foreign catcher processor vessels," Sen.

COASTAL COALITION - PAGE 3 SHOREBASED PREFERENCE PROPOSAL

Packwood of Oregon commented during the May 1989 Senate reauthorization hearings.

Because the pioneer joint venture fisherman is now dependent on shorebased markets, he faces a bleak future without shorebased preference.

II. CONSERVATION

Conservation of the resource is a primary consideration. A large, mobile fleet of factory trawlers can mass in an area, as they did for the 1988 pollock season in the Central/Western Gulf of Alaska, and harvest fish more rapidly than management can track the harvests.

Roe-stripping, which enables factory trawlers to increase their rate of harvest by processing only the most valuable portion of the fish, is symptomatic of the potential for high-grading and waste of all but the most valuable fish or portions of fish in at-sea operations from pollock carcasses to Dover sole.

In the Kodiak area the 1989 pollock quota was exceeded by 22 million pounds (10,000 MT) due to the unexpected intense factory trawler effort.

This type of rapid, intense fishery fails to distribute effort over the entire stock and may create localized depletions -- which are not only contrary to conservative management, but also very damaging to the economies of local communities.

III. POLICY

With or without this proposal, the over-capitalized factory-trawler fleet (reported by Alaska Factory Trawler Association Ted Evans as currently able to take 85% of the OY) faces financial problems as the fleet continues to increase or if there are declines in groundfish stocks.

It should be noted that there are no restraints on the growth of the factory-trawler fleet, while shorebased operations face many restraints, ranging from limitations on available space and infrastructure to employee shortages and localized lack of resource. Further, the factory-trawler fleet can move to a new area when a quota is depleted, but shorebased operations can only shut down their lines.

The policy call is whether to protect shorebased operations and the harvesting vessels and coastal communities dependent on the shorebased operations or to allow the shorebased plants, vessels and communities to be economically devastated by the factory trawler fleet in its desperate attempts to survive its own over-capitalization.

It is not a question of creating or not creating economic hardships, but of whether to limit the inevitable damage.

WHO WILL BENEFIT

The resource itself if intense fisheries on small segments are eliminated and management agencies are able to have full accountability for the harvested resource;

The thousands of men and women who travel from Washington, Oregon, California and Idaho as well as other states to work in shorebased plants;

The displaced joint venture harvesting vessels from Oregon, Washington, California and Alaska who are now dependent on shorebased markets;

The shippers, suppliers and others who depend on shorebased operations for their businesses;

The coastal communities and their residents; and

Fishermen in other fisheries who are impacted by unmonitored trawl bycatch and who will be impacted if the shorebased trawl harvesting vessels are forced to enter alternative fisheries.

WHO WILL SUFFER

This proposal does not create new problems. It does protect the shorebased operations and the resources on which they depend from the inevitable problems of an over-capitalized factory trawler fleet.

ARE THERE OTHER WAYS TO SOLVE THIS PROBLEM

Since the factory trawler fleet is already overcapitalized, it is too late for any form of limited access.

No other option appears to meet the socio-economic and conservation problems now being faced by the coastal communities and the resource while offering management the flexibility for wise use of the resource.

SIGNATURE SHEET - COASTAL COALITION - PAGE 1
SHOREBASED PREFERENCE PROPOSAL

The undersigned support the Coastal Coalition proposal requesting the North Pacific Fishery Management Council to recommend that shorebased operations be given preference over factory trawlers for groundfish allocations.

Name	Representing	Address	Signature
Alvin R Burch	A. D. A.	Box 991 Kodiak	Alvin R Burch
Oscar Dyrsoy	Peggy Jo	Box 1728	Oscar Dyrsoy
Linda Kozak	KEUOA	Box 135	Linda Kozak
Reed Wasson	Eagle Fisheries	Box 868, Kodiak	Reed Wasson
Stuart Lutton	Kings Crab Inc	Box 2265	Stuart Lutton
Wayne Dally	Cook Inlet Processing	Box 9 Kodiak	Wayne Dally
Jack J. J...	KODIAK ISLAND BOATMEN ASSOCIATION	710 MILLBURN ST. KODIAK, AK.	Jack J. J...
KENNETH M. ALLREAD	WESTERN ALASKA Fisheries	Box 2367 KODIAK AK.	Kenneth M. Allread
DAVID R BOWHAY	URSIN SEAFOODS INC	Box 429 Kodiak	David R Bowhay
DAVID HARVILLE	K.L.W.T. + KEMONDOROS	Box 1578	David Harville
WAYNE A. STEVENS	KODIAK CHAMBER OF COMMERCE	Box 1485	Wayne A. Stevens
Walter E Johnson	Kodiak Retailers Committee	Box 926 Kodiak	Walter E Johnson
Don James	Kodiak Reduction, Inc.	Box 169 Kodiak	Don James
NEIL SHUCKEROW	INTERNATIONAL SEAFOODS	Box 2997	Neil Shuckerow
JAMES MASON	East point seafood co	P.O. Box 1637	James Mason
DAVE WOODRUFF	Alaska Fresh Seafoods	105 Marine Way	Dave Woodruff
John Sener	Alaska Pacific Seafoods	627 Steubert Ave.	John Sener
JEFFREY R. STEPHAN	MARKETING UNITED FISHERMENS ASSOCIATION U.F.M.A.	Box 1035 KODIAK, AK	Jeffrey R. Stephan
Mark Kandianis	Alciance Fishing	PO 3366 Kodiak, A.K.	Mark Kandianis
Chris Blackburn	Alaska Groundfish Boatmen	PO 2298 Kodiak	Chris Blackburn
Charles Hill	Flu Rubber Reddy	P.O. BOX 573. KODIAK, AK	Charles Hill

MEMO

May 26, 1989

To: Dick Tremaine, NPFMC Staff
From: Larry Cotter 
Re: Open Access/Community Quota Concept

At the May 17 Fishery Planning Committee meeting, Chairman Blum requested that I provide you with a written version of the open access/community quota concept I articulated. The following complies with his request. If you have any questions please don't hesitate to contact me.

There are two aspects to the concept: at-sea/community maintenance quotas and community development quotas. The at-sea/community maintenance concept can stand on its own with or without the community development portion.

AT-SEA/COMMUNITY MAINTENANCE QUOTAS

The TAC would be separated into two components: an at-sea component and a community maintenance component. Each component would be allocated a percentage of the TAC.

The at-sea component would include, at the very least, all factory trawlers. Other types of at-sea operations, such as factory longliners, might fit into this category but not necessarily. Very large mother ships designed to operate at-sea might fit into this category as well.

The community maintenance component would include all harvesting-only vessels, shore plants, and most floating processors. Factory longliners might also be included in this category.

The purpose of separating the TAC into two distinct components is to provide stability for those groups. Therefore, to ensure the at-sea component is not able to harvest its portion of the TAC in the same area relied upon by the community maintenance component, it is necessary to establish harvest areas for each component. The easiest way to accomplish this is to define the area within which the at-sea component can operate. The community maintenance component can operate in the remaining areas. Neither component can operate in the other's area.

The TAC is now divided into two groups and fishing areas for the two groups have been defined.

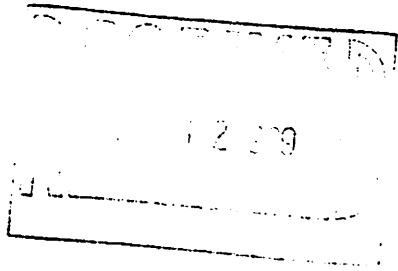
COMMUNITY DEVELOPMENT QUOTAS

In order to address the development needs of specific communities, the following approach might be used:

- 1.) Define the types of communities which might qualify -- not all do. Kodiak, Unalaska, Akutan, Sitka, etc., are communities which have developed and whose needs are addressed through the community maintenance approach outlined above. The Pribilofs are an example of a community which has not developed an industry and should qualify.
- 2.) Identify an amount of the TAC available adjacent to the community which could be used as a development quota. This could come from the community maintenance percentage or from a combination of the community maintenance and the at-sea percentages.
- 3.) The development quota could be used by the community for a defined period of time, not to exceed ____ years. The length of time should be sufficient to accomplish the program, but not unreasonably long; for instance, two to four years.
- 4.) A community seeking a development quota would apply for the quota. The application would include business and other plans to support the request and justify the quota. The length of time requested for the quota does not need to be the maximum length of time a quota could be granted. The quota, if granted, could be leased or otherwise used by the community in accordance with its application. Procedures for auditing the performance of the development plan and use of the quota would be developed.
- 5.) When the program is complete (which will coincide with the end of the allocated development quota), the percentage allocated to the quota will revert back to the component(s) from which it came. The community shall thereafter participate in the community maintenance component outlined above.

ProFish International, Inc.

PROFISH
INTERNATIONAL



June 9, 1989

Mr. John G. Peterson, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Ak 99510

re: Inshore-Offshore Preference

Dear John:

The purpose of this letter is to offer a proposal for consideration by the Council to address the concerns expressed by shoreside interests in Kodiak over the shut down of the Gulf pollock fishery this past spring. While we are certainly concerned that it became necessary to close the Gulf pollock fishery, it must keep in mind that the Gulf pollock closure was not unique. Closures are occurring in other fisheries and they will continue to occur with increasing frequency as more and more boats enter the groundfish fisheries.

It is inappropriate to blame the Kodiak closure on the factory trawlers alone. They had every right to participate in the Gulf pollock fishery as did any other trawler irregardless of where or how their catch was processed. By labeling the factory trawlers as the culprit in this situation, we are losing sight of the real problem, which is too many boats chasing too few fish. As long as nothing is done to control entry into the fisheries under the Council's jurisdiction, we are going to see the Kodiak situation repeated over and over again in other areas, and in other fisheries, whether or not factory trawlers are involved.

The only longterm solution to this problem of shortened seasons as a consequence of excessive fishing effort is to limit entry into all the fisheries under the Council's jurisdiction. This solution becomes more challenging now that there exists a large and growing factory trawler fleet together with the JV fleet and those trawlers delivering shoreside.

Unless something is done immediately to limit fishing effort, the problem will only get worse. Accordingly, in the spirit of forging a longterm solution to this perplexing problem, the attached three-step proposal is offered for consideration by the Council.

Mr. John G. Peterson
June 9, 1989
Page 2

We feel that the adoption of this proposal would form the basis for bringing about a longterm solution to the inshore-offshore controversy. Exempting vessels less than 40 feet from an entry moratorium would address the concerns of many small-boat fishermen from coastal communities who want to preserve their future opportunities to enter the groundfish fisheries. Since the moratorium would only limit new harvesting and offshore processing vessels, it would still allow the shoreside processing sectors to continue growing and provide new markets for the phased-out JV fleet. The inclusion of a buy-back program would make it possible to reduce the factory trawler fleet, while a ban on roe stripping would address the immediate concerns of Kodiak interests regarding the need to slow down the Gulf roe-pollock fishery.

Thank you for your consideration of this proposal. I will be pleased to discuss it in greater detail at the next Council meeting.

Sincerely,



Walter T. Pereyra
Chairman and
Chief Executive Officer

Enclosure

WTP/dv

Proposal to Address Issue of
Inshore-Offshore Preference

- 1) Amend the appropriate Fishery Management Plans for all fisheries under the Council's jurisdiction to establish a moratorium after June 23, 1989 on further entry of harvesting, processing, and harvesting/processing vessels into these fisheries, except that this moratorium would not pertain to:
 - A) Any vessel less than 40 feet in length;
 - B) Any vessel that had been contracted to be purchased, built or rebuilt on or before June 23, 1989, and the contract or other reliable evidence acceptable to the Secretary of Commerce shows that the vessel was contracted to be purchased, built or rebuilt with the intent of operating the vessel in a fishery under the Council's jurisdiction, provided that such a vessel reports catch in that fishery on or before June 1, 1991;
- 2) Establish a properly-funded buy-back program to reduce the number of factory trawlers, and other at-sea processing vessels to an appropriate level;
- 3) Ban pollock roe-stripping by prohibiting the discard of pollock carcasses taken in the directed roe-pollock fishery.

RECEIVED

MAY - 2 1989

Honorable Don Young
 Extension of Remarks
 April 25, 1989

ACTION	ROUTE TO	INITIAL
	Exec. Dir.	
	Deputy Dir.	
	Admin. Off.	S
	Exec. Sec.	
	Staff Asst. 1	
	Staff Asst. 2	
	Staff Asst. 3	
	Economist	
	Sec. / Typist	

A BILL TO SUPPORT THE PRIBILOF ISLANDS

Mr. Speaker, today I am introducing legislation which will ensure that the Congress keeps a promise made to a group of Alaskans.

For those Members not familiar with the history of the Pribilof Islands, let me explain that they are the center of one of the darker parts of U.S. history. The two islands (St. Paul and St. George) are home to approximately 750 individuals, as well as millions of seabirds and marine mammals. These two volcanic rocks were settled in the 18th century when Russian fur traders forced a number of Alaskan Aleuts out of their homes and carried them to the islands so that they could supply seal pelts for the Russian fur market. The Aleuts were kept in slavery until Alaska was sold to the U.S. in 1867. Unfortunately, the term "land of the free" was not applied to the Aleuts; in fact, they continued to be kept in slavery by American merchants and later the U.S. government until the 1960's. By this time, the Aleuts had become virtual wards of the U.S. government, with their only livelihood being the harvest of fur seals, whose pelts were sold under a treaty between the U.S., the U.S.S.R., Japan, and Canada.

In 1983 and 1984, the U.S. government dealt the residents of the Pribilofs another near-fatal blow. First, the Congress passed the Fur Seal Act Amendments of 1983 (P.L. 98-129), which ended federal support of the islands in exchange for a lump sum of money. Although this legislation did not ban the commercial seal harvest, it did seek to establish on the Pribilof Islands "a stable and diversified economy not dependent on commercial fur sealing." The Congress dropped the other shoe in 1984 when the Senate refused to extend the North Pacific Fur Seal Treaty, thus ending commercial sealing. Thus, in a two year period, Congress radically altered a way of life that had existed - for better or worse - for over two hundred years and left a group of American citizens to fend for themselves in the middle of the Bering Sea.

Since that time, the people of St. Paul and St. George have made every effort to continue their lives and comply with the law. Since the Pribilofs are located in the middle of the rich commercial fishing grounds in the Bering Sea, they have worked hard to develop boat harbors and a commercial fishery. Unfortunately, that avenue may also be denied to them.

Recently, the North Pacific Fishery Management Council has begun considering a plan to limit fishing in the Bering Sea in order to conserve fish stocks and prevent what some view as a potential economic collapse of the fishery. If the Council adopts - and the Secretary of Commerce approves - a limited entry plan, then it is very likely that the Pribilof Islands will be excluded, as they have only a limited history in the fishery. Thus, further hopes of economic self-sufficiency may be crushed.

The bill I am introducing today will help to alleviate that problem by granting the Pribilofs a portion of that fishery if a limited entry program goes into effect. This special allocation will be made in recognition of the unique relationship between the Pribilofs and the U.S. government. In order to allow the Aleuts time to become full partners in the fishery, it permits them to transfer the allocation, with certain restrictions, for the first five years that it is in effect. Subsequently, they will have to use the allocation themselves or it will go back into the common pool to be available to all fishermen in the Bering Sea. Again, the bill only applies if a limited entry program goes into effect.

The government of the United States has treated these people cruelly, and they deserve our help. I hope that the members of this body will join with me in correcting a great injustice.

WHAT ARE THE ALTERNATIVES IF PRIBILOF ALEUTS ARE UNABLE
TO ACCESS AND LEVERAGE BERING SEA RESOURCES FOR
ECONOMIC DEVELOPMENT

1. Continued dependence on federal and State handouts, welfare, unemployment and other social programs.
2. Continued loss of young Aleuts and their families to off island employment activity and residency.
3. Increased alcohol and drug abuse sustained depression and related health problems.
4. Extinction of Pribilof Aleut culture and the largest Aleut communities in the world.
5. Loss and/or diminishment of extensive federal and state investment.
6. Probable continued development needs for infrastructure on both islands in times of severe federal budget deficits and State revenue shortages.
7. Loss of active Aleut involvement in ecosystem management in the Bering Sea.
8. NPFMC reports that "there are no known unexploited fisheries resources off Alaska large enough to employ the excess harvesting capacity resulting from future entrants to the fishery." Delaying access by Aleuts will make entry only more difficult at later stages.

**Groundfish Plan Amendment Proposal
North Pacific Fishery Management Council**

1. Name of Proposer. Southwest Alaska Shorebased Processors' Coalition
2. Address. 5303 Shilshole Avenue N.W.
Seattle, Washington 98107
3. Telephone. 206-783-3818
4. Fishery Management Plan. Groundfish fishery of the Bering Sea and Aleutian Islands area.
5. Brief Statement of the Proposal. The proposal would amend the pollock management in the Bering Sea/Aleutian Islands management area as follows:
 - a. Start the pollock harvesting season on a date no earlier than April 1st and no later than on June 1st. This delayed pollock season starting date will reduce the need for factory trawlers to fish near the shoreplants in the Dutch Harbor area.
 - b. Create an in-shore fishery area around Dutch Harbor in which only vessels who deliver to shorebased processors can operate. (The proposed in-shore fishery zone is the area inside of 168° through 163° West longitude, and 56° North latitude south to the Aleutian Islands chain.) This will prevent the factory trawler fleet from removing the fish from the shoreplant's back yard. For purposes of the in-shore fishery area, a processing vessel has to be considered by the State of Alaska Department of Revenue to be a shorebased facility (i.e. not having moved for at least one year) before it qualifies for deliveries from the vessels which harvest pollock in the in-shore zone. All other processing vessels are to be considered at-sea processors and can not process fish harvested in the in-shore fishery area.
 - c. If there is sufficient pollock quota remaining to provide for a fishery during the roe season (January 1st to March 15), the in-shore fishery zone may be opened to at-sea processor fishing effort as well as fishing by vessels making deliveries to shorebased processors. The Council should adopt, however, strict regulations regarding the percentage of the pollock TAC that can be harvested during the roe season.
 - d. Require full utilization (including meal) of all pollock harvested in the in-shore fishery area for delivery to shorebased processors, regardless of the time of year the resource is harvested. We believe that all processors operating in the Bering Sea should be prohibited from stripping pollock roe.
6. Need and Justification for Council Action. The factory trawler fleet can "pulse fish;" creating localized depletions by taking all of the resource from a particular area and then moving on to other fishing grounds. Because shoreplants do not have the ability to move to other locations, the factory trawler fleet can eliminate the

resource in a shoreplant's back yard, thereby destroying the viability of the shorebased processors, and the communities and harvesting vessels which depend on them, without any particular immediate impact on the factory trawler's operation. Enforcement of fishing quotas is difficult given the large, intense fishing effort of the factory trawler fleet. The valuable pollock resource should be more fully utilized, which can be more easily accomplished on-shore. Fishing on spawning schools of pollock should be closely regulated to avoid any chance of damaging future pollock stocks.

7. Foreseeable Impacts of Proposal. When the overall Bering Sea/Aleutian Islands pollock quota is reached, the fishery will close for all participants.
8. Do Alternative Solutions Exist? It is possible to have different solutions to these problems. There could be a preference to the resource given to shorebased processors over at-sea processors. The NPFMC might establish a pollock quota for shorebased processors (in addition to closing areas for factory trawlers around shorebased plants).
9. Supportive Data & Other Information. The Southwest Alaska Shorebased Processors' Coalition will provide relevant data, and can assist gathering data from local Alaska communities, as necessary for further review.

Submitted on behalf of Southwest Alaska Shorebased Processors' Coalition:

Alyeska Seafoods, Inc.
Icicle Seafoods, Inc.
Trident Seafoods Corporation
Unisea, Inc.
Westward Seafoods, Inc.

A. W. BRINDLE
H. A. BRINDLE

RECEIVED
MAR - 8 1989

PROCESSORS OF
CHOICE ALASKA SEAFOOD
SINCE 1912

Wards Cove Packing Company

PHONE (206) 323-3200
TELEX 328759

88 E. HAMLIN STREET
P.O. BOX C-5030
SEATTLE, WA 98105-0030

Day Fax (206) 323-3200 Ext. 258
Night Fax (206) 323-3204

February 27, 1989

North Pacific Fisheries Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Re: Consideration of priority access allocations
of groundfish to shore based processing plants
in the development of alternative management
systems for groundfish.
Scoping Meeting, Seattle WA, February 28, 1989

Gentlemen:

This letter is written in response to the Notice of Scoping Process issued by the Council, which we received February 21, 1989. The stated purpose of the scoping process is to determine the breadth and significance of issues to be analyzed in relation to controlling access to the fisheries.

One such issue which must be included in any consideration of alternative management systems for groundfish is the provision for priority access to groundfish stocks for fishermen delivering their catches to shore plant processing operations in the State of Alaska.

Priority access for shore plants and the development and implementation of a controlled access system are not necessarily interdependent but the two issues will interact and have reciprocal impacts. That is, the priority access issue must be addressed by the Council in the near future whether or not a controlled access system is adopted or open access is continued in the future; and the issues will interact under any of the alternatives.

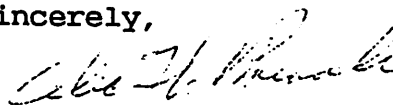
North Pacific Fisheries Management Council
February 27, 1989
Page Two

Time does not allow development of a full discussion of the priority access issue but some of the factors which must be considered are as follows:

1. Species, gear types, tonnages and areas to be considered for priority access;
2. Qualifications required for priority access allocations;
3. Distribution by entity and time of priority access allocations;
4. Socio-economic and political justification for priority access allocations to shore plants.

We are certain that specific proposals for Council action relating to priority access allocations for shore plants will be fully developed and presented to the Council in the near future. However, we urge that this matter also be considered in the analysis of issues relating to controlling access to the fisheries.

Sincerely,



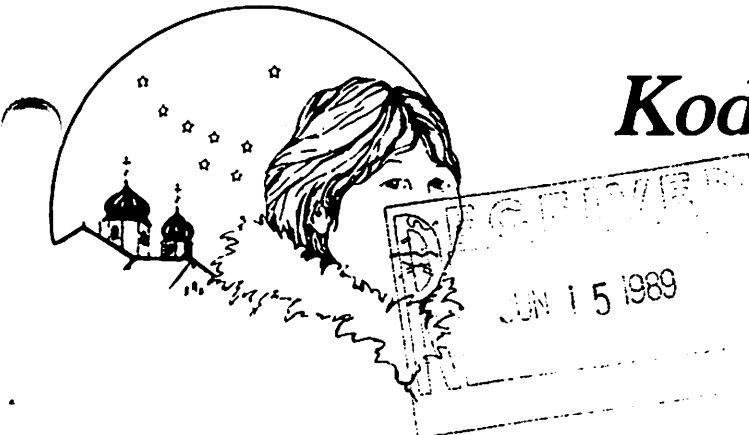
Alec W. Brindle
President

AWB:JRG:kmh

Kodiak Island Borough

710 MILL BAY ROAD
KODIAK, ALASKA 99615-6340
PHONE (907) 486-5736

June 12, 1989



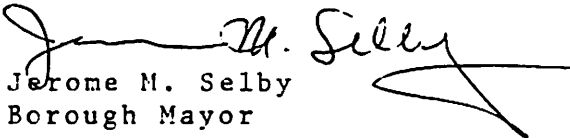
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Dear Council Members:

This letter is in support of the Shorebased Preference Proposal submitted to you by the Coastal Coalition on June 8, 1989. The Coastal Coalition Shorebased Preference Proposal presents a reasonable method to assure the continued economic survival of coastal communities throughout the United States, while also managing the fisheries consistent with the conservation portions of the Magnuson Act. As you know, Kodiak witnessed first hand this year, how a local economy can be virtually shut down by a handful of factory trawlers. This issue is a significant national issue which will determine the fate of coastal communities in America. I would appreciate your conscientious review of this proposal and favorable approval to forward it for public review.

Sincerely,

KODIAK ISLAND BOROUGH


Jerome M. Selby
Borough Mayor

mw

SELBY

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

SHOREBASED PREFERENCE TESTIMONY

June 21, 1989

Good day Mr. Chairman and Members of the Council. My name is Jerome Selby, Mayor of the Kodiak Island Borough and President of the Southwest Alaska Municipal Conference. We are all continuing to work on the most important United States fisheries policy decisions of this decade. These decisions will determine the survival of coastal communities in the United States and will impact the United States economy well into the 21st century. Dependent on these decisions, our children and grandchildren will speak of our wisdom in providing for long term good management and economic strength for the coastal United States; or they will speak of our shallow understanding and inability to set aside short term greed and petty differences to avoid economic and resource management disaster. I am here today to urge your action for economic strength on four specific items. Those items are as follows:

- 1) In June 1989, an additional 36,000 metric ton allocation of pollock for the September to December 1989 time period if the National Marine Fisheries Service and data from the fishing industry supports it.

2) Adoption effective January 1, 1990, of a full-utilization requirement for all pollock, prohibiting roe-stripping only.

3) Adoption effective January 1, 1990, of a mandatory requirement for onboard Domestic Observers.

4) Adoption effective January 1, 1990, of a DAP shorebase processor preference which reserves an adequate allocation for shorebase processors full year operation first and allows any remaining allocation to be processed at sea. A variation which is fully compatible is the 154 mile circle around Unalaska.

Item one, the allocation of additional pollock in the Gulf of Alaska is a decision that you folks must make based on; A) the best scientific information that you have available, B) the consideration of the economic impact of not making that pollock available to the communities, and C) the potential damage to the stock if the scientific information does not support additional catch. This is a relatively straightforward process. I will focus my comments on the other three items which are somewhat interrelated and represent major policy decisions that will impact the future economic health of the United States of America.

The first policy decision you must face is the issue of the full-utilization requirement for pollock. Personally, I don't think this is a hard decision to make. It is not very difficult to justify. Suffice it to say, that stripping the roe from 37,000 metric tons of pollock and throwing the flesh and carcass over the side of the boat in the Gulf of Alaska, and thereby shutting down the economies of the communities of the coast of the Gulf of Alaska is not acceptable. The continued practice of absolute waste of a considerable amount of fish protein going over the side of a boat to muck up the bottom of the Pacific Ocean at a time when world hunger is at an all time high is criminal. In addition, as a Nation we are not very intelligent to continue to waste fish at a time when there is an insufficient resource to keep the shorebase economies operating, processing this very protein. Full-utilization is, in fact, a National issue for the United States, and I urge you folks to set the precedent and turn the policy toward full-utilization of the available fish protein to feed people in the world now. At the same time, this resource provides additional economic opportunity for United States citizens. Full-utilization is a winner for everyone involved, whether it be for hungry people, or for people who need jobs, or for simply improving the economic balance of trade for the United States. There is no down side to full-utilization of any significance and I therefore urge you folks to adopt the policy of full-utilization requirement for all pollock at this time to be effective January 1, 1990.

The second National policy issue facing you is the issue of allocation for shorebased processor preference. This issue has ramifications for the entire United States and it is in the National interest of the United States to have you pursue this policy at this time. Shorebase processor preference is simply a natural extension of the Magnuson Act to its ultimate conclusion and intention. It is very clear from the Magnuson Act that the Legislative intent was to provide for the economic base for shorebase facilities in areas where fisheries were abundant. At the time of the passage of that Act, very little local fishery was taking place because of foreign fishing activity. We have all watched as the application of the Magnuson Act has effectively reduced foreign fisheries and then totally eliminated them except for joint venture fishery. More recently, the joint venture fisheries have been virtually eliminated as the fishery has become totally American. Now we must come to grips with a much harder decision. How do we allocate resources amongst American fishermen? The Magnuson Act is very clear that the intention is to provide an economic base for local communities. The decision before you today is whether it is in fact in the Nation's best interest to provide an economic base for coastal communities throughout Alaska and other states, or is it preferable to turn those communities in the coastal part of the United States into a welfare state with little or no fishing activity which relies on handouts from the United States government for existence. The result of such a decision is a bigger demand on the tax base of an already

troubled Federal system. Should we increase the Federal deficit to pump money to people who could be working in fisheries, but in fact have no jobs because there was no allocation of fishery to the shorebase?

You know that the factory trawlers wiped out and exceeded the pollock quota in March. In addition, since April, the factory trawlers have taken the entire allocation of black cod and rock fish, and I am told the pacific cod will be gone in one month. This means that there are no species left for our canneries this fall. We have watched 17 trawlers load all this resource just outside the Kodiak city limits this spring.

Let me put the situation in perspective for you. The entire capability of the shorebase plants in the City of Kodiak is approximately equivalent to the production capacity of one large factory trawler. The investment in the Kodiak community is in excess of one billion dollars. The same amount of fish which keeps one factory trawler functional drives an economy for a community of 13,000 people as opposed to a few people working on the factory trawler. I asked you two months ago, is it, in fact, in the best interest of the United States to eliminate jobs for a community of 13,000 people in order to allow one factory trawler to continue to float around and harvest resource at various locations? The factory trawler already has an advantage of being mobile and being able to fish in many different areas. In Kodiak this fall, the canneries

will be empty while the factory trawlers float off to another fishery. Our recommendation is simply this, that first, there should be enough allocation to drive the economies of the communities in the area of fishery and then the additional allocation of quota, if it is available, would be available for the floating factory trawlers. I think it is a very simple concept, and I think it is in fact the ultimate intention of the Magnuson Act that this is exactly what would take place. We are talking about jobs for an awful lot more people generated by the same amount of fish product. You can take the example I have just given you for Kodiak Island and you can apply the same situation to Dutch Harbor, Sand Point, and other Alaskan communities such as Bethel, Dillingham, and to communities on the coast of the entire United States. The issue at hand folks is an issue of whether or not it is desirable to provide employment for literally thousands of people on the coast of the United States, thereby providing an economic base to many states. In Alaska, the economy is in a shrinking situation and these fisheries represent an opportunity to keep from turning Alaska into a giant welfare state which drains additional dollars off of the National treasury. Now is the time that we have to make that decision. On the other hand, there is an opportunity of a few hundred jobs, a few surviving factory trawlers which will survive bankruptcy in the next few years because there is just simply not enough product out there to keep everything afloat that is already constructed and/or under construction for processing.

As is always the case, the American fisherman has demonstrated that he is more than capable of going out and eliminating any biomass of fish no matter how huge it begins.

Now, the fourth request that I have made actually supports both of the policy decisions that we are requesting that you make. Again, full-utilization of all pollock and a shorebased allocation preference. The fourth item is a matter of requirement for 100% coverage by domestic observers. We have been before you and have discussed this particular topic several times. There is no way we can get to the management of the fishery without having the accurate data that will allow us to tell how much of any given species is actually being caught. The fact that we allow a catch of 60,000 metric tons during the actual fishery for a particular species, but then allow a great many additional thousands of metric tons to be caught and thrown over the side dead during other fisheries is not management of the fisheries and we all know that here in this room today. I think we all understand at this point that in order to try to maintain a stable supply of fish in any species we have to have the data that we can use to actually manage and make decisions about what the quota should be both for catch and bycatch. The only way we can get there from here folks is by having domestic observers on the boats so the data can be captured on all of the species. We urge you to make that decision here today.

Now I recognize that there are some folks in this room who will oppose our requests. However, I defy anyone in this room or elsewhere to tell me that healthy economies in coastal communities is not in the best interest of the United States. I therefore request the support of those other interests and their cooperation to provide a shorebased preference in a way that is least damaging to their interests instead of opposing National interest.

Throughout the history of the United States, the major turning points in this country as it has grown to world leadership have been marked by the raw courage of a few individuals who were willing to set aside personal interest and face criticism from special interest groups in order to forge a stronger, greater United States of America. The shorebased preference issue is a major turning point issue now. The economic well being of the coastal United States and, indeed, the Nation is at risk. We, the people, need a courageous stand for shorebased preference. I urge you to take that stand today.