

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke  
Executive Director

DATE: June 12, 1997

SUBJECT: Inshore/Offshore 3

ESTIMATED TIME  
6 HOURS

**ACTION REQUIRED**

Finalize problem statement and alternatives for analysis.

**BACKGROUND**

Last December, we scheduled initial discussion of the inshore/offshore pollock allocations for April, noting that the current program sunsets the end of 1998. In April the Council discussed current issues relevant to the allocations and potential elements of a new Problem Statement, and identified a variety of alternative allocation percentages in addition to the 'status quo'. Alternatives also included changes to the definitions of industry sectors, such as motherships, as well as direct allocations to catcher and catcher/processor vessels. The April 1997 newsletter detailed these alternatives and solicited input from the industry regarding the scope of issues, and potential alternatives, for a new analysis, with a notice that the Council intended to finalize the problem statement and alternatives at this meeting.

That newsletter item is reiterated here as Item C-1(a). While there is a wide range of alternatives and options, these can be described in the following five basic forms:

- Alternative 1: No Action- allocations would expire at the end of 1998.
- Alternative 2: Rollover existing allocations- 35% inshore/65% offshore (after 7.5% CDQ allocation).
- Alternative 3: Redefine inshore sector to include 'true motherships', with a variety of alternative allocation percentages to inshore and offshore sectors (after 7.5% CDQ allocation). CVOA in effect for 'A' and 'B' seasons.
- Alternative 4: Three-tier allocation with alternative allocation percentages to inshore, offshore, and true mothership sectors (after 7.5% CDQ allocation). CVOA in effect for 'A' and 'B' seasons.
- Alternative 5: Range of allocation percentages to catcher vessels (CVs) and catcher/processor vessels (CPs), with potential minimum shoreside delivery guarantee.

The scope of the analyses planned for this iteration of inshore/offshore will depend on the final alternatives identified by the Council. Item C-1(b) is a discussion paper which will be the basis for our staff report at this meeting. In this paper we discuss the analyses which have been prepared for earlier iterations of inshore/offshore,

information/data issues as they relate to the earlier analyses as well as the current situation, and other issues as they will relate to the current consideration of this agenda item. We also discuss the pollock CDQ program and how it fits into the overall picture.

Following this report, we will discuss some of the information contained in the report, 'Economic Aspects of the GOA and BSAI Pollock Fisheries' (mailed to you last week). This report was prepared by NMFS-AFSC economists to assist our staff in responding to your information requests from the April meeting.

Item C-1 Supplemental contains written comments received on this issue since April.

# SPECIAL SUPPLEMENT

## BSAI POLLOCK INSHORE-OFFSHORE

and

## CDQ PROGRAM

- **Current BSAI Fishery Inshore-Offshore Provisions**
- **Alternatives Proposed at the April 1997 Council Meeting**
- **Proposed Alternatives Reformatted to Facilitate Analysis**
- **Past, Current, and Proposed Problem Statements**
- **Information Requested by Council**

May 1, 1997

## Current BSAI Inshore-Offshore Provisions

The current provisions for Inshore-Offshore pollock in the BSAI are shown below, and will serve as a reference point for additional proposals and comments.

### Amendment 38 to the Bering Sea and Aleutian Islands Groundfish FMP

1. **Inshore/offshore allocations of pollock:** The allowed harvest of Bering Sea and Aleutians pollock is allocated between the inshore and offshore components of industry in specific shares in order to lessen or resolve resource use conflicts and preemption of one segment of the groundfish industry by another, to promote stability between and within industry sectors and affected communities, and to enhance conservation and management of groundfish and other fish resources.

2. **Definitions:**

Inshore is defined to consist of three components of the industry:

- 1) All shoreside processors as defined in federal regulations.
- 2) All catcher/processors which meet length requirements defined in federal regulations and which have declared themselves to be "Inshore."
- 3) All motherships or floating processors which have declared themselves to be "Inshore."

Offshore is defined to consist of two components of the industry:

- 1) All catcher/processors not included in the inshore processing category, or which have declared themselves to be "Offshore."
- 2) All motherships and floating processing vessels not included in the inshore processing category, or which have declared themselves to be "Offshore."

The Secretary is authorized to suspend the definitions of inshore and offshore as prescribed by federal regulations implementing this FMP to allow for full implementation of the Western Alaska Community Development Quota Program for pollock.

3. **Declarations and operating restrictions:** Annually before operations commence, each mothership, floating processing vessel and catcher/processor vessel must declare on its Federal Permit application whether it will operate in the inshore or offshore component of industry. This declaration must be the same for both the BSAI and the GOA if applications for both are made. All shoreside processors will be in the inshore component. Once declared, a vessel cannot switch to the other component, and will be subject to restrictions on processing amounts or locations for pollock for the rest of the fishing year. Harvesting vessels can choose to deliver their catch to either or both components.

Catcher Processors which have declared themselves to be inshore have the following restrictions:

- 1) The vessel must be less than 125' LOA.
- 2) The vessel may not catch or process more than 126 mt (round weight) of pollock or GOA Pacific cod in combination in a given week of operations.

Motherships and floating processors which have declared themselves to be inshore have the following restriction:

- 1) Processing from a directed pollock fishery or a directed GOA Pacific cod fishery must occur in a single location within the waters of the State of Alaska.

4. **Allocations:** The allowed harvest of BSAI pollock shall be allocated as follows: Thirty five percent (35%) of the pollock in each subarea for each season will be allocated to the inshore component, beginning in 1996 and continuing through 1998. By the same action, the offshore fleet will be allocated 65% of the pollock resource beginning in 1996 and continuing through 1998 in each subarea and in each season. The percentage allocations are made by subarea and period as provided in federal regulations implementing this FMP. All pollock caught as bycatch in other fisheries will be attributed to the sector which processes the remainder of the catch.



5. **Reapportionment of unused allocations:** If during the fishing year it becomes apparent that a component will not process its entire allocation, the anticipated excess shall be released to the other component for that year. This shall have no impact upon the allocation formula.
6. **Western Alaska Community Development Quota:** For a Western Alaska Community Development Quota, 50% of the BSAI pollock reserve (7.5% of TAC) as prescribed in the FMP will be held annually. This held reserve shall be released to communities on the Bering Sea Coast which submit a plan, approved by the Governor of Alaska, for the wise and appropriate use of the released reserve.

The Western Alaska Community Development Quota program will be structured such that the Governor of Alaska is authorized to recommend to the Secretary that a Bering Sea Rim community be designated as an eligible fishing community to receive a portion of the reserve. To be eligible a community must meet specified criteria and have developed a fisheries development plan approved by the Governor of Alaska. The Governor shall develop such recommendations in consultation with the Council. The Governor shall forward any such recommendations to the Secretary, following consultation with the Council. Upon receipt of such recommendations, the Secretary may designate a community as an eligible fishing community and, under the plan, may release appropriate portions of the reserve.

7. **Bering Sea Catcher Vessel Operational Area:** For directed pollock harvesting and processing activities, a catcher vessel operational area (CVOA) shall be defined as inside 167°30' through 163° West longitude, and 56° North latitude south to the Aleutian Islands. The CVOA shall be in effect commencing on the date that the second allowance of pollock is available for directed fishing until the inshore allocation is taken, or the end of the fishing year. Only catcher vessels and Catcher/Processors fishing under the Western Alaska Community Development Quota Program, defined in section 14.4.11.5, may participate in a directed pollock fishery in this area during this period.
8. **Duration:** Inshore-offshore allocations of pollock, the CVOA, and the Western Alaska Community Development Quota program shall cease to be a part of this FMP either (1) at midnight on December 31, 1998; or (2) earlier if replaced with another management regime approved by the Secretary.

### Alternatives Proposed at the April 1997 Council Meeting

The following alternatives were proposed in public comment at the April meeting. It is assumed that existing plan amendment language not specifically addressed by the proposals would remain unchanged.

Alternative 1 - No Action - allocations (including CDQs) expire at end of 1998.

Alternative 2 - Continue current allocations of 35% inshore/65% offshore after a 7.5% allocation to CDQs.

Alternative 3 - Allocation adjustments and redefined inshore component

- Exclusive CVOA in effect for both pollock 'A' and 'B' seasons.
- 7.5% CDQ allocation, off the top.
- "Motherships" would be defined as floating processor vessels that have never caught their own fish while operating within the U.S. EEZ under U.S. flag.
- Motherships would be included within the onshore sector.
- 70% of pollock TAC allocated to catcher vessels delivering to the onshore sector.
- 30% of pollock TAC allocated to factory trawlers.

Alternative 4 - A three-tier allocation adjustment based on the current definitions of inshore and offshore components, as follows:

- Exclusive CVOA in effect for both pollock 'A' and 'B' seasons.
- 7.5% CDQ allocation, off the top.
- 40%-55% of remaining pollock TAC to catcher vessels delivering to the inshore component.
- 13%-15% to catcher vessels delivering to offshore motherships.
- 30%-47% to factory trawlers and catcher vessels delivering to factory trawlers.

Alternative 5 - Analyze a range of percentage allocations of the BSAI pollock TAC (after CDQ deductions) between catcher vessels (CV) and catcher processor vessels (CP). The percentages would be as follows:

<u>Option 1</u>	CV=52%	CP=48% (roughly approximates status quo)
<u>Option 2</u>	CV=55%	CP=45%
<u>Option 3</u>	CV=60%	CP=40%
<u>Option 4</u>	CV=65%	CP=35%

The proposers of Alternative 5 recognize that within the above concept there is a necessity for a minimum shoreside delivery guarantee. Additionally, other check and balances would have to be developed.

### Proposed Alternatives Reformatted to Facilitate Analysis

The Council requested that staff “flesh out” the proposed alternatives and provide additional options which would reflect “reciprocal” or “symmetrical” changes from those proposed at the April meeting. The proposed suite of reformatted alternatives below attempts to capture the alternatives proposed, alternatives reflecting “reciprocal” shifts, and additional alternatives reflecting the “status quo.” Their order of the alternatives reflects the complexity of the changes in the FMP language implied by the alternatives; thus “Reauthorization” is listed as Alternative 1, “No Action” is listed as Alternative 2, and so on.

#### Deriving “Reciprocal” Allocations

In April, after receiving proposals for Inshore-Offshore III, the Council instructed staff to consider those proposals, plus their “reciprocal.” As used throughout this supplement, reciprocal is not simply the reverse of the percentage allocations between the inshore or offshore components. Rather, it is derived and applied in the following context.

All of the proposals received in April would reduce the offshore sector’s allocation of pollock. For example, Alternative 3, Option 1, reformatted below from the proposal submitted by the North Pacific Seafood Coalition, would move motherships to the inshore sector and then allocate 30% of the pollock TAC (after CDQ removal) to the offshore catcher-processor fleet. Compared to the offshore’s 1996 harvest of 55% of the pollock, this would be a  $((55-30)/55)$  or 45.4% reduction in catch. To determine a reciprocal percentage for analysis, this same percentage reduction is applied to the redefined inshore component. Therefore, if the inshore component actually harvested 45% in 1996 as shown for Alternative 3, Option 2, then a 45.5% reduction in the inshore component’s percentage allocation results in the “reciprocal” allocation of 24.53%, rounded to 25% as shown for Alternative 3, Option 3. The offshore percentage allocation is simply the inshore percentage subtracted from 100%.

As a second example, consider Alternative 4 which would allocate a specific percentage to motherships. Option 1 shows one of the resulting permutations: 40% to inshore, 13% to motherships, and 47% to offshore. Because the offshore fleet harvested 55% in 1996 (again, with mothership harvests removed), Option 1 would result in a  $((55-47)/55)$  or 14.6% reduction in that sector’s allocation compared to 1996 performance. Because a specific percentage allocation is made to the mothership sector, deriving the reciprocal is more complicated than shown in the first example above. In this case, the 14.6% “hit” or reduction is first applied to the combined inshore (35%) and mothership (10%) allocations shown in Alternative 4, Option 7. The 14.6% change reduces the combined 45% to 38%, which is then split 29% to the inshore and 9% to mothership sectors, using the same proportion as their allocation percentages shown in Option 1. The inshore and mothership percentages are then subtracted from 100% to calculate the offshore percentage. In this manner, Option 8 becomes the reciprocal of Option 1.

**Alternative 1: Reauthorize existing FMP language for three more years.** The current FMP language would be reauthorized under a new amendment. The only change would occur in Section 8 as shown below.

8. **Duration:** Inshore-offshore allocations of pollock, the CVOA, and the Western Alaska Community Quota program shall cease to be a part of this FMP either (1) at midnight on December 31, 2001; or (2) earlier if replaced with another management regime approved by the Secretary.

*Staff Comment: This alternative is a continuation of the "Status Quo" Three-year Management Regime. Optionally, the Council could choose to lengthen the duration of the program, or make it permanent until replaced. If these options are to be considered, they should be included as specific options for analysis. It should be noted that the Magnuson-Stevens Act does not allow the Council to submit any new IFQ plans until October 1, 2000. If the Council determined that such a follow-on program is appropriate, it probably could not be implemented until January 1, 2002.*

**Alternative 2: No Action.** The current FMP language would be deleted. There would be no specific allocations of pollock to inshore or offshore processors, and the Western Alaska CDQ program for pollock would be eliminated.

*Staff Comment: This alternative is required by law to be included. It would however contradict the Magnuson-Stevens Act in that the Act specifically indicates provisions for a pollock CDQ program. If this alternative were chosen, an additional amendment would be necessary to maintain the pollock CDQ program to comply with the Magnuson-Stevens Act.*

**Alternative 3: Reauthorize existing FMP language for three more years, but change the allocation percentages and assign "True Offshore Motherships" to the Inshore Sector.** This alternative would change the duration language of Section 8, add language to Section 2 (Definitions), and change the language in Section 4 (Allocations) to reflect the new percentage allocations. Proposed and implied changes in the allocation percentages follow the new language of Section 2 shown in the box below.

2. **Definitions**

True Motherships are defined as motherships or floating processors vessels that have never caught their own fish while operating within the U.S. Exclusive Economic Zone under U.S. Flag.

Other Motherships are defined as any vessel acting as a mothership, including catcher/processors taking deliveries from other harvesting vessels, which do not meet the criterion established for "true motherships."

Inshore is defined to consist of three components of the industry:

- 1) All shoreside processors as defined in federal regulations.
- 2) All catcher/processors which meet length requirements defined in federal regulations and which have declared themselves to be "Inshore."
- 3) All true motherships, other motherships, or floating processors which have declared themselves to be "Inshore."

Offshore is defined to consist of two components of the industry:

- 1) All catcher/processors not included in the inshore processing category, or which have declared themselves to be "Offshore."
- 2) All true motherships, other motherships, and floating processing vessels not included in the inshore processing category, or which have declared themselves to be "Offshore."

*Staff Comment: The allocation percentages shown below as Option 1 reflect the allocation as proposed in public comment. The second option reflects the 1996 harvest levels, if the new definitions (as shown above) were in place. In 1996 "true motherships" processed approximately 10% of the non-CDQ pollock. Finally,*

the Council requested that staff calculate and include an additional option reflecting the "reciprocal" of the proposed alternative. This is shown as Option 3, and reflects the change from 1996 harvest levels implied by Option 1.

**Allocation Percentage Options For Alternative 3**

Option	Inshore %	Offshore %	Source of the Option
1	70%	30%	Proposed by North Pacific Seafood Coalition
2	45%	55%	Derived by Staff to reflect the 1996 harvest were the proposed changes to the FMP language in place.
3	25%	75%	"Reciprocal Change" Option as directed by the Council. The inshore % is calculated by dividing the offshore % in option 1 by the offshore % in option 2 above, and multiplying the inshore % in Option 2 by the resulting ratio ( $30\% \div 55\% \times 45\% = 25\%$ ). The offshore % is calculated as follows: ( $100\% - 25\% = 75\%$ ).

**Alternative 4:** Reauthorize existing FMP language for three more years, but change the allocation percentages and define a new sector called "True Motherships" which would receive a separate allocation of the pollock TAC. This alternative would change language in Section 2 (Definitions) and Section 4 (Allocations) to reflect the new percentage allocations and the new "True Mothership" sector for allocations. Other sections of the FMP would change to reflect the additional sector. Section 8 would change to reflect the new sunset date. Proposed and implied changes in the allocation percentages follow the new language of Section 2 and Section 4 are shown in the box below. Proposed allocation percentages follow the changes in the FMP language.

<p><b>2. Definitions</b></p> <p><u>True Motherships</u> are defined as motherships or floating processors vessels that have never caught their own fish while operating within the U.S. Exclusive Economic Zone Under U.S. Flag.</p> <p><u>Other Motherships</u> are defined as any vessel acting as a mothership, including catcher/processors taking deliveries from other harvesting vessels, which do not meet the criterion established for "true motherships."</p> <p><u>Inshore</u> is defined to consist of three components of the industry:</p> <ol style="list-style-type: none"> <li>1) All shoreside processors as defined in federal regulations.</li> <li>2) All catcher/processors which meet length requirements defined in federal regulations and which have declared themselves to be "Inshore."</li> <li>3) Other motherships, or floating processors which have declared themselves to be "Inshore."</li> </ol> <p><u>Offshore</u> is defined to consist of two components the of industry:</p> <ol style="list-style-type: none"> <li>1) All catcher/processors not included in the inshore processing category, or which have declared themselves to be "Offshore."</li> <li>2) Other motherships, and floating processing vessels which have declared themselves to be "Offshore."</li> </ol> <p><b>4. Allocations:</b> The allowed harvest of BSAI pollock shall be allocated as follows: XX% of the pollock in each subarea for each season will be allocated to the inshore component, beginning in 1999 and continuing through 2001. By the same action, the offshore fleet will be allocated YY% of the pollock resource beginning in 1999 and continuing through 2001 in each subarea and in each season. Finally, the true mothership fleet will be allocated ZZ% of the pollock resource beginning in 1999 and continuing through 2001 in each subarea and in each season. The percentage allocations are made by subarea and period as provided in federal regulations implementing this FMP. All pollock caught as bycatch in other fisheries will be attributed to the sector which processes the remainder of the catch.</p>
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*Staff Comment: The allocation percentages shown as Options 1 and 2 in the box below reflect the allocation as proposed in public comment. Options 3-6 reflect the ranges of allocations implied by the proposal. A seventh option reflects the 1996 harvest levels, were the new definitions (as shown above) in place. In 1996 "true motherships" processed approximately 10% of the non-CDQ pollock. Finally, the Council requested that staff calculate and include additional options reflecting the "reciprocals" of the proposed alternatives. These are shown as Option 8-13, and reflect the change from 1996 harvest levels implied by Options 1-7.*

**Allocation Percentage Options for Alternative 4**

Option	% to Inshore	% to True Motherships	% to Offshore	Source Of The Option	
1	40%	13%	47%	Proposed by North Pacific Seafood Coalition.	
2	55%	15%	30%	Proposed by North Pacific Seafood Coalition.	
3	40%	15%	45%	Implied by ranges included in the proposal.	
4	55%	13%	32%	Implied by ranges included in the proposal.	
5	38%	15%	47%	Implied by ranges included in the proposal.	
6	57%	13%	30%	Implied by ranges included in the proposal.	
7	35%	10%	55%	Derived by Staff to reflect the 1996 harvest were the proposed changes to the FMP language in place.	
8	29%	9%	62%	R. of 1	<p>"Reciprocal Change" Options (R.) are included as directed by the Council. These are calculated by dividing the offshore % in Options 1-6 respectively, by the offshore % in Option 7, and multiplying the sum of the inshore % and mothership % in Option 7 by the resulting ratio. The split between inshore and true motherships is calculated by taking the proportion of each in the specific allocation. As an example the splits in Option 8 are calculated as follows:</p> <p>Inshore = <math>(47\% \div 55\%) \times (35\% + 10\%) \div ((40\% \div (40\% + 13\%))) = 29\%</math></p> <p>True MS = <math>(47\% \div 55\%) \times (35\% + 10\%) \div ((13\% \div (40\% + 13\%))) = 9\%</math></p> <p>Offshore = <math>100\% - 29\% - 9\% = 62\%</math></p>
9	19%	5%	75%	R. of 2	
10	27%	10%	63%	R. of 3	
11	21%	5%	74%	R. of 4	
12	28%	11%	62%	R. of 5	
13	20%	5%	75%	R. of 6	

**Alternative 5: Reauthorize existing FMP language for three more years, but change the language to eliminate references to Inshore and Offshore allocations. New language would be included providing for allocations to Catcher Vessels and Catcher Processors with a guaranteed portion of the Catcher Vessel allocation to be delivered to a newly defined Inshore sector. This alternative would allocate specific percentages to be harvested by catcher vessels and catcher processors. Either sector could make deliveries to any processor, except that there would be a minimum delivery guarantee to inshore processors from the catcher vessel allocation. Wholesale changes to the FMP would be made under this alternative, but these are reflected primarily in the revised Sections 2 and 4 as shown below. Allocation options are shown following the changes in the FMP Language. The actual proposal did not include specific percentages for the shoreside guarantee, and therefore,**

the options show a percentage of the catcher vessel harvest which would reflect the amount of the 1996 pollock TAC processed by the inshore sector, i.e, 35% of the non-CDQ pollock in the BSAI.

**2. Definitions**

Catcher Vessels are defined as all vessels permitted to harvest groundfish which are not permitted to act as processing vessels for groundfish.

Catcher Processors are defined as all vessels permitted harvest groundfish which are also permitted to act as processing vessels for groundfish.

Inshore is defined to consist of two components of the industry:

- 1) All shoreside processors as defined in federal regulations.
- 2) Other motherships, or floating processors which have declared themselves to be "Inshore."

4. **Allocations:** The allowed harvest of BSAI pollock shall be allocated as follows: XX% of the pollock resource in each subarea for each season will be allocated to catcher processors, beginning in 1999 and continuing through 2001. By the same action, the catcher vessels will be allocated YY% of the pollock resource beginning in 1999 and continuing through 2001 in each subarea and in each season. From the amount of the pollock resource allocated to catcher vessels, a minimum of ZZ% will be delivered to the inshore component. The percentage allocations are made by subarea and period as provided in federal regulations implementing this FMP. All pollock caught as bycatch in other fisheries will be attributed to the appropriate harvesting sector.

*Staff Comment: The allocation percentages shown as Options 1-3 in the box below reflect the allocation as proposed in public comment. The Council Staff calculated the shoreside guarantee such that 35% of the pollock TAC would be delivered by catcher vessels to the inshore sector. Council staff also included a fourth option which reflects the 1996 harvest levels, were the new definitions (as shown above) in place. In 1996 catcher vessels harvested approximately 51% of the non-CDQ pollock. Finally, the Council requested that staff calculate and include additional options reflecting the "reciprocals" of the proposed alternatives. These are shown as Options 5-7, and reflect the change from 1996 harvest levels implied by Options 1-3.*

Allocation Percentage Options for Alternative 5

Option	% to Catcher Processors	% to Catcher Vessels	% of C.V. Guaranteed for Inshore (35% of TAC)	Source of the Option
1	45%	55%	63%	Proposed by United Catcher Vessels.
2	40%	60%	58%	Proposed by United Catcher Vessels
3	35%	65%	53%	Proposed by United Catcher Vessels
4	49%	51%	68%	Derived by Staff to reflect the 1996 harvest were the proposed changes to the FMP language in place.
5	52%	48%	73%	R. of 1
6	55%	45%	77%	R. of 2
7	57%	43%	81%	R. of 3

*Handwritten note: TACB doesn't want to do this*

*Footnote for Options 5-7: "Reciprocal Change" Options (R.) are included as directed by the Council. These are calculated by dividing the offshore % in Options 1-3 respectively, by the catcher processor % in Option 4, and multiplying the catcher vessel % in Option 4 by the resulting ratio.*

### Past, Current, and Proposed Problem Statements

The Council requested that the following problem statements be included in the newsletter to help focus their June discussions of an appropriate problem statement for Inshore/Offshore III.

#### **Inshore-Offshore I Problem Statement**

The finite availability of fishery resources, combined with current and projected levels of harvesting and processing capacity and the differing capabilities of the inshore and offshore components of the industry, has generated concern for the future ecological, social and economic health of the resource and the industry. These concerns include, but are not limited to, localized depletion of stocks or other behavioral impacts to stocks, shortened seasons, increased waste, harvests which exceed the TAC, and possible preemption of one industry component by another with the attendant social and economic disruption.

Domestic harvesting and processing capacity currently exceeds available fish for all species in the Gulf of Alaska and most species in the Bering Sea. The seafood industry is composed of different geographic, social, and economic components which have differing needs and capabilities including, but not limited to, the inshore and offshore components of the industry.

The Council defines the problems as a resource allocation problem where one industry sector faces the risk of preemption by another. The analysis will evaluate each of the alternatives as to their ability to solve the problem within the context of harvesting/processing capacity exceeding available resources.

The Council will address these problems through the adoption of appropriate management measures to advance the conservation needs of the fishery resources in the North Pacific and to further the economic and social goals of the Act.

#### **Inshore-Offshore II Problem Statement**

The problem to be addressed is the need to maintain stability while the Comprehensive Rationalization Program (CRP) process goes forward. The Council believes that timely development and consideration of a continuing inshore-offshore and pollock CDQ allocation may preserve stability in the groundfish industry, while clearing the way for continuing development of a CRP management system. The industry is in a different state than existed in 1990 as a consequence of many factors outside the scope of the Council process, as well as the inshore-offshore allocation. The Council intends that staff analyze the effects of rapidly reauthorizing an interim inshore-offshore allocation relative to maintaining stability in the industry during the CRP development process, as well as the consequences of not continuing the present allocation. These alternatives are appropriate as they address the problem of maintaining stability. Therefore, the focus of analysis to be done over the next few months should assist the Council to:

- (1) Identify which alternative is least likely to cause further disruption and instability, and thus, increase the opportunity for the Council to accomplish its longer-term goal of CRP management.
- (2) Identify the future trade-offs involved for all impacted sectors presented by the two alternatives.



## DRAFT PROBLEM STATEMENT

(offered by Council Member Pereyra at April 1997 Council meeting)

The problem to be addressed is the need to maintain stability, e.g., no changes in the sector splits, while the Comprehensive Rationalization Program goes forward. The Council believes that a continuing inshore-offshore and CDQ pollock allocation, as was done in 1995 when the inshore-offshore regulations were essentially "rolled over" through 1998, will minimize instability in the groundfish industry, while allowing for continuing development of a CRP management system, including the National Academy of Science's study of individual quotas as mandated by Congress. The groundfish industry is in a different state than existed in 1995 as a consequence of many factors outside the scope of the Council process, such as the ongoing negotiations with Russia over the Bering Sea maritime boundary, as well as the inshore-offshore allocation. Furthermore, the sectors of the Bering Sea pollock fishery are now fairly evenly balanced as evidenced by the time periods required for each sector to take its quota; and beginning in 1998 the discarding of pollock and cod will be prohibited in the groundfish fisheries.

The Council intends that staff analyze the effects of reauthorizing the inshore-offshore allocation relative to maintaining stability in the industry during the CRP development process, as well as the consequences of not continuing the present allocation structure. These alternatives are appropriate as they address the problem of maintaining stability with regard to the sector splits. Therefore, the focus of the analysis to be done over the next year should assist the Council to:

- (1) Identify which alternative is least likely to cause further disruption and instability, and thus increase the opportunity for the Council to accomplish its longer-term goal of CRP management.
- (2) Identify the future trade-offs involved for all impacted sectors presented by the two alternatives.

Council action will be required no later than June of 1998 to keep the program going until the CRP process can be completed. Action by the Council in June would allow for Secretarial review and approval by the start of the 1999 fishing year. No new regulations or infrastructures would be necessary for (continued) implementation of the program under this schedule.

### ALTERNATIVES

Alternative 1: No Action - the current inshore-offshore allocation and the pollock CDQ program would expire at the end of 1998.

Alternative 2: Continuation of the current program, as is, including the CDQ allocation, until replaced by a long-term CRP solution, but with review after five years if the CRP is not completed by that time.

In developing these alternatives, the Council feels that changes to the present allocation program, such as changes in the percentage allocations, would have similar consequences as were identified for the last "roll over" (Amendment 18/23), i.e., (1) require significant new and complex economic analyses, (2) create additional debate over basic management policy by the Council, (3) be inconsistent with their overall intent to deal with the issue on a more long-term, comprehensive basis through CRP, and (4) create unnecessary delays in implementing the continuation. Because of these concerns, and because the Council still intends minimal disruptions to the fishery and processing industry, only two basic alternatives are being considered.

### Information Requested by Council

**A revised Problem Statement, and alternatives for formal analysis, will be decided by the Council at their June meeting in Kodiak for both the GOA and the BSAI.** The Council is encouraging comments on the alternatives and problem statements for their June discussions. The Council notes that when considering and commenting on the proposed alternatives, the public should be aware of discussion points raised by the Council in April, which included the following:

- changes in biomass levels of pollock
- consolidation of effort in some industry sectors
- ownership structures of the industry sectors involved
- changes in delivery patterns for pollock
- current and future stability of the industry
- long-range management considerations for pollock (CRP)

The Council also requested information from staff to facilitate their June discussions. Information which may be provided in June (as available) includes: data and analytical requirements necessary for various proposed alternatives; numbers of vessels, plants, and motherships operating in the pollock fisheries; 'migration' patterns of vessels previously operating in the pollock fisheries, and; recent harvest delivery patterns associated with BSAI pollock fisheries. The industry also is encouraged to document problems and concerns that have arisen as a result of past or current inshore/offshore allocations.

Written public comments on the above should be provided to the Council office by June 9 to be placed in the Council meeting notebooks. There will be time set aside at the Council meeting for further comment. A draft analysis of the alternatives resulting from the June 1997 meeting will be presented to the Council in February 1998 at the earliest. The Council needs to make their final decision by June 1998. Staff contact is Marcus Hartley.

**Discussion Paper**  
**Issues and Analysis for Inshore-Offshore 3**

This discussion paper presents the current thinking of Council staff on the assessment of alternatives for Inshore-Offshore 3. It is divided into the following ten sections, some having appendices:

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## 1 Current Situation and Proposed Alternatives

Inshore-Offshore 2 will sunset in December 1998, a mere 18 months away. Inshore-Offshore 3 will have to be approved by the Council in June 1998 to take effect in 1999. Therefore, a preliminary draft analysis must be available for Council review in February 1998, and the Council must approve a draft for public review at their April 1998 meeting. Thus, there are only about seven months to complete the study. Assuming the latest possible implementation date (01/20/99), then Inshore-Offshore 3 must be submitted to the Secretary of Commerce no later than September 2, 1998, leaving only 70 days after the June 1998 meeting for drafting the Proposed Rule and Preamble, and for internal review by the Region. Clearly there is no room for slippage.

The Gulf of Alaska portion appears non-controversial. Only two options have been discussed: (1) a rollover of the current regulations, and (2) "No Action," whereby the allocation would sunset.

The Bering Sea and Aleutians alternatives proposed thus far, and reordered by Council staff, are described in Item C-1(a). They have five basic forms:

1. Return to unallocated open access; the "No Action" Alternative.
2. Allocations to two processing sectors (inshore & offshore) as currently defined, allocating 35% of the non-CDQ Pollock inshore and 65% offshore.
3. Allocations to two processing sectors, redefining the Inshore sector to include "true motherships." "True Motherships" are motherships or floating processor vessels that have never caught their own fish while operating within the U.S. EEZ under U.S. flag. Proposed inshore allocations are 25%, 45%, or 70%, with the remainder going offshore. In 1996 "true motherships" processed approximately 10% of the non-CDQ pollock TAC.
4. Allocations to three processing sectors (inshore, offshore, and "true motherships"). The inshore sector would be defined as they are currently. The range of inshore allocations goes from a low of 19% to a high of 55%. Proposed allocations to "true motherships" range between 5% and 15%. The offshore sector would be allocated the remaining portions of the non-CDQ TAC.
5. Allocations to catcher vessels and to catcher processors, with an optional minimum shore-side guarantee. Catcher processors would be allocated between 35% and 57%, and catcher vessels between 43% and 65% of the non-CDQ pollock TAC. In 1996 catcher vessels harvested approximately 51%. Of the catcher vessel allocation, between 53% and 81% could be guaranteed to the Inshore sector as currently defined.

Alternatives 2-5 also include a Catcher Vessel Operational Area. To date no changes in the definition of the CVOA have been proposed. There have been proposals to enforce the CVOA in both the A and the B seasons. Currently, the CVOA is only in effect in the B season until such time as the inshore pollock fishery opens.

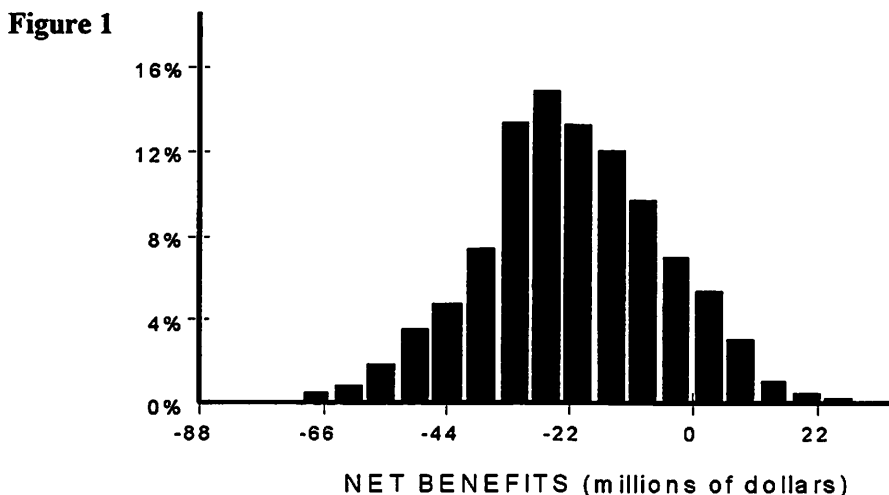
## 2 Assessment for Inshore/Offshore 1

Inshore/Offshore 1 was approved by the Secretary in two phases. Initially, the Secretary approved the GOA, but rejected full approval of the Council's preferred alternative for the BSAI. That alternative was a three-year program which allocated progressively greater amounts of pollock to the inshore sector each year going from 35% in the first year to 55% by the third year. The Secretary of Commerce approved a 35% allocation for the B-Season of 1992, as well as the pollock CDQ program, but asked that the Council resubmit options for allocations beyond 1992.

The original analysis for Amendment 18/23, dated September 19, 1991, included a Social Impact Assessment and detailed cost and revenue profiles for various types of vessels and processors involved in the pollock and Pacific cod fisheries. Cost information was based on an OMB approved survey of the industry prepared and distributed by NMFS-AFSC in summer 1990. It asked for information for 1989 and for partial year information for 1990. (Copies of the survey forms mailed to Catcher Vessels, Catcher Processors, and Shoreside Processors are found in Attachment III, and will be available at the meeting.) This information was the basis of the economic assessment, which largely focused on distributional impacts of the allocation, and featured the Jensen-Radtke Fishery Economic Assessment Model, a disaggregated input/output tool still used today, most recently in the halibut charter issue. This study concluded there would be a net gain in "direct income" of approximately \$9 million over the life of the program.

The controversy surrounding the Council's approval of the original allocation, and the somewhat limited "cost-benefit" analysis included in the original SEIS, led NMFS to embark on an unprecedented "independent" assessment of the alternatives. The NMFS Economics Special Studies Team, a group of economists not directly involved in the fisheries of the North Pacific and led by Dr. Morton Miller, provided the Secretary with a draft report dated February 14, 1992. Their findings (projecting a loss of \$181 million to the nation over the three years of the program) were singularly important in the Secretary's "only partial" approval of the Council's Preferred Alternative. This report and a subsequent final draft, dated April 14, 1992, are available by contacting Council staff. These assessments were primarily "cost-benefit studies." Costs for the Inshore Sector were based on the OMB survey, while costs for the Offshore Sector were based on data submitted during public comment.

Council staff and NMFS economists, including members from the "Special Studies Team", prepared a Supplement to the SEIS following the "only partial" approval of the amendments. This document included a distributional input-output study as found in the original SEIS and a "Cost-Benefit" analysis similar to that found in the "Special Studies Team" report. It attempted to incorporate uncertainty in key parameters such as price, recovery rates, bycatch, discards, and marginal cost indices, by developing two sets of ranges, one set comprising industry input, and the other reflecting the "best estimates" of the analytical team. The ranges of the various parameters were fed into a "Monte Carlo" model. The cost-benefit results of the study projected a loss to the nation of roughly \$35 million over the three-year program. However, the hypothesis that the allocation would be neutral in terms of net-benefits could not be rejected, as roughly 18% of the Monte Carlo outcomes were positive, as shown in Figure 1 below, taken from the Supplementary Analysis of the Proposed Amendment 18.



In the end the Council resubmitted a program which would allocate 35% to the inshore sector in the first year, stepping up to 37.5% in the second and third years. The Secretary approved a 35% allocation for all three years.

### 3 Assessment for Inshore/Offshore 2

Inshore/Offshore 1 was scheduled to expire on December 31, 1996. The Council asked staff to examine a simple rollover of the amendments, though there were discussions in the early development of Inshore-Offshore 2 to include changes in the allocation percentages. The Council was apparently dissuaded from including these options partly as a result of advice from the SSC. The September 1994 SSC minutes read as follows:

“The scope of the socio-economic analysis needed will depend upon (a) the length of the extension, because a longer extension begins to look like a permanent allocation rather than an interim measure, and (b) whether any options are considered besides a simple extension of the existing allocation rules. Consideration of new allocation options (such as different percentages of cod and pollock allocated to onshore processing, or different CDQ percentages) or a long term extension would, in our view re-open the complex issues of social and economic impacts which were extensively examined in the original amendment process.

A more extensive analysis would need to quantitatively assess social and economic impacts and national net benefits of allocation among onshore and offshore sectors, and it would likely need to assess the success of the CDQ program in providing for economic development of Western Alaskan Communities.”

The analysis of Inshore/Offshore 2 (Amendments 38/40) did not re-spade the previous cost-benefit or distributional analyses; rather, it examined the state of the fisheries from 1992-1994. It identified significant changes affecting the overall findings of the previous analysis. Directional changes from the original analyses, and their likely magnitudes, also were identified. Projections were made regarding the likely distributions of fishing and processing activities under two alternatives—expiration or reauthorization of the allocation using the 1993 and 1994 fisheries as a base case.

The analysis also examined other issues identified by the Council including stability within the industry, future trade-offs for affected industry sectors, and potential impacts on the Council's overall Comprehensive Rationalization Program (CRP) development. The pollock CDQ program also was examined, from the perspective of each of the six CDQ organizations' development relative to the overall goals and objectives of the CDQ program created by the Council.

No new cost information was available, so the analysis included no detailed cost profiles, and therefore no quantitative results showing costs and benefits or distributional impacts. Instead, the analysis focused on parameters for which new data were available and qualitatively assessed how these parameter changes might have affected the results of the cost-benefit and distributional studies of Inshore/Offshore 1. The analysis concluded that the losses of net benefits projected in the 1992 Supplemental Analysis were most likely overstated, and that changes in the actual fisheries would tend to move the expected impacts of the original analysis toward a more neutral outcome.

The analysis concluded that the distribution effects also were likely overstated in the original analysis. This finding derived from the fact that prices and therefore revenues were significantly lower than assumed. Lower revenues tend to dampen the magnitude of distributional changes, which are primarily a function of income.

The Council's focus during the reauthorization was on stability, and the assessment concluded the following:

“The existing allocations provide a reasonable assurance to each industry sector involved regarding the amount of fish for harvesting and processing. Business planning is largely affected by these allocations for both inshore and offshore processors and the harvesting vessels delivering to them. The continuation of these allocations for an additional three years was projected to maintain the relationships between these sectors as they had developed over the previous three years. The stability, which had been established between these various industry sectors, would not guarantee survival of entities within these sectors, but would be crucial to the successful fruition of the CRP program over the next three years.”

#### 4 Stock Projections

Previous inshore/offshore assessments assumed that pollock stocks in the Bering Sea were stable and the pollock TACs would remain constant over the allocation period at levels between 1.1 and 1.2 million metric tons. The same assumptions are unlikely to be acceptable for Inshore-Offshore 3.

The Eastern Bering Sea pollock stock biomass has fluctuated in abundance over the last 35 years, from very low levels in the mid-1960s (< 2 million mt.), to a peak of about 12 million mt. in the mid-1980s (Figure 2). The stock has since declined, and the 1997 exploitable biomass is estimated to be 6,120,000 mt. ABC and TAC are set at 1,130,000 mt for 1997.

High stock biomass in the 1980s resulted from consistently good year-classes produced between 1972 and 1984 (Figure 3). More recent year-classes have been below average, except for an abundant 1989 year-class and average 1992 year-class. Without consistently large year-classes, TAC specifications will become more dependent on recruitment. Available recruitment data from U.S. surveys, while uncertain, suggest that the stock may continue to decline in the foreseeable future.

Figure 2

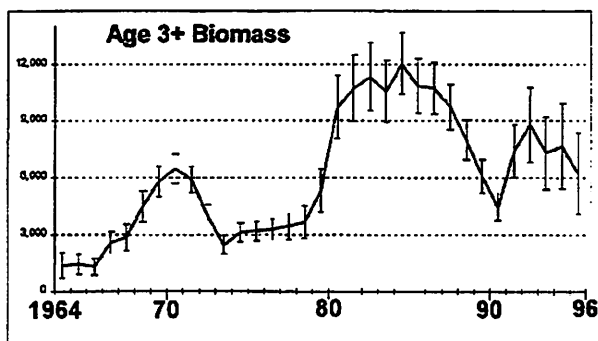
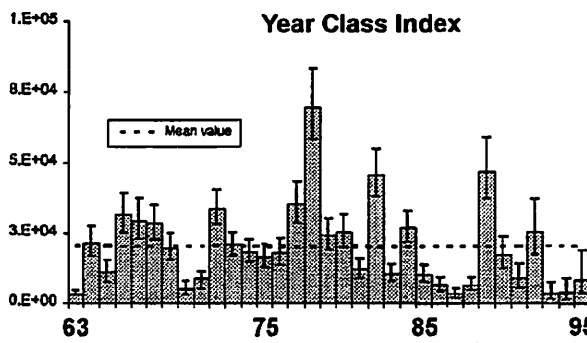


Figure 3



Preliminary data from the 1997 summer survey should be available by September, and should provide some additional indication of the strength of the newest recruits into the fishery, i.e. the 1994 year-class, as well as some indications of the 1996 year-class index. If the 1994 year-class recruits well into the fishery, or if the 1996 year-class shows up in good numbers, then TACs could be relatively stable. Otherwise declines in the TAC would be expected.

If indeed the pollock stocks are less stable than in previous years the importance and impact of the inshore/offshore allocation may be magnified. On the one hand, declining stocks may be used to justify an increase to one or other of the sectors on stability grounds. On the other hand, the instability of the sector receiving a smaller allocation will only be increased if TACs decline significantly.

## 5 Catcher Vessel Operational Area (CVOA)

The proposed alternatives include an option to change current CVOA regulations to exclude catcher processors from operating in the CVOA during the A-season. This would have potential biological and socio-economic impacts.

Catches in the CVOA are not explicitly recorded in the blend data, making estimates of catches within the CVOA somewhat problematic. Management areas 517 and 509 cover most of the CVOA, but large portions of those areas are north of it. In 1996 roughly 70% of the pollock targeted by catcher-processors in the A-season were taken from 517 and 509. Area 513, to the north and west of the CVOA, accounted for an additional 23% of the A-season pollock. In 1997 areas 517 and 509 accounted for 91% of the catcher processors' A-season total, while area 513 accounted for only 3% of their A-season. Figure 4, below, shows the CVOA and its relationship to the Bering Sea Management Zones.

Observer data more accurately show catch locations. Figures 5-8 show haul locations with pollock targets by all vessels in both the A and B seasons for 1995 and 1996. The CVOA boundary is the shaded area superimposed on the map. The figures show the differences in effort inside the CVOA during the A-season compared to the B-season. Clearly the areas in and around the CVOA are important for catcher-processors during the A-season. On the other hand, the CVOA is also a part of the "critical habitat" for Steller sea lions, recently listed as "endangered". Figure 9 shows the overlap of critical habitat area and the CVOA.

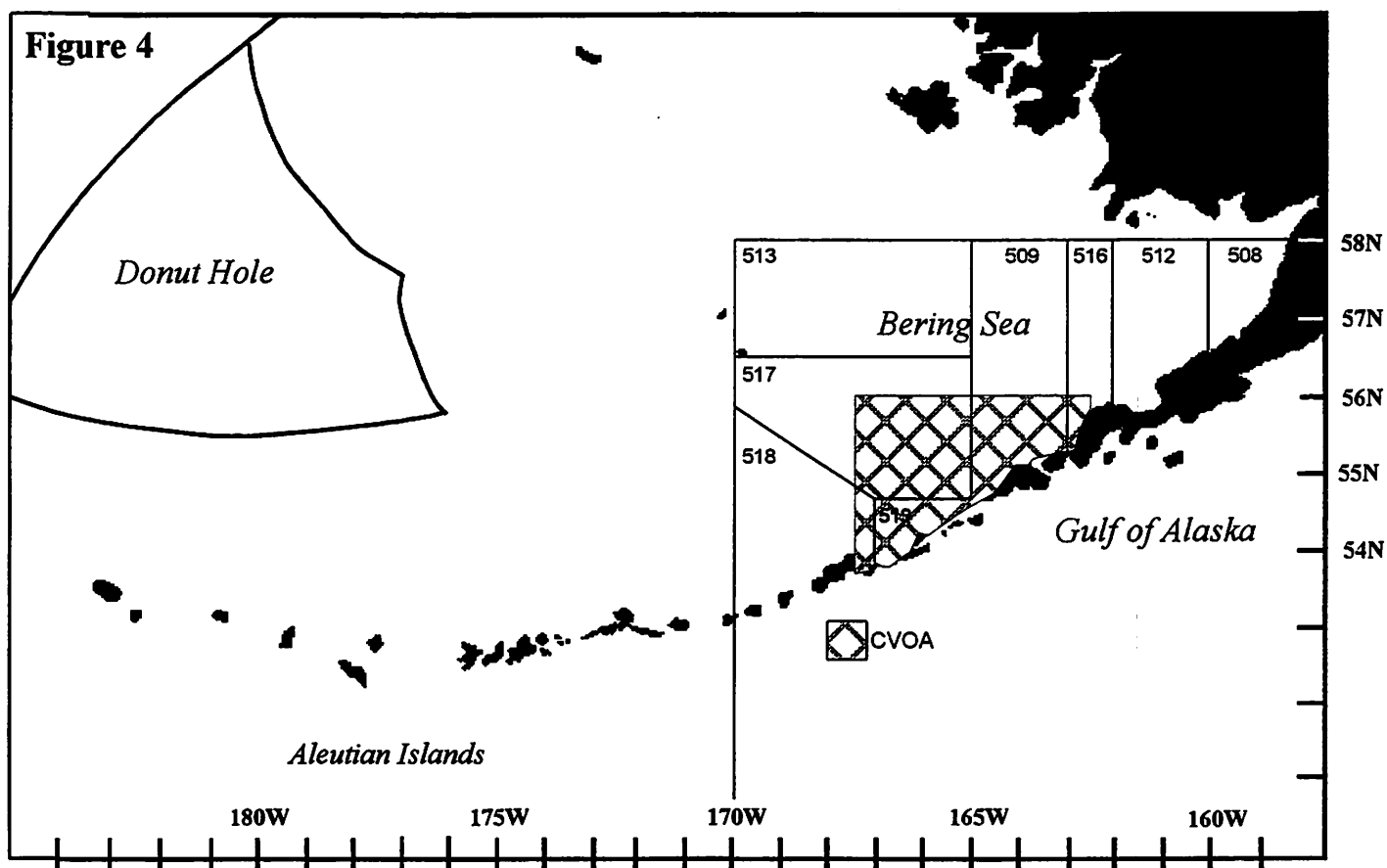




Figure 5

**1995 A-Season  
Pollock Fishery**  
10 and 20 nm trawl exclusion zones  
around Steller sea lion  
rookeries and the CVOA  
are also shown.

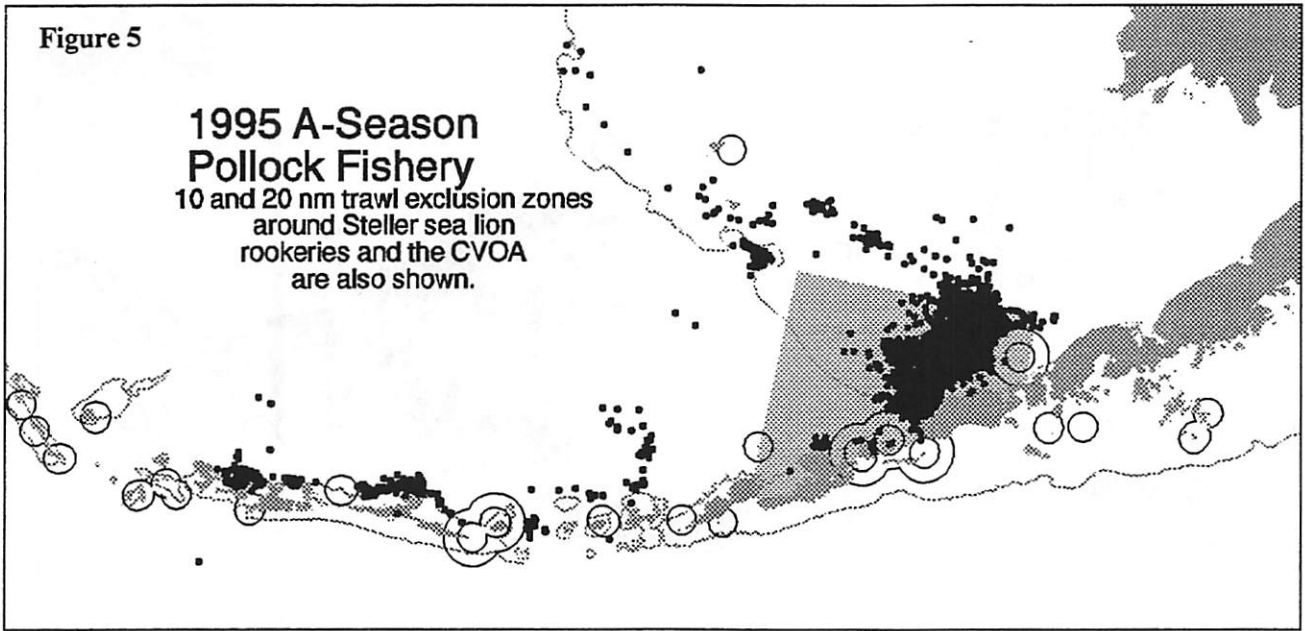


Figure 6

**1995 B-Season  
Pollock Fishery**

EEZ, CVOA, and 10 nm trawl exclusion zones  
around Steller sea lion rookeries are also shown.

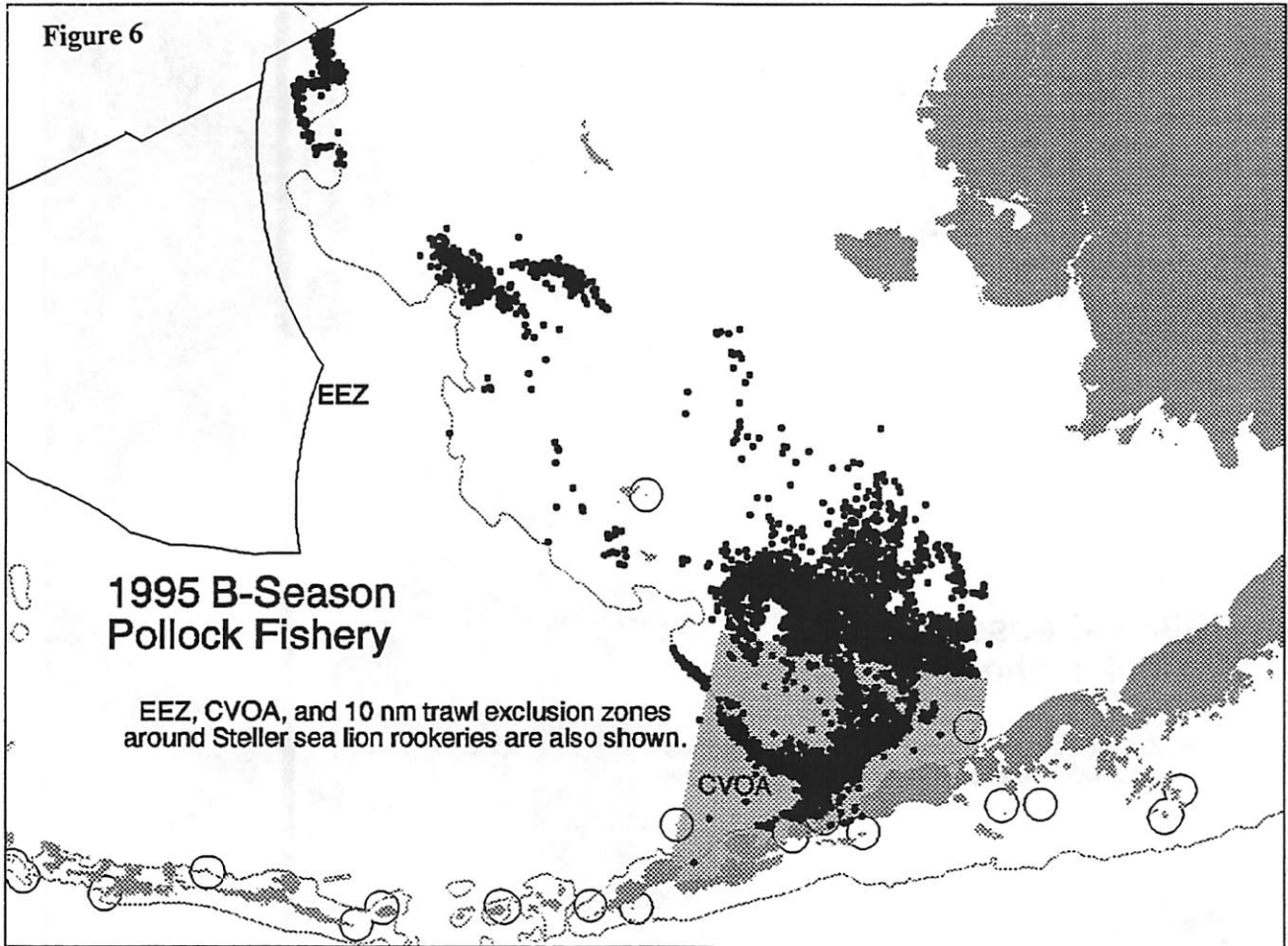


Figure 7

**1996 A-Season  
Pollock Fishery**  
10 and 20 nm trawl exclusion zones  
around Steller sea lion  
rookeries and the CVOA  
are also shown.

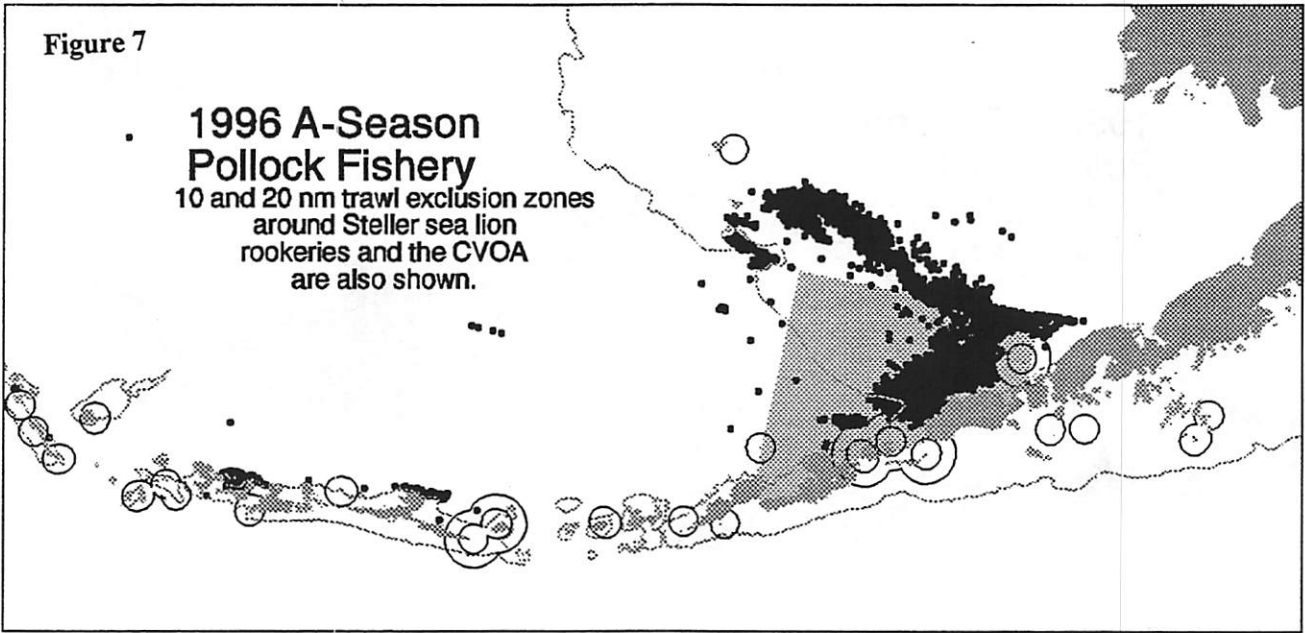


Figure 8

**1996 B-Season  
Pollock Fishery**

EEZ, CVOA, and 10 nm trawl exclusion zones  
around Steller sea lion rookeries are also shown.

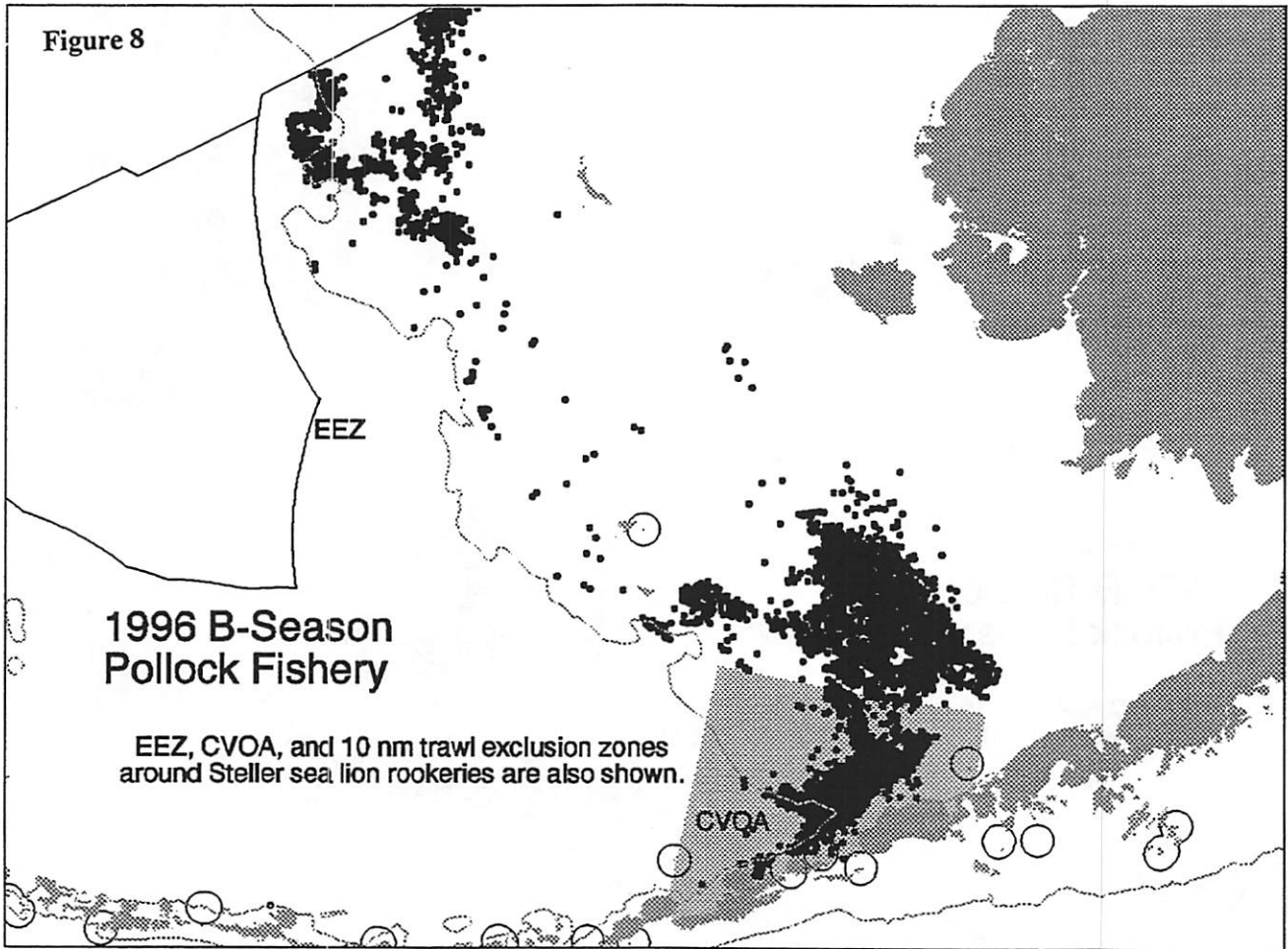
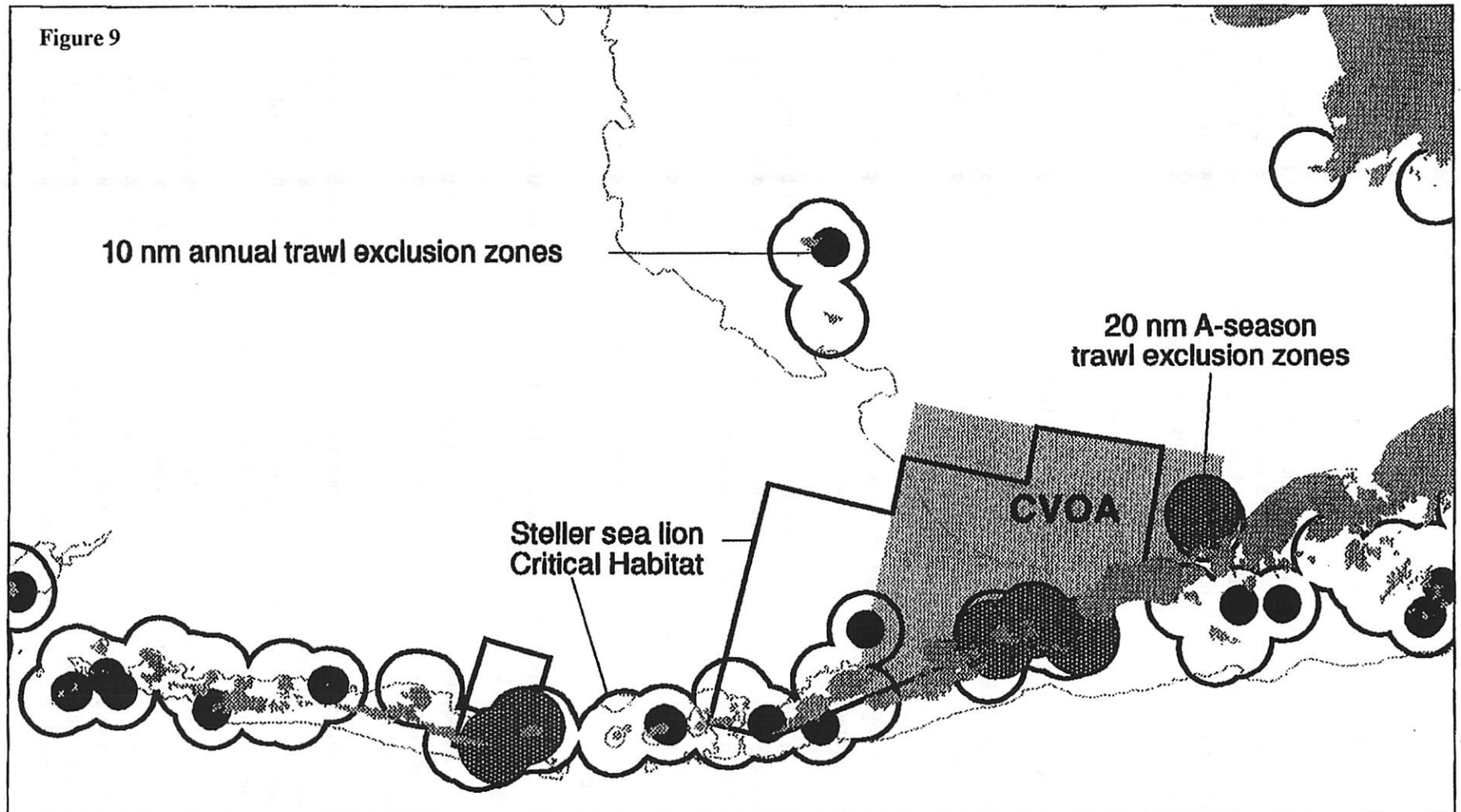


Figure 9



## 6 Pollock CDQs and the Magnusen-Stevens Act

When the Council approved Inshore/Offshore 2 in June 1995, they also approved the License Limitation and the multi-species CDQ programs for groundfish and crab. They explicitly made the pollock CDQ allocation part of the inshore/offshore amendment package that would expire at the end of 1998, and not part of the multi-species CDQ allocation that would commence in 1998. The Magnuson-Stevens Act has been revised to include very specific language pertaining to Western Alaska CDQ allocations. The language from Section 305 is shown in the box below:

(i) ALASKA AND WESTERN PACIFIC COMMUNITY DEVELOPMENT PROGRAMS.--

*(1) (A) The North Pacific Council and the Secretary shall establish a western Alaska community development quota program under which a percentage of the total allowable catch of any Bering Sea fishery is allocated to the program.*

(B) To be eligible to participate in the western Alaska community development quota program under subparagraph (A) a community shall--

(i) be located within 50 nautical miles from the baseline from which the breadth of the territorial sea is measured along the Bering Sea coast from the Bering Strait to the western most of the Aleutian Islands, or on an island within the Bering Sea;

(ii) not be located on the Gulf of Alaska coast of the north Pacific Ocean;

(iii) meet criteria developed by the Governor of Alaska, approved by the Secretary, and published in the Federal Register;

(iv) be certified by the Secretary of the Interior pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) to be a Native village;

(v) consist of residents who conduct more than one-half of their current commercial or subsistence fishing effort in the waters of the Bering Sea or waters surrounding the Aleutian Islands; and

(vi) not have previously developed harvesting or processing capability sufficient to support substantial participation in the groundfish fisheries in the Bering Sea, unless the community can show that the benefits from an approved Community Development Plan would be the only way for the community to realize a return from previous investments.

(C) (i) Prior to October 1, 2001, the North Pacific Council may not submit to the Secretary any fishery management plan, plan amendment, or regulation that allocates to the western Alaska community development quota program a percentage of the total allowable catch of any Bering Sea fishery for which, prior to October 1, 1995, the Council had not approved a percentage of the total allowable catch for allocation to such community development quota program. The expiration of any plan, amendment, or regulation that meets the requirements of

clause (ii) prior to October 1, 2001, shall not be construed to prohibit the Council from submitting a revision or extension of such plan, amendment, or regulation to the Secretary if such revision or extension complies with the other requirements of this paragraph.

(ii) With respect to a fishery management plan, plan amendment, or regulation for a Bering Sea fishery that--

(I) allocates to the western Alaska community development quota program a percentage of the total allowable catch of such fishery; and

(II) *was approved by the North Pacific Council prior to October 1, 1995; the Secretary shall, except as provided in clause (iii) and after approval of such plan, amendment, or regulation under section 304, allocate to the program the percentage of the total allowable catch described in such plan, amendment, or regulation. Prior to October 1, 2001, the percentage submitted by the Council and approved by the Secretary for any such plan, amendment, or regulation shall be no greater than the percentage approved by the Council for such fishery prior to October 1, 1995.*

(iii) The Secretary shall phase in the percentage for community development quotas approved in 1995 by the North Pacific Council for the Bering Sea crab fisheries as follows:

(I) 3.5 percent of the total allowable catch of each such fishery for 1998 shall be allocated to the western Alaska community development quota program;

(II) 5 percent of the total allowable catch of each such fishery for 1999 shall be allocated to the western Alaska community development quota program; and

(III) 7.5 percent of the total allowable catch of each such fishery for 2000 and thereafter shall be allocated to the western Alaska community development quota program, unless the North Pacific Council submits and the Secretary approves a percentage that is no greater than 7.5 percent of the total allowable catch of each such fishery for 2001 or the North Pacific Council submits and the Secretary approves any other percentage on or after October 1, 2001.

(D) *This paragraph shall not be construed to require the North Pacific Council to resubmit, or the Secretary to reapprove, any fishery management plan or plan amendment approved by the North Pacific Council prior to October 1, 1995, that includes a community development quota program, or any regulations to implement such plan or amendment.*

There has been considerable debate among Agency and Council staffs over the issue of whether continuation of the pollock CDQ program is mandated in the above legislative language. Council staff believes that the combined effect of subsections (1)(A), (1)(C)(ii)(II), and (1)(D) (all in italics) is to mandate the continuation of the pollock program at the current level of 7.5%. A counterpoint that has been offered informally by NOA GC is that the clause in (1)(C)(ii)(II):

*"... the Secretary shall, except as provided in clause (iii) and after approval of such plan, amendment, or regulation under section 304,..."*

will require the Council to submit a full blown plan amendment analyzing and demonstrating positive net benefits to the nation of continuation of the pollock CDQ program. Further, NOAA GC has argued that one of the alternatives analyzed must be the no action alternative, i.e., letting the pollock CDQ program expire.

To clarify congressional intent, we researched the congressional record of the legislation. The Senate Commerce Committee report on S. 39, dated May 23, 1996, states on the pages shown in parentheses:

"The North Pacific Council has implemented CDQ programs that set aside about 7.5 percent of the Bering Sea harvests of pollock, halibut and sablefish for 55 villages in western Alaska. In addition, that Council has recommended CDQs in several other major Bering Sea fisheries, including crab. The bill legislatively mandates both current and proposed Bering Sea CDQ programs and authorizes similar programs in the western Pacific. (p. 6)

In June of 1995, the North Pacific Council renewed the pollock CDQ program by unanimous consent (with one abstention)(p. 27)... New section 305(i) of the Magnuson Act would explicitly provide for the western Alaska CDQ programs and combine them in a single program for regulatory efficiency... (p. 28)

New subsection (i) of section 305 of the Magnuson Act would require the North Pacific Council and the Secretary to establish a western Alaska community development program under which a percentage of the total allowable catch of each Bering Sea fishery is allocated to the program. Bering Sea CDQ programs already recommended or submitted by the North Pacific Council would be combined into a single, more efficient western Alaska CDQ program... (p. 28)

This subsection would establish a moratorium through FY 2000 on the submission by the North Pacific Council of a ... western Alaska CDQ program unless the Council had recommended a CDQ allocation in the fishery prior to October 1, 1995. The moratorium therefore would limit the new combined western Alaska CDQ program to the pollock, halibut, sablefish, crab and groundfish fisheries until September 30, 2000. In addition the Secretary would be prohibited during that period from approving or implementing a greater percentage of the total allowable catch of the Bering Sea pollock, ... for the western Alaska CDQ program than the North Pacific Council had already recommended as of September 30, 1995 in those fisheries. The effect of this restriction with respect to pollock would be that North Pacific Council and Secretary would be required to continue to allocate a percentage of pollock to the western Alaska CDQ program, notwithstanding the current expiration date for pollock CDQs, but the Secretary would not be allowed to approve a percentage higher than 7.5 percent for pollock CDQs prior to October 1, 2000. (pp. 28-29)

Senator Stevens' comments on the Senate floor on September 19, 1996, concerning manager's amendments to S. 39, echo the committee report:

#### Pacific Community Fisheries

The amendment requires the North Pacific Council and Secretary to establish a western Alaska community development quota (CDQ) program under which a percentage of the total allowable catch of each Bering Sea fishery is allocated to western Alaska communities that participate in the program. The amendment prevents the North Pacific Council from increasing the percentage of any CDQ allocation approved by the Council prior to October 1, 1995 until after September 30, 2001. The amendment includes a sentence at the end of a new section 305(i) (1)(C)(i) making clear that this cap through September 30, 2001 does not prevent the extension of the pollock CDQ allocation beyond 1996. In complying with the western Alaska CDQ requirement, a percentage of the pollock fishery (and each Bering Sea fishery) must be allocated to the program every year. In the event that the North Pacific Council fails to submit an extension of

In the previous analysis, price and gross revenue projections served as an indicator of directional changes in the projections and distribution of benefits as estimated from 1992 supplemental analysis. Even with accurate estimates of past and current prices, there will still be a great deal of uncertainty regarding future prices. Because of the international nature of the pollock market, forecasts of future prices are particularly troublesome, as they depend not only on demand for product, in both the United States and abroad, but also on the yen/dollar exchange rates, and demand for close substitutes of pollock products. The issue is clouded further by vertical integration within the pollock industry, and the existence of long term marketing arrangements.

## **10 Foreign Ownership and Control**

In Inshore/Offshore 1, estimates of foreign ownership, based on studies by ADFG and the General Accounting Office (GAO), were used to discount producer surplus accruing to the U.S. It was assumed that 75% of offshore producer surplus accrued to U.S. owners, while only 35% of inshore producer surplus accrued to U.S. owners. The remaining quantities "leaked" from the system to foreign nationals. Because the information in the two studies was relatively recent, it was deemed reasonable for use in the inshore/offshore analysis.

More recent comprehensive studies of foreign ownership do not exist. However, some information appears to be available from databases maintained by the states of Alaska and Washington. A quick survey of the State of Alaska Corporations database on the Internet revealed that Japanese ownership of shore plants in Dutch Harbor was extensive. Unfortunately, a similar level of information regarding fishing vessels is not so readily accessible, primarily because fishing and processing vessels tend to be held in limited partnerships rather than in corporations. Complete access to Alaska's corporate database should be available on the Internet this summer. In addition, data on limited partnerships may also be available. Similar data from Washington State apparently are available by obtaining a use license.

In addition to these public sources, we are investigating to possibility of accessing databases on LEXIS-NEXIS. Apparently, this company provides fee-based access to public records including State Corporation Databases, databases reporting bankruptcies, and other financial statements. Other sources of information include fishery trade journals such as "Fishing News International," which in March 1997 printed an extensive article and interview with executives from American Seafoods, the large corporation heavily involved in the factory trawl sector. All of these sources will be accessed to document the extent of foreign ownership and control in the pollock fisheries of Alaska.

## **11 Modeling the Fishery Under the Alternatives**

Council staff has not yet finalized a methodology to project catch and processing by types of various vessel and processors under the various alternatives. Two methods could produce reasonable results. The first is a linear extrapolation model used in Inshore/Offshore 1 and 2. The second is a simulation model developed for the Comprehensive Rationalization Program by Dr. Matt Berman at University of Alaska's Institute of Social and Economic Research, and Council Economist Marcus Hartley. Both models may provide very similar results for the pollock fisheries. The simulation model would likely provide better projections of the impacts of reallocations in other target fisheries such as Pacific cod, and Atka Mackerel, and of the impacts of changes to the CVOA. Both models would use similar inputs for the pollock fishery, but the simulation model would require additional cost, revenue, and operational information for Pacific cod, Atka Mackerel and perhaps other fisheries. The simulation model would also require more detailed bycatch information. An additional consideration is the relative complexity of the two models. The simulation model is much more complex and difficult to explain and understand, while the extrapolation model relies on a relatively straightforward process of linear expansions and contractions.

In either case we anticipate modeling the uncertainty inherent in the parameters, as was done in the 1992 cost-benefit analysis. This will involve assigning probability distributions around key inputs, and employing "Monte Carlo" simulation methodologies to randomly select inputs from the distributions for a large number of iterations. The end results will provide "expected values" for the cost-benefit tradeoff, as well as demonstrate the level of uncertainty around that expected value.

We also anticipate using the Jensen-Radtke Fishery Economic Assessment Model (FEAM) to show distributional impacts. Results from the simulation model or the extrapolation model can be fed into the FEAM. In addition we plan to examine the effects of uncertainty by conducting "Monte Carlo" iterations of the model using random inputs from the same probability distributions mentioned in the previous paragraph.

### 11.1 Who Has Standing in the Accounting of Costs and Benefits to the Nation?

Foreign ownership may be a crucial determinant in the assessment of net benefits. The proper way to deal with foreign ownership and consumption in a cost/benefit analysis is currently under debate. It appears that we are mandated to examine costs/benefits and impacts only as they apply to the U.S. consumers and producers. This would imply that we should not consider impacts on consumer surplus accruing to foreign nationals. Further we would ignore costs and benefits relating to foreign owned producers. Of course the logical extension of this is the elimination of free trade.

On the other hand, economic theory holds that the benefits of free trade outweigh the benefits of trade barriers, leading to the conclusion that the U.S. is best off if the value of the resource is maximized regardless of the nationality of the beneficiaries. Thus we would count all foreign producer and consumer surplus.

Squire and Van Der Tack in "Economic Analysis of Projects" (World Bank, 1976) appear to advise analysts to exclude foreign interests from the assessment of the project:

"The traditional policy of the World Bank and most other lending agencies is to take account of physical externalities, as in the case of international rivers, and expect agreement between the countries concerned on the sharing of water and appropriate compensation for any untoward effects. Thus far, however, it has not normally taken into account external price effects on other countries caused by the projects it finances, and, with some exceptions for multinational projects, it evaluates investment projects from the point of view of the country in which the project is to be undertaken. This means that costs borne by foreign countries or foreign participants in the project, as well as benefits accruing to them, are excluded from the economic analysis of the project". (Emphasis added).

William Trumbull in his article "Who Has Standing In Cost-Benefit Analysis," (JPAM; V.9 No.2; 201-218; 1990), draws the following conclusions.

"Given that cost-benefit analysis is based on the potential Pareto principle, then the methods of the analysis must be consistent with the implications of the principle. I have argued that five implications are helpful in deciding what preferences have standing: (1) only willingness-to-pay measures of value have meaning; (2) the perspective is *ex ante* rather than *ex post*; (3) the results of a cost-benefit analysis must be interpreted within the context of other policy concerns, particularly the distributional consequences of the project; (4) the evaluation has to be consistent with the social, as well as the physical constraints that define the 'welfare space'; and (5) within that welfare space, the preferences of all who are affected by the project must be counted. With these implications, I have argued that future generations must have standing, while current recipients of the benefits of existing programs should not; the gains from criminal acts should not be counted; citizens of other countries have standing; and, certain individuals should not be given less than full standing in order to account for the distributional consequences of a project."



the pollock CDQ in 1998, it is the intent that the Secretary continue to allocate to the western Alaska CDQ program the percentage of pollock approved by the Council for previous years until the Council submits an extension.

The Council retains the ability to revise CDQ allocations, except as provided in the amendment for crab fisheries, provided that the allocations not exceed the levels approved by the Council prior to October 1, 1995 (after September 30, 2001, the Council retains the full ability to revise CDQ allocations). The Secretary is required to phase in the CDQ percentage already approved by the North Pacific Council for the Bering crab fisheries, allocating 3.5 percent in 1998, 5 percent in 1999 and 7.5 percent in 2000 and thereafter, unless the Council submits a percentage no greater than 7.5 percent for 2001 or any other percentage on or after October 1, 2001. CDQ allocations already approved by the Council (pollock, halibut, sablefish, crab and groundfish) do not need to be resubmitted by the Council or reapproved (if already approved) by the Secretary.

From these expressions of Congressional intent, we conclude that the Council does not have the option of letting pollock CDQs expire, but might be able to consider a reduced percentage, though the language is somewhat ambiguous on this latter conclusion. Therefore, the staff needs clear direction from the Council on two issues: (1) the alternatives to be analyzed for pollock CDQs, and (2) the scope of the analysis desired. Based on what we believe are mandates in the Act, and unless otherwise directed by the Council, the staff will include the pollock CDQs at 7.5% without sunset as the only option. The analysis will be very brief. It will dwell mainly on the benefits that have resulted from the current and past pollock CDQ programs. There will not be a comprehensive cost-benefit analysis attempting to show net benefits to the nation. The amendment more-or-less will be viewed as a technical amendment removing the current sunset date.

## **7 Catch and Processing Data**

We anticipate including 1997 data in our analysis, however that will depend on the ability of ADFG to quickly process this year's fish tickets. Catch estimates for past years will be based on a combination of blend data, NORPAC observer data, and ADFG fish ticket data. Because it appears there will be added importance to estimates of catcher vessel participation, we plan on using a catcher vessel catch estimation algorithm similar to that used in the analysis of gear splits in the Pacific Cod fisheries. This algorithm combines blend data with the best estimate of catcher vessel harvests, such that the total catch by catcher vessel is inflated to equal the total catch estimated by the blend data. Processed product estimates for past years will be based on weekly processor reports, and to the extent they are available, on annual operator reports submitted to ADFG. NMFS-AFSC has recently compiled a draft discussion paper showing catch, processing and participation in the BSAI and GOA pollock fisheries. It was included in the council mailing of June 10, 1997.

### **7.1 Confidentiality of Catch and Processing Information**

Data submitted to NMFS and ADFG weekly production reports and fish-tickets are confidential. In addition, all data submitted by observers are confidential. Therefore, we will not be able to discuss amounts of catch and processing accruing to individual companies, unless they voluntarily submit their individual data. This will limit our ability to provide quantitative estimates regarding the concentration of catch and processing within each sector.

## **8 Cost Data Collection and Projections**

The only comprehensive set of cost information for the pollock and Pacific cod fisheries comes from the OMB survey for Inshore/Offshore 1. Several attempts to generate new information have come up short. A quantitative analysis of costs and benefits and distributional impacts will require new cost data from each of the affected sectors.

NMFS-AFSC has recently submitted to OMB a request to conduct a cost data collection, which will serve as a "prototype" for an annual collection process. There will be a 60-day public comment period, followed by a 30-day OMB review. No decision on the acceptability of the process may be made prior to the end of the 30-day OMB review, but a decision must be rendered within the subsequent 30 days. Therefore we may begin collecting cost information as early as 16 August 1997, but more likely sometime in September. It is envisioned that the annual process will provide cost information in a less controversial environment. Unfortunately, the cost information gathered in the initial prototype, which will focus on the pollock fishery, may produce "skewed" results if respondents attempt to influence the outcome of the inshore/offshore decision. A copy of the text of the Federal Register Notice for the cost gathering program is attached.

On June 10, 1997, NMFS and Council staff met with industry representatives to discuss the proposed collection of cost data. In general it appears that industry is willing to work with agency personnel to develop a survey instrument, which will provide meaningful cost data. The representatives also felt inclined to provide more complete information than had been proposed initially. Two areas were discussed in which additional information could be gathered: (1) inclusion of greater detail regarding non-pollock activities of participants in the pollock fisheries, and (2) inclusion of the head and gut factory trawl fleet in the survey. The former would be included to get a more complete profile of the participants in the pollock fishery. The latter would be included because it is deemed likely that they would be impacted by a change in the inshore/offshore allocation. Although they could not make promises, the representatives stated that they believed their colleagues would be willing to support the data collection to OMB, and would likely support additional burden hours in comments to OMB.

There are potential negative implications of expanding the survey. An expansion would increase the burden on industry and the agency, and may actually decrease the ability of the agency to collect the core information on the pollock fisheries. While the benefits of the expanded survey could marginally enhance the analysis, these marginal improvements could very likely be captured in a more qualitative manner.

## **9 Price and Market Projections**

Accurate and comprehensive price data may be more difficult to obtain than in previous iterations of Inshore/Offshore. Price data through 1994 were collected in a cooperative effort between NMFS and ADFG. More recent data have been collected by ADFG alone. The most information available is for 1995, but it appears to be somewhat less reliable than earlier years. ADFG is currently collecting 1996 data which should be available in time for use in the analysis. Other sources of price information may prove useful, such as market newsletters published by various research firms. With the proliferation of the Internet, additional price information may be available. The major problem with alternative sources of price information is that the products rarely match those reported in the weekly processor reports. It may be possible that additional information may be gathered through public comments, or from a survey planned by NMFS-AFSC, which will be discussed in the next agenda item.

An informal survey of respected fishery economists around the country, including Dr. Criddle, Dr. Larson, and Dr. Marasco of the Council's Scientific and Statistical Committee, was conducted to provide insight on this issue. To date, responses have been fairly consistent in expressing the difficulty of the question. In general these six points have emerged:

1. Economists interpret the Magnuson Act national standards to require an examination of costs and benefits as they accrue to domestic consumers and producers only
2. Most economists, however, state that there are benefits to the U.S. from free trade, and that the U.S. actually benefits, albeit indirectly and perhaps not as much, when the ownership of the means of production is foreign rather than domestic.
3. It will be very difficult to gather sufficient information to adequately determine foreign "leakages".
4. There is a belief that there should be a high degree of consistency in the treatment of non-domestic benefits. Thus if we exclude foreign consumers, we should exclude producer surplus accruing to foreign owners.
5. On the other hand there is an argument to exclude foreign consumers, but include the producer surplus accruing to foreign owners of U.S. companies. This argument states that the companies are in fact U.S. companies, and that they are geographically located inside the U.S. Foreign consumers should be excluded because they are geographically located outside the U.S.
6. There are several suggestions to show both effects, i.e., estimate the total change in consumer and producer surplus including surplus accruing to both domestic and foreign entities, and then try to estimate how much might be leaking from the U.S. to foreign consumers and owners.

## 12 Summary Discussion

The previous discussion topics have provided a fairly complete summary of the factors which will influence the analysis. First and foremost, of course, are the Council's problem statement and the alternatives to be studied. These can be broken into three general categories: (1) status quo alternatives leading to a reauthorization of the current regulations; (2) no-action, whereby the current regulations would expire; and (3) changes in the current allocations.

Comprehensive, quantitative analysis of the alternatives will depend on recent cost data. Unfortunately, they have not been adequately updated yet to provide sufficient information for a quantitative distributional or cost-benefit analysis. NMFS-AFSC has initiated an OMB survey request that may provide the needed information.

Unlike the initial reauthorization, the Council will not be able to show progress toward a meaningful market-based allocation system, because of the moratorium on new IFQ programs in the Magnuson-Stevens Act.

Finally, uncertainty regarding the pollock stock appears to be much more pervasive than in earlier analyses.

The following table describes the various parameters involved in the assessment of the previous two inshore/offshore allocation assessments. The first column provides a description of the parameter. Each of the next four columns shows the level of controversy surrounding the parameter and the status of the parameter in terms of data availability and uncertainty during the three assessment periods. The last two columns reflect the parameters under two scenarios: (1) a simple rollover of the existing allocation, and (2) a significant change in the allocations. These of course are value judgements of the Council staff. A set of shorthand codes are employed as follows:

**Shorthand Codes For Controversy and Uncertainty Used in the Table Below**

Item	Code	Definition	Description
1	NP	Not Present	The parameter or issue was not present in the analysis or in allocation issue.
2	NC	Not Controversial	The parameter or issue was not controversial in the analysis or in the allocation issue.
3	C	Controversial	The parameter was controversial in the analysis.
4	HC	Highly Controversial	The parameter was highly controversial.
5	K	Known	Data showing parameter values were known with reasonable certainty.
6	AU	Available with Uncertainty	Data to make parameter estimates were generally available, but there was some uncertainty.
7	U	Unavailable and Uncertain	Some or all of the data were unavailable and there was uncertainty in the assumptions made.
8	HU	Highly Uncertain and Unavailable	Data were generally unavailable and the assumptions made were highly uncertain.

**Controversy and Uncertainty in Parameters Involved in the Three Assessments of Inshore Offshore**

Parameter	Original	Reauthorization	Current	
			Rollover	Change
Pollock TACs	NC, K	NC, K	C, AU	C, AU
Catch	C, AU	NC, K	NC, K	HC, K
Catch Location	C, U	C, AU	NC, AU	C, U
PRR	HC, HU	NC, U	NC, AU	C, AU
Discards	HC, U	NC, U	NC, AU	NC, AU
Utilization Rate	NP, HU	C, AU	NC, AU	HC, U
Cost	HC, AU	NP, U	C, U	HC, U
Current Ex-Vessel Prices	NC, K	NC, K	NC, U	C, U
Future Ex-Vessel Prices	C, U	NC, U	C, U	HC, HU
Current Product Prices	C, U	NC, AU	NC, U	C, U
Future Product Prices	C, HU	NC, AU	C, U	HC, HU
Foreign Control	C, AU	NP, HU	C, U	HC, U
Fish Taxes	C, K	NC, K	NC, U	C, U
Income Taxes	C, U	NP, HU	C, U	HC, HU
Employment	C, U	NP, U	C, AU	HC, U
Community Impacts in AK	HC, HU	NC, U	C, U	HC, HU
Community Impacts in L-48	HC, HU	NC, U	C, U	HC, HU

The table shows, for example, that from the perspective of the Council staff, pollock TACs in Inshore/Offshore 1 were not controversial and were assumed for future years with reasonable certainty. The same was true for Inshore-Offshore 2. However in Inshore/Offshore 3, future pollock TACs are likely to be controversial because of uncertainty surrounding the estimates.

In Inshore/Offshore 1, baseline catch estimates were available, but there was some uncertainty surrounding the estimates. This was because the estimates were based strictly on Weekly Production Reports and Product Recovery Rates (PRRs) which created uncertainty in the baseline catch levels and directly affected the magnitude of the projected changes in catch by sector under different allocations. As a result, NMFS implemented the blend system, which combines observer data and Weekly Production Reports. Thus, in both Inshore/Offshore 2 and 3 catch estimates for a given TAC level are reasonably certain and therefore less controversial.

The location of catches was fairly controversial in Inshore/Offshore 1, primarily because of the level of uncertainty in total catch, as discussed above, and because of the CVOA. Implementation of a CVOA would displace catcher processor effort into other areas. In Inshore-Offshore 2, there was some controversy regarding catch locations because of the eastward shift in the CVOA. In Inshore/Offshore 3 we expect that catch locations will not be controversial in the assessment of a simple reauthorization, but would likely be highly controversial, and much more uncertain in an assessment of a change, assuming that change excluded catcher-processors from the CVOA in the A-season.

As mentioned earlier product recovery rates were very controversial in Inshore/Offshore 1, as they were the basis of catch estimates and the magnitude of the changes under the allocation. In Inshore/Offshore 3 PRRs were almost irrelevant, and would likely be so under a simple rollover under Inshore/Offshore 3. They are likely to be somewhat more controversial and less certain if alternatives with significant changes in the allocation are analyzed. This would result if individual operators shift to less familiar product types such as fillets from surimi production.

Another important parameter is the "utilization rate", defined as the total amount of product divided by the total amount of round fish. This parameter was not really present in the original analysis because of the dependence on PRR for catch estimates. (All of the controversy was in the PRRs.) With independent estimates of catch from blend data, the "utilization rate" becomes a meaningful parameter. Thus it was a somewhat controversial issue in Inshore-Offshore 2, and is likely to be highly controversial if allocations are significantly changed in Inshore/Offshore 3. The controversy and uncertainty would result because estimates would have to be made of the amounts of different product produced under significantly different constraints.

It is apparent that there are some trends in controversy and uncertainty, a parameter being less certain will be more controversial. Uncertainty is usually a result of potentially significant changes in the parameters under the alternatives. For example future product prices are judged to be highly controversial and uncertain in any Inshore/Offshore 3 alternatives which change the allocations, but are projected to be more certain with a simple rollover.

In general we project that the greater the change in the allocation, the more controversial and uncertain the parameters will become. We expect to be able to conduct both a cost-benefit analysis and distributional impact analysis of any of the alternatives, using the best data we have available. However, such projections will be in the form of expected values surrounded by ranges of uncertainty (see Figure 1 on page 3). Concrete point estimates of outcomes under the various alternatives cannot be justified given the magnitude of the potential changes and the level of certainty contained in the data.

## Draft Notice For An Annual Data Collection Program

## I. Abstract

Data on cost, earnings and employment in Bering Sea/Aleutian Islands (BSAI) and Gulf of Alaska (GOA) groundfish fisheries and the Alaska halibut fisheries will be collected from the following four groups: (1) on-shore processors; (2) motherships; (3) catcher/processor vessels; and (4) catcher vessels. Companies associated with these groups will be surveyed for cost, earnings and employment data. In general, questions will be asked concerning ex-vessel and wholesale prices and revenue, variable and fixed costs, dependence on the fisheries, and fishery employment. During the first year of this data collection program, data will be collected for the BSAI pollock fishery. The BSAI pollock fishery data are expected to be used for the following three purposes: (1) to evaluate methods for collecting cost, earnings and employment data on an ongoing basis for the Alaska groundfish and halibut fisheries in order to better assess inter-annual changes in the economic performance of the fishery and the effects of alternative management measures; (2) to allow the North Pacific Fishery Management Council (Council) and the National Marine Fisheries Service (NMFS) to conduct such assessments for the BSAI pollock fishery; and (3) to prepare the Regulatory Impact Review (E.O. 12866) and Regulatory Flexibility Act Review of the BSAI pollock allocation alternatives that the Council and the Secretary of Commerce will consider before the current inshore, offshore and CDQ allocations expire at the end of 1998. As required by law, the confidentiality of the data will be protected.

The ex-vessel and product value of the BSAI pollock fishery in 1995 exceeded \$250 million and \$800 million, respectively. The large scale of many of the harvesting and processing operations and the concentration of ownership in this fishery mean that improved economic data for the management of this fishery is a high priority for the individuals who will provide data for each of the four groups. This is demonstrated by the fact that the associations representing the four groups support this data collection effort and have volunteered to assist in proving the data.

In each subsequent year, the data collection effort will focus on a different component of the groundfish and halibut fisheries and more limited data will be collected for the previously surveyed components of these fisheries. The latter would be done to update the models that will be used to track economic performance and to evaluate the economic effects of alternative management actions. This cycle of data collection will result in cost, earning and employment data being available and updated for all the components of the groundfish and halibut fisheries.

## II. Method of Collection

During the first year, data will be collected from a sample of the owners and operators of catcher vessels and factory trawlers that participate in the BSAI pollock fishery and from the owners of each of the principal on-shore processing plants and motherships that participate in the BSAI pollock fishery. The data are expected to be collected principally by NMFS economists unless funding becomes available to collect some of the data under contract. Questionnaires will be mailed to the selected members of each of the four survey groups and in many cases those individuals will be interviewed to ensure the clarity of their responses. To the extent practicable, the data collected will consist of data that the respondents maintain for their own business purposes. Therefore, the collection burden will consist principally of transcribing data from their internal records to the survey instrument and participating in personal interviews.

In subsequent years, a similar method will be used to collect the same types of information from comparable groups for other components of the groundfish and halibut fisheries and brief questionnaires will be sent to a sample of previous respondents to update that data. Current data reporting requirements will be evaluated to determine if they can be modified to provide improved economic data at a lower cost to respondents and the Agency.

### III. Data

**Affected Public:** Selected harvesters and processors in the Alaska groundfish and halibut fisheries.

**Estimated Number of Respondents First Year:** 45 in total consisting of 20 catcher vessel owners, 15 factory trawler owners, 5 mothership owners, and 5 on-shore processing plant owners.

**Estimated Time Per Response First Year:** 2 hours per catcher vessel and on average 2 catcher vessels per respondent; 5 hours per factory trawler and on average 2 vessels per respondent; and 5 hours per mothership and on-shore processor.

**Estimated Total Annual Burden Hours First Year:** 255 hours

**Estimated Number of Respondents in Subsequent Years:** 60 - 200

**Estimated Time Per Response in Subsequent Years for New Respondents:** 2 hours per catcher vessel per respondent; 5 hours per processing vessel or plant per respondent

**Estimated Time Per Response in Subsequent Years for Previous Respondents:** 1 hour per catcher vessel per respondent; 2 hours per processing vessel or plant per respondent

**Estimated Total Annual Burden Hours Subsequent Years:** 400 - 600 hours

**Estimated Total Annual Cost to Public:** \$0. Respondents will not be required to purchase equipment or materials to respond to this survey.

### IV. Request for Comments

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke  
Executive Director

DATE: June 12, 1997

SUBJECT: Inshore/Offshore 3

ESTIMATED TIME  
6 HOURS

**ACTION REQUIRED**

Finalize problem statement and alternatives for analysis.

**BACKGROUND**

Last December, we scheduled initial discussion of the inshore/offshore pollock allocations for April, noting that the current program sunsets the end of 1998. In April the Council discussed current issues relevant to the allocations and potential elements of a new Problem Statement, and identified a variety of alternative allocation percentages in addition to the 'status quo'. Alternatives also included changes to the definitions of industry sectors, such as motherships, as well as direct allocations to catcher and catcher/processor vessels. The April 1997 newsletter detailed these alternatives and solicited input from the industry regarding the scope of issues, and potential alternatives, for a new analysis, with a notice that the Council intended to finalize the problem statement and alternatives at this meeting.

That newsletter item is reiterated here as Item C-1(a). While there is a wide range of alternatives and options, these can be described in the following five basic forms:

Alternative 1: No Action- allocations would expire at the end of 1998.

Alternative 2: Rollover existing allocations- 35% inshore/65% offshore (after 7.5% CDQ allocation).

Alternative 3: Redefine inshore sector to include 'true motherships', with a variety of alternative allocation percentages to inshore and offshore sectors (after 7.5% CDQ allocation). CVOA in effect for 'A' and 'B' seasons.

Alternative 4: Three-tier allocation with alternative allocation percentages to inshore, offshore, and true mothership sectors (after 7.5% CDQ allocation). CVOA in effect for 'A' and 'B' seasons.

Alternative 5: Range of allocation percentages to catcher vessels (CVs) and catcher/processor vessels (CPs), with potential minimum shoreside delivery guarantee.

The scope of the analyses planned for this iteration of inshore/offshore will depend on the final alternatives identified by the Council. Item C-1(b) is a discussion paper which will be the basis for our staff report at this meeting. In this paper we discuss the analyses which have been prepared for earlier iterations of inshore/offshore,



information/data issues as they relate to the earlier analyses as well as the current situation, and other issues as they will relate to the current consideration of this agenda item. We also discuss the pollock CDQ program and how it fits into the overall picture.

Following this report, we will discuss some of the information contained in the report, 'Economic Aspects of the GOA and BSAI Pollock Fisheries' (mailed to you last week). This report was prepared by NMFS-AFSC economists to assist our staff in responding to your information requests from the April meeting.

Item C-1 Supplemental contains written comments received on this issue since April.

# SPECIAL SUPPLEMENT

## BSAI POLLOCK INSHORE-OFFSHORE

and

## CDQ PROGRAM

- **Current BSAI Fishery Inshore-Offshore Provisions**
- **Alternatives Proposed at the April 1997 Council Meeting**
- **Proposed Alternatives Reformatted to Facilitate Analysis**
- **Past, Current, and Proposed Problem Statements**
- **Information Requested by Council**

May 1, 1997

## Current BSAI Inshore-Offshore Provisions

The current provisions for Inshore-Offshore pollock in the BSAI are shown below, and will serve as a reference point for additional proposals and comments.

### Amendment 38 to the Bering Sea and Aleutian Islands Groundfish FMP

1. **Inshore/offshore allocations of pollock:** The allowed harvest of Bering Sea and Aleutians pollock is allocated between the inshore and offshore components of industry in specific shares in order to lessen or resolve resource use conflicts and preemption of one segment of the groundfish industry by another, to promote stability between and within industry sectors and affected communities, and to enhance conservation and management of groundfish and other fish resources.

2. **Definitions:**

Inshore is defined to consist of three components of the industry:

- 1) All shoreside processors as defined in federal regulations.
- 2) All catcher/processors which meet length requirements defined in federal regulations and which have declared themselves to be "Inshore."
- 3) All motherships or floating processors which have declared themselves to be "Inshore."

Offshore is defined to consist of two components of the industry:

- 1) All catcher/processors not included in the inshore processing category, or which have declared themselves to be "Offshore."
- 2) All motherships and floating processing vessels not included in the inshore processing category, or which have declared themselves to be "Offshore."

The Secretary is authorized to suspend the definitions of inshore and offshore as prescribed by federal regulations implementing this FMP to allow for full implementation of the Western Alaska Community Development Quota Program for pollock.

3. **Declarations and operating restrictions:** Annually before operations commence, each mothership, floating processing vessel and catcher/processor vessel must declare on its Federal Permit application whether it will operate in the inshore or offshore component of industry. This declaration must be the same for both the BSAI and the GOA if applications for both are made. All shoreside processors will be in the inshore component. Once declared, a vessel cannot switch to the other component, and will be subject to restrictions on processing amounts or locations for pollock for the rest of the fishing year. Harvesting vessels can choose to deliver their catch to either or both components.

Catcher Processors which have declared themselves to be inshore have the following restrictions:

- 1) The vessel must be less than 125' LOA.
- 2) The vessel may not catch or process more than 126 mt (round weight) of pollock or GOA Pacific cod in combination in a given week of operations.

Motherships and floating processors which have declared themselves to be inshore have the following restriction:

- 1) Processing from a directed pollock fishery or a directed GOA Pacific cod fishery must occur in a single location within the waters of the State of Alaska.

4. **Allocations:** The allowed harvest of BSAI pollock shall be allocated as follows: Thirty five percent (35%) of the pollock in each subarea for each season will be allocated to the inshore component, beginning in 1996 and continuing through 1998. By the same action, the offshore fleet will be allocated 65% of the pollock resource beginning in 1996 and continuing through 1998 in each subarea and in each season. The percentage allocations are made by subarea and period as provided in federal regulations implementing this FMP. All pollock caught as bycatch in other fisheries will be attributed to the sector which processes the remainder of the catch.

5. **Reapportionment of unused allocations:** If during the fishing year it becomes apparent that a component will not process its entire allocation, the anticipated excess shall be released to the other component for that year. This shall have no impact upon the allocation formula.
6. **Western Alaska Community Development Quota:** For a Western Alaska Community Development Quota, 50% of the BSAI pollock reserve (7.5% of TAC) as prescribed in the FMP will be held annually. This held reserve shall be released to communities on the Bering Sea Coast which submit a plan, approved by the Governor of Alaska, for the wise and appropriate use of the released reserve.

The Western Alaska Community Development Quota program will be structured such that the Governor of Alaska is authorized to recommend to the Secretary that a Bering Sea Rim community be designated as an eligible fishing community to receive a portion of the reserve. To be eligible a community must meet specified criteria and have developed a fisheries development plan approved by the Governor of Alaska. The Governor shall develop such recommendations in consultation with the Council. The Governor shall forward any such recommendations to the Secretary, following consultation with the Council. Upon receipt of such recommendations, the Secretary may designate a community as an eligible fishing community and, under the plan, may release appropriate portions of the reserve.

7. **Bering Sea Catcher Vessel Operational Area:** For directed pollock harvesting and processing activities, a catcher vessel operational area (CVOA) shall be defined as inside 167°30' through 163° West longitude, and 56° North latitude south to the Aleutian Islands. The CVOA shall be in effect commencing on the date that the second allowance of pollock is available for directed fishing until the inshore allocation is taken, or the end of the fishing year. Only catcher vessels and Catcher/Processors fishing under the Western Alaska Community Development Quota Program, defined in section 14.4.11.5, may participate in a directed pollock fishery in this area during this period.
8. **Duration:** Inshore-offshore allocations of pollock, the CVOA, and the Western Alaska Community Development Quota program shall cease to be a part of this FMP either (1) at midnight on December 31, 1998; or (2) earlier if replaced with another management regime approved by the Secretary.

### Alternatives Proposed at the April 1997 Council Meeting

The following alternatives were proposed in public comment at the April meeting. It is assumed that existing plan amendment language not specifically addressed by the proposals would remain unchanged.

Alternative 1 - No Action - allocations (including CDQs) expire at end of 1998.

Alternative 2 - Continue current allocations of 35% inshore/65% offshore after a 7.5% allocation to CDQs.

Alternative 3 - Allocation adjustments and redefined inshore component

- Exclusive CVOA in effect for both pollock 'A' and 'B' seasons.
- 7.5% CDQ allocation, off the top.
- "Motherships" would be defined as floating processor vessels that have never caught their own fish while operating within the U.S. EEZ under U.S. flag.
- Motherships would be included within the onshore sector.
- 70% of pollock TAC allocated to catcher vessels delivering to the onshore sector.
- 30% of pollock TAC allocated to factory trawlers.

Alternative 4 - A three-tier allocation adjustment based on the current definitions of inshore and offshore components, as follows:

- Exclusive CVOA in effect for both pollock 'A' and 'B' seasons.
- 7.5% CDQ allocation, off the top.
- 40%-55% of remaining pollock TAC to catcher vessels delivering to the inshore component.
- 13%-15% to catcher vessels delivering to offshore motherships.
- 30%-47% to factory trawlers and catcher vessels delivering to factory trawlers.

Alternative 5 - Analyze a range of percentage allocations of the BSAI pollock TAC (after CDQ deductions) between catcher vessels (CV) and catcher processor vessels (CP). The percentages would be as follows:

<u>Option 1</u>	CV=52%	CP=48% (roughly approximates status quo)
<u>Option 2</u>	CV=55%	CP=45%
<u>Option 3</u>	CV=60%	CP=40%
<u>Option 4</u>	CV=65%	CP=35%

The proposers of Alternative 5 recognize that within the above concept there is a necessity for a minimum shoreside delivery guarantee. Additionally, other check and balances would have to be developed.

## Proposed Alternatives Reformatted to Facilitate Analysis

The Council requested that staff “flesh out” the proposed alternatives and provide additional options which would reflect “reciprocal” or “symmetrical” changes from those proposed at the April meeting. The proposed suite of reformatted alternatives below attempts to capture the alternatives proposed, alternatives reflecting “reciprocal” shifts, and additional alternatives reflecting the “status quo.” Their order of the alternatives reflects the complexity of the changes in the FMP language implied by the alternatives; thus “Reauthorization” is listed as Alternative 1, “No Action” is listed as Alternative 2, and so on.

### Deriving “Reciprocal” Allocations

In April, after receiving proposals for Inshore-Offshore III, the Council instructed staff to consider those proposals, plus their “reciprocal.” As used throughout this supplement, reciprocal is not simply the reverse of the percentage allocations between the inshore or offshore components. Rather, it is derived and applied in the following context.

All of the proposals received in April would reduce the offshore sector’s allocation of pollock. For example, Alternative 3, Option 1, reformatted below from the proposal submitted by the North Pacific Seafood Coalition, would move motherships to the inshore sector and then allocate 30% of the pollock TAC (after CDQ removal) to the offshore catcher-processor fleet. Compared to the offshore’s 1996 harvest of 55% of the pollock, this would be a  $((55-30)/55)$  or 45.4% reduction in catch. To determine a reciprocal percentage for analysis, this same percentage reduction is applied to the redefined inshore component. Therefore, if the inshore component actually harvested 45% in 1996 as shown for Alternative 3, Option 2, then a 45.5% reduction in the inshore component’s percentage allocation results in the “reciprocal” allocation of 24.53%, rounded to 25% as shown for Alternative 3, Option 3. The offshore percentage allocation is simply the inshore percentage subtracted from 100%.

As a second example, consider Alternative 4 which would allocate a specific percentage to motherships. Option 1 shows one of the resulting permutations: 40% to inshore, 13% to motherships, and 47% to offshore. Because the offshore fleet harvested 55% in 1996 (again, with mothership harvests removed), Option 1 would result in a  $((55-47)/55)$  or 14.6% reduction in that sector’s allocation compared to 1996 performance. Because a specific percentage allocation is made to the mothership sector, deriving the reciprocal is more complicated than shown in the first example above. In this case, the 14.6% “hit” or reduction is first applied to the combined inshore (35%) and mothership (10%) allocations shown in Alternative 4, Option 7. The 14.6% change reduces the combined 45% to 38%, which is then split 29% to the inshore and 9% to mothership sectors, using the same proportion as their allocation percentages shown in Option 1. The inshore and mothership percentages are then subtracted from 100% to calculate the offshore percentage. In this manner, Option 8 becomes the reciprocal of Option 1.

**Alternative 1: Reauthorize existing FMP language for three more years.** The current FMP language would be reauthorized under a new amendment. The only change would occur in Section 8 as shown below.

8. **Duration:** Inshore-offshore allocations of pollock, the CVOA, and the Western Alaska Community Quota program shall cease to be a part of this FMP either (1) at midnight on December 31, 2001; or (2) earlier if replaced with another management regime approved by the Secretary.

*Staff Comment: This alternative is a continuation of the "Status Quo" Three-year Management Regime. Optionally, the Council could choose to lengthen the duration of the program, or make it permanent until replaced. If these options are to be considered, they should be included as specific options for analysis. It should be noted that the Magnuson-Stevens Act does not allow the Council to submit any new IFQ plans until October 1, 2000. If the Council determined that such a follow-on program is appropriate, it probably could not be implemented until January 1, 2002.*

**Alternative 2: No Action.** The current FMP language would be deleted. There would be no specific allocations of pollock to inshore or offshore processors, and the Western Alaska CDQ program for pollock would be eliminated.

*Staff Comment: This alternative is required by law to be included. It would however contradict the Magnuson-Stevens Act in that the Act specifically indicates provisions for a pollock CDQ program. If this alternative were chosen, an additional amendment would be necessary to maintain the pollock CDQ program to comply with the Magnuson-Stevens Act.*

**Alternative 3: Reauthorize existing FMP language for three more years, but change the allocation percentages and assign "True Offshore Motherships" to the Inshore Sector.** This alternative would change the duration language of Section 8, add language to Section 2 (Definitions), and change the language in Section 4 (Allocations) to reflect the new percentage allocations. Proposed and implied changes in the allocation percentages follow the new language of Section 2 shown in the box below.

2. **Definitions**

True Motherships are defined as motherships or floating processors vessels that have never caught their own fish while operating within the U.S. Exclusive Economic Zone under U.S. Flag.

Other Motherships are defined as any vessel acting as a mothership, including catcher/processors taking deliveries from other harvesting vessels, which do not meet the criterion established for "true motherships."

Inshore is defined to consist of three components of the industry:

- 1) All shoreside processors as defined in federal regulations.
- 2) All catcher/processors which meet length requirements defined in federal regulations and which have declared themselves to be "Inshore."
- 3) All true motherships, other motherships, or floating processors which have declared themselves to be "Inshore."

Offshore is defined to consist of two components of the industry:

- 1) All catcher/processors not included in the inshore processing category, or which have declared themselves to be "Offshore."
- 2) All true motherships, other motherships, and floating processing vessels not included in the inshore processing category, or which have declared themselves to be "Offshore."

*Staff Comment: The allocation percentages shown below as Option 1 reflect the allocation as proposed in public comment. The second option reflects the 1996 harvest levels, if the new definitions (as shown above) were in place. In 1996 "true motherships" processed approximately 10% of the non-CDQ pollock. Finally,*

the Council requested that staff calculate and include an additional option reflecting the "reciprocal" of the proposed alternative. This is shown as Option 3, and reflects the change from 1996 harvest levels implied by Option 1.

**Allocation Percentage Options For Alternative 3**

Option	Inshore %	Offshore %	Source of the Option
1	70%	30%	Proposed by North Pacific Seafood Coalition
2	45%	55%	Derived by Staff to reflect the 1996 harvest were the proposed changes to the FMP language in place.
3	25%	75%	"Reciprocal Change" Option as directed by the Council. The inshore % is calculated by dividing the offshore % in option 1 by the offshore % in option 2 above, and multiplying the inshore % in Option 2 by the resulting ratio ( $30\% \div 55\% \times 45\% = 25\%$ ). The offshore % is calculated as follows: ( $100\% - 25\% = 75\%$ ).

**Alternative 4:** Reauthorize existing FMP language for three more years, but change the allocation percentages and define a new sector called "True Motherships" which would receive a separate allocation of the pollock TAC. This alternative would change language in Section 2 (Definitions) and Section 4 (Allocations) to reflect the new percentage allocations and the new "True Mothership" sector for allocations. Other sections of the FMP would change to reflect the additional sector. Section 8 would change to reflect the new sunset date. Proposed and implied changes in the allocation percentages follow the new language of Section 2 and Section 4 are shown in the box below. Proposed allocation percentages follow the changes in the FMP language.

<p><b>2. Definitions</b></p> <p><u>True Motherships</u> are defined as motherships or floating processors vessels that have never caught their own fish while operating within the U.S. Exclusive Economic Zone Under U.S. Flag.</p> <p><u>Other Motherships</u> are defined as any vessel acting as a mothership, including catcher/processors taking deliveries from other harvesting vessels, which do not meet the criterion established for "true motherships."</p> <p><u>Inshore</u> is defined to consist of three components of the industry:</p> <ol style="list-style-type: none"> <li>1) All shoreside processors as defined in federal regulations.</li> <li>2) All catcher/processors which meet length requirements defined in federal regulations and which have declared themselves to be "Inshore."</li> <li>3) Other motherships, or floating processors which have declared themselves to be "Inshore."</li> </ol> <p><u>Offshore</u> is defined to consist of two components the of industry:</p> <ol style="list-style-type: none"> <li>1) All catcher/processors not included in the inshore processing category, or which have declared themselves to be "Offshore."</li> <li>2) Other motherships, and floating processing vessels which have declared themselves to be "Offshore."</li> </ol> <p><b>4. Allocations:</b> The allowed harvest of BSAI pollock shall be allocated as follows: XX% of the pollock in each subarea for each season will be allocated to the inshore component, beginning in 1999 and continuing through 2001. By the same action, the offshore fleet will be allocated YY% of the pollock resource beginning in 1999 and continuing through 2001 in each subarea and in each season. Finally, the true mothership fleet will be allocated ZZ% of the pollock resource beginning in 1999 and continuing through 2001 in each subarea and in each season. The percentage allocations are made by subarea and period as provided in federal regulations implementing this FMP. All pollock caught as bycatch in other fisheries will be attributed to the sector which processes the remainder of the catch.</p>
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*Staff Comment: The allocation percentages shown as Options 1 and 2 in the box below reflect the allocation as proposed in public comment. Options 3-6 reflect the ranges of allocations implied by the proposal. A seventh option reflects the 1996 harvest levels, were the new definitions (as shown above) in place. In 1996 "true motherships" processed approximately 10% of the non-CDQ pollock. Finally, the Council requested that staff calculate and include additional options reflecting the "reciprocals" of the proposed alternatives. These are shown as Option 8-13, and reflect the change from 1996 harvest levels implied by Options 1-7.*

**Allocation Percentage Options for Alternative 4**

Option	% to Inshore	% to True Motherships	% to Offshore	Source Of The Option
1	40%	13%	47%	Proposed by North Pacific Seafood Coalition.
2	55%	15%	30%	Proposed by North Pacific Seafood Coalition.
3	40%	15%	45%	Implied by ranges included in the proposal.
4	55%	13%	32%	Implied by ranges included in the proposal.
5	38%	15%	47%	Implied by ranges included in the proposal.
6	57%	13%	30%	Implied by ranges included in the proposal.
7	35%	10%	55%	Derived by Staff to reflect the 1996 harvest were the proposed changes to the FMP language in place.
8	29%	9%	62%	R. of 1
9	19%	5%	75%	R. of 2
10	27%	10%	63%	R. of 3
11	21%	5%	74%	R. of 4
12	28%	11%	62%	R. of 5
13	20%	5%	75%	R. of 6

“Reciprocal Change” Options (R.) are included as directed by the Council. These are calculated by dividing the offshore % in Options 1-6 respectively, by the offshore % in Option 7, and multiplying the sum of the inshore % and mothership % in Option 7 by the resulting ratio. The split between inshore and true motherships is calculated by taking the proportion of each in the specific allocation. As an example the splits in Option 8 are calculated as follows:

Inshore =  $(47\% \div 55\%) \times (35\% + 10\%) \div ((40\% \div (40\% + 13\%))) = 29\%$

True MS =  $(47\% \div 55\%) \times (35\% + 10\%) \div ((13\% \div (40\% + 13\%))) = 9\%$

Offshore =  $100\% - 29\% - 9\% = 62\%$

**Alternative 5: Reauthorize existing FMP language for three more years, but change the language to eliminate references to Inshore and Offshore allocations. New language would be included providing for allocations to Catcher Vessels and Catcher Processors with a guaranteed portion of the Catcher Vessel allocation to be delivered to a newly defined Inshore sector. This alternative would allocate specific percentages to be harvested by catcher vessels and catcher processors. Either sector could make deliveries to any processor, except that there would be a minimum delivery guarantee to inshore processors from the catcher vessel allocation. Wholesale changes to the FMP would be made under this alternative, but these are reflected primarily in the revised Sections 2 and 4 as shown below. Allocation options are shown following the changes in the FMP Language. The actual proposal did not include specific percentages for the shoreside guarantee, and therefore,**

the options show a percentage of the catcher vessel harvest which would reflect the amount of the 1996 pollock TAC processed by the inshore sector, i.e., 35% of the non-CDQ pollock in the BSAI.

**2. Definitions**

Catcher Vessels are defined as all vessels permitted to harvest groundfish which are not permitted to act as processing vessels for groundfish.

Catcher Processors are defined as all vessels permitted harvest groundfish which are also permitted to act as processing vessels for groundfish.

Inshore is defined to consist of two components of the industry:

- 1) All shoreside processors as defined in federal regulations.
- 2) Other motherships, or floating processors which have declared themselves to be "Inshore."

4. **Allocations:** The allowed harvest of BSAI pollock shall be allocated as follows: XX% of the pollock resource in each subarea for each season will be allocated to catcher processors, beginning in 1999 and continuing through 2001. By the same action, the catcher vessels will be allocated YY% of the pollock resource beginning in 1999 and continuing through 2001 in each subarea and in each season. From the amount of the pollock resource allocated to catcher vessels, a minimum of ZZ% will be delivered to the inshore component. The percentage allocations are made by subarea and period as provided in federal regulations implementing this FMP. All pollock caught as bycatch in other fisheries will be attributed to the appropriate harvesting sector.

*Staff Comment: The allocation percentages shown as Options 1-3 in the box below reflect the allocation as proposed in public comment. The Council Staff calculated the shoreside guarantee such that 35% of the pollock TAC would be delivered by catcher vessels to the inshore sector. Council staff also included a fourth option which reflects the 1996 harvest levels, were the new definitions (as shown above) in place. In 1996 catcher vessels harvested approximately 51% of the non-CDQ pollock. Finally, the Council requested that staff calculate and include additional options reflecting the "reciprocals" of the proposed alternatives. These are shown as Options 5-7, and reflect the change from 1996 harvest levels implied by Options 1-3.*

**Allocation Percentage Options for Alternative 5**

Option	% to Catcher Processors	% to Catcher Vessels	% of C.V. Guaranteed for Inshore (35% of TAC)	Source of the Option
1	45%	55%	63%	Proposed by United Catcher Vessels.
2	40%	60%	58%	Proposed by United Catcher Vessels
3	35%	65%	53%	Proposed by United Catcher Vessels
4	49%	51%	68%	Derived by Staff to reflect the 1996 harvest were the proposed changes to the FMP language in place.
5	52%	48%	73%	R. of 1
6	55%	45%	77%	R. of 2
7	57%	43%	81%	R. of 3

*TWB report wanted for this*

*"Reciprocal Change" Options (R.) are included as directed by the Council. These are calculated by dividing the offshore % in Options 1-3 respectively, by the catcher processor % in Option 4, and multiplying the catcher vessel % in Option 4 by the resulting ratio.*

### Past, Current, and Proposed Problem Statements

The Council requested that the following problem statements be included in the newsletter to help focus their June discussions of an appropriate problem statement for Inshore/Offshore III.

#### **Inshore-Offshore I Problem Statement**

The finite availability of fishery resources, combined with current and projected levels of harvesting and processing capacity and the differing capabilities of the inshore and offshore components of the industry, has generated concern for the future ecological, social and economic health of the resource and the industry. These concerns include, but are not limited to, localized depletion of stocks or other behavioral impacts to stocks, shortened seasons, increased waste, harvests which exceed the TAC, and possible preemption of one industry component by another with the attendant social and economic disruption.

Domestic harvesting and processing capacity currently exceeds available fish for all species in the Gulf of Alaska and most species in the Bering Sea. The seafood industry is composed of different geographic, social, and economic components which have differing needs and capabilities including, but not limited to, the inshore and offshore components of the industry.

The Council defines the problems as a resource allocation problem where one industry sector faces the risk of preemption by another. The analysis will evaluate each of the alternatives as to their ability to solve the problem within the context of harvesting/processing capacity exceeding available resources.

The Council will address these problems through the adoption of appropriate management measures to advance the conservation needs of the fishery resources in the North Pacific and to further the economic and social goals of the Act.

#### **Inshore-Offshore II Problem Statement**

The problem to be addressed is the need to maintain stability while the Comprehensive Rationalization Program (CRP) process goes forward. The Council believes that timely development and consideration of a continuing inshore-offshore and pollock CDQ allocation may preserve stability in the groundfish industry, while clearing the way for continuing development of a CRP management system. The industry is in a different state than existed in 1990 as a consequence of many factors outside the scope of the Council process, as well as the inshore-offshore allocation. The Council intends that staff analyze the effects of rapidly reauthorizing an interim inshore-offshore allocation relative to maintaining stability in the industry during the CRP development process, as well as the consequences of not continuing the present allocation. These alternatives are appropriate as they address the problem of maintaining stability. Therefore, the focus of analysis to be done over the next few months should assist the Council to:

- (1) Identify which alternative is least likely to cause further disruption and instability, and thus, increase the opportunity for the Council to accomplish its longer-term goal of CRP management.
- (2) Identify the future trade-offs involved for all impacted sectors presented by the two alternatives.

## DRAFT PROBLEM STATEMENT

(offered by Council Member Pereyra at April 1997 Council meeting)

The problem to be addressed is the need to maintain stability, e.g., no changes in the sector splits, while the Comprehensive Rationalization Program goes forward. The Council believes that a continuing inshore-offshore and CDQ pollock allocation, as was done in 1995 when the inshore-offshore regulations were essentially "rolled over" through 1998, will minimize instability in the groundfish industry, while allowing for continuing development of a CRP management system, including the National Academy of Science's study of individual quotas as mandated by Congress. The groundfish industry is in a different state than existed in 1995 as a consequence of many factors outside the scope of the Council process, such as the ongoing negotiations with Russia over the Bering Sea maritime boundary, as well as the inshore-offshore allocation. Furthermore, the sectors of the Bering Sea pollock fishery are now fairly evenly balanced as evidenced by the time periods required for each sector to take its quota; and beginning in 1998 the discarding of pollock and cod will be prohibited in the groundfish fisheries.

The Council intends that staff analyze the effects of reauthorizing the inshore-offshore allocation relative to maintaining stability in the industry during the CRP development process, as well as the consequences of not continuing the present allocation structure. These alternatives are appropriate as they address the problem of maintaining stability with regard to the sector splits. Therefore, the focus of the analysis to be done over the next year should assist the Council to:

- (1) Identify which alternative is least likely to cause further disruption and instability, and thus increase the opportunity for the Council to accomplish its longer-term goal of CRP management.
- (2) Identify the future trade-offs involved for all impacted sectors presented by the two alternatives.

Council action will be required no later than June of 1998 to keep the program going until the CRP process can be completed. Action by the Council in June would allow for Secretarial review and approval by the start of the 1999 fishing year. No new regulations or infrastructures would be necessary for (continued) implementation of the program under this schedule.

### ALTERNATIVES

Alternative 1: No Action - the current inshore-offshore allocation and the pollock CDQ program would expire at the end of 1998.

Alternative 2: Continuation of the current program, as is, including the CDQ allocation, until replaced by a long-term CRP solution, but with review after five years if the CRP is not completed by that time.

In developing these alternatives, the Council feels that changes to the present allocation program, such as changes in the percentage allocations, would have similar consequences as were identified for the last "roll over" (Amendment 18/23), i.e., (1) require significant new and complex economic analyses, (2) create additional debate over basic management policy by the Council, (3) be inconsistent with their overall intent to deal with the issue on a more long-term, comprehensive basis through CRP, and (4) create unnecessary delays in implementing the continuation. Because of these concerns, and because the Council still intends minimal disruptions to the fishery and processing industry, only two basic alternatives are being considered.

### Information Requested by Council

**A revised Problem Statement, and alternatives for formal analysis, will be decided by the Council at their June meeting in Kodiak for both the GOA and the BSAI.** The Council is encouraging comments on the alternatives and problem statements for their June discussions. The Council notes that when considering and commenting on the proposed alternatives, the public should be aware of discussion points raised by the Council in April, which included the following:

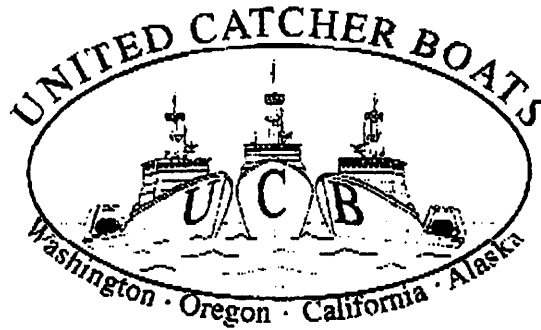
- changes in biomass levels of pollock
- consolidation of effort in some industry sectors
- ownership structures of the industry sectors involved
- changes in delivery patterns for pollock
- current and future stability of the industry
- long-range management considerations for pollock (CRP)

The Council also requested information from staff to facilitate their June discussions. Information which may be provided in June (as available) includes: data and analytical requirements necessary for various proposed alternatives; numbers of vessels, plants, and motherships operating in the pollock fisheries; 'migration' patterns of vessels previously operating in the pollock fisheries, and; recent harvest delivery patterns associated with BSAI pollock fisheries. The industry also is encouraged to document problems and concerns that have arisen as a result of past or current inshore/offshore allocations.

Written public comments on the above should be provided to the Council office by June 9 to be placed in the Council meeting notebooks. There will be time set aside at the Council meeting for further comment. A draft analysis of the alternatives resulting from the June 1997 meeting will be presented to the Council in February 1998 at the earliest. The Council needs to make their final decision by June 1998. Staff contact is Marcus Hartley.

**COMMENTS RECEIVED**  
**ON**  
**INSHORE-OFFSHORE ALLOCATION**

Brent C. Paine  
Executive Director



Steve Hughes  
Technical Director

*Corrected  
Version*

May 15, 1997

Dr. Clarence Pautzke  
North Pacific Fishery Management Council  
605 W. 4<sup>th</sup> Ave.  
Anchorage, AK 99501

RE: Inshore/Offshore III Data

Dear Clarence,

The Council's recent Newsletter item on Inshore/Offshore III requested input from the public on a number of items, including information to help develop a problem statement, a list of alternatives for analysis, and data and analytical requirements. This letter concerns just the latter item, data and analytical requirements and is a more formal version of an email message I sent to Marcus Hartley a couple of weeks ago.

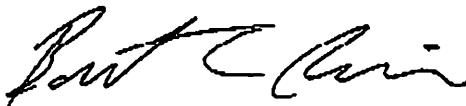
What would be ideal is for the public and Council family to have a brief written report presented at the June meeting from your staff that would answer a few key questions. I believe answers to the following questions would serve to facilitate the Council, AP & SSC's discussions on Inshore/Offshore III at the June meeting. What follows is a few data requests.

1. Data on changes in distribution of catch by size categories within the BSAI catcher boat sector that would indicate:
  - a. Number of active trawlers
    - by size class (75-100, 100-125, 125-150, >150).
    - by year from 90- 96,
    - separated by inshore and offshore,
    - separated by catcher/processor, mothership and shoreside,
    - where active is defined as more than one delivery in the directed pollock fishery;
  - b. A plot of the above vessels categories, showing the maximum single delivery poundage by each vessel by year;

- c. a plot of the above vessel categories, showing the total pollock catch by each vessel by year;
2. Similar information specified in #1 above for the catcher/processor trawlers to help determine changes in that sector's fleet (use the definition of a trip, rather than delivery).
  3. The number of vessels which would qualify under LLP for BSAI groundfish licenses which have not trawled, but whose licenses would be valid for trawl use, by size class (75-100, 100-125, 125-150, >150).
  4. The ex-vessel price of BSAI pollock paid to fishermen by shoreside, true mothership and catcher/processor market over time, since 1990.
  5. The ex-vessel price of BSAI pollock as a percentage of average monthly surimi price exported from Alaska to Japan, say 1991 - 1997.
  6. A list of vessels who were classified as a floating processor that never caught their own fish while operating within the EEZ under U.S. flag, between the years 1992-97.
  7. A plot of the amount of BSAI pollock landed, by shoreside plant, over time, since 1990 (include the five shoreside plants and the two inshore motherships).

This kind of information would be helpful in analyzing the effects that Inshore/Offshore I & II have had on the groundfish industry as well as understanding the characteristics of the current BSAI pollock fleet. Thank you for considering our requests.

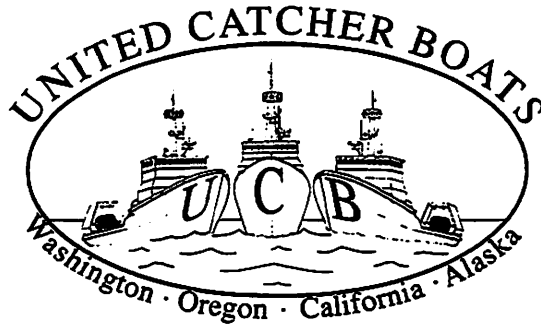
Sincerely,



Brent Paine

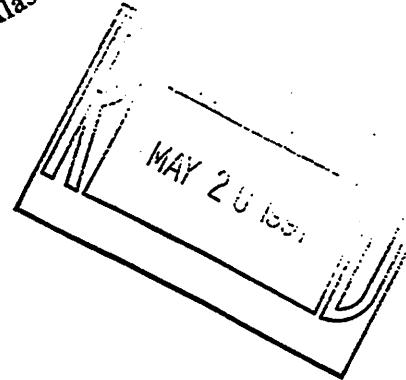


Brent C. Paine  
Executive Director



Steve Hughes  
Technical Director

May 15, 1997



Mr. Richard B. Lauber, Chairman  
Mr. Clarence G. Pautzke, Executive Director  
North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, AK 99501-2252

Re: Inshore/Offshore III

Dear Rick and Clarence:

This letter is a request by United Catcher Boats (UCB) that a correction be made to the North Pacific Fishery Management Council's (NPFMC) *Special Supplement - Bering Sea/Aleutian Islands Pollock Inshore-Offshore and CDQ Program* dated May 1, 1997, on page 3, Alternate 5. The UCB option (which later became the Council's Alternate 5) ended on page 1 of UCB's April 11, 1997 letter (enclosed) to the Council, with the words End of Motion. The text on page 2 of the UCB letter was not part of the option but was later incorporated, in part, into the Council's Alternative 5. To make the correction, please delete the following language from Alternative 5 as presented in the special supplement.

"The proposers of Alternative 5 recognize that within the above concept there is a necessity for a minimum shoreside delivery guarantee. Additionally, other checks and balances would have to be developed."

The differences between the UCB proposed option and the NPFMC Alternative 5 are not the fault of the Council staff. This fault is ours as we should have been more specific.

Thanks for your assistance in clarifying this sensitive issue.

Sincerely,  
UNITED CATCHER BOATS

  
Steven E. Hughes

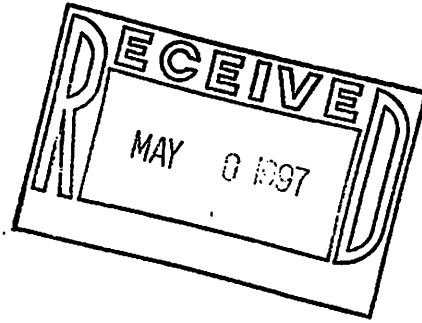
  
Brent C. Paine

Enclosure

cc: UCB Membership with 4/11/97 UCB letter

May 25, 1997

Mr. Rick Lauber, Chairman  
Dr. Clarence Pautzke, Executive Director  
North Pacific Fishery Management Council  
Post Office Box 103136  
Anchorage, Alaska 99510



Re: Amendment 18, Round 3

Dear Clarence.

At the April council meeting during the discussion of Inshore/Offshore, NOAA-CG reminded the council that solutions should flow from definitions of a problem. The council requested that the public provide input on Inshore/Offshore for the June meeting in order that a problem statement and alternative could be developed at that meeting. In that light, I propose the following problems and solutions.

***Problem I***

The staff is bored and needs more work to keep them occupied.

***Solution***

Develop a myriad of options for the next round of Inshore/Offshore.

***Problem II***

I want to catch more pollock.

***Solution***

Allocate more pollock to me.

***Problem III***

Everyone wants to catch more pollock.

***Solution***

Allocate more pollock to everyone (within the existing ABC, of course). This will require some creative math, but could be accomplished by cutting the TAC in half, then doubling each sector's share. It's a real win/win, everybody gets a bigger share of the pie by allocating 200% of the pie.

***Problem IV***

Indulging allocation grabs by groups who are able to muster 6 votes, encourages similar behaviour by other user groups.

***Solution***

Stop indulging whining behaviour.

***Problem V***

Allocation battles before the council require all participants to paint their opponents as bad guys, exaggerating each others faults, thus foster negative public perception of the industry as a whole.

***Solution***

Don't encourage this behaviour by rewarding it.

### ***Problem VI***

The "race for fish" is the real underlying problem and is not addressed by changing the %'s of fish available to different sectors.

#### ***Solution***

Don't tinker with the percentages.

### ***Problem VII***

Everyone has had to live with Inshore/Offshore as we now know it since 1992 and have adapted and made their investments accordingly with the given set of rules. A change in the rules will be highly destabilizing, without addressing the real problem (Problem VI)

#### ***Solution***

Don't tinker with the percentages. Rollover status quo.

### ***More Problems and Solutions***

Okay, recognizing that the urge to tinker can be irresistible (what's the good of political power if you can't exercise it?), so here are some more problems that Inshore/Offshore failed to address and some potential solutions. The solutions admittedly share the shortcoming of not fixing the real "race for fish" problem, if we are going to shuffle the pieces of pie for political reasons, we all have our lists of preferred winners.

### ***Problem VIII***

Inshore/Offshore was supposed to protect "small catcher boats" and lengthen seasons. However, in the GOA seasons are shorter now than before I/O. Part of this is due to large shoreside catcher vessels who pack over 1 million lbs of pollock 'raiding' the GOA to take fish back to Dutch Harbour and Akutan.

#### ***Solution***

Adopt trip limits in GOA pollock and cod fisheries.

### ***Problem IX***

Inshore/Offshore was supposed to protect "small catcher boats". In the BSAI, this meant the JV fleet who had Americanized the harvest of pollock. Most of these boats were under 125', yet after 6 years of Inshore/Offshore, the % of the shoreside quota harvested by these vessels has shrunk radically.

#### ***Solution***

Allocate the majority of the Inshore quota to vessels under 125'.

### ***Problem X***

The state of Alaska in its salmon limited entry program, and the council in the halibut and sablefish ITQ program, set a high value on preserving an owner/operator mode in those fisheries. The catcher fleet at the end of the JV era still had a high degree of owner/operators and ownership by fishing families in a small business mode. During the ensuing I/O era, a rapid shift to vertical integration with ever greater ownership of catchers by transnational corporations has occurred. This shift weakens the position of independent catcher vessel owners and operators.

#### ***Solution***

Allocate the majority of the Inshore quota to vessels with no processor ownership.

### *Problem XI*

The moratorium (and LLP, should it be approved), do nothing to prevent the conversion of non trawl vessels to trawlers, nor CP's to catcher vessels. Much of the pre-emption of the under 125' vessels share of the shoreside catch has occurred as the result of the conversion of CP's to CV's (this is an ongoing problem - witness the conversion of the Titan to shoreside delivery mode - a vessel which will have 6000 horsepower and pack far in excess of 1 million lbs.) If the council does reallocate more pollock to Inshore and in so doing sets off a new round of capital stuffing, there is nothing to prevent the conversion of large crab vessels to trawl or even new vessels being built utilizing idle non-trawl licenses.

### *Solution*

Revisit LLP and retroactively preclude the conversion of CP's to CV's, and non-trawl vessels to trawl (the west coast LLP showed that retroactive dates can be approved by the Secretary).

### *Problem XII*

Under Inshore/Offshore rules, there are only definitions of the processing sectors. The result was a processor based allocation. Catcher vessel representatives have requested the inclusion of a CV/CP split in each round of I/O. With the increasing level of concentration under Inshore/Offshore there is increasing potential for the creation of a de facto processor ITQ in the pollock fishery, particularly by CP's.

( According to Associated Press: On May 20, 1997; the US Dept. of Justice announced its approval for the Whiting Conservation Cooperative (Alaska Ocean Seafood, American Seafoods, Glacier Fish Co., and Tyson Seafood Group) to divide among themselves the 34% of the annual Pacific whiting harvest allocated to the catcher-processor fleet as a group rather than compete in harvesting this quota.)

Such agreements could freeze out independently owned catcher vessels from an opportunity to participate in the offshore or "true mothership" fishery.

### *Solution*

Allocate directly to catcher vessels and allow catchers to deliver to the market of their choice. Such an allocation could include provisions for sub-allocations to vessels under 125', for trip limits, and strengthened LLP provisions preventing conversions of non-trawl vessels into trawlers. The purpose of such provisions would be to dampen the tendency toward capital stuffing that would occur because allocations do not address the "race for fish".

### *Problem XIII*

Because Inshore/Offshore is a processing based allocation, combined with the trend toward vertical integration and processor ownership and control of catcher vessels, there is a less competitive market for pollock than there might otherwise be. This results in less raw fish tax to the state of Alaska as well as lower crew shares to working fishers. Catcher vessels now receive less for pollock delivered to the dock, than CDQ communities receive for pollock still swimming in the ocean.

### *Solution*

Allocate directly to catcher vessels and allow the price offered by processors to dictate where fish will be sold.

#### *Problem XIV*

If the proposal of NPSC is accepted and the 3 offshore motherships receive their own quota, and there is a reallocation from offshore to inshore, catcher vessels delivering offshore will get the short end of the stick (along with CP's - but my interest is the problems that impact CV's). In the game of musical chairs that followed the adoption of I/O, everyone has found a place to sit down. Re-allocation will not create new chairs in the inshore or mothership sector. Inshore catchers will get a longer season, and offshore catchers will get a shorter season, with no likelihood of being able to jump the fence to the inshore sector.

#### *Solution*

Modify the NPSC proposal to set aside a portion of the quota in the offshore sector for catcher vessels delivering to CP's, equal to the amount delivered to "false motherships" (those not meeting NPSC definition of "true motherships") in 1996. Such quota would be reserved for "true offshore catcher vessels", defined as those catcher vessels which have delivered more than 75% of their pollock catch to "false motherships" in the period from 1995-1997. If the amount reserved for "true motherships" is scaled up from their actual take in recent years, the amount reserved for "true offshore catcher vessels" should be scaled up by the same proportion.

#### *Conclusion*

The council and its staff do in fact have plenty of work to do without getting into tinkering with Inshore/Offshore. The only reasonable course of action, given the FCMA moratorium on development of ITQs, is to define the problem as one of preserving the stability of the regulatory environment until the council can resume work on CRP. With such a problem statement the only reasonable alternative is to rollover the status quo until at least 2001.

However, if the council is going to consider any other definition of the problem and any other alternatives, then all the problems and alternatives outlined in Problems VIII-XIV need to be included as well.

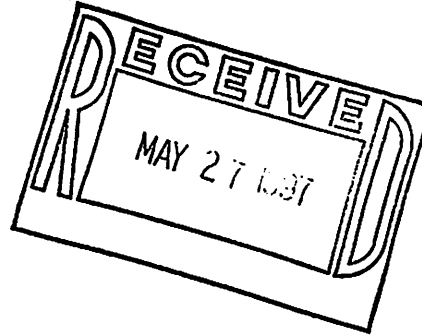
Thank you.

Sincerely yours,

david fraser  
F/V Muir Milach  
PO Box 771  
Port Townsend, Washington

North Pacific Fishery Management Council  
605 west 4th, Suite 306  
Anchorage, Alaska 99501

Greg Reines  
183 Whitetail Ln.  
Sequim, Wa. 98382



Honorable Chairman  
Rick Lauber,

I have been working in the fishing business for 18 years. Not as long as some but longer than most. I worked my way up from a salmon cannery worker, to cannery machinist, then to processing vessel engineer ( due to Botulism scares around the world cannery jobs dried up during the middle '80s) and eventually I cleared all the necessary hurdles to become what I am today a Chief Engineer on an at Sea catcher processor the F/T Northern Jaeger. I am very proud of my lifes accomplishments and am very fearful all that I've worked for will soon disappear.

In the world of working vessels there are very few that involve as vast an array of systems as the Factory Trawler. As such these vessels command a good working wage compared to other working vessels or shoreside jobs for that matter. I have worked the shoreside based jobs in my field, they either can't or won't pay as good of a wage as I currently am commanding. That bothers me tremendously.

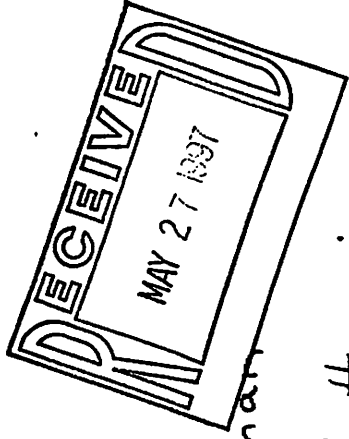
As an individual I could probably withstand a cut in pay and/or relocation to another area for a job, but for my wife and two children , our plans for the future would all be very hazy should my job diminish or disappear. We have plans of college for the two boys Geoffrey and Christopher and currently my wife Allison is a student. My job has to pay for all of this and everything else that goes along with raising a family on a day to day basis. Frankly I'm confused and scared with the real prospect of losing all that we have and are working for.

I'm not very politically savvy on this In shore/ Off shore debate but I do know if things change where mine and literally 100's of friends careers disappear, all our families will be drastically influenced, and definetly not for the better.

Sincerely,  
The Greg Reines Family

cc Governor of Washington, Gary Locke  
cc Senator , Patty Murray  
cc Senator , Slade Gorton

cc Representitive , Norm Dicks



May 24, 1997

Mr. Chairman

This letter is in response to the upcoming Council meeting for allocation of the Pollack fishery in the Bering Sea. I understand that more of the quota is under consideration for shore plants and less for factory trawlers.

Please hear my plea. In the past five years we on the trawlers have been cut back. If more is taken away it will become a financial burden on myself and many more of we Alaskans who work on the trawler fleet.

I am an Anchorage resident and registered voter. I do not wish to move to another state to seek employment. Alaska is my home. Please consider those of us who live in Alaska and work in the trawler fleet. We depend on this fishery for a livelihood.

Respectfully,  
R. J. Miller

Fishmeal Eng Jaeger  
F. J. Northern Jaeger  
P.O. Box 211111

# F/T ARCTIC FJORD

400 North 34th Street - Suite 306  
Seattle, WA 98103  
(206) 547-6557 / Fax: 547-3165

## FACSIMILE COVER PAGE

**TO:** Chairman Rick Lauber  
**COMPANY:** North Pacific Fishery Management Council  
**FROM:** Employees of F/T Arctic Fjord  
**SUBJECT:** Pollock allocations

**FAX:** 1-907-271-2817  
**DATE:** June 1, 1997  
**# PGs:** 1 (includes Cover Page)

The undersigned support the continuation of the current pollock allocation of 65% to at-sea processors and 35% to onshore processors. We depend on the jobs provided by the F/T Arctic Fjord to support our families. ANY reduction in the pollock allocation to the at-sea processors will directly reduce our paychecks. The changes proposed by the Japanese onshore processors will more than likely eliminate our jobs. We believe that sacrificing our paychecks to support the Japanese dominated shoreplants is grossly unfair. Please consider our livelihood and our families in any deliberations to change the current allocations of the pollock quota. Thank you.

- |                       |                    |                   |
|-----------------------|--------------------|-------------------|
| <del>John Scott</del> | William Alfjutter  | June Sch...       |
| John Scott            | Carl Smith         | Majid Alh...      |
| Paul J. Gray          | Victor Salgado     | Rob Sizing        |
| John Handachen        | Doni Mota          | Guillermo...      |
| Shawn Hughes          | Francis M. Glavin  | Martin Maciel     |
| Rodolfo Jimenez       | Eric H. Wilkey     | Raul Jimenez      |
| John Murray           | Julian Perez       | David Lane        |
| MIKE DO               | Yolanda Hernandez  | Simon...          |
| PEDRO GUZMAN R        | ...                | HOANG VU          |
| Aime W. Seaborn       | Osiel Tello A.     | Alyssa...         |
| Rick...               | Jesus Ballester    | Alan Jacobs       |
| ...                   | Rosalio Tabares    | ...               |
| Richard Dina          | Visente Villalobos | ...               |
| Rosa Scott            | Maria B. Herrera   | ...               |
| Vibor Brown-Southern  | Stacy Lynne        | Rob...            |
| Evan D. Rafferty      | ...                | ...               |
| David Hatch           | Juan...            | Irma...           |
| THU ANH DANG          | ALFREDO SANTOS     | Juan Valera       |
| ...                   | ...                | ...               |
| ...                   | ...                | Modesto H         |
| ...                   | ...                | Arturo Rico Duran |



# F/T ARCTIC FJORD

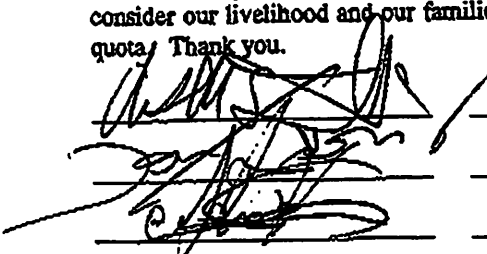
400 North 34th Street - Suite 306  
Seattle, WA 98103  
(206) 547-6557 / Fax: 547-3165

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DENNIS SILIFAINA  
*[Handwritten signature]*  
*[Handwritten signature]*

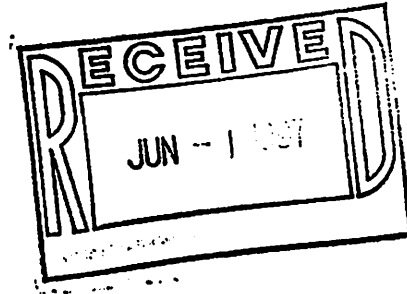
Series of horizontal lines for additional signatures or text.



**American Seafoods Company**

May 28, 1997

Mr. Rick Lauber, Chairman  
North Pacific Fisheries Management Council  
605 West 4th Street, Suite 306  
Anchorage, AK 99501



Dear Mr. Lauber:

I am writing with regard to the upcoming vote to re-allocate the Bering Sea pollock quota between shoreside and at-sea processors.

I am a Quality Assurance Manager with American Seafoods Company in Seattle, where I have been employed for the past two years. Previously, I was with Gorton's of Gloucester, MA one of the largest users of Alaskan pollock blocks in the world. I am native to the Seattle area, and have participated in the pollock fishery since 1982, when I began fishing aboard Joint Venture vessels. Upon completing my education at the University of Washington School of Fisheries, I began my professional career.

I am very concerned by the pending vote, and would like to urge your full support in preserving the existing shoreside/at-sea split, or even considering increasing the allocation for at-sea processors. As you may be aware, Alaskan pollock is processed into two primary product forms--Surimi and Fillet block. Presently, the primary product produced by shoreside processors is Surimi (primarily for Export). This is in sharp contrast with the at-sea processors, which produce a significant volume (nearly 50%) of Fillet block which is used exclusively by the Domestic market. This block is sold to secondary processors who in turn produce finished products for retail, food service, and restaurants (Burger King, McDonald's, Long John Silver's, etc.).

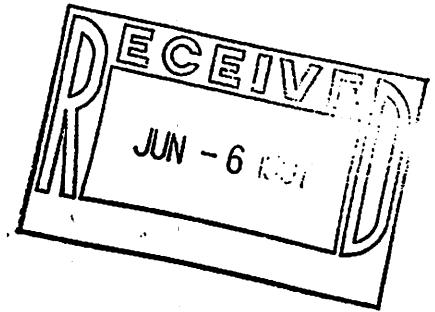
Recognizing that the shoreside/at-sea allocation will not likely be abandoned, I would strongly urge that the at-sea allocation not be further reduced. It is the at-sea contingent that accounts for the majority of Domestic sales, which justifies my job, career, and livelihood, and I would urge that the NPFMC take this into consideration when making their decision.

Thank you.

Sincerely,

Dan Block  
Quality Assurance Manager

5/28/97



WILLIAM A. ROSE  
1829 BAGLEY AVE N.  
SEATTLE WA 98103

CHAIRMAN RICK LAUBER  
NORTH PACIFIC FISHERIES COUNCIL  
605 WEST 4th, SUITE 306  
ANCHORAGE, AK 99501

DEAR CHAIRMAN LAUBER,

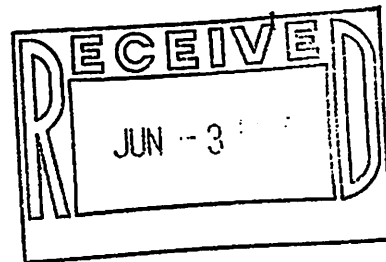
EIGHT YEARS AGO AT THE AGE OF 18 I TOOK MY FIRST JOB ON A FACTORY TRAWLER. I STARTED AS A PROCESSOR, LATER I WORKED ON DECK, AND EVENTUALLY IN THE ENGINEERING DEPT. I'VE WORKED ON SIX VESSELS, AND BEEN TO MANY PLACES FOLLOWING MY CAREER AS AN ENGINEER. LAST YEAR I GOT MY COAST GUARD ENGINEERING LICENSE.

ALMOST ALL MY CLOSE FRIENDS WORK TRAWLERS, MY BROTHER FISHES IN AFRICA. MY POINT IS THIS, FACTORY TRAWLERS PROVIDE OPPORTUNITY FOR ADVANCEMENT THAT JUST WOULDN'T BE THERE IN A SHOREPLANT. THERE ARE A LOT OF PEOPLE WHOSE LIVELIHOOD DEPENDS ON THE AT SEA PROCESSING FLEET, MINE INCLUDED.

REGARDS,

A handwritten signature in cursive script, appearing to read "William A. Rose".

WILLIAM A. ROSE



333 First Avenue West / Seattle, WA 98119 USA / 206-286-8584 / FAX: 206-286-8810 / TELEX: 49612854 PRMPAC

June 2, 1997

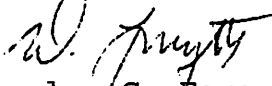
Mr. Rick Lauber, Chairman  
Dr. Clarence Pautzke, Executive Director  
North Pacific Fishery Management Council  
605 W 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Alaska 99501-2252

RE: Testimony Intended to be Presented at the June 1997  
Kodiak Council Meeting

Dear Mr. Lauber and Dr. Pautzke,

Enclosed is a copy of the testimony I intend to present at the upcoming June, 1997 Council Meeting. I am providing a text of the presentation so that it can be included in the Council's briefing books. I have written this in the manner in which it will be orally presented. I appreciate your inclusion of this material in the briefing books.

Sincerely Yours,

  
Douglas C. Forsyth  
Vice President

TESTIMONY:

Ladies and Gentlemen of the Council,

I would like to take a few minutes of your time to enter some testimony regarding the market for surimi in general and the Japanese market in particular.

By way of introduction my name is Doug Forsyth. I am a fish monger, I sell fish for a living. Specifically I sell surimi. I currently sell the production of the Ocean Phoenix and I previously sold the production of the Arctic Storm as well. In total I have sold about 125,000 metric tons of surimi in the past 11 years. Of that about 80% has gone to the Japanese market. My comments on the surimi market are those of someone who has to understand it and work in it from a realistic and practical point of view on a day to day basis, in up markets and in down markets, in the slow times of the summer and the hectic year end period.

U.S. producers of surimi have gone to great lengths to try and differentiate their products from those of competitors. The primary tools in this are product quality and distribution systems. Over time the market has developed where a top rank producer can get a price premium of about 10% over a second rank producer. The rankings are what the marketplace gives you over time as they reward or penalize your particular business plan.

Contrast this with automobiles. A top rank car such as Rolls Royce will command a price 20 times greater than a Geo Metro. 10% for surimi, 2000% for automobiles.

Whether we like it or not surimi is a commodity. So are most other seafood items. Prices can be differentiated a touch but by and large prices tend to rise and fall with the supply situation. Supply goes down, prices rise. Supply increases, prices fall. Let me demonstrate this with surimi prices over the last three years.

In the data I will present the inventory figures are those reported by the Japanese Government for cold storage holdings at the end of January and the end of December in each year. Prices are the actual sales price in Yen for Ocean Phoenix FA grade surimi in A and B season of each year.

In 1994 between the end of January and the end of December the surimi inventory in Japanese cold storage decreased by 7.5%. Between A and B season of 1994 our sales price on a delivered Japan basis rose 10%.

In 1995 inventory increased 12.8% between end of January and end of December. Our sales price between A and B season decreased 13.3%.

In 1996 inventory decreased 25.5%, and our price increased 19.2%.

Looking at the difference between A season 1996 and A season 1997, the Japanese surimi inventory decreased 39% and our A season price increased 34% between 1996 and 1997.

As much as we would like to think the surimi market is complicated by many interactive factors, it is pretty simple - if supply increases prices will fall, if supply decreases prices will rise.

A second factor that I would like to point out is the changing distribution system between US surimi producers and Japanese end users of surimi. The result is a much closer connection between producers and users that is effectively removing the buy/sell transfer point between producers and importers for subsequent resale.

American Seafoods has opened an office in Japan and from this A season began importing product under its own name and selling directly to major end users. For the past two years we have had a distribution contract with Nissui wherein we negotiate sales prices and delivery terms with end users directly and pay to Nissui a distribution fee to handle the warehousing and delivery costs. Trident now holds surimi in US cold storage and sells container loads on a month to month basis throughout the year.

In fact of the approximately 44,000 mt of surimi exported to Japan from the 1997 A season and CDQ fisheries by all surimi producers only about 15% was sold by producers not using sophisticated distribution techniques. In the surimi business the days of make the product, negotiate with and sell to an importer, and then the importer resells to an internal distributor for eventual sale to an end user are well in decline.

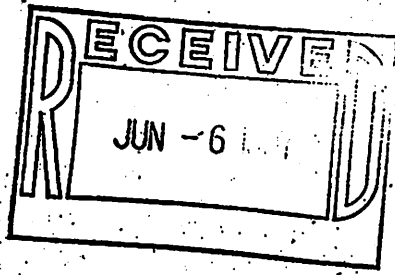
Statements have been made to the effect that if the Council were to allocate additional quota share to those Japanese owned and controlled shore plants the surimi price would plummet the next day. In my professional opinion as someone who sells surimi for a living it just ain't so.

The strong fact is that surimi is a commodity and that prices react to changes in supply and not to other factors. Secondly the changing nature of the distribution system renders manipulation of the import prices basically moot.

A change in the allocation scheme will undoubtedly have many impacts on many people. But one of the things that you do not have to worry about is what impact a change in the allocation scheme will have on the surimi market. In December when quotas are determined that decision has an impact because it effects supply. But other than that the surimi market will not in my opinion be influenced by your allocation deliberations.

Thank you for your time.

Douglas C. Forsyth  
Vice President  
Premier Pacific Seafoods  
Fishery Investments Limited  
General Partner of  
Phoenix Processor Limited Partnership  
Owner S/S Ocean Phoenix



5/29/97

Doug E. Campbell  
P.O.Box 172  
Chinook, WA. 98614

Chairman Rick Lauber  
North Pacific Fisheries Council  
605 West 4th, Suite 306  
Anchorage, AK. 99501

Chairman Lauber,

I have been working on the F/T Arctic Storm since November of 1988. I was hired as a processor at that time. I am now the Assistant Factory Manager.

The small town that I'm from on the Columbia River has suffered from high unemployment for the last dozen years or so. Many fish processing plants like I used to work in have shut down. Fishing in the River is history and fishing outside has become severely limited. Logging is no longer a viable occupation for anyone with a family.

Faced with these difficult economic conditions I sent out my resume to a variety of fish processing concerns. I didn't really want to have to move from my home but there was just no reasonable employment available in the area. I had several responses and chose Arctic Storm Inc. because it seemed like one of the smaller factory trawler companies. I was hoping that there would be a better chance for advancement in a company that size.

The way things worked out I have been able to keep my home even though I'm away for a good part of the year. I would rather continue to do this than anything else. There are several other people from Chinook that have made the factory trawlers their principal occupation.

I have no desire to work in a shoreside plant anymore. After seeing the superior quality of our processed at sea products it would be very difficult for me to adjust to dealing with 2 and 3 day old fish again. The factory trawler fleet is an important part of the U.S. of A's overall fishing efforts and produces a high quality export product that does it's part to help balance our trade with the Orient.

Sincerely,

A handwritten signature in cursive script that reads "Douglas E. Campbell". The signature is written in dark ink and is positioned below the typed name "Doug E. Campbell" from the return address.



David Morse  
10175 Torvanger Rd.  
Bainbridge Is. Wa. 98110

Chairman Rick lauber  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup>, Suite 306  
Anchorage, AK 99501

Dear Mr. Chairman,

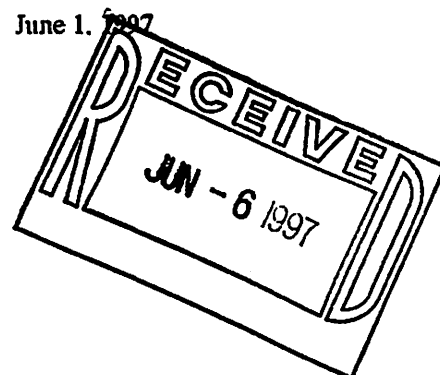
I am presently employed as captain of the F/T Highland Light. I have had this job for the past two and one half years, before that I was the captain of several other factory trawlers fishing in Alaskan waters. I have been fishing in Alaska for the past eleven years so I have seen the rapid capitalization of the industry. I now feel both the inshore and offshore fleets are overcapitalized, but I can see no simple solution to improve this situation. Therefore, since both segments of the industry seem to be surviving with the status quo, I feel we should leave well enough alone. I am very proud of what I do for a living and feel good about the industry I am in. I believe we in the factory fleet have done an excellent job of modifying our fishing tactics to comply with all the new regulations we have experienced during the past ten years. I am a firm supporter of the observer program and welcome the much improved data base we all have helped create. I also believe in conserving the fish stocks, so we will have a future that we can look forward to. As I said, I came to Alaska eleven years ago, leaving the east coast, where fisheries remained unmanaged and in a state of virtual decline. I think the North Pacific Council has done an excellent job of managing the stocks and allocating the resource to the appropriate user groups.

There is no doubt that both the inshore and offshore segments of the pollock fishery are overcapitalized. Both sides saw this coming long before the seasons were reduced to less than two months of directed fishing for pollock. I believe the current split between inshore and offshore represents the fairest compromise we can come up with. This is evidenced by the fact that the offshore quota has always been reached before the inshore quota, however, lately the time gap is becoming much narrower. This is due to the faster rate of capitalization within the catcher boat fleet as well as the increased capacity of the inshore plants to handle this volume of fish. This is not to say the offshore segment has not also upped their capacity, but theirs has not kept pace with the inshore effort.

Since the quota has been divided between inshore and offshore, very few vessels have left the industry. A few factory trawlers have left for Russian waters, however, as an industry factory trawlers have remained a source of relatively steady employment for most of who are willing to put up with the reality of the job. We in the industry have developed skills and expertise unique to operating factory trawlers. Many of the jobs on these vessels have no parallel on any other type of fishing boat or shore based operation. If the apportionment of the quota were to be significantly altered, many of these vessels would no longer be able to operate, thus costing many of us our only means of employment. Mr. Chairman I implore you to leave the inshore/offshore apportionment as it is. Both sides have had ample time to adjust to this very equitable compromise, and to alter it would severely impact many who have devoted themselves to a career they have become dependent upon.

Sincerely,  
  
David Morse  
Captain, F/T Highland Light

June 1, 1997



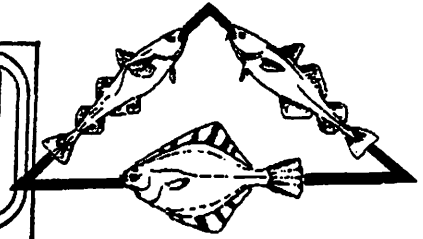
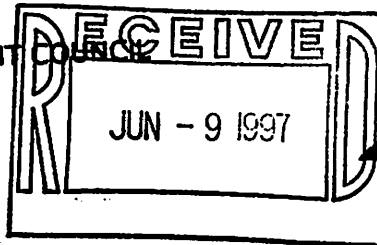
# Alaska Groundfish Data Bank

P.O. Box 2298 • Kodiak, Alaska

TO: RICK LAUBER, CHAIRMAN  
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

DATE: JUNE 9, 1997

SENT BY FAX: 1 PP



RE: INSHORE/OFFSHORE - GULF OF ALASKA

The members of Alaska Groundfish Data Bank support the continuation of the inshore/offshore allocation of pollock and Pacific cod in the Gulf of Alaska. The Gulf inshore/offshore program allowed pollock fisheries to manageable (just barely) during the years the stocks were quite low. As the stocks have increased, processing plants in Seward and Cordova have invested in equipment to process pollock.

The Pacific cod quota was split three ways this year -- inshore, offshore and State Managed.

The Central/Western Gulf is also an area where the decline in the sea lion populations is of concern. Though the Gulf pollock operations would prefer and A and B season pollock fishery similar to the Bering Sea A and B season, the concern that localized depletion of pollock could occur to the detriment of sea lions has mandated that the Gulf pollock fishery be conducted in at least trimesters.

Considering the increase in pollock users, creation of a State Managed Pacific cod fishery and the continued concern over sea lion declines making any change which could increase fishing effort seems contraproductive and not in the interest of local communities or conservation.

Thank you for your consideration of our comments.

Chris Blackburn, Director  
Alaska Groundfish Data Bank

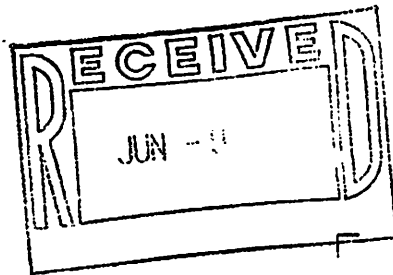
**SEDE LEGALE:**

Bonifica del Sallinello  
64018 Tortoreto (Ta)

**UFFICI COMMERCIALI:**

Via Pirelli, 19 - 20124 Milano  
Tel. 02 / 6701952

Telefax 02 / 66888093 - Telex 334057 FIBEN



North Pacific Fishing  
Management Council  
605 West Fourth Avenue  
Suite 306  
Anchorage, Alaska 99501-2252

June 9, 1997

Dear North Pacific Fishing Council Members,

Our Company, FIDECO S.r.l., Tortoreto, Italy, is one of the leading manufacturers of surimi products in Italy.

Our company produces over 1000 MT of surimi products per year and gets the majority of the raw material supply from the United States. Our primary raw material resource Pollock surimi from the U.S.

We have been informed about the fisheries allocation process currently taking place in the US Bering Sea. We are aware that there is some effort by a group to push the North Pacific Fishing Council to revise and reallocate the Bering Sea Pollock quota in favour of the Shore plant companies and we are concerned by this situation.

Currently the E.U. receives its supply of surimi in approximate equal portions from the factory trawlers and shore plant companies, which allows a steady and competitive supply of raw material. Our great concern of the reallocation project is that the majority of the raw material supply would be moved to shoreplants which belong primarily to Japanese controlled companies. As a result, our supply channels for Pollock Surimi will potentially become very limited and the two major producers who have strong interests in their operations in Japan will have no interest to support other markets, including ours in the European Union.

This is the reason why we are concerned about the results of the reallocations talks and we would like your committee to weigh thoroughly the consequences that your decision may have on the world market of surimi and surimi products and eventually the wealth and future of that industry worldwide.

We believe that the current allocation levels with a reasonable number of competitors promotes a healthy and competitive surimi products industry worldwide. A decision to reallocate in favour of the land based factories will put all the power in the hands of 2-3 major companies, and will surely destabilize the entire world market for surimi products. Our only request is that you act knowledgeably and aware.

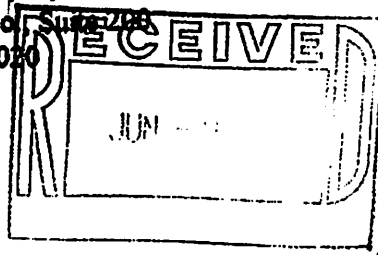
Sincerely yours,  
*R. Benatoff*  
R. BENATOFF  
President

Alaska Trawl Fisheries, Inc.

100 Second Ave. So. Suite 218

Edmonds, WA 98020

June 5, 1997



Chairman Rick Lauber  
North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501

Dear Mr. Lauber,

It has been brought to my attention that in the upcoming June meeting the council will be considering allocation issues that could potentially eliminate at-sea processor jobs. I would like to take this time to express my feelings to the council on the impact this would cause to my career.

Five years ago, fresh out of college, I was one of many graduates in search of a job. A friend told me of the Alaska fishing industry. Something I was never fully aware of, being from the east coast, I decided to look into it, sort of as an 'adventure'. That single season has turned into a career and a lifestyle which I have come to respect and enjoy. I think I have been fortunate to be involved in this and would be very disappointed to have it taken away through reallocations to the shore-side fleet. Sentimentality aside though, let me stick to the more serious issues at hand. I am the Quality Control supervisor for Alaska Trawl Fisheries, aboard the F/T Endurance. We fish both A and B Pollock seasons to produce surimi and then continue with the Yellowfin Fishery. While this company is not involved with the CDQ program I have worked with companies that are and am aware of the background of the program.

If the council were to lower our quotas I think I would find myself forced out of the offshore fleet. As with most jobs it comes down to the financial side of things. I know people think we get rich out here but that isn't the case anymore. I make a comparable annual salary with the advantage of making it in fewer days which gives me time to enjoy life and pursue other interests. If I were faced with fewer fishing days I wouldn't make enough to get me through the year and would have to seek other employment. I have worked in a shoreplant and found it to be much more stressful. You are still faced with quotas and time frames so I put in as many hours in the plant as I would at sea. It is harder on land because you must also continue with everyday influences while at sea this can be put aside for a time and I can fully concentrate on my job and work to the best of my ability without unnecessary distractions. Being involved with Quality Control I could probably find another avenue to pursue but you also have to take into consideration the rest of the crew. For many of the processors, many of whom lack the educational background needed for better paying jobs, this is their career. A place to make money, feel a sense of accomplishment, and it is a career to then just as any other. To take that away would find some of them in a difficult position.

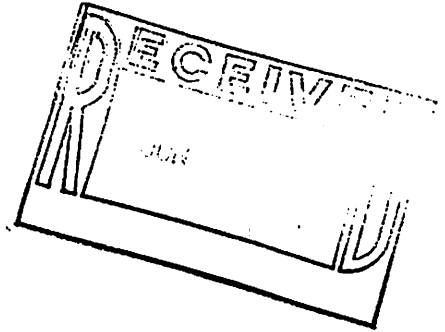
I realize I am only a single voice but hope that this letter is still regarded with significance. I only hope more people have also written and maybe together we can demonstrate the importance this has to us. Thank you very much for your time and consideration to this matter.

Sincerely,

Justine Hoffman

June 7, 1997

Chairman Rick Lauber  
North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501



Dear Council,

Please don't take my life away. I have been in the fishing industry for 14 years and there is nothing else for me. Cooking on a factory trawler is a future for me.

I am chief steward on the F/T Endurance with a crew of 55-100 multi-nationals. I began in 1983 in shore plants in Pelican, Kodiak and Dutch Harbor. I have been with the factory trawler fleet since 1986. The fleet has evolved into a good place for a woman to have a career. This is my intent. I have worked on longliner/processors, processing vessels, and seine boats. As a woman in this industry, a trawler is the best possible place for me to be. I know; I have tried all other fishing options. This is a good life with lots of challenge and reward.

In all the years I have been involved in the industry, I have seen a major reduction in the length of seasons and openings. There is not too much left to take from us. The income is not nearly as good as it used to be up here. Please consider the people whose lives revolve completely around this industry. It will be a catastrophe to us if we can't do this anymore.

Please don't take our lives away.

Sincerely,

Nedra Gordon  
Chief Steward  
F/T Endurance



2360 Squak Mt. Loop SW • Issaquah, Washington

(206) 391-7602

June 6, 1997

Mr. Rick Lauber, Chairman  
Dr. Clarence Pautzke, Executive Director  
North Pacific Fishery Management Council  
605 W 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501-2252

RE: Comments for Inclusion in SSC, AP, and Council's meeting materials  
Item C-1 Inshore-Offshore 3 for Kodiak meeting

Dear Rick and Clarence:

I was asked by the North Pacific Seafood Coalition to review the information in the NPFMC April 1997 newsletter concerning the development of a problem statement and its associated alternatives for analysis by Council's staff.

Upon receiving the results of my review, the Coalition further requested that I provide the Council and its committees with a copy of my suggested revised problem statement and a summary of the reasoning that led me to this statement of the issue. I hope that this information will assist the Council in shaping its approach to Inshore-Offshore 3.

*First*, I would like to commend the Council and its staff on already moving to address this issue. When the previous Inshore-Offshore amendment was set to expire at the end of 1995, the Council did not begin discussion until September 1994 and did not adopt a problem statement until the December 1994 meeting. Given the limited scope of the issue, that schedule was clearly adequate to ensure that the Council could meet its deadline of taking final action at the June 1995 meeting. I interpret the fact that the Council has already initiated discussion and intends to finalize the Inshore-Offshore 3 problem statement 6 months ahead of its previous timeline as an awareness that things are substantially different this time around.

Indeed, even a cursory review quickly led me to that same conclusion and thus to a rejection of the reasoning behind the draft problem statement offered at the April 1997 meeting. It would make the analysis easier if we could just treat this issue as a rollover with only two alternatives, and as one of the analysts likely to be involved, I am all for making

life easier! However, as so aptly put by Albert Einstein, "Everything should be made as simple as possible, *but not more so*" (emphasis added). Even though it is tempting to argue that the problem in front of the Council remains the same as it was back then – to preserve stability – this approach has two key limitations:

- 1) it overlooks significant actions, primarily the passage of the Magnuson-Stevens Fishery Conservation and Management Act, that have happened since the Council last addressed this issue, and
- 2) the limited set of alternatives does not give the Council sufficient options to lay the groundwork for its eventual comprehensive management policy. Given that the current allocative split has already been in place since the 1992 fishery, and could potentially with this approach be extended to 2003 and beyond, the performance of individual companies and sectors under this regime could effectively become the only historical source from which any permanent future CRP decisions or IFQ allocations will be made.

I look forward to attending the meeting in Kodiak and to making myself available to the SSC, AP, and Council for any further discussion of this issue. Although I do not have any specific recommendations as to the actual alternatives that should be included beyond the two already tentatively identified, I ask the Council to carefully consider the implications of only going forward with a narrow range *at this time*. As indicated in the attached review, there are many potential sources of information that could end up shedding light on this allocative issue before the current allocation expires. It seems premature to close off options that may be more consistent with the Council's long-range and primary goals.

Sincerely,



Rebecca Tuttle Baldwin  
Resource Economist

**Response to Special Supplement**  
**April 1997 NPFMC Newsletter**  
**BSAI Pollock Inshore/Offshore and CDQ program**

Based on my review of the material provided from the April 1997 Council meeting and my previous work on Inshore-Offshore I and II, I would suggest the following is a more accurate assessment of the current state of this issue.

**REVISED PROBLEM STATEMENT**

The current allocation will expire at the end of 1998, without having completely fulfilled its objective of being the interim solution during the CRP development process. In addition, as of late 1996, the primary source of guidance for fishery management in this nation is a new law: the Magnuson-Stevens Fishery Conservation and Management Act. The problem is to identify what allocation would best serve to

- 1) ensure compliance with the provisions of the new Act;
- 2) continue to provide a suitable lead into the CRP process, and
- 3) reflect our current understanding of the make-up and implied future composition of the fishery, with respect to the effects on individual sectors, individual companies, and communities, and with respect to the original issue of potential preemption that has been incorporated directly or through reference in previous analysis of this issue.

This allocation will not have a sunset date but is intended to serve as an interim measure until the CRP has been completed.

At this time, the Council further directs staff to begin gathering preliminary information on the relevant communities, sectors, and companies that would be involved in such an allocation. These data could be applied to a broad range of alternate allocations. In addition, given the size and value of the pollock fishery and the companies that currently harvest and process this species, the Council recognizes that some of this basic information will also be useful for addressing other ongoing Council projects and implementing some provisions of the new Act.

**RATIONALE**

**Why yesterday's solution worked then**

Last time the Council addressed this issue, it only considered *one* alternative, other than the No Action alternative required by law. This was a reasonable approach because:

- 1) the original allocation had only been in place for two years and with the lag in data collection, there was very little new information about CDQs or the allocative split that could have been incorporated into an analysis at that time.
- 2) the original allocation process had been both exhaustive and contentious and the actual allocation percentages finally approved by NOAA and Commerce reflected a modification of the Council's original preferences. It seemed unduly disruptive to the industry and to the Council process to broadly re-open that issue without a clearer indicator of what long-term management objectives were being met.



- 3) When the initial allocation was due to expire, it was a time of great flux in fishery management, particularly with regards to the potential for substantial modifications to the Magnuson Act.

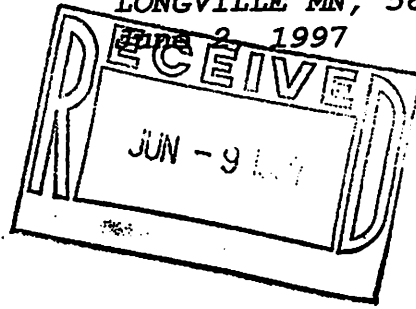
#### Why yesterday's solution won't work now

The above reasons for considering only one alternative are no longer valid and thus the pre-selection of such a narrow range of options (before conducting any analysis) cannot be justified.

- 1) The allocative split has now been in place for several years. This longer time series of data may now be sufficient to provide insights into the trade-offs and trends resulting from the creation of these two separate olympic pollock fisheries. In addition, the Alaska Fisheries Science Center of NMFS just announced its intent to began routinely collecting cost, earnings, and employment data on the participants of the Bering Sea pollock fishery (Federal Register, May 16, 1997). Although the actual data may not be available in sufficient detail to assist in the analysis of this new allocation, it would be unfair to presuppose that this process will provide neither relevant information nor discover credible sources of existing company information for previous years.
- 2) The Southwest Fisheries Science Center of NMFS conducted a cost-benefit analysis for the extension of the Pacific whiting allocation, which has some interesting results (Squires et al, Admin. Report LJ-97-05, April 1997). Shouldn't there at least be some discussion as to whether such an approach or data collection can be used for the pollock fishery as well? Why may not the same results hold here?
- 3) As it is such a difficult and complicated task to develop a comprehensive management strategy, the entire process has been extended. This interim pollock allocation could now become a de facto permanent base for any future awarding of access to individual companies. It is not clear without further discussion as to whether this would be in the best interest of either the Nation or of the Council.
- 4) As of October, 1996 the Magnuson-Stevens Fishery Conservation and Management Act has become the new source for the principles guiding the use of our Nation's fishery resources. While there are numerous sections of this Act that could influence this allocation process, two substantial parts have to do with
  - a) the Alaska and Western Pacific Community Development Programs and
  - b) the requirement of National Academy of Sciences reports on *both* individual fishing quotas and for community development programs.

Although it is unlikely that the final Academy reports would be available before the Council must take final action in June 1998, a draft report shall be submitted to the Secretary of Commerce by January 1, 1998 (Appendix, page 119 of Act, NOAA Tech. Memo NMFS-F/SPO-23.). That information should be available in sufficient time to aid the Council in its decision, especially if the Council has the flexibility of drawing from a broad range of options. If the Council elects to go ahead now with only a narrow selection of alternatives, one could infer the Council expects no useful information to come from these new studies that might alter the Council's perception of the pollock fishery, the industry sectors who use it, or the role of the fishing communities.

HENRY L. VANDERBEEK  
HC1 BOX 116  
LONGVILLE MN, 56655



NORTH PACIFIC FISHERY  
MANAGEMENT COUNCIL

DEAR COUNCIL MEMBERS,

I am writing this letter to you in hopes that it show my concern about the constant reduction of the quota taken away from the at sea processors.

I am currently employed with Alaska Trawl Fisheries. I am a licensed assistant engineer aboard the F/T Endurance. I have been working in Alaska on a at sea processor for over six years. During those six plus years I have seen the Pollock Quota for us slowly diminish.

Along with the reduction of the quota I have also seen personnel forced to look elsewhere to maintain the lifestyle that there families are accustom too. From the way it looks on this side of the fence, it would seem that the rerouting of the quota isn't to benefit the hourly workers at the shore plants but the company owners that have expanded over and over again. You never really hear of a shore plant boat going broke or having to go to foreign waters to make ends meet.

For me and all of the engineering staff that I work with here consider this our career and livelihood. For you, the council, to consider reducing our chance at a future in this field would displace many more career orientated personal throughout the entire fleet.

Why is this job so important to me? For starters this "JOB" has brought me to the place that I am in My life at the present time. This Job has allowed me to buy a home, it has allowed me to travel, but I think the biggest importance of all is that it has given me a GOAL to shoot for. I truly believe with out a goal you stand at permanent idle.

For me and many others in this industry not knowing if we will be working another year is truly very scary. It is a very valid concern with all of us. As the quota is reduced

year after year forces you to think about having to start all over again in a different field. I don't really know for sure, but I don't see the need for a Marine Engineer in the shore plant fleet. At least I do not see being able to advance or upgrade my license in which I have spent all of these years working to do.

Besides the fact that working for a shore plant owned company would not advance my career I believe it would almost take me backwards. I really wouldn't enjoy working for someone that forced me to be in the position of unemployed to begin with.

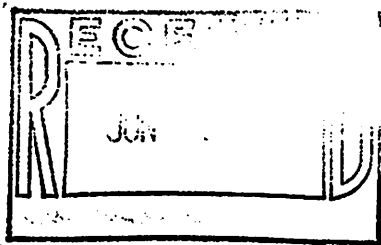
Sincerely,

A handwritten signature in black ink, appearing to read "H. L. Vanderebeek". The signature is fluid and cursive, with a long horizontal stroke at the end.

HENRY L. VANDERBEEK

ASSISTANT ENGINEER

LICENSE # 774825



JAMES R. MARCZAK  
5846 Rolling Ridge Rd.  
St. CLOUD MN 56303  
May 27, 1997

NORTH PACIFIC FISHERY  
MANAGEMENT COUNCIL  
605 West 4th, Suite 306  
Anchorage, AK 99501

Dear Council Members,

I am an oiler on the Factory Trawler ENDURANCE. I have worked in the Factory Trawler Industry for 5 yrs. I would like to express my great concerns regarding the continual loss of pollock quota, given to the shore plants and shore based fleet.

I made my way to the Bering Sea by answering an add in our local news paper. The add spoke of hard work, and good pay, working on a fishing, processing vessel. Other adds spoke of work at shore based facilities. At the age of 22, I had struggled to earn money for college or find a job that suited my person. Through trial of different jobs (including two that were factories) in our town, I decided a fishing, processing vessel would be the better choice.

I came as a processor, and through certain circumstances I was given a chance at an oilers position. Not knowing it at the time, but soon realized I had the career opportunity that I had been searching for. As a seaman, a fisherman, an engineer. This took place upon the F/T HIGHLAND LIGHT, which has since gone bankrupt.

Many people I have met in this business came in the hopes of quick riches. As we know, the riches are no longer available "like the way it used to be" I hear so much. So why do the people I see keep coming back, year after year, season after season? It's because they have found an occupation that works for them. Almost every man and woman in the world struggles to find a job that suites their person, and some never do. And every fishing day that is taken away from us, threatens mine and many others opportunity to fulfill their American dream. To find their place, to work hard, and to have hope for a good life.

You may ask if I could fulfill these dreams at a shore plant. I say no. A shore plant is a factory, and a factory on land. I am a seaman, and need the sea to survive. The shore plant offers me no seatime to let me advance to my goal of chief engineer. And this holds true for wheel house and deck personnel alike.

You may ask if I could find a job as an engineer on another vessel. I say anyone's chance of finding a job in their field is tough. Good jobs are hard to find in this field. And more so, with the constant depletion of the factory trawler fleet. Also an at-sea processor holds little use for licensed engineers.

In whose best interest are the choices being made to cut the factory trawlers quota, and hand it to the shore plants, and shore based fleet? Is it for the hard working American, or for the rich to get richer, and take control over fish prices, and employee wages?

Let us not forget that the Bering Sea is part of the United States of America. Every American should have the chance to do business where they choose, and where the resources are available. Well, fishing is our business, and we should have the same rights, to fish where the fish are, and process them on our ship. The laws should be made to give us equal opportunity so we can all profit in the fish that God gave us. It should not be that one of us, (meaning us) should be put out of business. And that is what will happen if our quota keeps diminishing.

Thank you for taking the time to read this, and would like to end this letter with a quote from our 28th president Woodrow Wilson,

AMERICA LIVES IN THE HEART OF EVERY MAN, EVERYWHERE, WHO WISHES TO FIND A REGION WHERE HE WILL BE FREE TO WORK OUT HIS DESTINY AS HE CHOOSES.

Sincerely,



JAMES R. MARCZAK  
Seaman, Fisherman, Engineer

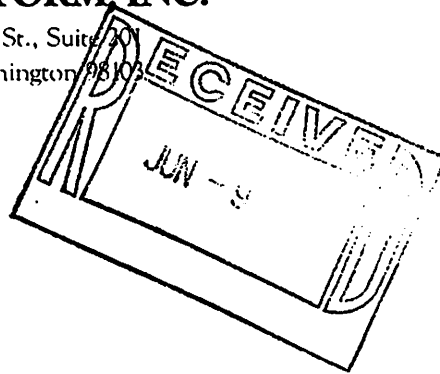


## ARCTIC STORM, INC.

400 N. 34th St., Suite 301  
Seattle, Washington 98103

May 27, 1997

Mr. Richard Lauber  
North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, Alaska 99501-2252



re: Rollover of Inshore/Offshore

Dear Mr. Lauber:

As the owner/operators of the first American-flag surimi factory trawler, we strongly urge the Council to rollover the existing regulatory regime for inshore/offshore. This is the only reasonable alternative. Any of the other alternatives as presented in the Special Supplement to the Council's Newsletter are totally without merit and should be rejected.

First, one must ask, "What is the problem?" Inshore/Offshore (I) was based on the premise that the offshore segment had somehow "preempted" the inshore sector. To remedy this perceived problem, the offshore sector was eliminated from the Gulf of Alaska pollock fishery while in the Bering Sea the inshore portion of the pollock catch was increased from 20 to 35 percent (a 75 percent increase!).

When inshore/offshore was to expire in 1995, all segments of the industry and the Council agreed that this allocative arrangement was working well and should be continued. Therefore, the problem under Inshore/Offshore (II) became simply "regulatory stability". To address the problem of regulatory stability, the inshore/offshore regulation was rolled over for an additional three years through 1998.

Unfortunately the inshore/offshore regulations must be addressed again because they expire in 1998. Conditions now are not much different than they were in 1995 except that the underlying overcapitalization in the industry has only worsened for all segments and bankruptcies have continued in the offshore sector. Furthermore, Congress has put the Council's comprehensive rationalization program on hold by establishing a temporary moratorium on any new IFQ endeavors. We would argue that this congressional mandate is a de facto mandate to the Council to not change the inshore/offshore regulations until this congressional moratorium on IFQ's expires and the Council can complete its work on comprehensive rationalization of the pollock fishery.

Again, we strongly urge the Council to select regulatory stability as the guiding element of the problem statement for Inshore/Offshore (III), and rollover of the existing inshore/offshore regulation as the operative alternative to address this problem. Furthermore, we would suggest that the rollover continue indefinitely until it is replaced by a comprehensive long-term solution to the overcapitalization problem in the pollock fishery. To do otherwise would be a disservice to the industry and a misuse of the Council's limited technical staff.

Sincerely,

Walter T. Pereyra  
Partner

# ALEUTIAN SPRAY FISHERIES, INC.

Suite 500  
5470 Shilshole Avenue N.W.  
Seattle, Washington 98107

Phone (206) 784-5000  
Fax (206) 784-5500

June 6, 1997

North Pacific Fishery Management Council  
Rick Lauber, Chairman  
605 West 4th, Suite 306  
Anchorage, AK 99501

Dear Chairman Lauber:

I am writing to follow up on testimony I gave regarding the Inshore-Offshore Pollock Allocation now under consideration by the Council. At the Council meeting in Anchorage on April 16-19 I introduced myself as the president and principal owner of Aleutian Spray Fisheries, which owns the F/T STARBOUND and six more vessels in the 124' range. My father started the company in 1970 and I began working with him in 1974. Prior to 1980 we built and operated our boats as crabbers. When crabbing collapsed we converted our vessels to draggers and participated in joint ventures with the Japanese fleet for many years. When the Magnuson Act was passed, with the goal of Americanizing the industry, our political leaders urged us to invest heavily in factory trawlers and in modifying the smaller boats. My dad, my partners and I believed there was an implied bilateral commitment to the establishment of a profitable American factory trawler fleet, so in 1989 we built the F/T STARBOUND.

With the implementation of the initial Inshore-Offshore Pollock Allocation, we found ourselves in a double bind. The fishing days available to our factory trawler, the STARBOUND, were severely curtailed. To preserve the company, we widened and repowered the smaller boats. Then the shoreplants dropped the price they paid for fish delivered to them by the smaller boats. Knowing they were guaranteed 35% of the quota, the shoreplants had the overwhelming advantage at price negotiations. Their attitude was take it or leave it and for the most part, that is what we have had to do.

Aleutian Spray Fisheries, Inc.  
Page 2

Though we find ourselves in increasingly unstable financial circumstances, we have adjusted. Under the present system all of us, whether shoreplants, factory trawlers, mother ships or catcher boats, can survive. As you weigh the present proposal to change the Inshore-Offshore Allocation, please consider the long-term adverse effects of any change you may make. The interests of the entire fishing industry are in precarious balance. I believe it is unwise to make any changes at this time. I urge you to roll the present Inshore-Offshore Allocation over.

Respectfully,



Cary K. Swasand  
President,  
ALEUTIAN SPRAY FISHERIES, INC.

CK:sp

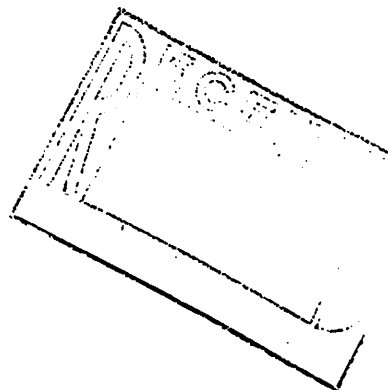


# F/T STARBOUND

Suite 500  
5470 Shilshole Avenue N.W.  
Seattle, Washington 98107

Phone (206) 784-5000  
Fax (206) 784-5500

June 3, 1997



Chairman Rick Lauber  
North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501

Dear Mr. Chairman,

This letter concerns the issue of Offshore pollock allocation for factory trawlers. I am employed with STARBOUND Ltd. Partnership, working as the Personnel Director for F/T STARBOUND. How I got here is a story that I would like to share with you.

I, like so many others in the industry, started with the idea of trying out a new career, something completely different than anything I had done before. I had heard about work on a factory trawler and was intrigued with the adventure of working in a factory at sea. Even more intriguing was the idea of working in Alaska; this seemed like the opportunity of a lifetime. Not often do people take such an adventurous step.

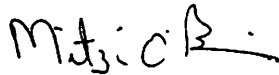
When I was hired as a processor on my first trawler, I planned to work and finish my 90-day contract and then return home and resume my life on land. When the contract was completed, I extended. My first contract ended up being 5 months long. That was in 1987. Back then no one could have convinced me that I would still be in the fishing business 10 years later. But here I am. I gained so much experience, not only about catching the fish, packaging and off loading it, but also through becoming a member of a very large, very diverse family. Working with all types of people in such close quarters allowed me to experience a whole new way of life. It was truly a positive experience.

After working as a processor for 4 years, my supervisors and the vessel owners observed that I had developed positive people-skills qualifying me to work in vessel administration so they trained me as a Purser. I worked as a Purser for the next 4 years. Then in 1995 I was offered a position with F/T STARBOUND as the Director of Personnel, where I still am today. I would never have had the opportunity to acquire the skills I have today if I had not been hired for that first contract on a factory trawler in 1987. I am immeasurably grateful to the people who have built and are operating the factory trawler fleet.

In the last ten years I have experienced first hand the year to year decrease in the allocation for factory trawlers. In 1987 factory trawlers were fishing 12 months a year in the Bering Sea. Now, in 1997, the average length of fishing time is 6 to 7 months out of a year. We are already hurting at the present level of allocation. To lessen the allocation even more would be catastrophic. It would leave thousands of dedicated, hard-working people unemployed six months or more each year, cutting their wages in half or forcing them into jobs at subsistence-level earnings. This company alone has already cut its employee level by 55%. Many valued crew members turned to the government for assistance, lost their homes and in some cases saw their families torn apart.

Please take the information I've presented here into serious consideration when setting the allocation for the factory trawler fleet.

Respectfully,



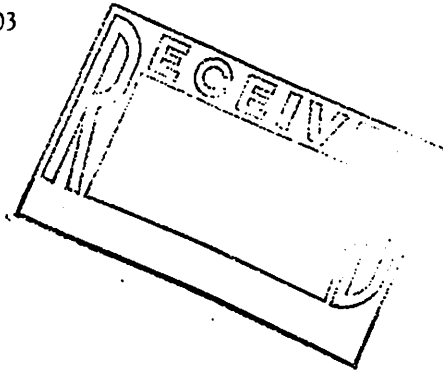
Mitzi O'Brien  
Director of Personnel  
F/T STARBOUND

## ARCTIC FJORD, INC.

400 N. 34th St., Suite 306  
Seattle, Washington 98103

May 30, 1997

Mr. Richard Lauber  
North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, Alaska 99501-2252



re: Inshore/Offshore III Rollover

Dear Mr. Lauber:

The F/T Arctic Fjord is a partnership involving several Northwest fishermen and fishing interests who have been pioneers in the Americanization of the pollock fishery; and the Bristol Bay Economic Development Corporation, a CDQ group that is involved in the pollock fishery. We are an active participant in the offshore pollock fishery in the Bering Sea.

As part of our participation in the pollock fishery, we have been making a strong effort to expand our involvement in Alaska. Our payment of the landing tax is now available to the State of Alaska and communities such as Dutch Harbor. Over the past year we have expanded our Alaskan-hire program which has resulted in the hiring of 71 Alaskans as crew, many of which are from Western Alaska. This year we expect our payroll to our Alaskan crew to approach \$2.0 million. Unfortunately these tax revenues, jobs and the benefits to Alaska could be lost depending on how the Council chooses to address the reexamination of inshore/offshore.

We are quite concerned regarding the myriad of alternatives which have been thrust upon the public for evaluation before the Council has established a problem statement. In our opinion this is "putting the cart before the horse" and does not provide a logical basis to move forward with the reexamination of inshore/offshore.

In considering all factors associated with the renewal of inshore/offshore it is apparent to us that the only reasonable and supportable "problem statement" is the preservation of regulatory stability until the Council can complete its deliberations on comprehensive rationalization of the pollock fishery. To come to any other conclusion would be inconsistent with the problem statement given for Inshore/Offshore II in 1995.

With "preservation of regulatory stability" as the problem statement, the most logical action by the Council then should be to roll over the existing inshore/offshore regulation in its entirety. There is absolutely no basis for changing the rationale associated with inshore/offshore from that which was overwhelmingly endorsed by the industry and approved by the Council in 1995. The "problem" is still the maintenance of regulatory stability until the Council can complete its deliberations on comprehensive rationalization of the pollock fishery.

On behalf of the owners and crew of the Arctic Fjord, we thank you for your consideration of our views on this subject of critical importance to our survival.

Yours sincerely,

Douglas L. Christensen  
President



## SEA STORM FISHERIES, INC.

400 North 34th Street, Suite 306  
Seattle, Washington 98103 U.S.A.

May 27, 1997

Mr. Richard Lauber  
North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, Alaska 99501-2252



re: Inshore/Offshore III Rollover

Dear Mr. Lauber:

The F/V Sea Storm is a 123-foot catcher that delivers pollock almost exclusively to factory trawlers offshore. Under the existing seasons we can only fish several months during the year. We have no reasonable inshore markets. Furthermore, now that the Japanese-dominated inshore processors are expanding their vertical integration in the pollock fishery by buying up their own fleet of powerful catchers, it is doubtful that we can or will ever have access to an inshore market for our catches of pollock - - - in other words we are always going to be dependent on offshore markets for our pollock catches.

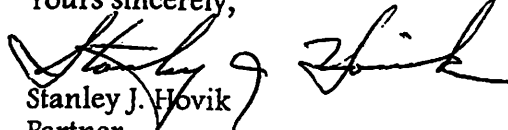
It disturbs us greatly that the Council might be considering changing the pollock quota. Ever since the original inshore/offshore pollock allocation scheme, the inshore boats have had a fishery that has lasted longer than the offshore sector. In fact this A-season the inshore fishery lasted 30% longer than the offshore season.

Therefore, it is preposterous to think that the Council would even consider lengthening the inshore fishery at the expense of an already shorter offshore fishery. The request of the Japanese-dominated inshore processors for more fish is nothing more than a blatant fish grab and should be totally rejected.

To cave into the selfish demands of the inshore processors for more pollock at the expense of the offshore sector would only be playing into the hands of the Japanese-owned processors who are intent on achieving total market control over the pollock industry, as they have for other key species of fish and crab in Alaska. The Council cannot give the Japanese the strategic advantage over pollock or our prices will plummet again as they did after the Japanese were awarded a 75% increase in their catch as part of inshore/offshore I.

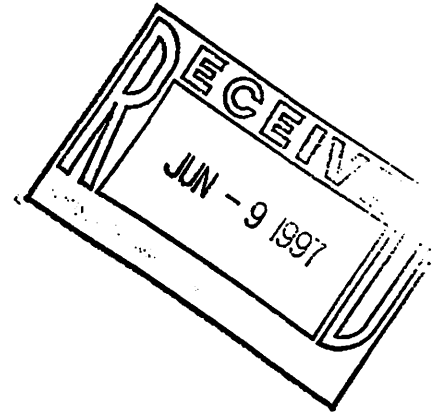
We respectfully request that the Council maintain all segments of the industry by rolling over Inshore/Offshore indefinitely. This action will preserve the diversity of the entire industry which is in the best overall interest of the American catcherboat fleet. For the sake of the American fishermen do not bend to the fish grab by the selfish Japanese inshore processors who have market control and dominance as their longterm objective.

Yours sincerely,

  
Stanley J. Hovik  
Partner

## **Tokai Denpun Co. Ltd.**

24-15 Tenma-Cho, Shizuoka, Japan 420  
Tel: 054-253-0976 Fax: 054-251-3522



**TO: North Pacific Fisheries Management Council**  
**Attn.: Chairman Rick Lauber**  
**Fm: Isao Konagaya**  
**Date: June 9, 1997**  
**Re: Pollock Quota Allocation**

**Dear Chairman Lauber,**

I am writing this letter in support of a continuation of the current pollock allocation between the onshore and at-Sea processing sectors in the Bering sea. Tokai Denpun Co., Ltd. is a food items distribution company in the Japan. We supply directly to final users. Surimi is one of the largest product items we handle. Our history of the last 35 years shows that surimi was mainly produced by Japanese companies until the 200 miles regulation was in place. Currently, Bering Sea, Alaska is the number one production area in the world. Our role in the industry is to supply stable quantity and quality to our customers. Not only do we sell products to user but we match their unique need with the different quality characters of the surimi product.

The Japanese Kamaboko makers had their surimi supply from Japanese fishing companies for several years in the past. These were all produced at-sea. Due to this history, our customers prefer at-sea production than onshore. The market place evaluation is that the quality of both surimi and pollock roe at- sea production is higher than shore production.

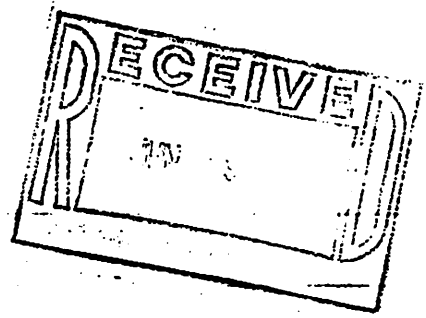
Our role is to meet these needs. Therefore, any big change in quota allocation will directly contradict with what the market needs. We believe you will see this issue from all angels and make the right decision for the benefit of all parties in the industry.

**Best Regards,**

*I. Konagaya*

**Isao Konagaya**  
**General Manager**

.. May 26, 1996



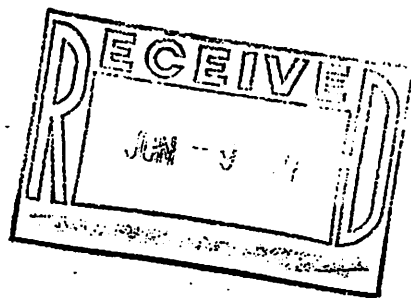
.. Dear Mr. Fauber,

.. My name is Craig Connolly, and  
.. I am employed aboard the factory trawler  
.. f/t American Triumph. I am writing  
.. you to express my concern over the  
.. upcoming meeting over inshore / offshore  
.. pollock quota allocation. Because I  
.. earn my living as a processor aboard  
.. an offshore vessel, I have an interest  
.. in a fair share of the quota being  
.. allocated to the offshore vessels. I can  
.. assure you that myself & my family  
.. depend on this !!

.. I ask only that you take the  
.. interests of all parties into consideration  
.. at the upcoming North Pacific Fisheries  
.. Management Council meeting, and are able  
.. to divide the Alaska Pollock quota  
.. fairly! Thank you for your time &  
.. consideration.

.. Craig Connolly

.. Craig Connolly  
.. P.O. Box 45838  
.. Seattle, Wa. 98105



CHAIRMAN RICK LAUBER  
NORTH PACIFIC FISHERY MERCHANTS COUNCIL  
605 WEST 4TH, SUITE 306  
ANCHORAGE, AK 99501

DEAR MR. LAUBER

UNLIKE MANY OF MY CO-WORKERS, I HAVE ONLY BEEN WORKING ON THIS FACTORY TRAWLER FOR A FEW MONTHS, BUT IT HAS ALREADY HAD A SIZEABLE IMPACT ON MY LIFE, WITH THE MONEY EARNED DURING JUST ONE SHORT SEASON I ~~WAS~~ <sup>AM NOW</sup> ABLE TO CARRY OUT A "NEW LIFE" RATHER THAN THE USUAL NEW YEARS RESOLUTIONS AND OTHER FORMS OF LIP SERVICE. MY OPTIONS ARE RESTORED AND I AM INDIED GRATEFUL THAT THIS ~~OPTION~~ <sup>OPPORTUNITY</sup> EXISTED FOR ME AND FEEL THAT IT IS IMPORTANT THAT IT CONTINUES TO EXIST WHERE THE ALTERNATIVES ARE AS ILACK AS BARRIORITY AND CRIME.

AN EXPERIENCE SUCH AS THIS IS NOT JUST ABOUT MONEY, ON ANY ONE OF THESE VESSELS FORMER IMMIGRANTS, COLLEGE STUDENTS AND CRIMINALS ALL SHARE THE SAME ROOMS AND EAT THE SAME FOODS. IN THESE CRAMPED ENVIRONS IT IS ABSOLUTELY NECESSARY THAT WE ALL WORK AS A TEAM ... AND TALK, ONLY

THROUGHIN HARD A WORD <sup>TOGETHER</sup> DO ~~THE~~ PREJUDICES  
AND STEREOTYPES EVAPORATE ... COMMONALITIES  
HAVE TO BE EXPERIENCED RATHER THAN  
PREACHED IN EXPENSIVE NATIONAL TV  
CAMPAIGNS.

BUT WE ALL DO COME FOR THE  
MONEY ... AND THERE IS NOTHING GREEDY  
OR SHALLOW ABOUT THAT. HERE THE  
AMERICAN DREAM IS STILL ACCESSIBLE,  
WHERE THE ~~CAN~~ ON-SHORE CANNERIES  
PAY ONLY FIVE DOLLARS AN HOUR, ~~AND~~  
IF THESE GROW OUT OF PROPORTION  
TO THE TRAWLERS THE DREAM  
WILL VANISH FOR MANY. WITH ALL  
DU RESPECT TO THE ANTIQUATED  
CATCHER BOATS THAT SUPPLY THESE  
CANNERIES, THEY SIMPLY DO NOT SUPPLY  
THE BEST PRODUCT, IN THE COMING  
WORLD MARKET, AS TRADE BARRIERS DISAPPEAR  
WORLD CONSUMERS WILL DEMAND THE  
BEST PRODUCT AND YOU HAVE TO  
WONDER IF WE STILL WILL BE  
ABLE TO

THANK YOU

DANN FORBES

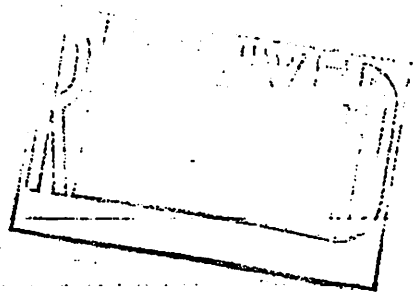
F/T AMERICAN TRAWLER

AMERICAN SEAFOODS

JAN 97 - JUNE 97



Dear Mr. Carber



My name is Nathan Traxler. I work on a factory trawler for American Seaboats. I am writing to you in regards to the about the Inshore / Offshore allocation issue of Pollock. I joined the fishing industry a year ago in order to raise money for college. After two years, funds ran out and the only real way of paying for the rest of my education was to join the fishing industry. I am not the only person working on these boats who is raising funds for college. Therefore, if the offshore pollock quota is decreased, it puts people out of a job, just like me, who is trying to better their lives through college education and the only way of paying for it is to find a job that pays well. I couldn't find a nine to five job and save enough money for several years of college. I know that you will take this into consideration and make a choice that will benefit everyone.

Sincerely  
Nathan Traxler  
Nathan Traxler

RECEIVED

5/26-97

Dear Mr. Lauber

My name is Carlos Sanchez. I work for American Seafoods Co. I work on one of their factory Trawlers. I've been working here for the past 2 years. I really like working here, and I would not like to lose my job.

If I lose my job it's not going to be easy for me and all of those who depend on me. (my wife, 2 Brothers, Mom, and my 2 sons). You would not be taking just my job away but how am I going to take care of my Family. I would not make the enough money in another job, to support my Family, and take care of Bills. I take good care of my job, because I couldn't afford losing it.

Please take this letter into deep consideration

Sincerely  
Carlos Sanchez

Dear Mr. LAUBER,

My NAME IS RON NELSON and I'm writing you in regards to the onshore offshore proposal brought about by the ~~NPFC~~ NPFMC. My concern lies in the putting out of business the Factory trawlers. I've mainly because I've worked on the F/T American Triumph for 7 years and have made my living from it. My wife and I have come to depend on my income and have set our standards of living according to the amount of ~~my~~ money I bring home. Basically what I'm trying to get across is that if shore plants want to take my job away theres no way I could find a job that I enjoy ~~and~~ as much as this one let alone a job that pays as well. If shore plants are prepared to offer ever processer, manager, foreman, first mate, deck crewman, ect. a job than thats fine and dandy but I don't see that anywhere in the inshore / offshore allocation. I'd appreciate it if you ~~could~~ would read this letter ~~at~~ at any meeting held regarding these issues.   
 Ron Nelson

Dear Mr. Zambon,

5-26-97

My name is Aaron Boulger, I am currently employed by American Seafoods Co. I work on one of their factory trawlers, I have a really good job, A job that allows me to live a very comfortable lifestyle. I could not live the way I do working nine to five making five or six dollars an hour. I work very hard for my money, however it sure does have its benefits. Especially ~~the~~<sup>my</sup> time off. It would be ashame for myself and thousands of other people to lose our jobs over something that is completely out of our control. please take in to consideration at what is at stake here. Thank you for reading my letter.

Sincerely  
Aaron D Boulger  
Aaron D. Boulger

MR. LAUBER.

Chairman OF North PACIFIC Fisheries.

Dear Sir,

My Name is Todd Boyer, A Professor Aboard the F/lt AMERICAN triumph. I HAVE been Fish FOR 2 years. This is my only MEAN OF INCOME. PREVIOUS TO FISHING I HAD gone FROM JOB TO JOBS FINDING WAYS TO SUPPORT MY WIFE AND 3 children, SINCE I've been FISHING ~~RE~~ WE (MY WIFE AND I) HAVE NOT HAD TO WORRY ABOUT HOW TO FEED the kids OR HOW were GOING TO PAY the RENT, FISHING HAS enabled me to LIVE A MORE FINALLY secure life, NOT JUST FOR me but FOR MY FAMILY, TAKING AWAY MY Livelihood AS Stated in the the Letter, would FORCE NOT me but MY Co-worker who most, is all they know is FISHING, so I plead with you to Reconsider your decision OR WHOEVER'S MAKING the Decisions. to think about THE FAMILY that will be hurt BY your proposal. Thank you FOR your time

Respectfully

Yours

Todd A Boyer

DEAR MR. LAUBER

I'm ALEXANDER SHIYANOVSKIY.

I have been working for this company  
"AMERICAN Seafoods" about 3 years.

I used to work in this business  
in Russia for 5 years.

I always have been making money  
by this business. My income depends  
on this business. I need this job  
to support my family. I can't  
see myself in any other kind of business.

I'd like you to consider my letter  
in this way.

Thank you

Alex Shiyanovskiy

5/25/97

F/t "AMERICAN Triumph"

Dear Mr. Lambert,

I'm writing to you regarding the upcoming allocation of the fishing quota between the land based and ocean based processing facilities I work on the F/T American Triumph.

Prior to that I was a paralegal in a New York City law firm. The hours are similar and the work, though different is equally demanding. Yet, despite what one might think, I find that my land work is more respected, better rewarded, and my lifestyle better balanced ~~and~~ this industry than the latter. I

I have been processing for American Seapools since "A" season of 1997. Though the work is tough the income is makes it worthwhile. I personally can't imagine doing anything else at this time.

Please allow this opportunity to continue for me and others like me. It is one of the last great opportunities for anyone regardless of their background to make a sane sane money and to build a future for themselves and their families.

Thank you.

Sincerely,

K. J. H. 1. 11.11

Dear Mr Lau ber

My name is John Christian Ahles I work on a factory trawler for American Seafoods Company my Job is really important to me and my family.

If I loose my Job I dont really know what else I can do I have worked on the American Triumph for 7 years and enjoyed one hundred percent of the time that I have spent on the Triumph I have learned more with this Company than any other I have worked for!

I work really hard for my money so I can pay bills enjoy life and help out freinds or family this Job with american seafoods enables me to do so.

If I loose my Job I dont think I can find another like it and I dont really know anything else! also I know thousands of people depend on these factory trawlers to feed there familys.

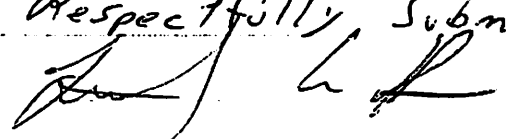
So please take my letter into deep Consideration!

Thank you  
John Ahles



Dear Mr Lauber

My name is Timothy ~~Eric~~ Braaten  
I work on a Factory trawler for  
American Seafoods Company. I like many  
many others who work for Am. Seafoods  
truly love and enjoy our work. We  
have the opportunity to make better  
money at this line of work than  
any other; plus there is also room  
to excel up the ladder in this company.

Sir, ~~you~~ No one needs to remind  
you who you are. You're the  
Chairman of the North Pacific Fishery  
Management. Obviously, you also love and  
enjoy what you do, otherwise you would  
not hold the position you do now.  
Think about what you will be  
responsible for. Does it even phase you  
that thousands of men & women will  
be out of their livelihood they've  
served in for many years? I'm not  
trying to paint a pity party  
picture. These are the facts of life  
for us who take care of our kids  
and family. Be fair on your  
final decision. Please. Respectfully Submitted  


RECEIVED

Dear Mr. Lauber,

My name is Mike Neumann and I've worked on the American Triumph ~~for~~ since 1992. At first I looked at it as a quick way to make some cash, but now I have learned to love it. It gives me the power to achieve success not only financially but also spiritually. I'm proud of myself because of fishing and proud of ~~to~~ our boat. I plan to fish for five or ten more years.

I think that factory trawlers ~~is~~ are the most efficient and honest way to work this fishery, and I hope it will be around for me to be a part of. Thank for your time.

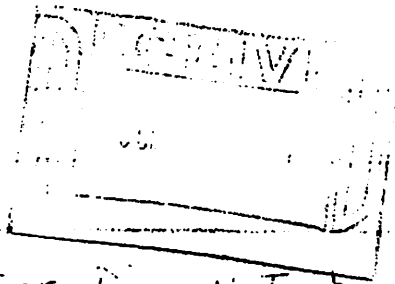
Mike Neumann

Dear Mr Carter,

My name is Leif Stanton-Hicks. I work on a factory trawler for American Seafoods. My job is really important to me and if I lose it I don't really know what else I can do. I work really hard for a living and really enjoy going out to sea six months out of the year. I'm not the type of person who is set out for a regular nine to five job. I don't feel that it is right for me, and my co-workers, who work so hard to have to lose their jobs because of something which is completely out of our control. Fishing is the first thing in my life that I love doing which pays well and that I am good at. I don't know a great deal about what is going on as far as the inshore, offshore agreement. However I do know that I don't deserve to lose my job. Thank you for reading my letter.

Sincerely

Leif Stanton-Hicks  
Leif Stanton-Hicks

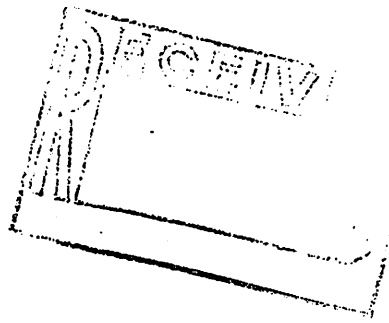


Dear Mr. Lauber,

My name is Eric Dawson. I have been fishing since November of 1992. I'm 25 and have just bought my first house. Without the income provided from the factory trawler's I wouldn't be able to maintain my household. I only have a high school education, which means ~~if~~ without this job I would have to settle for a job that pays \$7 to \$10 hr. This would mean that I would more than likely lose my house! Working on a factory trawler has done more than just help me with my finances, it has also molded me into a disciplined and responsible person. It has also taught me a value that will help me the rest of my life. I would be a shame to see this industry faded out, which would happen if land plants were given our pollock quotas.

Sincerely  
Eric Dawson

Chairman Rick Lauber  
North Pacific Fisheries Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501



Mr. Lauber,

I am currently employed by a vessel of the offshore fishing fleet in Alaska. It has come to my attention that the Inshore processing plants have requested of the Council a reallocation of the quota percentages for Alaskan Pollock. It is also my understanding that this reallocation is highly in favor of the inshore processors. I am certain that the council will take into consideration the futures and families of ALL its constituents.

This is my third season to work as a Quality Control Technician on the F/T American Triumph. Prior to this I worked as an Observer for NMFS, after obtaining my degrees at Texas A&M in Marine Biology and in Marine Fisheries.

While employed as an observer I learned many things about the Pollock Fishery. I learned that the offshore fleet makes a better product because they use fresher fish. The offshore fleet works hard to comply with all regulations put forth by The Council. The processors are paid very well offshore, and the quality of life for these people is very good while they are employed on this vessel.

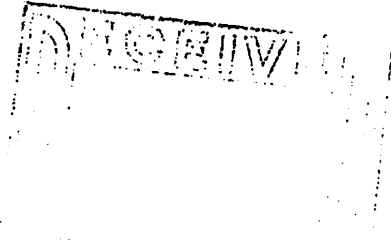
Many of the personnel working on this vessel have been working in the fishing industry for a good portion of their adult lives and would find a tough battle seeking work on land. I am certain that they would not be satisfied with the life of a shore based processor. I have seen many of those plants. The people on this vessel are treated too well and are making too good money out here to settle for another way of life. The standard of life that an offshore processor is accustomed would be hard to match inshore.

I, having obtained two degrees, could fall back on my education to help find another job. I do not wish to do this because I have chosen to work offshore, and I strongly feel that I find a better way of life out here. The same job at an inshore plant would not be satisfying, nor would it pay me as well.

Sincerely:

Mary E. Delos Santos  
Quality Control Technician  
F/T American Triumph

CHAIRMAN RICK LAUBER  
NO. PACIFIC FISHERY MANAGEMENT COUNCIL  
605 WEST 4TH SUITE 306  
ANCHORAGE AK. 99501



DEAR SIRs,

My name is James Lebo. I am A Chief Steward on the American Triumph, a factory trawler for American Seafoods. I've been A Chief Steward for American Seafoods since march of 1989. Since then I've worked on three of their vessels. I was formerly a local Seattle area hotel Chef. I've found working on the factory trawlers to be a rewarding and challenging career. As Chief steward I deal with everyone on board these vessels on a daily basis. Sometimes as many as 170 people for three months at a time. I'm responsible for all the food and accommodations for each crew member.

In the past eight years I have seen a lot of different people on board these vessels all of them hardworking caring individuals. I have seen them set themselves up for the future with homes and families. I have seen some move up in the industry from processors to factory managers, from processors to 1st Mates, from processors to engineers, and from cooks to Chief Stewards. All rewarding and respected careers.

To speak for myself I have found fishing on these trawlers has improved my lifestyle very much. It has provided me and my family with a much higher living standard. Also, it has allowed me more time for my family than ever in my 30 year career as a Chef. Being a Chef I could still find other work, but never as good a job. American Seafoods has treated me and I think, all of its other employees very well.

American Seafoods produces the finest products made from Pollock in this industry. And factory trawlers produce a fresher product than land based plants. They also employ a substantial amount of people, and pay much better than the land based plants. These factory trawlers do their utmost to follow all the regulations set by all the agencies managing the fishing. Many times I have seen them stop fishing if there was too much by catch. American Seafoods also does much to help Research Agencies. with net tests and scale tests. I have seen and talked to several people on board working for these agencies, and their always impressed with our concern for the resource.

I'm sure you have many things to consider in your meetings in June. please remember that the factory trawlers do deserve a fair share of the pollock as they are a valuable industry. Contributing much to the lives of many people. 70% of the pollock to land plants would be devastating to all of us and our families.

Sincerely,

  
James Lebo

John P. Abbott  
9998 10 Mile Rd.  
Mecosta, MI 49332  
27 May, 1997

Chairman Rick Lauber  
North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501

Dear Chairman Lauber:

I am writing you concerning the upcoming expiration of the 35/65 split of the Bering Sea/Aleutian Island pollock quota between the shoreside plants and the at-sea processors. There are rumors on the waterfront that the present 35/65 split may be changed to give a larger percentage of the allocation to the shoreside plants. This possible action is of great personal concern to me.

I am sure that you have been inundated with statistics, charts, graphs, and lobbyists all supporting one side of this issue or the other. Please allow me to show you some impacts that this action could have on me, personally.

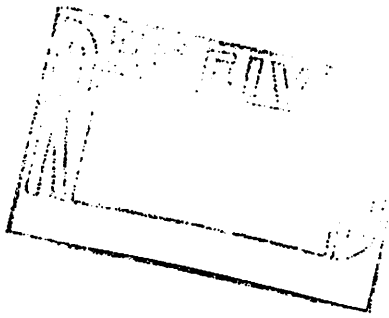
I am the Chief Engineer on an at-sea processor. I have been going to sea for over 20 years and have worked my way up from ordinary seaman to a licensed Merchant Marine Officer. I am very proud of that fact and of the hard work on many ships that made it possible. If this allocation of pollock is changed to reduce the at-sea processor's share, it is very likely that these vessels will cease to operate. These vessels are one of the last large employers of seamen in the United States. I am sure that you are aware that the number of US flagged hulls decreases every year as the container ships re-flag or are sold off. If the at-sea processors disappear, I will be out of a job and a profession. There is no longer any other place for me to practice my hard learned skills. There will be no other place for younger people to work their way up the ladder as I did if these vessels are not running.

Financially speaking, I can not find a job that will pay the same as this one does - especially at a shoreside fish processing plant. They don't need highly trained personnel versed in keeping a ship afloat, running safely, and making a profit. The level of engineering expertise required ashore is not that demanding and thus, pays much less. I am nearing the middle of my life, and, like most at this point, have the normal financial obligations: children's college tuition, mortgage, car payments, etc. If this quota changes so that the vessel I work on ceases to operate and I am out of a job, things are going to be very difficult for me and my family. Please keep this in the back of your mind while you are considering this allocation.

Just one more point and that's it. I enjoy being at sea. I love this job and am extremely proud of my ship. I work hard to make it even more efficient. It is a thing of beauty and grace when it is at sea in its natural element. I have been to shoreside plants and have seen their workings. I have pulled my anchor up from the dead, mucky bottoms in the bays where some of them are located. I saw very little beauty there and felt extremely far from grace.

Sincerely,

John P. Abbott  
Chief Engineer



Saia Moimoi  
201 Northlake Way, Apt. A  
Bremerton , WA 98213

Chairman Rick Lauber  
North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501

Chairman Lauber:

I am writing you to oppose increasing the percentage of the shoreside fish processing plant's share of the pollock quota.

I work on a factory trawler and am very happy with my job and income. If the percentage of the pollock quota is decreased for the factory trawlers, they may stop running and I will be out of a job. My family consists of myself, my wife and three children, with another child due this July. There is no way that I can support them adequately without this job. If my ship has to stop processing, or works less of the year, I don't know how I will provide for my family.

If there were jobs available in the shoreside plants, I would have to move my family to Alaska where the cost of living is much higher and the wages paid by the shoreside plants much lower than my present income. I just don't see anyway I could manage that move, or provide for my family once they were there.

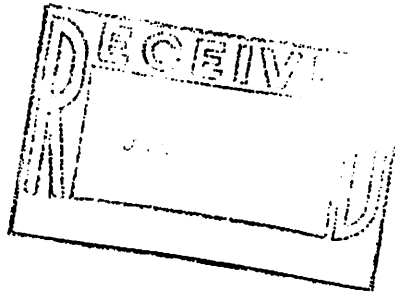
I have worked hard for this company as a processor and have just worked my way up to a position in the engineering department. It would just be too cruel if, after finally getting somewhere in this company, I lost it all because of politics.

Please think about my situation, and many others similar to me, when you are making up your mind on the quota.

Sincerely,

Saia Moimoi





Czeslaw Zylik  
11434 High Bridge Ct.  
Houston, TX 77065

Chairman Rick Lauber  
North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501

Mr. Chairman:

I work as a Factory Technician onboard a factory trawler and am writing you to urge you not to increase the shoreside processor's share of the pollock quota. I am very concerned about this proposed change to the quota as it could radically affect my life.

I am Polish. Because I was an ardent supporter of Lech Walensa in Poland, I was deported from that country. I was granted political asylum in this country in 1985. My wife, child and I had to leave Poland with nothing. We started over in this country and I was able to find a good paying job onboard the factory trawlers after several years of scraping around from job to job. It is to this industry that I owe my present financial situation.

If the pollock quota is reduced for the factory trawlers, I may once again be out of a job. I don't think that at my age I have too great a chance getting another job that will support my family. Even if I could get a job at a shore plant, I would once again have to leave everything that I have built up and move to Alaska. My wife is not up to starting all over again and I would not be too excited about it myself. After all these years, we finally have a house that we own (with a mortgage), my child is in a good school and rapidly becoming a standard American teenager, and we are able to put a little money away for our old age. Losing everything again would just be too much.

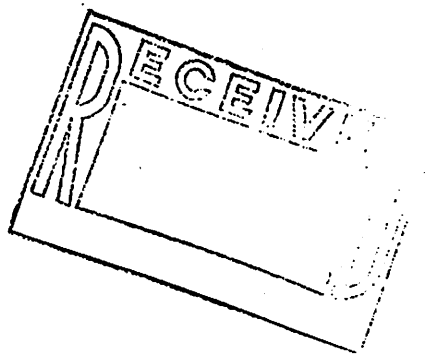
When my wife and I became citizens of the United States, we were so proud and happy. I told her that now we were safe and would have a fair and honest chance to make a living and enjoy our lives. There would be no more hiding and running. Faceless men changing policies and programs to make themselves rich and powerful would no longer interrupt our lives. I hope we weren't wrong.

Thank you for listening to me. I ask that you think about my story as you listen to those people who want to change the quota. All I want is to live out my life with some prosperity in this country and see my child grown up and happy. What do these other people really want?

Sincerely,

Czeslaw Zylik

**Douglas Seitz  
7820 Riverside Dr.  
Boise, ID 83703**



**North Pacific Fisheries Management Council  
Attn: Richard Lauber**

**5/30/97**

**Dear Mr. Lauber:**

**Please consider the following when deciding as to the allocation of Bering Sea Pollock in future Council meetings:**

**I am a thirty-three year old factory manager who has been employed in the Factory Trawler industry for the past eleven years. If I could put all of my experiences for the past eleven years into this letter, it would be a very, very long letter, but here is a brief explanation as to why I am concerned.**

**Any change or loss by allocation in the offshore component of the pollock fishery would be detrimental to myself, my child, family and the theory of "trickle-down" would pretty much be put on a full-blown personal level. Not to say that without fishing I am at a total loss for qualification and change, but as I'm sure that you well understand when you have children, family, life and a home, a new career at this point would definitely alter life's routine for myself and those around me. Right now, being from Boise, Idaho, I am making a comfortable living. I just basically can't see changing without seeing something devastating happening. I've been around long enough and have many friends and acquaintances in the same industry with their hopes and goals close to the same. I'm sure they share the same feeling.**

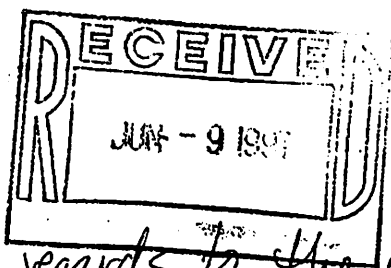
**In closing, these are the things that are the most important to me and those around me. Please consider this.**

**Sincerely**

**Douglas Seitz**

**Douglas Seitz**

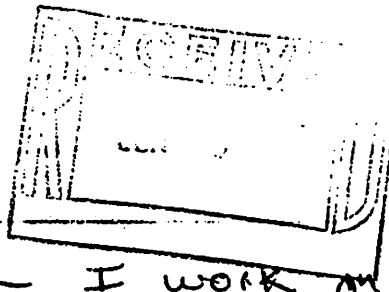
Mr Hauber



I am writing to you in regards to the upcoming "allocation-meeting" on innshore/offshore pollock quota. I'm very concerned about the future of the offshore ~~boats~~ fishing fleet. I started fishing when I was 19, and I am now 35, so you can certainly say fishing is my career. When I started fishing in Alaska in '86, Dutch Harbor was not much of a town. But look at it now, and think of why it has become the way it has. The Factory fleet has left a whole lot of it's revenue in towns like Dutch Harbor <sup>and St Paul</sup> ~~and St Paul~~. We send thousand and thousand of people to the grocery stores and hotels every season. And they make good money as employees, so they can afford to spend some before they go home to support their families. People working at the shoreplants are normally paid by the hour, barely over minimum wage, so think about who you really give the quota to when <sup>you</sup> try to make up your opinion on this issue. My point is that I can't see what the shoreplants have done to deserve ~~to~~ a bigger share than what they have. They built their plants on the same <sup>reasons</sup> ~~criteria~~ as we built our catcher processors, a good looking future for fishing in Alaska. The factory boats ~~are~~ are still hanging in there, even after being denied fishing year around. We have adapted to all regulations and we are trying hard to do our best to keep the pollock stock healthy. A professional fisherman has the biggest reason to protect and harvest the ocean in a sensible way. ~~So please think about that when you make up your mind.~~ Let us make the fresh seafood we all can be proud of, and let us still be able to feed our thousands of kids and families without ~~totally~~ totally changing our way of life. Thanks for taking time to read this letter.

Best regards Oddin Josok

P.S. Excuse my handwriting and stationary!



DEAR MR. LAUBER

MY NAME HECTOR CURIEL I WORK ON A FISHING  
BOAT FOR FEW YEARS AND I WORK FOR AMERICAN  
SEAFOODS COMPANY, MY JOB IS VERY IMPORTANT BECAUSE  
I SUPPORT MY FAMILY AND I JUST BOUGHT A HOUSE  
AND I WORRY ABOUT LOSING ~~MY~~<sup>MY</sup> JOB, I HAVE TWO  
KIDS AND I THINK ABOUT THEM IF I LOOSE THIS  
JOB. PLEASE TRY TO UNDERSTAND HOW WE ARE  
FEELING

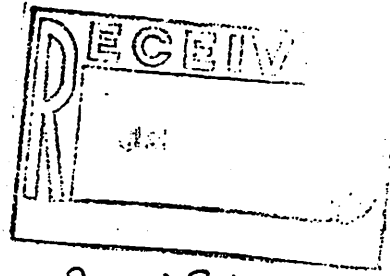
THANK YOU

HECTOR CURIEL

Dear Mr. Lamber,

My Name is Mark Stover. I Moved to the west coast 7 years ago to fish in Alaska and on the west coast. I grew up in the state of Maine where fishing has been shut down for the next five years. This is how I pay my rent and put ~~put~~ food on the table. If I can't fish back home in Maine and here on the west coast I will be another person standing in line at the unemployment office. I sure hope that doesn't happen anytime soon because my work skills do not extend very far. This is what I do and I like what I do. Thank you for taking the time to listen to me and I wish you all the luck in your decision and I hope I can continue to work on my boat.

Fisherman,  
Mark Stover

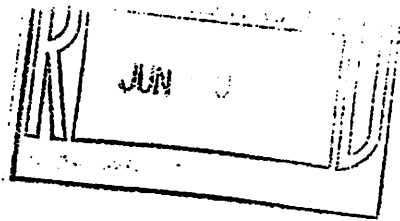


DEAR MR. Lauber  
Chairman of the North Pacific  
Fishery. I'm Frank Seipp A  
Prosser on the FT American Triumph.  
I've been in the fishing business for  
four years now. This is how I make  
my living I have a wife and two kids  
who I support off ~~a~~ this business. This  
is basically the only thing I know how  
to do. Fishing is my primary source of income.  
I don't have to worry about my wife and kids  
not having food or clothing. This pays my  
rent and all my other bills. I would  
appreciate ~~if~~ if you took the time to  
sit down and think of the many  
families, who rely on this business for  
support that would suffer. I hope  
you reconsider this decision.

Sincerely

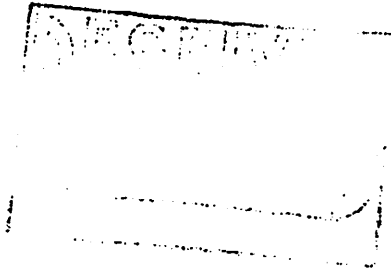
Frank A Seipp

DEAR MR. LAUBER



MY NAME IS M. DAVIN NES I AM A CREW MEMBER ABOVE THE F/T AMERICAN TRIUMPH AND AS YOU PROBABLY ALREADY KNOW I'm WRITING IN regards to the allocation ISSUES. I am 29 YEARS old and am trying to make a ~~career~~ in the fishing industry this is my first season on the TRIUMPH and would like the progress in the company only because I'm looking out for my future. I feel I'm on the right track but if the inshore get their way there really won't be too much of a future here. it's really a sad thing not only for my self but for the people employed here. We count on this for our livelihood just as much as the inshore interests do. Thank you for your time

Sincerely  
M. Davin



F/T NORTHERN EAGLE  
AMERICAN SEAFOODS COMPANY  
2025 FIRST AVENUE, SUITE 900  
SEATTLE, WA 98121

North Pacific Fishery Management Council  
ATTN.: Chairman Rick Lauber  
605 West 4th, Suite 306  
Anchorage, AK 99501

Dear Sir,

I am thirty-five years old and I have been in and out of the fishing industry since 1979. I am now a deckhand on the F/T Northern Eagle. In 1992 I started here as a factory processor. I worked in that position for two years. Then moved to combi, which means half deck - half factory. This lasted for something in the figure of three years. Now that I'm a deckhand I have a goal. This is a goal to become a Captain. This takes time.

I have worked in shoreplants from Pacific Coast Seafoods to Alaska Packers. Every shoreplant that I have worked in was a dead-end. A shoreplant pay is the lowest wages possible, with a small raise once a year. For people like myself with an eighth-grade education, where else could I get this experience. There are many things to learn here and I have a good income. Do you think I could make \$40,000 to \$70,000 a year in a shore plant? Even as a processor I made more money than a shore plant could pay me. Also I think it's better to have a product frozen at sea, rather than to lay in the hull for three to five days on ice and then processed. It's a lot better recovery rate at sea. A question for you, have you ever been out here on a boat or have you ever done a story on someone out here? Try it. You may find it's exciting, better all together than a shoreplant.

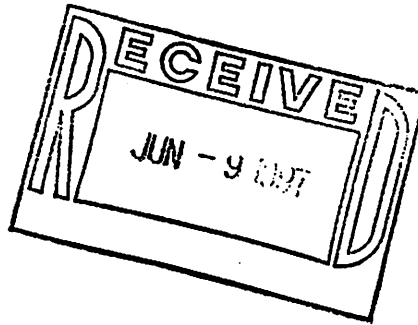
Pride is our goal and where we go on, we go all.

Henry K Sutphin, Jr.



MAY 25, 1997

**Chairman Rick Lauber**  
**North Pacific Fishery Management Council**  
**605 West 4th, Suite 306**  
**Anchorage, AK 99501**  
**Fax: (907) 271-2817**



Mr. Lauber,

My name is Brendan C. Hardy. I am the Captain of the F/T AMERICAN TRIUMPH, owned and operated by American Seafoods Co. I am writing in regards to the allocation issues that will be considered during the June '97 North Pacific Fishery Management Council meeting, specifically the Inshore/Offshore Pollock allocation issue.

I have been fishing in the Bering Sea since 1988 aboard various Factory Trawlers, primarily in the pollock fishery. Prior to this I attended the California Maritime Academy and before that I was a mere green horn fishing salmon in SouthEast Alaska during the summers of my highschool years. I have been making a living at fishing for more than a third of my life. There was a time I didn't think that I would continue working in the fishing industry because of the uncertain nature of the occupation. But because of the opportunity that my present employer has provided and the opportunities that have historically existed in the fishing industry, I can not think of any other thing that I would rather do. This is not just a job to me, it is my "vocation". Unlike many of the people I work with, I have a college education to fall back on. A prospect that is less than appealing to me nor do I view it as an option. My point is, I have made my career choice and I am more than content.

I am, though, for the first time in my career, very concerned about the upcoming Councils decision on the allocation of the pollock quota. In the past the council has, for the most part, made wise decisions regarding the well being of the pollock resource. Though often hard to swallow for the few, the Councils decisions have been in the interests of the many. I am all for the strict regulation of the pollock resource if it means the continued availability of that resource. I think it bears mentioning for the lay-person that pollock is a "public resource" to be used by all who endeavor to hurdle the countless obstacles that stand in the way of participating in it. Pollock and its various by-products are valuable commodities on the world market. The value of our resource not only supports the companies that catch and produce the fish but also the thousands of employees who sometimes stand 16 hours a day in front of a processing machine to make the product. The value supports his or her families. And it doesn't stop there. Don't forget to factor in the value that supports the office personnel of the various companies and their families. The number of people involved in the American Factory Trawler fleet who depend on the continued availability of the pollock resource runs into the tens-of-thousands!

The Inshore interests have proposed to the Council that they receive as much as 70% of the allocation in their favor! This proposal would absolutely put the American Factory Trawler

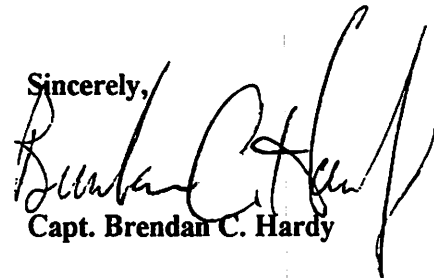
**fleet out of business. Many people have asked me if the Inshores proposal is a possible allocation alternative that the Council would even consider. I jokingly say it's not possible. Is it?? For the past several years the Offshore component has born the brunt of most of the Councils decisions. But we have rebounded and consolidated, become more efficient, explored other fisheries, explored other markets, become leaner and meaner and yes, since it is the 90's, even "downsized". But it has reached a point where by taking away even 2% of the quota from the Offshore component equates to a days lost wage to the worker and their families. For some of the companies operating in the fishery it could be devastating.**

**The high quality of product that the Factory Trawlers produce and the high utilization of the pollock resource by the Factory Trawlers has been extolled time and time again. Everybody in the world knows that the highest quality pollock products come from the Offshore component. The bycatch in the pollock fishery is the lowest of any fishery in the world! Yet, people sometimes overlook the effort it took to get to this point. The Factory Trawler companies and fisherman have many times made the hard decision or sacrifice for the good of the fishery. Either by complying with new regulations or voluntarily taking action into their own hands to avoid running afoul with sensitive environmental issues like the Halibut, Salmon and King Crab bycatch issues. For example: when a new regulation regarding the construction of our trawl nets is required, do you think it is easy or inexpensive to comply? At \$100,000 a net I don't think so. But we do it. When we run into a higher incident of bycatch of a prohibited species in an area, most conscientious companies and fishermen take it upon themselves to at least change fishing tactics if not leave the area all together. This last decision is a tough one to make, especially when fishing is good. But we do it.**

**I would like to close by saying that I have always had faith that this fishery would be available and that it would be managed for the good of all who participated without partisanship. I do not believe that there needs to be any drastic changes in the present allocation. 70% is drastic!! At the very least, the present allocations have served us well provided there is not a decrease in the available quota. I think I speak for a lot of other fisherman when I ask that the Council, when making their decision on allocations for the pollock fishery in the Bering Sea, be fair. That is all I ask, that is all this industry asks and that is all my family and many other families ask.**

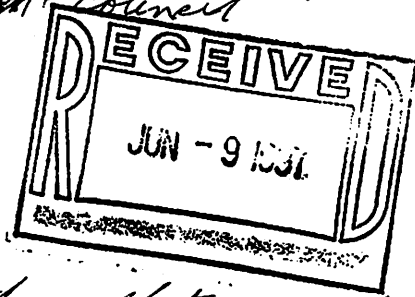
**My dream is to someday retire saying "...For the last 20 years I have worked in the American Factory Trawler fleet..."**

Sincerely,



Capt. Brendan C. Hardy

Channon Rich Lauber  
North Pacific Fishery Management Council  
205 West 4th Suite 306  
Anchorage AK 99501



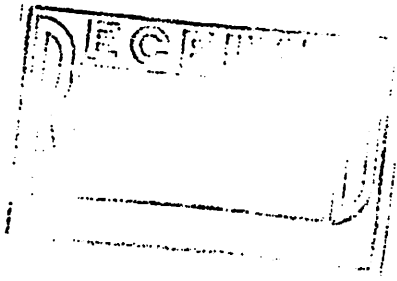
Dear Mr. Lauber:

I'm writing you concerning the allotment of the Alaska pollock fishery and the possible reduction of the at sea quota down from 35%. There are probably many reasons to be cited on both sides of the shore sides vs at sea debate, I can only give my own perspective as an average American worker, I have been in the Alaska seafood processing industry beginning in 1980 and steadily involved in it since 1985. I have also worked from time to time in several shore plants, I'm very concerned about the loss or reduction of the factory trawler business which seems to be part of an ominous trend in the American economy to eliminate somewhat decent paying jobs in favor of creation of low wage jobs, as is the case in shore based facilities. As for the argument that shore plants contribute to Alaskan jobs, I know from first hand experience that few Alaskan or American born people are employed in those low paying jobs, where the distribution of the wealth from the sea is concentrated at the top management, whereas the economic benefits of factory trawler is far more fairly distributed.

over

The factory travel fleet is for me and many others  
one of the few opportunities to make a more or less  
decent living, hopefully it will not be  
compromised away. sincerely

Robert Harrison



**F/T Northern Eagle  
American Seafoods Company  
2025 First Ave. Suite 900  
Seattle, Wa. 98121**

**May 28th 1997**

**North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, Ak 99501**

**To whom it may concern,**

**On behalf of the crew and myself, I strongly urge you to consider the consequences the new proposal, i.e. 70% shoreside 30% offshore, would have on the Factory Trawler fleet. At peak seasons, pollack "A" and "B", this vessel alone employs 170 people. Most of who make their living fishing onboard Factory Trawlers.**

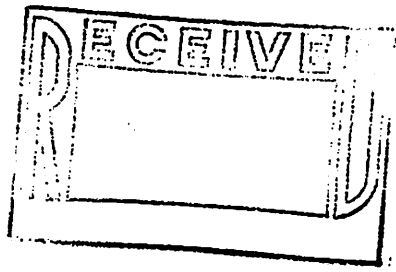
**Your upcoming decision could greatly impact the quality of life, and have severe consequences on the financial status of the crews and their families.**

**I believe that the present allocation should stay intact until a more equitable way of dividing the quota can be implemented. One that does away with the present Olympic style fishery.**

**Thank you for your time and patience in reading this letter.**

**Sincerely,**

**Alexander S. Ritchie (Master)  
F/T Northern Eagle**



F/T NORTHERN EAGLE  
AMERICAN SEAFOODS COMPANY  
2025 FIRST AVENUE, SUITE 900  
SEATTLE, WA 98121

North Pacific Fishery Management Council  
ATTN.: Chairman Rick Lauber  
605 West 4th, Suite 306  
Anchorage, AK 99501

To: Whom it may concern

The vote to be taken concerning the quota shares for Onshore processing plants in 1998 will greatly have an impact on myself and family. I live in Coos County, Oregon, Population of 55,000, with very little opportunity other than minimum wage earnings. Being a landowner, if the quota is shifted in favor of the shoreplants, this could cause me to lose my job. In turn, possibly put me in a major position to relocate to a larger metropolitan area. This will cause turmoil for my family and have one's quality of life greatly reduced.

With one single voice crying out, please take heed the concerns of the trawler factory industry. This voice is echoed throughout the fleet. Thank you for your patience.

  
Dale Krohn  
American Seafoods  
Northern Eagle

**F/T NORTHERN EAGLE**  
American Seafoods Company  
2025 First Avenue  
Suite 900  
Seattle, WA 19121



May 29, 1997

Chairman Rick Lauber  
North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501

Dear NPMFC,

This Offshore/Inshore allocation debate should be dictated by how it can best support American interest. It should not be played like a sea-saw ride with the middle man, or foreign interest lobbyists, stepping on whichever side of the board that best interests them.

I am only a pawn in a career that has been up, down, and all over the board for nine years. Whatever is decided it will certainly effect me. All that the board has decided in the past can be seen in the fluctuations of my bank account...

I work at sea for many reasons big and small; not having to commute, enjoying time off and normally a decent paycheck. I do not think shore plants can offer that. I would not rule out working at one in the future, but only if at sea wages, directly related to allocations, fall below what a life at sea compensation should be...

Sincerely,

Jon Carlson, Fishmeal Foreman

A handwritten signature in black ink that reads "Jon Carlson". The signature is written in a cursive, flowing style.

F/T NORTHERN EAGLE  
AMERICAN SEAFOODS COMPANY  
2025 FIRST AVENUE, SUITE 900  
SEATTLE, WA 98121

North Pacific Fishery Management Council  
ATTN.: Chairman Rick Lauber  
605 West 4th, Suite 306  
Anchorage, AK 99501

To: NPFMC

I, Tommy Montenguise, Freezer Rat extraordinaire on the Northern Eagle have made Processing a full time career.

I believe that I will be greatly affected by this because of my experience on shore plants. Shore plants require you to work longer hours for less money. I also believe that the American citizens are affected the most for the fact our economy is a lot higher as compared to the economies of Mexico, Philippines, and Vietnamese countries, who make out like fat rats. Are these American waters? Do we have any say? Don't get me wrong, I believe everyone should work, but at least on a Factory Trawler we get a percentage and can make a decent wage.

I believe that fish caught and processed on a boat is of a higher quality because of its freshness and efficient production. I also believe that most of our buyers are Japanese and my experience with them is quality at its best.

On a processing vessel you don't have the turn over of employees that you do at shore plants. This creates a higher quality and better care of the product. Also it provides a secure employment.

Of course that all probably doesn't mean anything cause this is probably a political thing. I do appreciate your letting us put in our two cents.

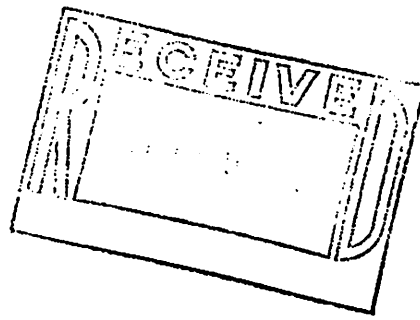
Thank you,

Tom Montenguise

*Tom Montenguise*



May 27, 1997



Chairman Rick Lauber  
North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501

To NPFMC,

I have just finished reading that a proposal has been presented to your council that would give as much as 70% of the pollock quota to the shoreside processing facilities.

I am appalled that such a proposal could even be made, let alone seriously considered. How can this possibly be justified? The Pollock A & B seasons are the two major fishing seasons for all of us who work at sea aboard factory trawlers. As it is now, my income that is derived from the A & B Pollock Season is of paramount importance to my overall earning capacity due to the fact that length of the A & B seasons are proportionately longer than the sum of the other seasons that I can work. There is just not as much work for the year as I, as well as others, would like to have. A & B Pollock seasons account for approximately seventy-five percent of my yearly income.

This proposal, if adopted, would surely cause people to consider seeking other employment and could possibly put vessels and companies out of business. This business I consider my career. This is my sole form of income. Currently, the number of months I work each year is acceptable. However, if the council were to reduce my earning potential by 50% during these seasons through a reduction of approximately 12 weeks to 6 weeks of fishing, this I would find unacceptable.

I fear that this proposal would effectively put me out of work aboard factory trawlers and I can only wonder why and for whom does this benefit? Foreign entities? Is this another chess move by Japanese business to further control and dominate yet another market? The American fishing industry? There are already too many companies and politicians that are in their hip pockets. It is no secret that most shoreside facilities cannot operate without the Japanese money invested in development and the Japanese money to maintain these operations.

I feel that this proposal would make the factory trawlers the present day dinosaur, and the council deciding in favor of the shoreplants would act as our ice age.

As stated previously: This is my career, this is what I want to do. I want to work at sea and preferably aboard trawlers. I first became a part of the fishing industry in Feb. 1989 aboard a crab processor where I remained until April 1996 when I came to work on a Factory Trawler. I work in the Galley department as 1st cook aboard the F/T Northern Eagle. I do not know the trawling industry like I knew the crab industry and I do not yet know the depth of this issue, but I will not and cannot remain ignorant to what may be happening. Especially since your decisions will directly impact my sole source of income.

I pay taxes upon the money I earn. The money that I earn is mostly spent in Washington State, where I reside. So therefore, my money is recirculated within my state and within our country. I have two children that I support, both of whom are now teenagers in High school. I actively support and donate to their school in athletic as well as academic and social boosters. I also actively support and donate to their involvement in church activities such as camps, trips and community involvement. This involvement and financial support is possible because of my income that is derived from the fishing industry. This proposed change of allocation would directly impact my ability to be as supportive of a father that I am. So in turn, this becomes a trickle down cycle affecting the lives of many others besides myself. Also, raising the question of uncertainty in regards to trawlers and my employment aboard. Such raises the question of affordability of expenditures such as a quality college education for my children in the not to distant future. Because I work as a daily rate crew member on the F/T Northern Eagle, any reduction of the number of days worked affects my income. Though I do not live a lavish lifestyle, I enjoy myself while I am off between seasons. I have worked hard for what I do have and I do not relish the idea of losing my home or changing how I live, nor do I like the idea of having to seek another form of employment due to a re-allocation of the Pollock fishing quota.

My understanding is that the Factory Trawler fleet can grow no larger that it currently is, buy anyone or any company with enough money, be it domestic or from a foreign investor can build a shoreside processing facility. Why must I and others such as myself fear loosing employment or income after years of hard work and less than ideal working and living conditions to big business that has jumped late onto the band wagon? I ask - are there limitations to the number and size of shoreside facilities? I can only act as one person voicing the concerns of many by making an impassioned plea for a fair and equivocal solution to this issue.

I ask the council not to change the allocations, and to support American Fisheries and Americans working to achieve our goals - whatever they may be. In closing, I would ask the council to consider what your reaction and feelings would be if a governing body were to consider drastically reducing your income.

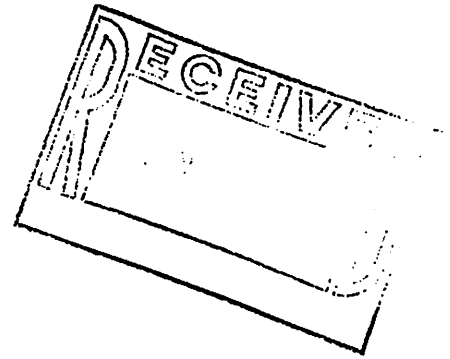
Thank you for allowing my views to be voiced and my concerns to be heard.

Sincerely,

  
Mel Aman

1202 S. 3rd Ave  
Yakima, WA 98902

Owen Scott  
PO Box 9290  
Seattle, WA 98109



North Pacific Fisheries Management Council  
Washington, DC

May 27, 1997

Dear Sirs and Madams:

I am presently employed on a factory trawler that operates in the Bering Sea for about 150 days each year. I would like to provide you with a little personal background before I make my point: I first came to the industry about nine years ago after a short career in the construction industry. I had been a framing carpenter for five years when I injured my back off the job, and found myself unable to work or be compensated for a period of about nine months. Edging dangerously close to bankruptcy, I took a job as a fish processor in 1988 on a large ship that was permanently anchored in Lost Harbor, Alaska. The wage was \$4.50 per hour, plus overtime, of which there was plenty. This meager compensation allowed me to get back on my feet within a few months, and after learning a little about the relatively new and growing fleet of factory trawlers, I returned to Seattle to interview with several companies. In 1989 I accepted a job with a small company named American Seafoods. Over the years I was able to grow with the company, and now, some eight years later, I am the Mate on the F/T Ocean Rover.

I cannot describe to you in this single page how much this industry has meant to me, to my life, and to my extended family, all of whom have benefited in one way or another from my ability to fish in the Bering Sea. The past eight years have been some of the most interesting and positive years of my life for many, many reasons, nearly all of them associated with the lifestyle of fishing in the Bering Sea. The skills I have learned here are many and varied, but they are skills that are specific to this way of life. These skills would not travel well to other industries, not even shore-based processing. As a result, the health of this industry has a direct impact on my ability to make a living, and I am concerned that there might be regulatory changes in the future that will affect the industry, and ultimately, my job.

I am not getting rich by working in the Bering Sea onboard factory trawlers, and I will never be rich from this work, but I earn a fairly decent, middle-class income, and I rely on that relatively modest income to feed my family, make mortgage payments, and meet the expenses associated with normal, modest living.

Please understand that ANY reduction in quota to the offshore component of Bering Sea Pollock would severely impact my ability to earn a living, since I am paid by the number of days I work at sea, and also as a percentage of the catch. Those of us who have worked in the industry for any amount of time have already seen a steady dwindling of the number of days we are able to fish -- please consider very carefully any decision that would reduce further those days we spend at sea, and please think of those of us who would be affected by such a decision. Thank you.

Sincerely,

Owen Scott



**F/T Ocean Rover**  
**PO Box 920248**  
**Dutch Harbor, AK 99692**  
**8889081717**  
**fax87291500345**

**TO: North Pacific Fisheries Management Council**  
**FROM: Owen Scott**  
**DATE: 5/27/97**  
**RE: Considerations of Offshore/Inshore Pollock Quota Split**

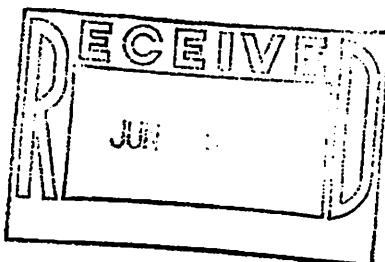
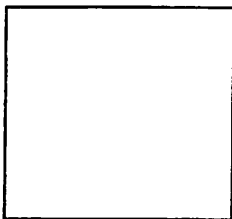
**Dear NPFMC:**

**As an informed member of the fishing industry, and as one who is directly and profoundly affected by the decisions of your council, I am urging you to maintain the current status of the Offshore/Inshore allocations for the Walleye Pollock in the Bering Sea. A reduction in the Offshore allocation would have a severe impact on the industry that employs me, and ultimately on my myself and my family. I am one of several thousand individuals who work onboard factory trawlers in the Bering Sea, and like many others in this industry, my skills do not travel well, even toward the somewhat similar industry that would benefit from an allocation reduction -- the shore-based industry. By significantly reducing the allocation of pollock quota for the offshore component, your actions could be placing my entire livelihood in jeopardy. Please consider the impact of your decisions on people like myself when you meet later this year to discuss quotas, allocations, and matters related to pollock fishing. Thank you very much for your consideration.**

**Sincerely,**

*Owen Scott*

**Owen Scott**  
**1st Mate, F/T Ocean Rover**



To: The North Pacific Fisheries Management Council  
 Attn: Richard Lauber, Chairman  
 From: Crewmembers of the F/T AMERICAN TRIUMPH  
 Re: Bering Sea Pollock Inshore/Offshore allocations

Dear Mr. Lauber:

The undersigned believe that the existing Inshore/Offshore pollock allocation of 65% to at-sea processors and 35% to shoreside processors that has been in place for the last five years should be continued unchanged until a more rational allocation system is implemented. Each industry sector has adjusted to this system and **any** changes could have disastrous effects on the people who are employed in this fishery. The jobs provided by at-sea processors are important to us and to our families.

Many of us have been on this boat for over eight years and some for as little as one year. But for the most part the thing that we all have in common is that we live, eat, and work together while onboard the AMERICAN TRIUMPH. Which brings us to our point, and that is that we and our families all very much depend on our jobs. Our time at sea is already limited, due to strict laws that prevent overfishing. For most of us here this is the lifestyle we have chosen and take much pride in the quality of our work. Please consider carefully the effect of your decisions on our future in this industry. Thank you for taking the time to read this letter.

NAME	POSITION	NAME	POSITION
<i>[Signature]</i>	Captain	<i>[Signature]</i>	S. Tech.
<i>[Signature]</i>	1 <sup>st</sup> Mate	<i>[Signature]</i>	Shopkeeper

Terrance Noda G.A.  
Alfred Buckle  
Dany Ward P-H  
Michael Decker  
Suzanne D  
M. Garcia  
Bile D. Abhan  
QC  
Surimi

Ms Ell (Surimi QC)  
Miss Jack, Deck Basin  
Esrad Luya (PROCESSOR)  
Mimi (Processor)  
Podoko Sandoval S. (PROCESSOR)  
Killa Jones - Processor  
Kwaku X. Buckett (Processor)  
Vincent TRAN Surimi Tech

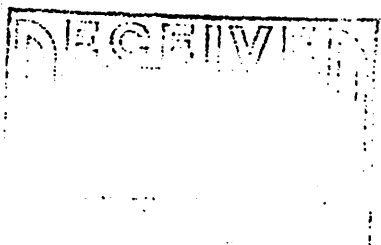
JANED SANTOYO (PROCESSOR)  
Surimi Tech  
Guadalupe Machuca  
GNACIO DIAZ (PROCESSOR)  
RUBEN GALVEZ

Luis Garcia H. (PROCESSOR)  
Ed Brantburg Processor  
Luis M. Lohmally  
QC (DRIVER-PROCESSOR)

Michael A. Henneman  
John D. Bay  
John C. ...  
Rogelio Hernandez (Driver)  
Eugene (Driver)  
Nathan Taylor  
Michael Williams  
Carlos Sanchez  
James D. ...

Bob Harrison (PROCESSOR)  
FRAN VALDOVINO  
Donald Jones  
Matt Muller  
Jack Logan  
processor  
Ron Brown

Chief Steward



F/T NORTHERN EAGLE  
AMERICAN SEAFOODS COMPANY  
2025 FIRST AVENUE, SUITE 900  
SEATTLE, WA 98121

North Pacific Fishery Management Council  
ATTN.: Chairman Rick Lauber  
605 West 4th, Suite 306  
Anchorage, AK 99501

To: Whom it may concern

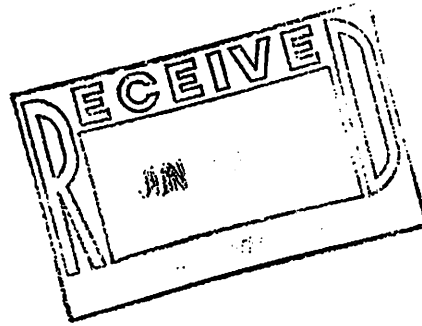
I'm Dan Medoza, I've been in the fishing industry for seven and a half years. I consider this work my lively hood. I live in Reno, NV. and have three kids and one granddaughter. This job provides me the means to care for my family. This job is very important to me and my family as well.

A handwritten signature in black ink that reads "Dan Medoza". The signature is cursive and includes a stylized flourish at the end.

Sincerely,

Dan Medoza

**AMERICAN SEAFOODS**  
2025 first ave S. Suite 900  
Seattle, WA 98121



May 29, 1997

North Pacific Fishery Management Council]  
605 West 4th, Suite 306  
Anchorage, AK 99501

To whom it may concern,

I departed from Vietnam in 1980. I spent one and a half years in the refugee camp in P.I. I came to the U.S. in 1982. I graduated from high school and completed two years of college. At that time I had a few freinds who were in the fishing business. They told me all kinds of stories about fishing. I do like the water and adventure, and I had problems financially, so I started fishing in 1989. I was really enjoying it. I started processing on the M/V Omista. A year later I moved to Dutch Harbor to work at the big surimi plant as a factory engineer's helper. I worked my way up to factory engineer.

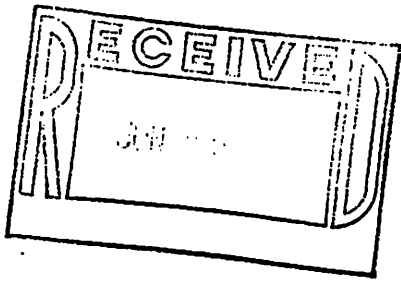
I worked there for five years. During that time, I made a lot of freinds who worked on the fishing vessels. They told me to go for it. I had worked on the vessels before, and was ready for more adventure and competition. Now I have worked on the F/T Northern Jaeger for over 3 years. I don't have financial problems anymore. I have a good career, a house, and a beautiful 8 year old daughter. I always have a dream to sec my daughter go through college. I am very happy with my work and hope that my dream will come true.

Sincerely,

John Vu

Factory Engineer on the F/T Northern Jaeger





To: The North Pacific Fisheries Management Council  
 Attn: Richard Lauber, Chairman  
 From: Crewmembers of the F/T Northern JAEGER  
 Re: Bering Sea Pollock Inshore/Offshore allocations

Dear Mr. Lauber:

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Many of us have been on this boat for over eight years and some for as little as one year. But for the most part the thing that we all have in common is that we live, eat, and work together while onboard the Northern JAEGER. Which brings us to our point, and that is that we and our families all very much depend on our jobs. Our time at sea is already limited, due to strict laws that prevent overfishing. For most of us here this is the lifestyle we have chosen and take much pride in the quality of our work. Please consider carefully the effect of your decisions on our future in this industry. Thank you for taking the time to read this letter.

*Timothy W Thomas* MASTER

NAME POSITION

Rob GAZIOR  
2nd ENGINEER  
BELGEN WEISER  
SURIMI D.C.  
Kelly Eggers  
COMBI

ERIC LINDHOLM DECKHAND

NAME POSITION

Ray Miller Fishmeal  
Ray Miller Eng.  
Amelia Rhoad Purser  
Kathy Starhotzger PROCESSOR

Brian J. Schwan <sup>Surin Tech</sup>

Randy Mack Deck boss  
Reggie Sells  
Bin Cassata

Rumar Salore <sup>Boater Tech.</sup>  
Jesurugi Javoduiam

Roy Anne Javik Electrician  
Jason Heath <sup>factory eng. trainee</sup>

Michelle <sup>vacant</sup>  
Jean Charles Proc.  
Steve Helms <sup>procc</sup>

Matthew Atting Deckhand  
Jan Jironski <sup>procc</sup>

Epi <sup>Quality Control</sup>  
Maria Small Cazarez

Tom <sup>Driver/Processor</sup>  
Daniel Rodriguez <sup>gancy</sup>

Bella Cazarez <sup>gilly</sup>  
Kaduna <sup>Chief Steward</sup>  
Homer C. Sims <sup>Coastman</sup>

Tom S. King

Dak Wifler  
Roni Sims

Renato abalatio

~~Enrique~~  
~~Jose~~

Juan R. Lopez

~~Jose~~  
~~Alfredo~~  
~~Alfredo~~

Alto Tubera

Alvaro Contreras (MURGER)

Antonio Gomez (FISH MGR)

JOSE O. CAMARILLO (FISH MGR)

JUAN V GONZALES PROSESOR

Jose Medina Factory

Factory Lead.

ISABEL BARRERA

ROSA S. BARRERA

Hector Carrasco

JOSE MERINO

JULIAN GIL

~~Enrique~~  
Enrique Jimenez Araya

~~Manuel~~

~~Alfredo~~

~~Rabard~~

BRENDA BOYER

ELSA B. LOPEZ

~~ESMERALDA~~

Michael Smith

~~Edwards~~

ARMANDO AYALA

Celia My Smith

FRANCISCO J. VILLALBA

TRU QUANG LE

Jung Lango.

JOSE FUENTES

JOSE RAMIREZ

Fish processor

Seafoods Processor

Concepcion Rodriguez

Fish processor

Fish Processor

Fish Processor

Fish Processor

Triguayo

~~JS~~

DRIVER

PROCESSOR

May 24, 1997

Mr. Chairman

This letter is in response to the upcoming council meeting for allocation of the Pollack fishery in the Bering Sea.

I understand that more of the quota is under consideration for shore plants and less for factory trawlers.

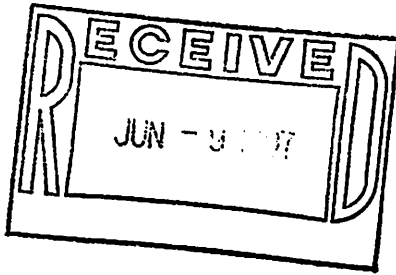
Please hear my plea. In the past five years we on the trawlers have been cut back. If more is taken away it will become a financial burden on myself and many more of us Alaskans who work on the trawler fleet.

I am an Anchorage resident and registered voter. I do not wish to move to another state to seek employment. Alaska is my home.

Please consider those of us who live in Alaska and work in the trawler fleet. We depend on this fishery for a lively hood.

Respectfully  
R. J. Miller  
R. J. Miller

Fishmeal Eng  
F/T Northern Jaeger  
P.O. Box 242691  
Anchorage, AK 99524



**THE CREW OF THE  
F/T AMERICAN EMPRESS**  
AMERICAN SEAFOOD'S COMPANY  
MARKET PLACE TOWER  
2025 FIRST AVE. SUITE 900  
SEATTLE, WASHINGTON 98121

MAY 27th 1997

**MR. RICK LAUBER**

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL  
605 WEST 4 th, SUITE 306  
ANCHORAGE, AK 99501  
FAX # 907-271-2817

DEAR MR. LAUBER, WE ON THE AMERICAN EMPRESS WOULD LIKE TO SHARE SOME OF OUR THOUGHTS AS TIME DRAWS CLOSER FOR THE JUNE COUNCIL MEETING. FIRST SOME QUICK BACKGROUND ON SOME OF US WHO HAVE SIGNED THIS LETTER. THERE ARE MANY OF US WHO HAVE BEEN ON THIS BOAT FOR OVER EIGHT YEARS, AND SOME FOR AS LITTLE AS ONE YEAR. BUT FOR THE MOST PART THE THING WE ALL HAVE IN COMMON IS THAT WE ALL LIVE, EAT, AND WORK TOGETHER WHILE ON BOARD THE AMERICAN EMPRESS. WHICH BRINGS US TO OUR POINT, AND THAT IS THAT WE ALL VERY MUCH DEPEND ON OUR JOBS, NOT TO MENTION OUR FAMILIES. OUR TIME AT SEA NOW DAYS IS LIMITED DUE TO QUOTAS AND STRICT LAWS THAT PREVENT OVER FISHING. IF WE WERE TO LOSE EVEN MORE OF THE OFFSHORE ALLOCATION, THAT WOULD BE DISASTROUS FOR US AND OUR FAMILIES. FOR MOST OF US OUT HERE, THIS IS WHAT WE DO FOR A LIVING AND TAKE MUCH PRIDE IN THE QUALITY OF OUR WORK. WE ARE FISHERMEN, AND THIS IS THE LIFE STYLE WE HAVE CHOSEN. WE WANT TO BE IN BUSINESS IN THE FUTURE AND HAVE A FUTURE FISHING. WE FEEL THAT IF SHORESIDE PLANTS RECEIVED AN EVEN LARGER SLICE OF THE QUOTA, THE ONLY ONES THAT WOULD PROSPER WOULD BE THE WEALTHY FOREIGN INTERESTS THAT OWN THEM. IT'S NOT THAT THEY, THE "SHORESIDE" COMPONENT, SHOULDN'T HAVE A FAIR SHARE OF THE QUOTA, BUT FOR THEIR PERCENTAGE TO BE INCREASED WOULD ONLY BRING HARDSHIP TO THE PEOPLE THAT WORK IN THE OFFSHORE FLEET. OUR BOATS EMPLOY WELL OVER A HUNDRED PEOPLE PER BOAT. THAT'S A LOT OF TAX REVENUE. AND THESE ARE

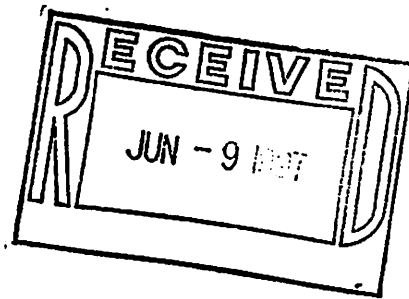
GOOD JOBS, NOT THE MINIMUM WAGE TYPE, THAT HAVE BEEN CREATED THROUGH CORPORATE DOWN-SIZING THAT WE ARE ALL FAMILIAR WITH. PLEASE REMEMBER THE SIGNATURES YOU'LL SEE, ARE FROM THE CAPTAIN TO THE ENGINEER TO OUR COOKS, AND PROCESSORS ECT. WE HAVE ONE THING IN COMMON AND THAT IS TO WORK. WE NEED OUR JOBS AND WE NEED TO AT LEAST KEEP WHAT'S LEFT OF OUR OFFSHORE ALLOCATION TO KEEP ON WORKING. THANK YOU FOR TAKING THE TIME AND EFFORT TO READ THIS LETTER.

SINCERELY,

NAME	POSITION
JMS L. Johnsen	FISHMATE.
<del>Barrett</del>	MATE
<del>S. Yamaguchi</del>	Foreperson
Justin P. Borge	Surimi Tech.
Johann Knutten	Fishmaster
John P. Wood	CHIEF ENG
Cherie J. Benham	Housekeeper
Sam Rod	Q.C.
Steve	Q.C. Surimi
Carlton	Surimi Tech
Jeff Mickell	High Kneader
KIM WCHAS	SURIMI PACKER
Greg Neff	Processor
ROLAND WARREN	PROCESSOR
+ Roberto Ferrer	" "
Chin G. Hogg	" processor "
+ Anthony Long	" "
Joseph A. Zetter	" "
Mike Scott	High Kneader
Wally G. Sh	DRIVER / PROCESSOR
Cele M. Mawuata	DRIVER PROCESSOR
Shonda Rabey	DRIVER PROCESSOR
John Fisher	SURIMI PACKER

NAME	POSITION
Fl. Mao	PROCESSOR
<del>Warrant</del>	" "
DARAGH BYRNE	PROCESSOR.
LILARIO SAAVEDRA	
<del>August</del>	PROCESSOR
<del>August</del>	PROCESSOR
Rudolph. Kacio	Comb.
Julia Seely	Processor
August	PROCESSOR
August	PROCESSOR
<del>August</del>	Cook
José Garcia	Processor
Elise Rodriguez	" "
<del>August</del>	" "
<del>August</del>	" "
<del>August</del>	" "
<del>August</del>	" "
José Garcia	" "
<del>August</del>	" "
José Garcia	FISH MEAT FORMER
<del>August</del>	
August	D PROCESSOR
August	Processor
August	Processor
August	PROCESSOR
August	CHIEF STEWARD
<del>August</del>	
Dancy Ray Jones	CIA
<del>August</del>	Processor
<del>August</del>	Processor
<del>August</del>	Processor
<del>August</del>	Deck BOSS
<del>August</del>	Processor

NAME	POSITION
Joseph M. Vignaroli	Deck Dept.



To: The North Pacific Fisheries Management Council  
Attn: Richard Lauber, Chairman  
From: Employees of American Seafoods Company  
Re: Bering Sea Pollock Inshore/Offshore allocations

Dear Mr. Lauber:

The undersigned believe that the existing Inshore/Offshore pollock allocation of 65% to at-sea processors and 35% to shoreside processors that has been in place for the last five years should be continued unchanged until a more rational allocation system is implemented. Each industry sector has adjusted to this system and **any** changes could have disastrous effects on the people who are employed in this fishery. The jobs provided by at-sea processors are important to us and to our families.

Many of us have been with this company for many years and some for as little as one year. We have chosen to work in this industry, take great pride in our efforts, and we and our families all very much depend on our jobs. Please consider carefully the effect of your decisions on our future in this industry. Thank you for taking the time to read this letter.

NAME	POSITION
<i>Amy Wallace</i>	<i>Bus Dev Mgr</i>
<i>Ed Holt</i>	<i>Accountant</i>
<i>Katie Hill</i>	<i>Purchasing Agent</i>

NAME	POSITION
<i>General Chairman</i>	<i>CDQ/ALASKA Recruits</i>
<i>Debbie M. Martin</i>	<i>Controller</i>
<i>Jennifer Wagner</i>	<i>Vessel Personnel Manager</i>



Kandi Carley

Janice Tuley Sales Rep

Tammy French Director of Human Resources

Jane Peterson - Receptionist

Bob Koster Recruiter

M. McDonald - Payroll Admin

Katrina Beckman ASST Buyer

Joel Schell Vessel Key Crew

Michael Mitchell AK operations

Patricia Bell - Buyer

Jon Ingvaldsen ch. advisor

My Del Calzo - Purch. Agent

Jan Cato Drivener

John Tuley - Asst

Steve Kujala

Jeffrey

Bert Vukobratovic

Carol Engstrom

Lee Phillips

Russell Leung

John

Deanna Swartz

Bob Berg

Janet Brown

Kevin Greene

Mark Harris

John McLaughlin

Joseph Stettin

John

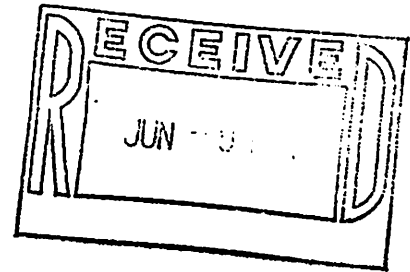
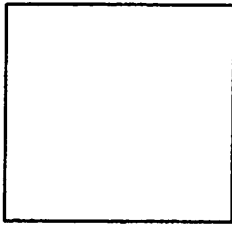
Paul Owens

John

John

Linda Lewis Accountant

Susan L. Higgins Inventory Admin. I. - to.



To: The North Pacific Fisheries Management Council  
 Attn: Richard Lauber, Chairman  
 From: Crewmembers of the F/T Northern Eagle  
 Re: Bering Sea Pollock Inshore/Offshore allocations

Dear Mr. Lauber:

The undersigned believe that the existing Inshore/Offshore pollock allocation of 65% to at-sea processors and 35% to shoreside processors that has been in place for the last five years should be continued unchanged until a more rational allocation system is implemented. Each industry sector has adjusted to this system and **any** changes could have disastrous effects on the people who are employed in this fishery. The jobs provided by at-sea processors are important to us and to our families.

Many of us have been on this boat for over eight years and some for as little as one year. But for the most part the thing that we all have in common is that we live, eat, and work together while onboard the Northern Eagle. Which brings us to our point, and that is that we and our families all very much depend on our jobs. Our time at sea is already limited, due to strict laws that prevent overfishing. For most of us here this is the lifestyle we have chosen and take much pride in the quality of our work. Please consider carefully the effect of your decisions on our future in this industry. Thank you for taking the time to read this letter.

NAME	POSITION	NAME	POSITION
<u>KEVIN SMALLS</u>	<u>1ST MATE</u>	_____	_____
<u>KEVIN D. Cramer</u>	<u>Chief Steward</u>	<u>Kristi Kuiper</u>	<u>Purser</u>
<u>Melton R. Aman</u>	<u>1st Cook</u>	<u>Jamie Thomas</u>	<u>Galley Assistant</u>

Angel D...  
CORAZON Hernandez  
JUAN...  
Ray...  
Eddie...  
Andrei...  
TOBY BERRY  
Nuala...  
Mia Louie  
Rick...  
Constantine...  
Talante...  
David...  
Clifford Diaz  
Miguel Torres

Processor  
Proc.  
2nd Cook  
SURIMI TECHNICIAN  
RAT MAN DO  
PROCESSOR  
CAPTAIN of THE CASE  
NEW  
Christian Believer  
Fisherman  
PROCESSOR  
Processor

GREGORY N. HENNER - PROCESSOR  
Delekrohn - PROCESSOR

~~PROCESSOR~~

JOSE SALGADO

PROCESSOR

Clemente Ramirez

PROCESSOR

"FRANCISCO J. LARA"

DAN MENALCZA

PROCESSOR

IGNACIO VENTURA

II

JOSE FRECIADO

PROCESSOR

MATTERIC YONG

PROCESSOR

EMILIO VELAZQUEZ

PROCESSOR

Mark Martindale

PROCESSOR

Jim Carlson

FISHMEAL FOREMAN

Case Atwell

Chief Engineer

Felix Batten

FISHMEAL

DAN YOUNG

~~PROCESSOR~~

Shawir T...

King of Processors

LAWRENCE KOTOISUA

PROCESSOR

Michel Mayer

PROCESSOR

Quib P. D...

PROCESSOR

Otto H. L...

Chief Engineer

Sam J. D...

Fishmeal Tech

Carol ...

PROCESSOR

HENRY K. Sutphin Jr Deck

GEORGEANA HARPER Hand

MARIA M. BBA

Mario Hernandez

Maria S. Mulmerney

AMPTONE INTAVONG

LONNIE PARKANS

CANTON

PAUL LESLIE

NAM TRAN

Leslie Taylor

Fred A. Krueger

Simi Lulu

GABRIEL ZEPEDA

PROCESSOR

Processor

Summi A.C.

PROCESSOR

SURIMI tech.

Deck Hand

ICE TECH

1st FINGER

Deck Hand

PROCESSOR

# 한국어육연제품공업협동조합

우137-044서울특별시서초구반포4동58-6상영B/D4층/전화(02)592-6296/7/8/전송592-6444담당:정성철

North Pacific Fishing Council Members

Dear all members of the North Pacific Fishing Council:



I am the President and Chairman of the Korean Fish Meat Past Association Which represents a membership of approximately 150 Imitation Crab and Surimi products manufacturers in South Korea. As you may know the Korean market utilizes approximately 85,000 mt of surimi annually, which makes Korea the second largest user of surimi world wide. Based upon our historical direct and indirect access to surimi from the U.S. and Russian Bering Sea, our primary supply source of surimi is generated from Pollock.

Due to our long term reliance on surimi, and especially surimi made from Pollock, we have been closely watching the fisheries allocation process currently taking place in the U.S. Bering Sea. Unlike other regions and countries of the World, the U.S. Bering Sea Pollock resource remains one of the most healthy resources remaining worldwide. However, during recent months we have become acutely aware that there is a strong effort by a specific group of shore-based companies to aggressively push the membership of the North Pacific Fishing Council to revise and reallocate the Bering Sea Pollock quota in greater favor of the Shore plant and Mothership operators.

We are extremely concerned by this movement, and have complete confidence that if you as members of the North Pacific Fishing Council reallocate the annual Pollock quota in favor of the Shoreside processors, that your actions will not only severely damage the Factory Trawler companies of the US, but will surely bankrupt the majority of the surimi product manufacturers in Korea Specially, your decision, will determine whether our members companies will have fair access to competitively purchase Pollock surimi from a variety of Factory Trawler, Mothership, and Shore-side producers. As you probably are aware the majority of the Shoreside producers raw the U.S. Bering Sea are directly affiliated or directly controlled and financed by major participants in the Japanese seafood industry. Currently We have the option to purchase raw surimi supply from a wide range of companies operating the in the Bering Sea. If the reallocation process occurs, our supply channels for Pollock Surimi Will be narrowed to approximately 4 channels,

With two the major producers having strong interest and intent to support their own surimi product manufacturing interests located in Japan. Obviously, this will negatively impact Korea.

We do not believe that the current "Olympic" style fishing system in Alaska is the most efficient method for managing a productive and profitable industry, but until a ITQ or IFQ system can be agreed upon, the current allocation levels provide a balanced industry. we ask that in making your decision and quota recommendation that you look past the inshore/offshore issues of Alaska, and recognize the extreme economic your decision will have on the surimi product manufacturing industries of Korea, Japan, china, Taiwan, U.S. and Europe.

In summary we believe that the current allocation levels will continue to promote a healthy and competitive surimi products industry worldwide. A decision to reallocate in favor of the land based factories will put all of the power in the hands of 2-3 major companies, and will likely have an un-survivable impact on the entire world market for surimi products.

Sincerely yours,

Chairman President  
Korean Fish Meat Paste Association

서울시 瑞草區 盤浦四洞 58-6  
韓國魚肉煉製品工業協同組合  
理事長 徐



To: The North Pacific Fisheries Management Council  
 Attn: Richard Lauber, Chairman  
 From: Crewmembers of the F/T *Northern Jager*  
 Re: Bering Sea Pollock Inshore/Offshore allocations

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NAME	POSITION
<i>Thomas J. [unclear]</i>	
<i>Andrew [unclear]</i>	Electrician
<i>Erik [unclear]</i>	Herschlager
<i>Roderic [unclear]</i>	Cook
<i>MIKE KERRPATRICK</i>	

NAME	POSITION
<i>She McDonald</i>	2nd Cook
<i>Paul [unclear]</i>	Factory tech.
<i>Steve [unclear]</i>	Factory manager



text of specified style in document. 05/28/97

~~\_\_\_\_\_~~  
BENJAMIN

Chief Engineer

STEVIN FERNANDEZ (DRIVER)

Tien Dang (DRIVER)

HUNG NGUYEN (DRIVER)

LE LOC VAN (BAARDEN DRIVER)

HUNG P DUONG ~~DRIVER~~ (driver 212)

Le Thanh van ~~DRIVER~~ (welder)

Jose Medina

J. Jose Medina

Plasencia Lopez (DRIVER 192)

Randall Fortney (Processor)

Van Lam (DRIVER)

MIXING

\_\_\_\_\_

factory lead

Patricia Anderson

1st Assis. Engineer

Manuel Duran

Carlos PEREZ

Flora Beatriz MESSING

PROCESSOR

FREDERICK BETERS

FOREMAN

JAVIER LOPEZ

plate freezer

JOSE O. CAMARILLO

FISH MEAL

Antonio Gomez

Fish Meal

JULIO CONTRERAS

FREEZER RAY

Julia C Ramirez

FRIGID PLATES

Alvaro Contreras

CASE-UP

FRANCISCO VILLALBOS

PROCESSOR PLATES

~~\_\_\_\_\_~~

factory processor

Juan Luis Ortiz -  
Rafael Morales S

José Medina

Elma P Lopez

BRENDA B. BONIBO

Gregory Gorman

RENATO ABALATEO

Juan Javier  
DANIEL MORALES

DANN HE

S ROSA BARRON

Nick L Tyler

Isabel Barron

GENET BINHON

Tuyen Nguyen

José

Carla Cruz (Process) Cruz

TRU AVARELO TRUQUAYLE

Cam Huynh

Lore Fuentes

Juan Cruz

Jose Luis Sanchez

Frederic Bat.

Driver

Driver

Rayo Butt

PROCESSOR

Driver

PROCESSOR

Marco Rodriguez

Driver

Driver

BIRNINGS

Mixe

PROCESSOR

Driver

Driver

TRU AVARELO TRUQUAYLE

Driver

Processor

Jose R. Lambert. 06-02-98



*Rebecca Ann*

To: The North Pacific Fisheries Management Council  
Attn: Richard Lauber, Chairman  
From: Employees of American Seafoods Company  
Re: Bering Sea Pollock Inshore/Offshore allocations

Dear Mr. Lauber:

The undersigned believe that the existing Inshore/Offshore pollock allocation of 65% to at-sea processors and 35% to shoreside processors that has been in place for the last five years should be continued unchanged until a more rational allocation system is implemented. Each industry sector has adjusted to this system and any changes could have disastrous effects on the people who are employed in this fishery. The jobs provided by at-sea processors are important to us and to our families.

Many of us have been with this company for many years and some for as little as one year. We have chosen to work in this industry, take great pride in our efforts, and we and our families all very much depend on our jobs. Please consider carefully the effect of your decisions on our future in this industry. Thank you for taking the time to read this letter.

NAME POSITION

*Bob Bigford* MATE  
*Terrence Bjork* East Mgr  
*Michelle Guhan* QC

NAME POSITION

*Walter J. J. J.* Factors Foreman  
\_\_\_\_\_  
\_\_\_\_\_

F/T Northern Jaeger  
P.O. Box 650  
Unalaska, AK

June 9, 1997

Attention: Richard Lauber  
North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501

Mr. Chairman, members of the council:

This letter is in reference to the Bering Sea / Aleutian Islands inshore/offshore and C.D.Q. allocations. Specifically, to propose alternatives to the allocation splits presented during the April 1997 council meeting.

As the Master / Fishing master of the F/T Northern Jaeger, I strongly object to the proposed alternatives, with the exceptions being alternatives 2 and 5 (option 1). Two years ago the entire program rolled over with little or no change. Suddenly, a sector has emerged requesting a larger percentage of the pollock allocations. This is not an example of working together to manage a resource.

During the implementation of the shoreside preference rule, economic distress has prevailed for the offshore sector. Within the same period, expansion developed for the shoreside sector. This expansion by certain shoreside processors has included a rapid turnover in ownership of the catcher vessels in order to increase control of the market. In 1992 approximately 30% of the catcher fleet was wholly or partially owned by shoreplants. At this time in 1997, approximately 60% of the catcher vessels are wholly or partially owned by shoreplants. This reflects more control of the catcher vessel fleet. A further examination of this issue shows that the price paid per metric ton to catcher vessels fishing for shoreplants has decreased by some 6% since 1992. These are just a few of the reasons why I find alternatives 3 & 4 and options 2, 3, & 4 of alternative 5 absolutely unacceptable. These changes would only provide for an economic monopoly for the corporate inshore sector. This was clearly not the intention of the "Magnuson Act".

Prior to the shoreside preference rule passed in 1992, the F/T Northern Jaeger provided two complete crews of 120 people a very acceptable income. Today, we operate with one complete crew of over 120 people. Of these 120 people, many have been on this vessel for seven years. As the master of the vessel I bear the responsibility of their present and future well being. In a sense, you will also know this responsibility as you cast your votes on the proposed alternatives. Alternatives that will inflict insufferable damage to the offshore sector and will transfer directly to my crew of 120 people, their families, futures and thousands of others involved within the factory trawler fleet. The community of Dutch Harbor and Unalaska will suffer as will the state of Alaska.

I entered into this pollock fishery during it's inception to the U.S. fishery. During this time many hopes and dreams also developed. Never once did I dream my crew or myself would face political extraction to this fishery. We all remain confident that you will arrive at the only acceptable conclusion for the industry and resource, that being status quo.

Sincerely,



Timothy W. Thomas/Master F/T Northern Jaeger and her crew of 120.



To: The North Pacific Fisheries Management Council  
 Attn: Richard Lauber, Chairman  
 From: Crewmembers of the F/T Pacific Explorer  
 Re: Bering Sea Pollock Inshore/Offshore allocations

Dear Mr. Lauber:

The undersigned believe that the existing Inshore/Offshore pollock allocation of 65% to at-sea processors and 35% to shoreside processors that has been in place for the last five years should be continued unchanged until a more rational allocation system is implemented. Each industry sector has adjusted to this system and any changes could have disastrous effects on the people who are employed in this fishery. The jobs provided by at-sea processors are important to us and to our families.

Many of us have been on this boat for over eight years and some for as little as one year. But for the most part the thing that we all have in common is that we live, eat, and work together while onboard the Explorer. Which brings us to our point, and that is that we and our families all very much depend on our jobs. Our time at sea is already limited, due to strict laws that prevent overfishing. For most of us here this is the lifestyle we have chosen and take much pride in the quality of our work. Please consider carefully the effect of your decisions on our future in this industry. Thank you for taking the time to read this letter.

NAME	POSITION
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Samuel D. Denbroder

Tom Hindermann 1<sup>ST</sup> ASSIST.

NAME	POSITION
------	----------

Timothy S. Sizer owner

James Knitt

**American Seafoods Company**

2025 First Avenue, Suite 900; Seattle, Washington 98121 USA

Phone: (206) 448-0300 Fax: (206) 448-0303

**FACSIMILE MESSAGE**

Mr. Clarence Pautzke, Executive Director  
North Pacific Fisheries Management Council  
P.O. Box 103136  
Anchorage, Alaska 99510

Re: Agenda Item C-7, Inshore-Offshore 3

Dear Mr. Pautzke,

Now that consideration of the existing Inshore-Offshore allocation regime is once again being reviewed by the Council, it's important to put this issue into perspective. A useful starting place is the timeframe of the Council's Comprehensive Rationalization Plan (CRP). Inshore-Offshore (I/O) was supposed to be only a temporary step in the development of a more rational plan for dealing with contentious allocation issues such as these. Since the newly reauthorized Magnuson-Stevens Act includes a moratorium on the final stage of CRP, there should be no changes to the existing management system until CRP has been completed. NPMFC staff analysis in June of 1995 stated that "the disruption of existing distributions of harvesting and processing of pollock and P. cod, and the business relationships based on those distributions, could have serious and adverse implications for successful CRP development."

Before alternatives other than no action or rollover can be considered, a problem has to be identified. How can the Council discuss other alternatives if they don't even know what the problem is? In 1995 the overriding concern of industry was to maintain stability and minimize disruption. It seems obvious that this is still the primary problem. Of course either sector would benefit from an increase in their allocation, but it would be an almost impossible task to justify any change in the current percentages.

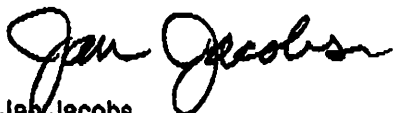
After I/O was implemented in 1992 nine at-sea processing vessels went bankrupt. Fishing companies have since adjusted to the I/O regime which has now been in place for five years, and a delicate equilibrium has been reached. American Seafoods has made considerable investments in the groundfish fishery based on this established regime. We feel we have contributed to stability through sound management and fiscal responsibility. A predictable pollock fishery has made it possible for American Seafoods to develop several other related activities, such as our Bristol Bay salmon operations, our program to employ Alaskans, participation in CDQ programs for pollock and other groundfish, and \$20 million in annual purchases from support businesses in Alaskan coastal communities.

Problems in the onshore sector include uncontrolled overcapitalization and acquisition of catcher vessels by shoreside processing companies, which ultimately hurts independent fishermen. Increasing the allocation of pollock to shoreside processors would only be an incentive to continue this behavior. For example, the onshore sector has increased its harvesting and processing rate from 3300 MT in 1992 to 5500 MT/day today. Shoreplants now have an ownership interest in 60% of the catcher boat fleet, up from 30% before Inshore-Offshore. Since 1992 prices paid to catcher boat fishermen by the same shoreside processors have decreased nearly 25%, relative to market prices, which is why almost every year fishermen go on strike over low prices. Increasing allocations to shoreside processors will give them even more leverage over the fishermen. Not surprisingly, United Catcher Boats (UCB) has made it clear that they do not endorse any minimum shoreside delivery guarantees.

On the other hand, a healthy at-sea sector benefits Alaskan coastal economies and the nation as a whole through their partnerships with CDQ communities, landing tax revenues, employment of Alaskans, support of northwest and Alaska businesses, reduction of discards to zero under the full retention program, and participation in one of the cleanest fisheries in the world. A study commissioned by the National Bank of Alaska concluded that Unalaska is equally dependent on the at-sea and shoreside sectors.

There is no justification for considering any additional alternatives other than no action or a rollover. An enormous amount of time and effort would be required by the NPFMC and NMFS staff for a full blown analysis. The benefit of any reallocation would be negligible, the negative and divisive effect on the industry would be tragic. We urge the Council to consider that the only reasonable alternative is to rollover the existing Inshore-Offshore allocation regime until CRP has been completed. The rollover should include not only the 35/65 Bering Sea pollock split but the CDQ program for Bering Sea pollock, and the Gulf of Alaska cod and pollock set aside for Gulf shoreside communities. Thank you for your time and attention to this matter.

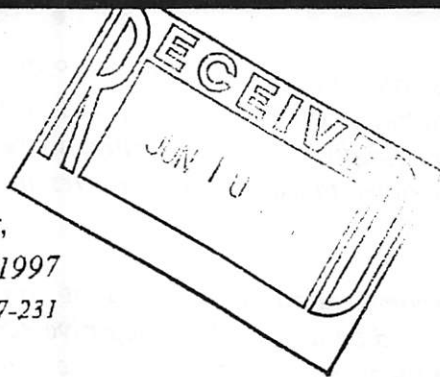
Sincerely,



Jan Jacobs

Director of Gov't. Affairs

American Seafoods Company



Pouzauges,  
le 10 juin 1997  
LO/VB 0697-231

North Pacific Fishing Management Council  
605 West Fourth Avenue  
Suite 306  
ANCHORAGE  
ALASKA 99501-2252

*Dear North Pacific Fishing Council Members,*

*Our company, FLEURY MICHON, is the leading manufacturer of surimi products in France and Europe. We want to send you this information on behalf of our company but also the european surimi products industry in general.*

*As you may know, the European market utilizes approximately 6 000 MT of surimi annually, and the E.U. is one of the fastest growing users of surimi worldwide with a growth rate of 30 to 40 % per year. Our company FLEURY MICHON currently purchases over 2 000 MT of surimi.*

*Due to the size of the Pollock resource and the quality of the surimi available from the US, we have maintained through the years our primary supply source as Pollock surimi. Because of our heavy reliance on Pollock surimi, we have been closely watching the fisheries allocation process currently taking place in the US Bering Sea. We have lately become aware that there is a strong effort by a group to aggressively encourage the North Pacific Fishing Council to revise and reallocate the Bering Sea Pollock quota in greater favor of the shore plant companies. We are extremely concerned by this movement since we rely heavily on the supply of surimi that is produced by the factory trawlers.*

*Currently, the E.U. receives its supply of surimi in approximate equal portions from the factory trawlers and shore plant companies, which allows a steady supply of raw material. Our great concern of the reallocation project is that the majority of the raw material supply would be moved to shore plants which belong primarily to Japanese controlled companies.*

*This situation makes us extremely nervous. The world wide surimi market is facing a supply shortage situation due to declining world wide stocks of fish species usable for surimi production. We have been facing this type of shortage situation in the past, as in 1991, and the result was a cut off of supply to the European market in favor of the Japanese market. At that point in time, the majority of the surimi was also controlled by Japanese organizations with operations in the U.S. Bering Sea. Therefore, we think that your decision may greatly impact on our fair access to Pollock surimi.*



*As a result of the reallocation process, our supply channels for Pollock surimi will potentially become very limited, and two major producers whom have a strong interest and intend to support their own surimi product, manufacturing interests located in Japan will have no interest to support other markets, include ours in the European Union.*

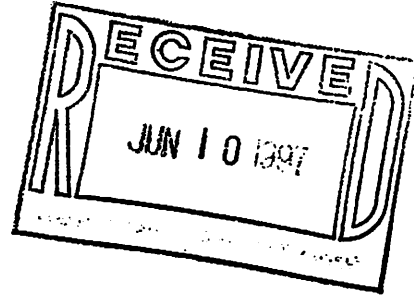
*In making your decision and quota recommendation, we ask that you look past the basic inshore/offshore issues of Alaska, and be aware of the negative economic impact your decision could potentially have on the world wide surimi markets, and the directly related industries outside the United States.*

*We believe that the current allocation levels promote a healthy and competitive surimi products industry worldwide. A decision to reallocate in favor of the land based factories will put all of the power in the hands of 2-3 major companies, and will surely destabilize the entire world market for surimi products. Our only request is that you act knowledgeably and aware.*

*Sincerely Yours.*

**FLEURY-MICHON**  
**TRAITEUR SA**

*Louis ONNO*  
*Chief Buyer*



June 10, 1997

Mr. Rick Lauber  
Chairman, North Pacific Fishery Management Council  
P.O. Box 103136  
Anchorage, Alaska 99510

VIA FACSIMILE: (907) 271-2817

Dear Mr. Lauber:

I am writing on behalf of Long John Silver's, a quick service restaurant chain of 1,500 restaurants throughout the United States, and a major user of fillet blocks made from Alaska pollock caught off Alaska.

Long John Silver's is strongly opposed to any further allocation away from the offshore sector of the pollock harvesting and processing industry. We do, however, support an extension of the current program, as is, while the Council completes work on its Comprehensive Rationalization Plan.

We are opposed to a reallocation of the pollock quota because we are deeply concerned over the effect such a reallocation would have on fillet production out of Alaskan waters. In calendar year 1996, only six percent of the on-shore sector's primary production went into fillets (the rest was surimi) while 35 percent of the factory trawlers sector's primary production went into fillets. In calendar year 1997, only 18 percent of Long John Silver's fillet purchases will come from the on shore sector but none of this product will have been produced in a shore-based plant. Rather, it will be produced on floating processors anchored with their product counted within the shore-based sector.

We have in the past approached shore-based plants to produce fillet blocks to our specification but with little success. Only one of the on-shore plants made any serious effort to produce fillets for LJS and those attempts were met with mixed results and with a much higher rejection rate than what has consistently been achieved by our at-sea suppliers.

Long John Silver's  
Restaurants, Inc.  
Kincaid Towers  
300 West Vine Street  
P.O. Box 11988  
Lexington, KY 40579-1988

Company Line:  
606.388.6000  
Fax Line:  
606.388.6145

Mr. Rick Lauber  
North Pacific Fishery Management Council  
June 10, 1997  
Page 2

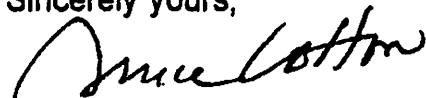
Long John Silver's purchases more than 99 percent of its Alaskan pollock product from Alaskan waters. One hundred percent of our products are further processed in the United States, creating further economic benefit to the people of the United States. In addition it is sold exclusively in the United States. While we do not have the numbers in front of us, we believe a much greater share of the fillet production is further processed and consumed in the U.S. than is the case for surimi blocks. If the allocation to the shore-based sector is increased, Long John Silver's would be forced to buy foreign product which is further processed overseas as well.

A greater allocation to the on-shore sector would divert fillet production currently generated by the offshore fleet into surimi production by the large-scale shore-based plants which are, for all practical purposes, dedicated surimi facilities. This is particularly true for the Dutch Harbor plants.

We do not believe there is a sound rationale for greater allocations to the on-shore sector. In the original analysis, the justification was to avoid "preemption" of one sector by another. To a certain extent, the inshore/offshore regime has accomplished that objective, but we cannot imagine how that argument could be used to make further allocations and find it difficult to comprehend how any rationale could justify further re-allocations. We urge you to roll over the current inshore/offshore regime,

Thank you for your time and your consideration of our views.

Sincerely yours,



Bruce Cotton  
Sr. Vice President for Public Affairs

Dear Mr. Lauber.

My name is Josef Muller. I work for four years for this company. I was laid off during recession in 1990 and I had few temporary jobs for minimum wage after that. I did not really know how I can live like that because I felt really that I cannot make it in life.

Then I was hired by American Seafoods and that's the first decent job in my life. Hard times come in life unexpectedly, but I would never think that everything will be erased for ever. I don't have any college degree or some high tech training, so I don't know if I ever get chance like this again.

We make clean product from fresh fish and it's healthy for our customers or anybody who likes seafood. I enjoy working here and I hope that I will not lose it. I put lots of work into fixing and maintaining our boat and it would be hard to see it getting rusty in port.

I would like to ask you to take it into consideration and thank you for preserving the livelihood of tens of thousands of fishermen and processors.

Thank you for reading my letter.

Josef Muller.  
JOSEF MULLER.

DEPT OF COMMERCE  
WASHINGTON, D.C.  
20513

Dear Mr. Lauber

I write to you with deep concern about the issue of the majority of the quota going to Land based plants. How can anyone in an authoritative position, consciously wipe out an entire vocational lively hood for so many people; just so a few can be so greedy. Shore plants and Factory trawlers have enjoyed many prosperous years together, why change it.

I have been in the Fishing industry for many years. It is my life. You take that away from me, I have to start all over a little later now to change a lifestyle. This business has given a career to thousand of crew members. Many have families; including myself depend on this life style. My kids, pets and my entire family have been supported by this industry.

If this faction of the fishing industry is hindered to the point of Factory-trawler extinction. Will you find us all a new job-career? I am an American <sup>that</sup> works for a company that started way before the shore plants started. If it wasn't for factory-trawlers the world wouldn't know what pollack is. We discovered it, don't take it away from us.

DONT TAKE MY LIFE FROM ME  
Concerned  
Bruce G MCFE  
BRUCE G MCFE



May 29, 1997

TO; The members of the NORTH PACIFIC FISHERY  
MANAGEMENT COUNCIL

We the Alaska Residents employed on the Factory  
Trawler "ARCTIC STORM", ask that You consider us, and  
those like us working on other vessels in Alaska waters.

If the offshore Allocation is reduced or Eliminated  
the effect is not only on our Jobs, our families, but, our  
communities as well! The money we earn "stays" in  
Alaska; To some of us It IS a career and a Second Home,  
to others It IS a way to pay the Bills. Your decision  
makes an impact on us. Most of us are from Rural  
Communities with only summer "Salmon" Cannaries, Working  
on a Factory Trawler IS our way to earn the money to  
Accomplish our "Alaska Dream" and to remain our culture.

Sincerely

Cynthia M. Johnson - Kodiak  
Andy Wassily - Dillingham Alaska/Clark's Point.  
Jonathan Kyokwor - Dillingham Alaska/Anchorage AK  
Michael A. Swac - Ketchikan AK (WARD COVE)  
Ira W. Nickoli - Iliamna, Alaska  
Kenneth R. - Dillingham, AK  
Justin J. Beavon - Wasilla AK  
Rosemary Yurgine - Dillingham/Koliganek Alaska  
Don J. Chabneau - Ketchikan AK  
Brent Hussey - Anchorage AK  
Chet Zentz - Anchorage AK  
Scott Dale - Soldotna AK

John F. Andrews  
Jerome Haines  
Olie Oyst.  
TIM DINEHART

Paula Brannon

Raul Fuentes  
Lincoln M. Kiley J.  
Floro Sergio  
Joseph V. Chala

Togiak AK  
Dillingham AK  
Aleknagik, AK  
VALDEZ, AK

Dillingham, AK

Anchorage AK  
Unalakleet AK.  
Anchorage AK.  
Fairbanks Alaska!!!



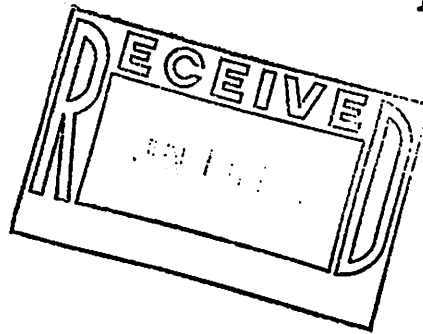
# ICHIMASA KAMABOKO CO., LTD.

7-77 Tsushimaya Niigata City Japan

Phone(025)273-7333 Fax(025)273-2531 Telex 3122-733

June 10, 1997

North Pacific Fishing Management Council  
605 West Fourth Avenue  
Suite 306  
Anchorage, Alaska 99501-2252



Attention: North Pacific Fishing Council Members:

I am the President of Ichimasa Kamaboko Co., Ltd. which has a long history of manufacturing products made from Surimi for the Japanese market. My company is located in Niigata, and is one of the largest producers of surimi products in Japan and distributes throughout the country. In our annual production we utilize approximately 18,000 mt or more annually. Due to long term availability of Pollock from our domestic waters, and based upon the size of the Pollock resource and the quality of the surimi available from the US, we have maintained Pollock surimi as our primary supply source.

Due to our historical reliance on Pollock surimi, we are concerned by the quota allocation process in the Bering Sea, and have been closely watching the fisheries allocation process currently taking place in the US zone. Unlike other regions and countries of the world, the US Bering Sea Pollock resource remains one of the most healthy resources remaining worldwide. However, we have become alarmed that our ability to access this resource may be in jeopardy due the aggressive efforts by a group to encourage the North Pacific Fishing Council to revise and reallocate the Bering Sea Pollock quota in favor of the Shore plant and Mothership operators.

We are extremely concerned by this movement since we rely heavily on the Pollock surimi that is produced by the factory trawlers and shoreplants. Accessing surimi that is of a specific quality level on a consistent basis is very important to success or failure. More importantly, our ability to purchase surimi on consistent and competitive basis is our primary concern. My company continues to work diligently to produce high quality surimi products to attract new customers and design new products. However, if we are unable to receive a consistent supply of appropriate quality surimi, we do not believe that we can continue operation of viable business. Additionally, your decision, will determine whether we will have fair access to competitively purchase Pollock surimi from a variety of Factory Trawler, Mothership, and Shoreside producers. The majority of the Shoreside producers in the US Bering Sea are directly affiliated or directly controlled and financed by major participants in the Japanese seafood industry, which makes the supply from the Factory Trawlers extremely important. Since the supply of surimi affected by the health of the





# ICHIMASA KAMABOKO CO., LTD.

7-77 Tsushimaya Niigata City Japan

Phone(025)273-7333 Fax(025)273-2531 Telex 3122-733

various marine resource, our ability to purchase raw surimi supply from a wide range of companies operating in the Bering Sea is very critical to our future. If the reallocation process occurs, our supply channels for Pollock Surimi will be become very limited, and the two major producers we likely take a strong interest and intent to support their own surimi product manufacturing interests located in here in Japan.

In making your decision and quota recommendation we ask that you look past the basic inshore/offshore issues of Alaska, and be aware of the severely negative economic impact your decision will have on the Japanese kamaboko industry and the world wide surimi markets as a whole. Competitive access to the resource is extremely important to this industry.

We believe that the current quota allocation is not perfect, but that until a better distribution process is created, the current quota levels promote a healthy and competitive surimi products industry worldwide. Allocating the Bering Sea pollock quota heavily to one side will place the control in the hands of few companies, destroy the factory trawler companies, and remove our ability to competitively obtain our surimi supply. In the end, we will no longer be able to compete in the Japanese kamaboko industry. Your decision has the power to destabilize the entire world market for surimi products. Please act carefully in your decision.

Respectively,

Shohei Nozaki

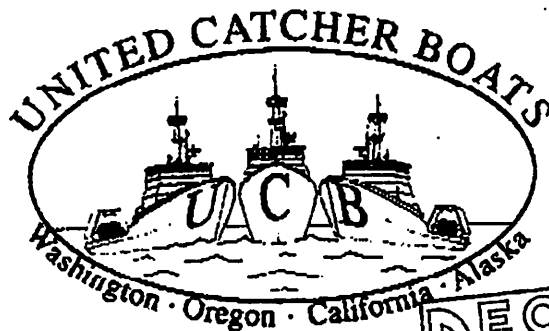
President

Ichimasa Kamaboko Co., Ltd.

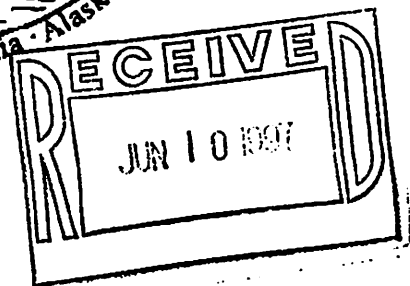
7-77 Tsushimaya, Niigata, Japan

950

Brent C. Paine  
Executive Director



Steve Hughes  
Technical Director



June 10, 1997

North Pacific Fisheries Management Council  
Attn: Richard Lauber, Chairman  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99051-2252

RE: Agenda Item C-1, Inshore/Offshore III, June 1997 NPFMC Meeting

Dear Rick,

The United Catcher Boat (UCB) Board of Directors held a special membership retreat after the April 1997 Council meeting to discuss the looming issue of Inshore/Offshore III. For two days in May, nearly the entire membership of UCB met and discussed this issue in great detail with the goal of providing the Council with our insight.

For the Council's understanding, the present ownership structure of the catcherboat fleet in the Bering Sea is quite diverse and UCB represents roughly 85 percent of the Bering Sea catcherboat trawlers. No longer is the trawler catcherboat sector totally owned by individual fishermen. UCB member-vessels include those owned by individual fishermen and families, catcherboat companies, shore-based processor companies as well as factory-trawler companies.

Due to the diverse nature of our organization, the UCB membership decided that we would be best served by not taking a position on this issue at this time. The motion that supported this position passed on a 45 - 3 vote at our recent retreat.

Sincerely,

Handwritten signature of Brent C. Paine in cursive.

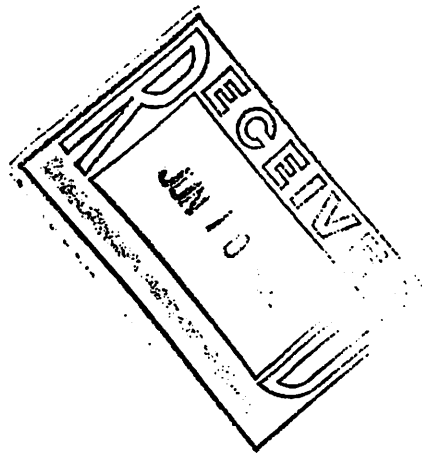
Brent C. Paine

Handwritten signature of Steve Hughes in cursive.

Steve Hughes

183 Whitetail Lane  
Sequim, Washington 98382  
(360)681-7517

North Pacific Fisheries Management Counsel  
605 W. 4<sup>th</sup> suite306  
Anchorage, Alaska 99501



Dear Mr. Chairman Rick Lauber,

This letter is in regard to the Bering Sea Pollack Inshore/offshore Allocation. I am writing this letter in the hopes that my opinion will matter in the decisions of the counsel. My husband is a Chief Engineer on a trawler and has worked as an engineer in shore plants and on ships for seventeen years. Prior to starting a family, I spent six years working on crab boats, fishing trawlers and in shore plants. I lived for eight years in the state of Alaska until I met my husband and moved down to Washington State.

I recently found out that the shore plants would like to have more of the pollack allocated to them, much more(70% compared to 35%). I feel this is extremely unfair to everyone involved with the exception of the shore plants themselves. Thousands of families in Washington and Alaska would suffer financially. I am referring to all the Washington and Alaskan workers who are supporting families by working on fishing trawlers. It would be devastating to local economies who generate a lot of income from the trawling industry. What would happen with all the trawlers? Would the owners all declare bankruptcy?

In my opinion neither Alaska or Washington state will benefit from the allocation changes. How many of the shore plants are domestically owned? At the five shore plants I have worked in, the majority of employees were foreign and much of the income they earned went to their families in their native countries. On the fishing trawler I worked on, there were only a few foreigners out of one hundred and twenty crewmembers and the company was American owned.

Our family just bought a house and settled down. My husband is putting me through college so hopefully he won't have to work away from our family in five or six years. If this proposal did actually become reality, our family and countless others would see our dreams for the future be destroyed.

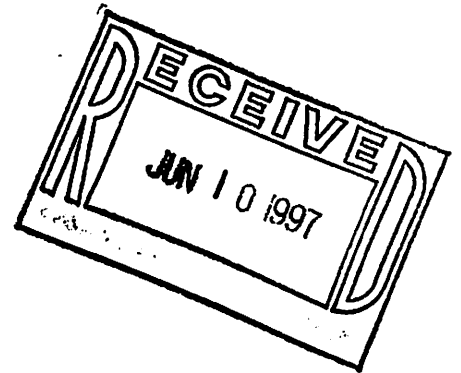
Please vote against the proposal. Thank you for taking your time to read my letter.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Allison Reines'. The signature is written in black ink and is positioned above the printed name.

Allison Reines

# AMERICAN FACTORY TRAWLER ASSOCIATION



April 9, 1997

Mr. Clarence Pautzke  
North Pacific Fishery Management Council  
605 West Fourth Avenue  
Suite 306  
Anchorage, Alaska 99501-2252

SENT VIA FAX

Re: Agenda Item C-7/Inshore-Offshore Allocation Regime

Dear Mr. Pautzke:

On behalf of the American Factory Trawler Association ("AFTA"), I would like to submit some brief comments in connection with the above-referenced agenda item that will be considered at the Council meeting in Anchorage later this month.

As we all know, the current inshore/offshore ("I/O") regime expires at the end of 1998. There are essentially three separate and distinct elements of the I/O regime: the community development program for Bering Sea pollock (the "CDQ Program"); the Gulf of Alaska cod and pollock set aside for shoreside communities in and around the Gulf; and the I/O allocation split (35/65) between shoreside and offshore processors in the Bering Sea. We will comment on each of these elements separately.

1. The CDQ Program for Bering Sea Pollock Should be Continued. The CDQ program has been entirely successful insofar as the objective of providing economic opportunity to Western Alaskan communities is concerned. The program should be continued and should be de-linked from the unrelated allocation issues involved in the I/O debate. The jobs, investment programs and other benefits associated with the CDQ Program should not be subjected to the vagaries and uncertainties of a three-year reauthorization process as is currently the case. In AFTA's view, the pollock CDQ program should be accorded the same status as the CDQ programs for other groundfish species -- as part of the license limitation program that the Council approved in 1995 and that the Congress recently endorsed in the Sustainable Fisheries Act.

2. The I/O Regime in the Gulf of Alaska Should be Maintained. The current regulations allocate 100% of GOA pollock and 90% of GOA cod to the shoreside sector. Any change in the I/O regime would only serve to destabilize an industry that has

Mr. Clarence Pautzke  
April 9, 1997  
Page 2

adapted to the current rules and regulations over the past four and one-half years (since I/O #1 went into effect). Furthermore, the relatively limited size of the GOA pollock resource, the traditional dependence on that resource by small-boat local fishermen and the fact that offshore processing vessels are not dependent on the GOA pollock resource, all support maintenance of the current I/O regime in the Gulf.

3. The I/O Allocation in the BSA Should be Extended until the Council has a Chance to Implement its Comprehensive Reauthorization Plan ("CRP"). While it could be argued that the I/O allocation regime in the Bering Sea should be allowed to expire at the end of 1998, AFTA endorses a rollover of the existing regime until a CRP plan is implemented for several reasons. First, in the absence of a quota-based management system, expiration of the I/O allocation system would only serve to trigger a renewed "race for fish" between competing sectors of the industry. Such a race would inevitably lead to increased capitalization in the form of "capital-stuffing" by individual operations so as to more effectively compete in the renewed race. This would not only be costly in terms of additional excess investment, but would exacerbate the overall overcapitalized state of the pollock fishery in the North Pacific.

Second, a renewed race for fish between the two competing sectors would only serve to undermine the goals and objectives of I/O #1 (avoidance of preemption of one sector over another) and I/O #2 (maintenance of stability in the industry pending completion of the CRP process). Given the "equilibrium" or "stability" that has been created between the sectors during the time that I/O #1 and I/O #2 have been in effect, a resumption of the race for fish between those two sectors would inevitably result in some level of preemption and a great deal of instability as a result of one sector or the other capturing a greater share of the annual pollock quota than that sector has been harvesting under the I/O regime. To the extent that the avoidance of preemption and the need to maintain stability in the industry were legitimate justifications in the past, those same justifications would seem to argue against an expiration of the current regime until the CRP process can be completed. The same applies to a change in the allocation percentages themselves. A change in those numbers would automatically result in preemption of one sector's opportunity to participate in the fishery and would, by definition, be destabilizing to both sides (exacerbating overcapitalization in one sector and renewing the race for fish in the other).

Mr. Clarence Pautzke  
April 9, 1997  
Page 3

Third, a rollover of the existing regime is the most appropriate action for the Council to take in view of the study that Congress has commissioned on quota-based management programs. Unless and until the ITQ study has been completed, the Council should maintain the "status quo" insofar as the competing sectors are concerned. Once that study has been completed, the Council will be in a better position to determine the best and most appropriate course it should take on the road to comprehensive rationalization.

In the event the Council chooses to abandon the "anti-preemption" and "maintain stability" rationales that have guided the I/O management regime since 1990, AFTA is prepared to offer a number of alternative management options for consideration. Absent a compelling reason to abandon those rationales, however, AFTA will defer from making alternative proposals at the present time.

Thank you for the opportunity to present these comments. We will be at the Council meeting to testify on this particular agenda item when it comes up later this month.

Sincerely yours,

AMERICAN FACTORY TRAWLER ASSOCIATION



Paul MacGregor  
Managing Director

PM:kal  
LPautzke.008/pmt

# AMERICAN FACTORY TRAWLER ASSOCIATION



June 10, 1997

Dr. Clarence Pautzke  
North Pacific Fishery Management Council  
605 West Fourth Avenue  
Suite 306  
Anchorage, Alaska 99501-2252

SENT VIA FAX

Re: Agenda Item C-1/Inshore-Offshore Allocation Regime

Dear Dr. Pautzke:

I am writing on behalf of the American Factory Trawler Association ("AFTA"), to comment on the above-referenced agenda item that will be discussed at the North Pacific Council's meeting in Kodiak next week.

As we advised the Council in April (see attached comments dated April 9, 1997, "AFTA's April Comments"), AFTA supports a roll-over of the existing inshore/offshore regulations, including:

1. Continuation of the CDQ program for Bering Sea pollock, as is;
2. Maintenance of the inshore/offshore ("I/O") regime for pollock and cod in the Gulf of Alaska ("GOA"), as is; and
3. Extension of the current I/O regulatory regime and allocation split for Bering Sea/Aleutian Islands ("BSAI") pollock, as is, until the Council's Comprehensive Rationalization Plan ("CRP") can be implemented.

A roll-over of the existing I/O regulations is necessary to preserve the stability that has existed in the North Pacific pollock industry since the first I/O regime was implemented in 1992; and to avoid the threat of inter-sector preemption that prompted passage of the initial I/O regime in the first place. While both the inshore and offshore sectors remain overcapitalized, a relative equilibrium exists between them at the present time -- even though the BSAI shoreplants continue to have more pollock fishing days per year than do offshore vessels

Dr. Clarence Pautzke  
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under the current allocation split. Any regulatory change in the allocation percentages in either the BSAI or the GOA would inevitably result in a great deal of economic disruption and unnecessary dislocation in the communities, markets and support service industries that are dependent on the economic viability of the two sectors. Furthermore, efforts to interfere with the inter-sector equilibrium will only serve to reignite the contentious and acrimonious allocation battle that raged in the North Pacific for such a protracted period in the early 1990s. It is for these reasons that we support a simple roll-over of the I/O regime. For further discussion of the stability and preemption issues, please refer to AFTA's April comments.

In the unfortunate event that the Council decides to proceed with an analysis of options other than a straight roll-over of the existing I/O plan, AFTA believes that the array of options for consideration should include the following:

1. Reciprocal and Proportionate Allocation Alternatives and a No-Action Baseline. As discussed in a separate technical memorandum that has been submitted by AFTA's economist, Dr. Ed Richardson, any analysis of alternative allocation options (as has been proposed by the Dutch Harbor shoreplants) should look at reciprocal and proportionate allocation options. For example, if one of the allocation options proposed by the Dutch Harbor shoreplants would increase the inshore share of BSAI pollock by 10%, a parallel option that would increase the offshore quota by 10% should be evaluated, and so on for each allocation option considered. The Council approved such an approach in April. Furthermore, as also discussed in Dr. Richardson's technical memorandum, the baseline to be used for analytical purposes should be the "no-action" alternative, under which the I/O regime would expire at the end of 1998 as per the terms of the I/O amendment and implementing regulations.

2. Access to Surplus Pollock in the GOA. The Council should evaluate an option that would -- in the event the BSAI allocation available to the offshore fleet is reduced -- create an open-access fishery for GOA pollock whenever the ABC for pollock exceeds 111,000 mt. The open access fishery would be open to motherships, catcher/processors and shorebased catcher vessels alike, but would be limited to the amount of the ABC in excess of 111,000 mt. Such an approach would ensure that the GOA shorebased industry has sufficient access to the pollock resources to maintain production at the maximum level achieved during the last six years (110,891 mt. in 1994) while providing



Dr. Clarence Pautzke  
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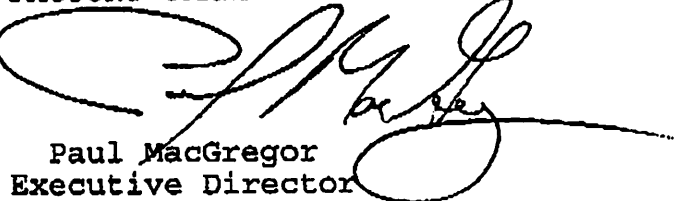
some relief to the catcher/processor fleet threatened with quota losses as a result of reallocation shifts in the BSA.

3. Market Freedom for Catcher Vessels Coupled with a 50/50 Split Between Catcher Vessels and Catcher/Processors. In the event the Council decides to evaluate options other than a straight roll-over, AFTA recommends the inclusion of an option that would split the Bering Sea pollock quota on a 50/50 basis between catcher vessels and catcher/processors, with the proviso that the catcher vessels would be completely free to deliver to whatever market (shoreside, mothership, catcher/processor) they choose. A 50/50 split fairly approximates the 1996 fishery. This option would put the catcher boat fleet in a better position to negotiate reasonable prices for their fish and would especially benefit the independent catcher boats (those not owned in whole or in part by their market) who are fighting for survival. At the same time, shoreplants and motherships would be assured of adequate supplies since most of them have already acquired substantial ownership interests in their catcher boat fleets.

Thank you for the opportunity to submit these comments. If you or any of the Council members have questions concerning the points raised above, or in the comments we submitted last April, we will be happy to discuss them with you by phone or at the meeting in Kodiak next week.

Sincerely yours,

AMERICAN FACTORY TRAWLER ASSOCIATION



Paul MacGregor  
Executive Director

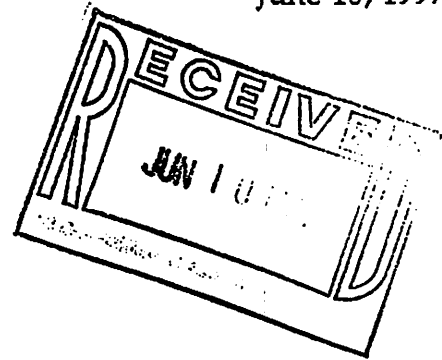
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Attachment

# AMERICAN FACTORY TRAWLER ASSOCIATION



June 10, 1997

Dr. Clarence G. Pautzke, Executive Director  
North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, AK 99501-2252



RE: Technical Comments on Agenda Item C-1

Dear Dr. Pautzke,

The purpose of this letter is to provide technical comments concerning reciprocal allocation alternatives and the appropriate analytical baseline should the Council eventually adopt a problem statement which seeks to evaluate a set of pollock harvest allocations different from the status quo.

If the Council should adopt a problem statement which seeks to evaluate a set of harvest allocations different from the status quo, then the set of evaluated alternatives should be as broad as is required by law, and in particular, include a no-action alternative where the inshore and offshore sectors compete directly and fully as was the case prior to the 1992 B season (i.e., without harvest allocations or area restrictions). According to Miller et al. (1994), during 1987-1991, at-sea processors caught 78% of landings.

Furthermore, the no-action alternative should be the baseline from which all of the pollock fishery regulations, both previously implemented and currently proposed, are evaluated. With the no-action alternative as the baseline, it will be possible to evaluate the social costs and benefits of all regulatory alternatives using the economic performance available today among the various sectors of the pollock fishery. In this way, the economic efficiency impacts of all regulatory alternatives, and especially those whose aims are mainly social in nature, may be adequately accounted for and considered. Also, given the large shift in landings away from the inshore processing sector which would likely follow the adoption of the no-action alternative (with 78% of the landings, the offshore share would increase about 20% over the status quo, and the inshore share would decline 37%), any economic analysis of the costs and benefits of the no-action alternative will require a level of detail sufficient to measure changes in the fair-market value and deployment of industry capital assets.

With regard to the regulatory alternatives set forth in the supplement to the Council's April Newsletter, I am setting forth below an alternative set of "reciprocal options" that more accurately reflects the symmetry mentioned in Dr. Pereyra's motion.

Concerning the nature of the "reciprocal" calculations, AFTA believes the "reciprocal" allocations stipulated by the Council are allocations which would offer equal percentage increases to the sector whose share is eroded by the initially proposed reallocation. Also, AFTA believes that the reciprocal shares should be calculated in exactly the same manner as those of the initially proposed reallocation. So, for example, if it is proposed that 70% of the TAC be allocated to shoreside processors and the quantity remaining be left for offshore processors, then in "reciprocal form," an equal percentage increase would be awarded to the offshore sector and what remained would be available to the inshore sector. The "reciprocal" allocations shown in the supplement deviate from this approach, and in fact are calculated in a manner such that the shares of the offshore sector are always slated as a remainder (what is left over) in both the initial and "reciprocal" proposed reallocations. One problem with the method adopted by Council staff to calculate the "reciprocal" allocations shown in the newsletter supplement is that, in most cases, the "reciprocal" share calculated for offshore processors is smaller than it should be.

Our substitute allocation percentage options for Alternatives 3 and 5 are shown below. We do not show any percentage of the catcher vessel share that would be guaranteed for inshore processors under Alternative 5 because no such guarantee was intended as part of the catcher boat proposal. (See letter from UCB to the Council dated May 15, 1997 clarifying their proposal.) With regard to the "reciprocal" of the imposition of a CVOA restriction during the A season, AFTA's position is that the fairest "reciprocal" for analysis would be the elimination of the CVOA during the B season. Thus, while we note that such a "reciprocal" measure was not explicitly mentioned in the options listed for analysis in the supplement, it is our position that the elimination of the B season CVOA should be explicitly included in all reciprocal reallocations which address instances where status-quo allocations change and a CVOA is imposed during the A season.

## Allocation Percentage Options for Alternative 3

Option	Inshore % (% inc.)	Offshore % (% inc.)	Source of Option
1 CVOA imposed during the A and B season	70 (55.5)	30 (.)	North Pacific Seafood Coalition
2	45 (.)	55 (.)	Staff baseline
3 No CVOA either season	14 (.)	86 (55.5)	Reciprocal reallocation 1

## Allocation Percentage Options for Alternative 5

Option	CP % (% inc.)	CV % (% inc.)	Source of Option
1	45 (.)	55 (7.8)	United Catcher Boats
2	40 (.)	60 (17.6)	United Catcher Boats
3	35 (.)	65 (29.4)	United Catcher Boats
4	49 (.)	51 (.)	Staff baseline
5	53 (7.8)	47 (.)	Reciprocal reallocation 1
6	58 (17.6)	42 (.)	Reciprocal reallocation 2
7	63 (29.4)	37 (.)	Reciprocal reallocation 3

We show our substitute Alternative 4 reallocations last because they include a three-way split, and here the metaphor of a "reciprocal" allocation becomes less precise. The substitute "reciprocal" allocations below were calculated after adopting the viewpoint that the reclassification of true offshore mother ships as inshore processors was advocated simply to build a bigger inshore coalition for reallocation which pre-empts offshore economic interests. Hence, inshore share reductions that result from the "reciprocal" offshore catcher-processor (CP) share increases were calculated as to be endured proportionately among the two "inshore" sectors. This yields the following table of Alternative 4 allocation options.

## Allocation Percentage Options for Alternative 4

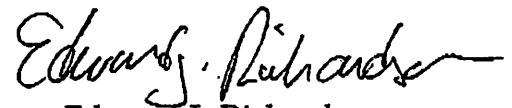
Option	In. %	MS %	Total In. % (% inc.)	CP % (% inc.)	Source of Option
1	40	13	53 (17.7)	47 (.)	NPSC+
2	55	15	70 (55.5)	30 (.)	NPSC+
3	40	15	55 (22.2)	45 (.)	NPSC+
4	55	13	68 (51.1)	32 (.)	NPSC+
5	38	15	53 (17.7)	47 (.)	NPSC+
6	57	13	70 (55.5)	30 (.)	NPSC+
7	35	10	45 (.)	55 (.)	Staff Baseline
8	27	8	35 (.)	65 (17.7)	Reciprocal reallocation 1&
9	11	3	14 (.)	86 (55.5)	Reciprocal reallocation 2&
10	18	5	23 (.)	67 (22.1)	Reciprocal reallocation 3&
11	13	4	17 (.)	83 (51.1)	Reciprocal reallocation 4&
12	27	8	35 (.)	65 (17.7)	Reciprocal reallocation 5&
13	11	3	14 (.)	86 (55.5)	Reciprocal reallocation 6&

+CVOA imposed during the A and B season

& No CVOA either season

We appreciate this opportunity to comment on the issues of alternative fair "reciprocal" reallocation calculations and the baseline to be used for economic analysis. As was noted, these comments are intended to address issues of great importance to our members should the Council decide to evaluate a suite of pollock harvest reallocation alternatives like those described in the newsletter special supplement.

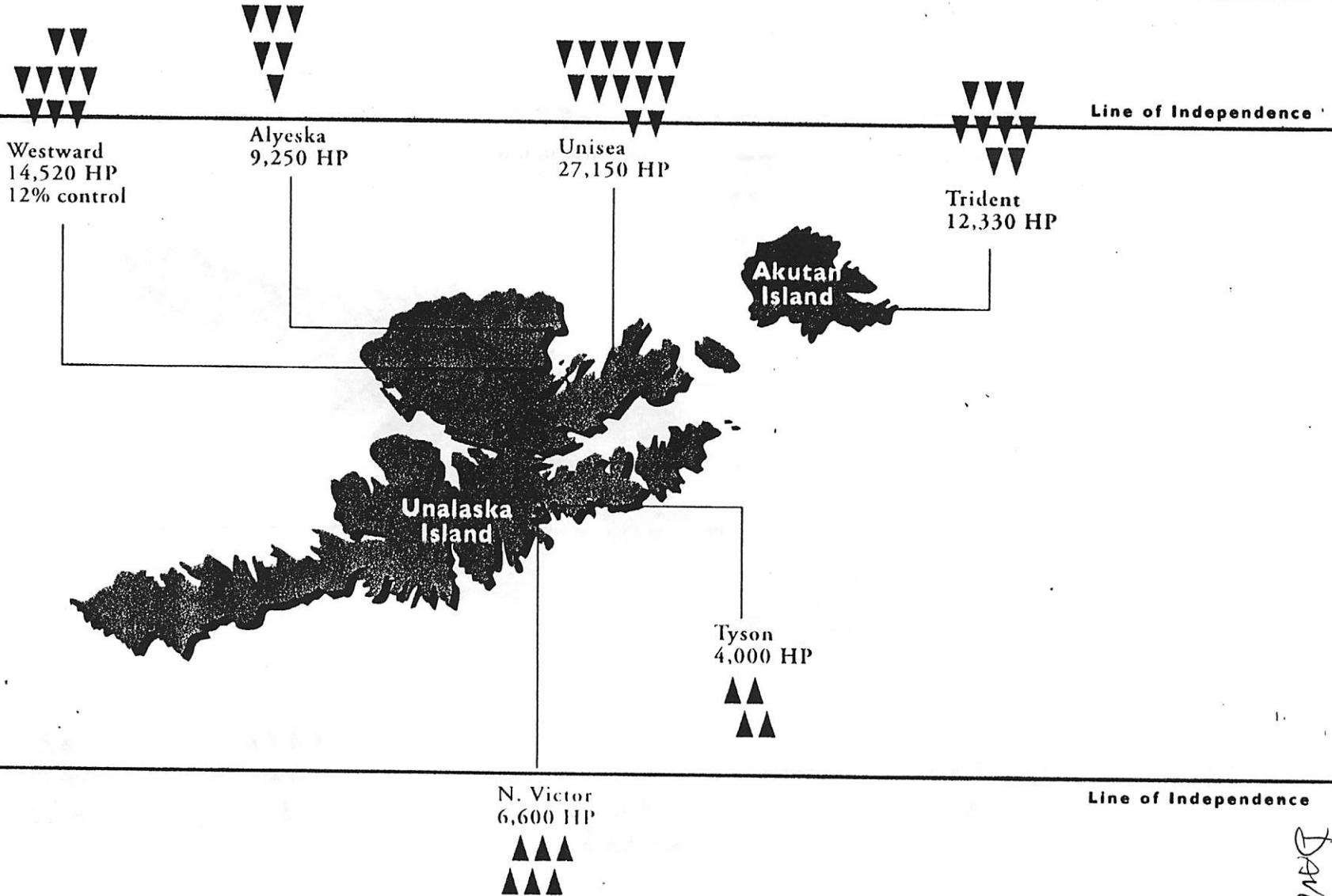
Sincerely,

  
Edward J. Richardson

Miller, M., Lipton, D., and P. Hooker. 1994. "Profile of Change: A Review of Offshore Factory Trawler Operations in the Bering Sea/Aleutian Islands Pollock Fishery." Manuscript, National Marine Fisheries Service, Silver Spring, Maryland.

# 1992

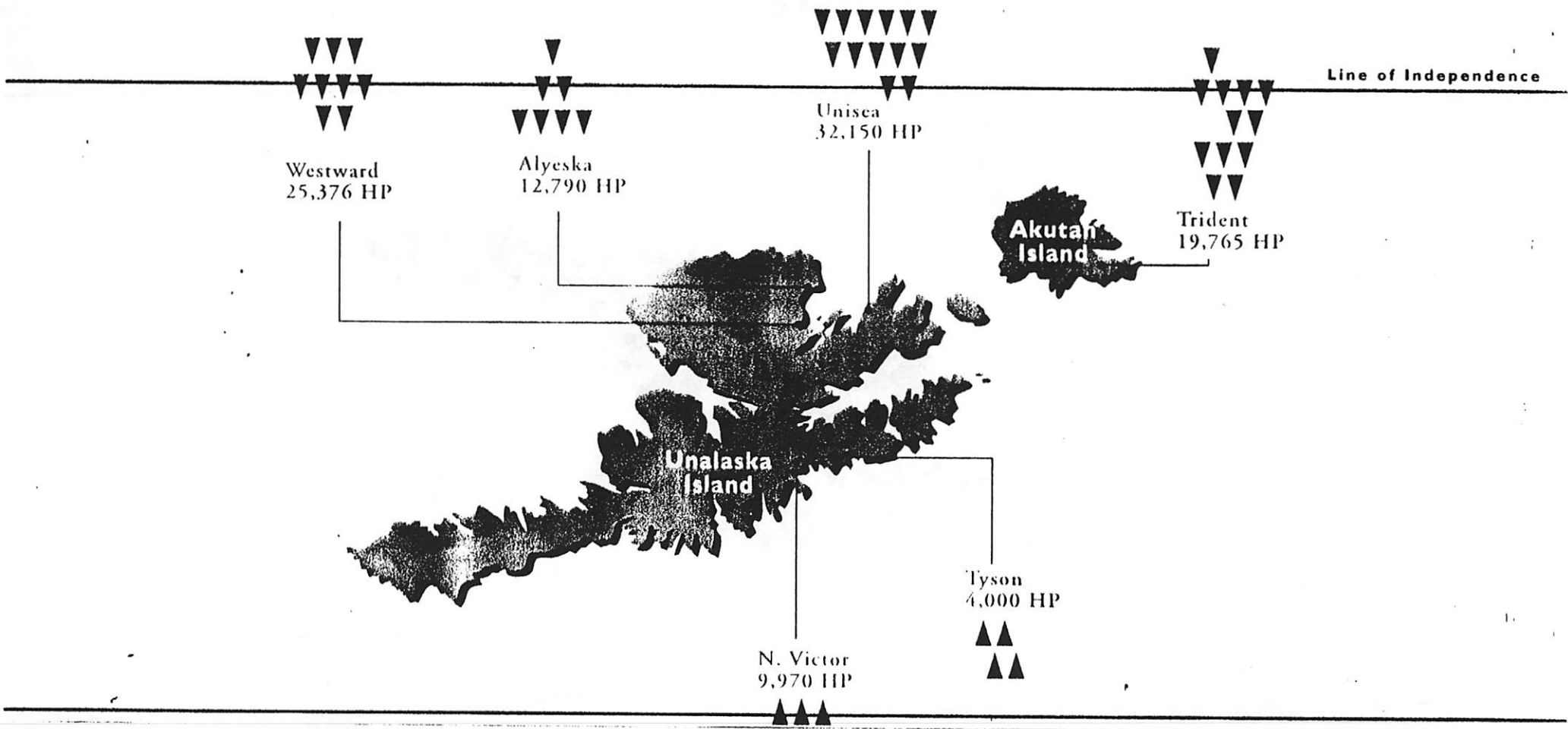
- 00 horsepower
- 3,300 mt per day pace, 135 day season
- 30% wholly or partly owned by market
- Price 27% of finished products (\$266/mt/\$995)
- 47 boats
- 12,000 mt tank capacity



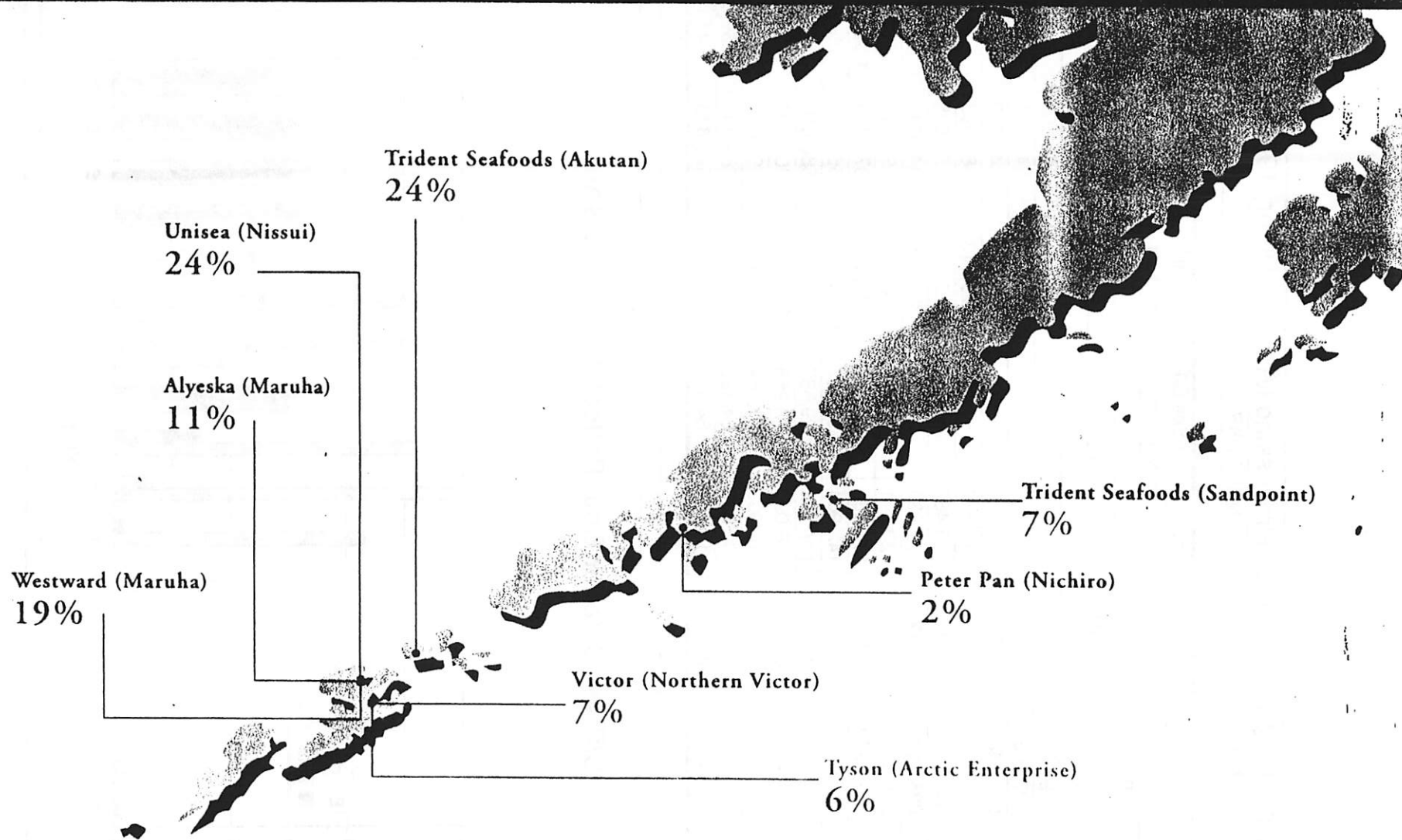
DAVE FRASER  
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# 1997

- 104,000 horsepower
- 5,500 mt per day pace, 70 day season
- 60% wholly or partly owned by market
- Price 21% of finished products (\$210/mt/\$1016)
- 52 boats
- 16,000 mt tank capacity



# Onshore Market Share - Pollock Bering Sea Quota



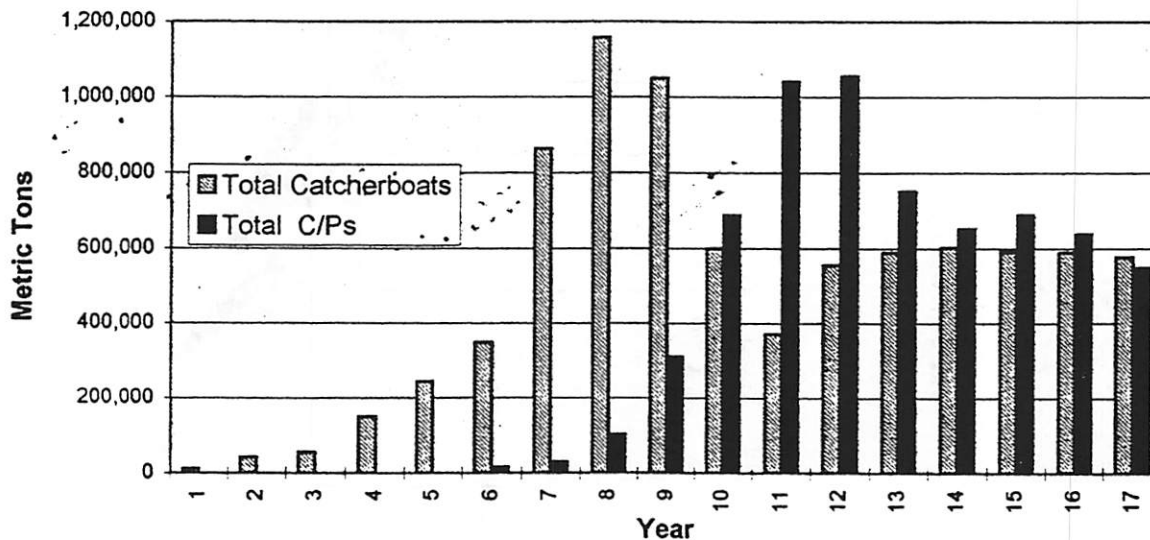


### Harvest (MT) of BSAI Pollock by Processing Mode and year, 1980 - 96.

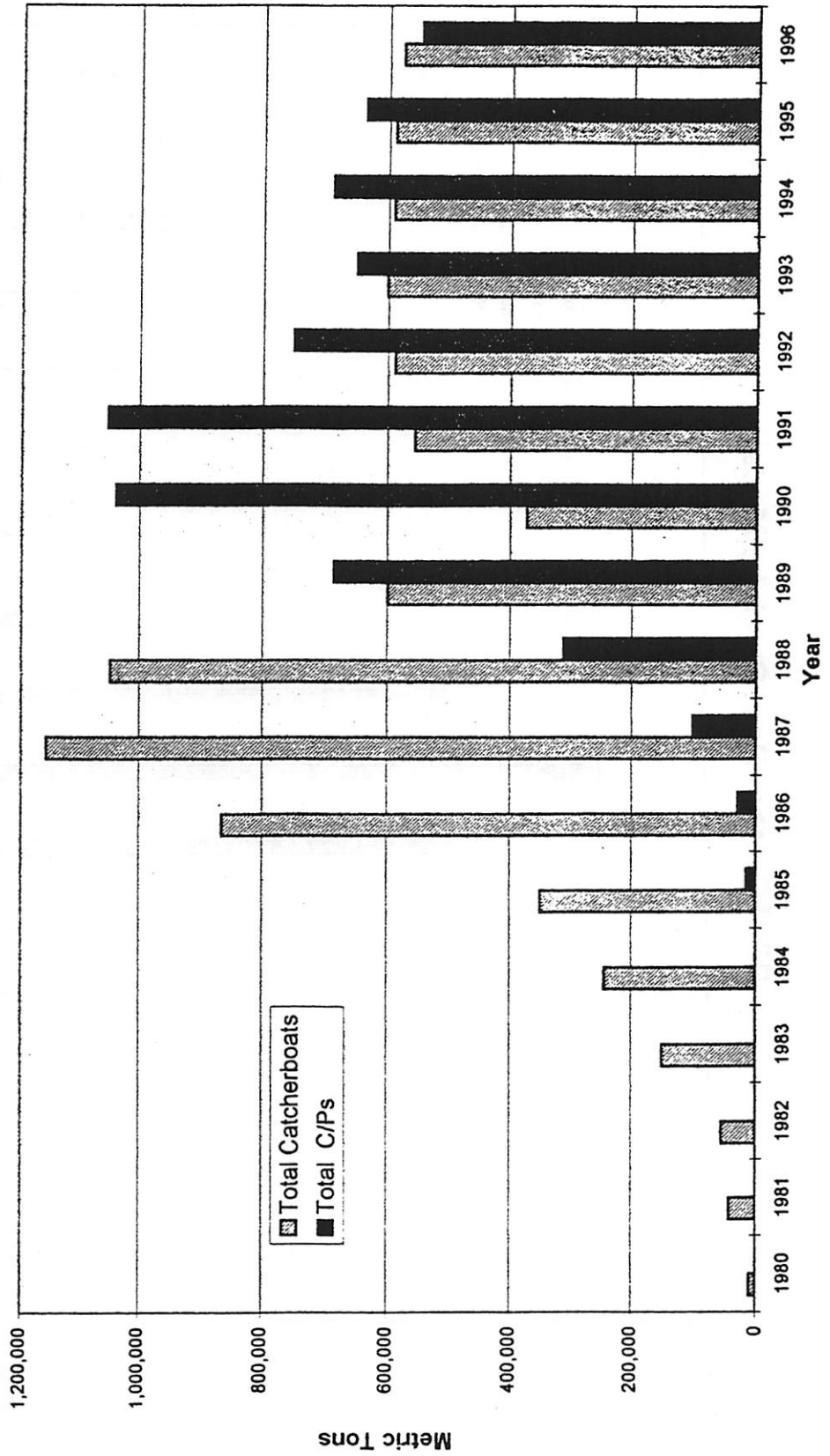
Source: 1980 - 1990 NMFS PacFin, 1991 - 1996 NMFS-AKR.

Year	JVP	Shoreside	True Motherships	At-Sea C/P Motherships	Catcher/ Processor	Total Catcherboats	Total C/Ps
1980	10,652	133	-	-	-	10,785	-
1981	42,083	234	-	-	-	42,317	-
1982	54,604	155	-	-	-	54,759	-
1983	149,014	1,091	-	-	-	150,105	-
1984	237,008	7,313	-	-	-	244,321	-
1985	337,540	12,000	-	-	15,755	349,540	15,755
1986	835,103	14,200	14,587	-	29,113	863,890	29,113
1987	1,044,468	76,600	36,467	-	102,433	1,157,535	102,433
1988	826,413	150,300	72,934	-	310,466	1,049,647	310,466
1989	288,352	190,723	120,341	-	686,892	599,416	686,892
1990	22,397	218,650	131,281	-	1,040,981	372,328	1,040,981
1991	-	375,598	142,964	37,227	1,054,499	555,789	1,054,499
1992	-	411,947	147,182	29,687	751,737	588,816	751,737
1993	-	436,556	116,093	48,958	651,698	601,607	651,698
1994	-	445,921	110,963	33,764	688,989	590,648	688,989
1995	-	424,191	100,981	64,326	636,991	589,498	636,991
1996	-	398,877	113,144	64,822	547,718	576,843	547,718

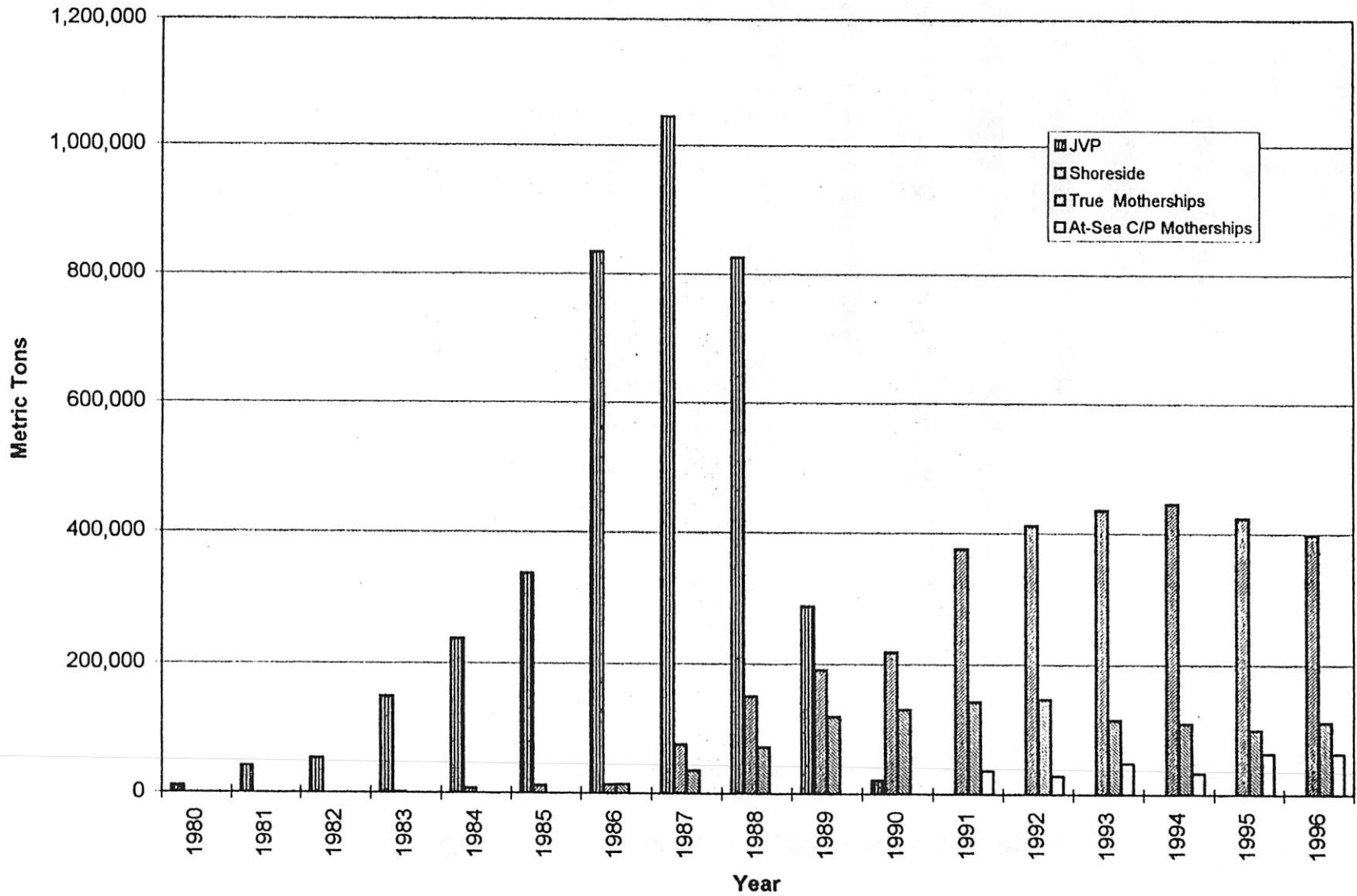
### C/P Vs. Catcher Boat Pollock Harvest, BSAI



# C/P Vs. Catcher Boat Pollock Harvest, BSAI

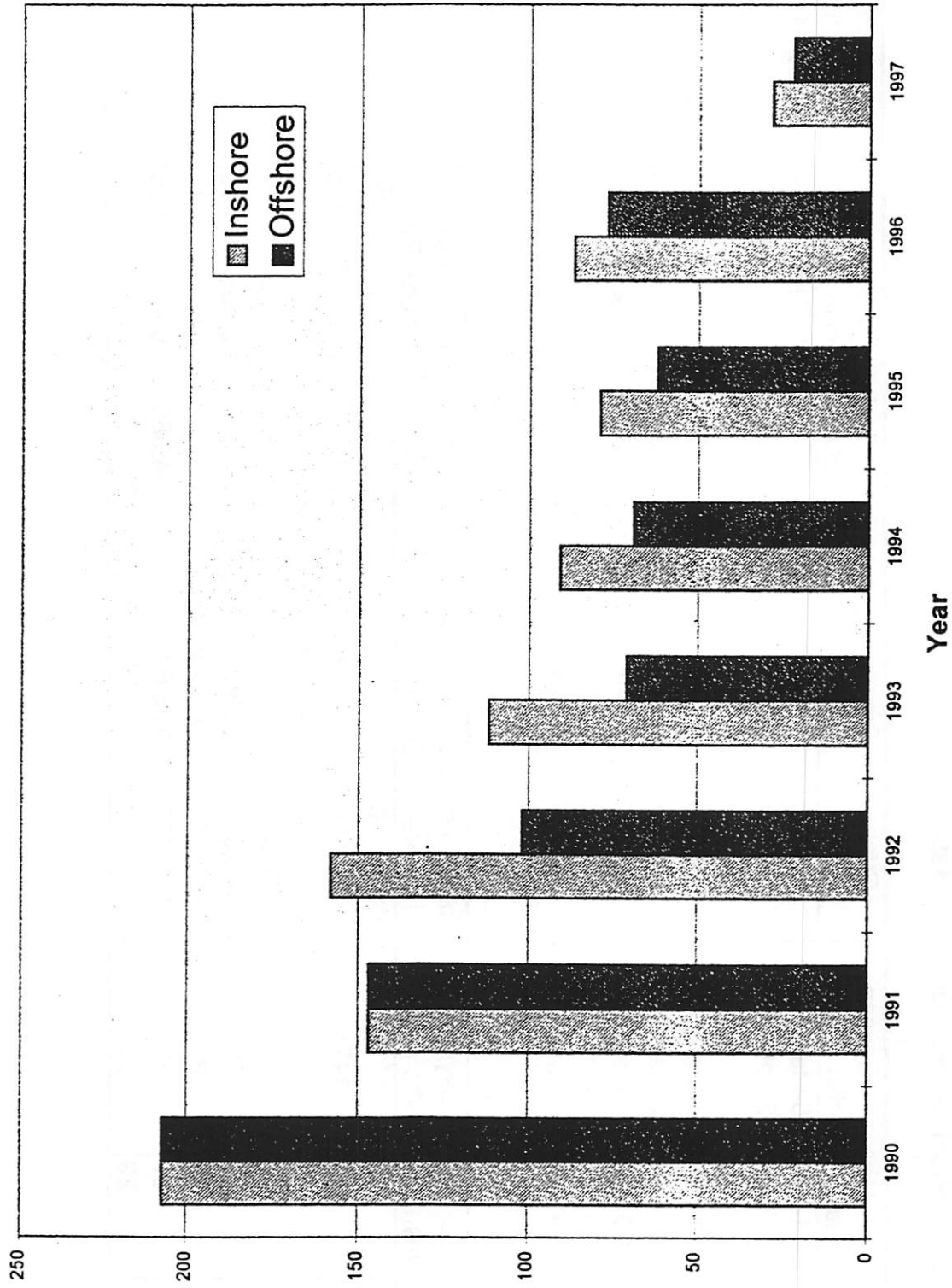


### BSAI Catcher Boat Catch by Mode





# Season Length, Bering Sea Pollock, (days)



**GREENPEACE**



June 16, 1997

Richard Lauber, Chairman  
North Pacific Fishery Management Council  
P.O. Box 103136  
Anchorage, AK 99510

Dear Chairman Lauber,

As a rule, Greenpeace doesn't get involved in allocation battles for allocations sake. However, we do have several serious concerns that we feel should be addressed in any analysis for a revised inshore/offshore allocation.

#### Environmental Implications

Greenpeace testified last December regarding our concerns about the overexploitation of the pollock stock and the potential for steep declines in that stock as a result of the current exploitation strategy. We further testified that we were equally concerned about the effects that a reduced stock of pollock will have on a number of pollock predators, including the endangered Steller sea lion, as well as other marine mammals and seabirds.

More specifically, we are very concerned with the way the current pollock fishery is being prosecuted. We are concerned that the high intensity pollock roe season may be creating localized depletions of this energy rich resource during a time of particular vulnerability for female Steller sea lions. We are also concerned about the spatial and temporal compression of the pollock fishery onto the Eastern Bering Sea shelf in critical Steller sea lion foraging habitat. These concerns are addressed in depth in the following excerpt from our December 1996 testimony on the Bering Sea/Aleutian Islands Groundfish Specifications:

#### Pollock Roe Season

Greenpeace is particularly concerned that the heavy concentration of fishing pressure on spawning pollock in the Eastern Bering Sea "A" season may be depleting local areas of spawning pollock and depriving pregnant sea lions and weaned pups of a rich, concentrated, easily obtained food source in the critical winter months. Sea lions are known to forage far out to sea in winter, and readily available aggregations of energy-rich spawning pollock may be crucial to the reproductive success of females and perhaps to the survival of weaned juveniles. Depletions of this important food source may cause food-stressed females to abort fetuses or wean nursing pups before they are able to feed themselves. (Lavigne and National Marine Mammal Lab, 1991)

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### Spatial Compression of the BS/AI Pollock Fishery

Although the annual eastern Bering Sea/Aleutian Island pollock allocation has remained fairly constant in the post-Magnuson Act era, there is a disturbing trend toward increasing concentration of fishing pressure and harvest on the southeastern Bering Sea shelf in areas to the east and northeast of Area 518. The catch quota has remained high throughout the 1990s but has been extracted from a smaller and smaller area.

Upon closure of the Bogoslof pollock fishery (Area 518) in 1992, the pollock TAC remained constant -- meaning that the pollock harvest was effectively increased by 200,000 metric tons on the EBS shelf. Since 1991, pollock harvests in the northwest management areas have declined steadily from over 500,000 metric tons (45%) to less than 100,000 tons (7%) in 1995 and 1996. Meanwhile harvests from the southeastern Bering Sea have risen from 654,000 metric tons (55%) to over 1.1 million metric tons (93%) in 1995 and 1996.

In effect, the southeastern Bering Sea has experienced a >40% increase in pollock harvest since 1991. We believe that this intensified fishing pressure in a shrinking area is bound to have negative ecosystem impacts which neither the Council nor the Fisheries Service has addressed, although NMFS has acknowledged that spatial and temporal compression of the BS/AI pollock fishery during the 1980s and 1990s may be contributing to and exacerbating the decline of the Steller sea lion population. Pollock catch in Steller foraging areas of the eastern Bering Sea soared from the 1980s to the early 1990s:

"Estimated removals of pollock from Steller sea lion critical habitat in the BS/AI region have increased from between 250,000 and 300,000 tons in 1981-1986 (between 20-30% of total BSAI pollock landings) to between 410,000 and 680,000 tons in 1987-1993 (between 35-53% of total BSAI pollock landings). Much of this increase in pollock landings from critical habitat came from the EBS foraging area..." (AFSC, 1995)

Spatial compression of the fishery has continued into the present. There is no longer anywhere else to fish profitably for pollock and no way to spread out the fishing pressure and the harvest except by reducing the BS/AI catch significantly.

Greenpeace firmly believes that any analysis of a change in inshore/offshore allocation should address the issues above. Specifically the analysis should look at whether the change in allocation would affect the spatial and temporal concentration of the pollock fishery, how it would be affected, and possible ways to reduce this concentration, especially in the winter "A" season that is so important to the endangered Steller sea lion.

### Economic Incentives

Having said that Greenpeace doesn't get involved in allocation battles, we still wish to point out that we still strongly believe that there are different economic incentives associated with the inshore and offshore sectors. We believe that the economic incentives for long term conservation of the resource tends to be stronger for the inshore sector, which is limited in its mobility, versus the offshore sector which can often literally turn the key and move to another fishery when its current fishery is overfished. We have seen many historical examples of this practice of offshore fleets of factory trawlers doing just that.

We feel that the analysis should explore these incentives, look at the historical record of offshore fleets, their global record relating to the overfishing of fish stocks and ecosystems on other coasts and in other parts of the world. This will better inform the council's decision with regard to who is likely to be a better long term steward of the resource.

### Recent Factory Trawler Private ITQ Programs

Lastly, we are extremely concerned with the recent developments in the Pacific Whiting fishery prosecuted by the factory trawlers off the coasts of Washington and Oregon. As you are probably aware, the four factory trawler companies that participate in the offshore sector of that fishery instituted an Individual Transferable Quota type system through a private contractual agreement. NOAA general counsel Eileen Cooney admitted in a recent phone call that if this program had been done through the Pacific Council, it would be illegal under the Magnuson Act moratorium on the implementation of any new Individual Quota programs. Until the results of National Academy of Sciences report can be reviewed by Congress, the regional councils and the public, no IQ programs are supposed to be implemented.

However, the factory trawlers circumvented any Pacific Council, NMFS, Department of Commerce or public review by implementing this agreement in secret. Apparently, even the possibility of this type of agreement was never mentioned during the council negotiations and deliberations on the matter of splitting the offshore allocation between factory trawlers and motherships. However, it is hard to imagine that this was not part of the factory trawlers plan all along.

This type of action has dramatic implications for fishery management in the U.S., and particularly in the North Pacific. Whether one thinks what the factory trawlers did was a good thing or not, the point is that no analysis was ever done to support one side or the other. There was no opportunity to assess what questions to even ask. What are the potential environmental impacts and benefits? What are the economic impacts of this action?



Clearly the factory trawlers are willing to thumb their noses not only at NMFS and the Council, but also the public and the congressmen and senators that represented the public through their passage of the Magnuson-Stevens Act. The NPFMC should be concerned not only about the circumvention of the council process and the Magnuson Act. The council should also be concerned because such action is not beyond the realm of possibility in the North Pacific.

While there is certainly a larger number of factory trawler companies in the North Pacific pollock fishery that would have to agree to such a plan than there was in the Pacific whiting fishery, there is clearly one company who is consolidating their control over a larger portion of the offshore fleet every year. This company could further consolidate and control this fishery in the future depending on the way the pollock quota was allocated in any revised inshore/offshore allocation. We believe that any analysis of a revised inshore/offshore split should look at what potential is created for "private ITQs" by any particular division of the pollock quota.

Conclusion

Notwithstanding the comments above, we must stress that no matter who is catching the most pollock in the pollock fishery, if the fundamental problems of overexploitation of the pollock resource, combined with the temporal and spatial compression of the pollock fishery, are not resolved, then there is little hope for a long term healthy pollock fishery. If these problems are not resolved, neither is there much hope for the recovery of the marine mammal and seabird populations that depend on pollock for their survival.

Thank you for the opportunity to present our views on this important issue.

Sincerely,

Fred Munson,  
Ken Stump,  
Greenepeace

COPY

Paul McGee  
C-1  
Paul McGee

April 20, 1995

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

Re: Inshore Offshore & Pollock CDQ Analysis

Dear Mr. Lauber,

We are writing the North Pacific Fishery Management Council as a group to urge the current package of analysis regarding reauthorization of the Inshore/Offshore and pollock CDQs (amendment 18/23) be sent out for public comment in its present form. The package presents a comprehensive analysis which should provide an appropriate basis for Council decision making in June. As of this writing the analytical package has been presented to both the SSC and AP. Both Council advisory bodies are recommending the package be circulated for public comment. The SSC was complimentary of Council staffs' efforts which reflect a thorough analytical approach. We support the SSC and AP recommendation that the package go out for comment as it appears to us the analysis package comprehensively considers the two relevant alternatives presented.

In addition to the staff analysis, the Council has received A Summary Review of Policy Measures and Relevant Performance Indicators As Applied to the North Pacific Inshore/Offshore Allocation, prepared by Economic and Environmental Analysts. The report has been copied, made available to the public by Council staff, and was also considered by the SSC and AP. We think this report contributes additional policy information relevant to an informed discussion of the Inshore/Offshore reauthorization question. The document largely focuses on the value of maintaining stability in the fishery and the multifaceted benefits such stability can bring to both industry and the ultimate CRP decision.

\* [ As representatives of Bering Sea/Aleutian Islands and GOA fishermen, processors, and CDQ communities we believe it is of paramount importance, to maintain stability in our fishing industry through a consistent Inshore/Offshore and pollock CDQ regulatory scheme. Preserving stability through the Inshore/Offshore and pollock CDQ allocation will also make it much easier for the industry to effectively move towards comprehensive rationalization of the fisheries. The general business climate will improve as all sectors will know they can rely upon a major component of the present regulatory scheme. The

April 20, 1995

Page 2

present allocation has only been in place for a relatively short time. Extension of the Inshore/Offshore allocation will also generate a more useful data base and performance history for both inshore and offshore industry participants. As a result, the Council and NMFS will ultimately learn more about each sector's CRP needs as the existing allocation continues for an additional period. This in turns should allow the Council to fashion a more useful comprehensive rationalization program.

Reauthorization of Inshore/Offshore and pollock CDQs will preserve both the offshore and onshore sectors which are presently viable, in the current state of equilibrium. Ultimately this keeps your CRP options open. The present Inshore/Offshore allocation in all its components including the CVOA, CDQ, and quota splits has enabled both sectors of the industry to operate and remain in a healthy condition.

The package contains reasonably based impact projections under Alternative 1 (18/23 to expire) as well as Alternative 2 (Reauthorization of 18/23). The Council document examines benefits and costs of maintaining stability in the fishery and the regulatory system through continuation of all components of the existing allocation. The Council document is constituted by analysis variously expressed through cost-benefit impacts, distributional impacts, fisheries impacts, impacts regarding bycatch and marine mammals, coastal and marine habitats, the need to continue the CVOA, E.O. 12866 findings, impacts on small entities, stability implications, examination of CDQ program benefits, and community impacts. We believe the staff examination of each of these aspects of the alternatives and the record it presents, in combination with the public comments you will receive, should provide a sound basis from which the Council can thoroughly consider the question before it.

Thank you for considering our views.

*Alvin Burah*  
Alaska Druggers

*John D. Asun*  
United Catcher Boats  
*Steve Hughes*

*Frank J. York*  
Midwater Trawlers Coop

*Vernon A. Curney*  
Pacific Seafood Processors Association

*Gilda M. Shulkin*  
APICDA

*Jack E. Crawley*  
FVOA

*Joseph J. Teske*  
Trident Seafoods

*John H. ...*  
UniSea

  
East Point Seafoods


  
Coastal Villages Coop

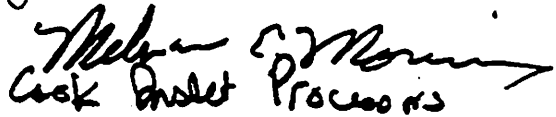
Lower Yukon CDQ Communities

  
Unalaska Native Fishermen's Association

  
Bristol Bay Econ. Development Association

Central Bering Sea Fish. Ass

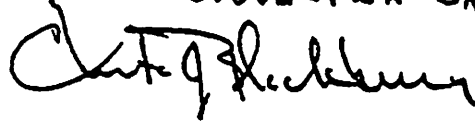
  
Norton Sound Ec. Dev. Ass.

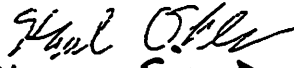
  
Cook Inlet Processors

WESTWARD SEAFOODS, INC.



ALASKA GROUND FISH DATA BANK



  
Western Alaska Fish. Devel. Association



UNITED FISHERMEN'S MARKETING ASSOCIATION, INC

NORTH PACIFIC INDUSTRY AND COMMUNITIES  
REQUEST REAUTHORIZATION  
OF  
INSHORE-OFFSHORE ALLOCATIONS IN BSAI & GOA  
AND CDQ PROGRAM

June 12, 1995

Mr. Rick Lauber, Chairman  
North Pacific Fishery Management Council  
P.O. Box 103136  
Anchorage, Alaska 99510

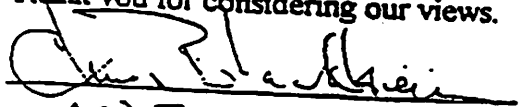
Re: C-1 Inshore-Offshore Allocations and CDQs.


Dear Chairman Lauber,

We request that the North Pacific Fishery Management Council take immediate action to reauthorize the existing pollock and Pacific cod groundfish allocations, the CVOA and the Community Development Program as currently specified under Amendments 18/23 to the BSAI and GOA Fishery Management Plans. We ask the Secretary of Commerce approve the reauthorization so there will be no gap in this fundamentally important allocation structure which the industry relies upon to plan operations and conduct business. Maintaining the Amendment 18/23 allocations and CDQ program is essential for the stability of the industry and our communities. Reauthorization will preserve viability within both the onshore and offshore industry sectors as well as CDQ communities. Stability through Inshore-Offshore generally benefits Alaska and Northwest regional communities active in the seafood business. In contrast, a failure to reauthorize Inshore-Offshore promises great disruption for the fishery triggered by the absence of sector based quotas and removal of the CDQ program. Disruption of the fishery will harm Alaska, Washington, Oregon, and national interests. Please help us continue to operate within the reasonable Amendment 18/23 structure.

We are certain that a reauthorization of the Inshore-Offshore allocation will also allow the industry to focus available energy and effort on other pressing issues. Reauthorization will help the industry move towards completion of long term management solutions which the Council has been actively developing under the CRP development process.

Thank you for considering our views.

  
AGDB

  
Director  
PSPA

Gilda Shalickoff <sup>EPK</sup>  
AICDA

Steve Hughes, United Catcher Boats

Mark Kandelonis

F/O Alliance, Koolik Fish Co.

Don H. Galt <sup>Yukon Delta Fish Co.</sup>

Joseph J. Testa  
TRIDENT SEAFOODS CORPORATION

John J. Jamin  
North Pacific Processors

Alfred R. Hefner  
UNITED FISHERMEN'S  
MARKETING ASSOCIATION

Michael Spickard

Springer Inc.

W. J. [unclear] KLUWA

Brandi Ross - HANA

John J. Jamin

Willie [unclear]  
CORALITE VILLAGE FISHERY COOP

NSDC  
Kaul Akla - Western AK Fisheries Development Assn.

F. E. [unclear]  
UNISER, INC.

Mike U. Kelly Mayor City of Umanak

Alfred Nelson, Sec  
BBDC

Gregory Bagnell - General Manager, The Grand Alut

Dave [unclear]  
ALASKA SPORT FISH ASSOC.

[unclear] ALYESKA SEAFOODS, INC.

F. Gary Baker, Western  
Sports Inc.

[unclear] F/O [unclear], Inc.

Al White F/O Processor

Fred York - Midwater trawlers crew

Van Fong ALASKA LONGLINE  
FISHERMAN'S ASSN

Alvin Burch AK Druggists Assn

Mary J. Strick Southwest Alaska  
Municipal Conference



PACIFIC SEAFOOD PROCESSORS ASSOCIATION  
4019 - 21st Ave. West, Suite 201  
Seattle, WA 98199  
(206) 281-1667  
FAX (206) 283-2387

October 31, 1995

Mr. Ron Berg  
Chief, Fisheries Management Division  
Alaska Region  
NMFS  
P.O. Box 21668  
Juneau, Alaska 99802-1668

Re: Comment Amendments 38 and 40 to the Bering Sea/Aleutian Islands and Gulf of Alaska Groundfish Plans

\* Pacific Seafood Processors Association (PSPA) strongly supports timely Secretarial approval of the inshore-offshore allocations under Amendment 40 for the Bering Sea/Aleutian Islands and Amendment 38 for the Gulf of Alaska, as passed by the North Pacific Fishery Management Council. We urge these measures be approved so the allocations are in place for the beginning of the 1996 fishing season.

Support for continuing the inshore-offshore allocations is broad based within the fishing community, the processing community, and from citizens living within coastal communities throughout Alaska and the Northwest. Enclosed is a copy of the letter endorsed by PSPA as well as the American Factory Trawler Association calling for Council and Secretarial approval of this measure.

If the present basic allocation system is maintained, as approved by the Council, the groundfish industry will be able to concentrate of effective operations on the fishing grounds as well as rationally examine reasonable future modifications to the fishery management system. Without the basic allocation for the pollock and Pacific cod fisheries, the industry will be placed into chaos and attention will be refocused upon ways to avoid the disruptive experiences of 1989. Without approval and implementation of amendments 38 and 40, it is doubtful any further progress can be made towards an ultimate CRP solution for the fishery.

Quick Secretarial approval will preserve stability in the North Pacific seafood industry at many levels. Operational stability within the pollock and Pacific cod industry sectors presently exists primarily due to the current inshore-offshore allocation system. Under a continuing inshore-offshore regime both the offshore and onshore sectors can operate with a reasonable degree of seasonal security. Each knows how much quota will generally be available for that sector's use. This allows our industry to reasonably calculate operational plans and deploy resources in a sensible fashion. Without the present, as well as the proposed allocations, business planning and fishing strategies are made impossible.

\* The testimony from coastal community representatives throughout Alaska, and from citizens living in the Washington and Oregon demonstrated broad support for continuing the Inshore-Offshore allocations. Coastal communities benefit through continuing employment opportunities made possible because of the basic inshore-offshore allocation. This in turn generates significant revenues and stability within the community which must be maintained. Our member companies operate in the coastal communities of Alaska, Washington and Oregon. We attest to the need for a continuing inshore/offshore allocation from the community standpoint.

Amendments 38 and 40 should be approved as they will extend a consistent pollock and Pacific cod management system. This in turn will generate a longer term, and thus more reliable data set regarding the actual results of the inshore-offshore allocation. It is interesting to note the original analysis projected large negative national losses which never materialized. The benefits of the allocation on balance have been positive. It is reasonable to expect the benefits of greater utilization onshore, which is the ultimate form of efficiency, will continue to push the economic benefits into the positive category. At the very least, three additional years of inshore-offshore will provide a more certain basis from which to decide the CRP question.

PSPA wishes to incorporate by reference the comments submitted to the Council and NMFS entitled, A Summary Review of Policy Measures and Relevant Performance Indicators As Applied to the North Pacific Inshore/Offshore Allocation, April, 1995. PSPA also incorporates by way of making comment, its previous letters to the Council and the record made by the Association during the initial Inshore/Offshore debate.

We urge a rapid approval and timely implementation of Amendments 38 and 40.

Respectfully,

  
Vincent A. Curry  
President

enclosure: PSPA/AFTA letter - dated 6/13/95, 1 page  
cc: Congressional delegations



June 13, 1995

Mr. Richard Lauber, Chairman  
North Pacific Fishery Management Council  
Dutch Harbor, Alaska

Re: Agenda Item C-1

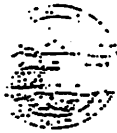
Dear Mr. Lauber,

Having discussed our mutual desire to create an atmosphere of cooperation and an opportunity to explore CRP options; the undersigned organizations agree to support reauthorization of Amendments 18/23 for an additional three years. Three modifications to Amendments 18/23 should be included: 1) The western edge of the CVOA should be modified to 167 degrees 30 minutes allowing offshore processors additional fishing opportunities throughout the offshore season. 2) offshore catcher processors may be allowed within the CVOA after all onshore BSAI pollock quota has been used and the onshore season closes. 3) The offshore "A" season start date should be January 26. It is further agreed that the modifications set forth in items 1 and 2 above will be revisited if they disrupt the onshore sector's opportunity or ability to prosecute the onshore sector's share of BSAI quota. Both industry sectors pledge their full cooperation and support for the reauthorization of the Inshore - Offshore allocation with these modifications before the North Pacific Fishery Management Council and throughout the Secretarial review process.



AFTA

Vincent A. Curry  
PSPA.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

November 8, 1995

The Honorable Ronald H. Brown  
Secretary of Commerce  
Department of Commerce  
14th Street and Constitution Avenue NW  
Washington, DC 20230

Dear Secretary Brown:

\* I am writing to encourage prompt approval and implementation of the extension to the Inshore/Offshore amendments as adopted by the North Pacific Fishery Management Council at their June 1995 meeting. Timely approval of the extension is critical to the seafood industry, to fishery dependent coastal communities, and to the council process itself.

Industry support for the extension is broad based, running across all affected sectors. Analysis of the proposed extension has shown that the original fears of dramatic damage to the offshore sector simply have not been realized and all sectors of the industry benefit from the stability and certainty provided by the amendments. The amendments have constrained wholesale preemption of one sector by another and provide a known access to the resources involved benefiting all industry in their business planning.

Support for the extension in Alaska's coastal communities is equally broad. Traditional fishing centers throughout the Bering Sea/Aleutian Islands and Gulf of Alaska management areas also enjoy the benefits of stability and certainty. By guarding against broad sectoral preemption, the amendments maintain the existing distribution of vital employment options in fisheries dependent communities. Jobs on boats, in processing plants, and in the seafood industry support sectors are all vulnerable to the destabilizing impacts of industry preemption. The economies of many of Alaska's coastal communities depend on the jobs and revenues generated by the Inshore/Offshore allocation. In addition, the Community Development Quota (CDQ) program has brought significant gains and a new sense of hope and opportunity to the underdeveloped coastal communities of western Alaska.

Finally, I believe it is important to understand the benefits the amendments bring to the council process. All industry sectors and affected communities benefit from the stability the amendments impart to the management environment. The unprecedented support for the extension is indicative of the success of the Inshore/Offshore amendments as a calming influence on the high tension environment of fisheries management in the North Pacific.

Mr. Ron Brown  
November 7, 1995  
Page 2

\* | Without the continuation of the Inshore/Offshore amendments, the council will be forced to shift their efforts back to addressing basic allocation and preemption issues and this can only mean a return to the problems and combativeness of the past. Future progress on major issues such as bycatch control, the reduction of waste and discards, and other important fishery management measures will stall. The industry allocations and the CDQ program are simply not the divisive issues they once were.

Thank you for your kind consideration of this matter. Again, I urge you to speedily adopt and implement the extension of the Inshore/Offshore amendments.

Sincerely,

  
Tony Knowles  
Governor

#62995

**Congress of the United States**  
Washington, DC 20510

July 26, 1995

The Honorable Ronald H. Brown  
The Secretary of Commerce  
Department of Commerce  
14th St. and Constitution, N.W.  
Washington, D.C. 20230

Dear Secretary Brown:

We are pleased to inform you that an accommodation has been reached within the commercial fishing industry regarding a fishery management issue which has historically proven to be quite contentious. We write to offer our support for this agreement, which calls for a three year extension of the inshore/offshore fishery allocation for groundfish stocks off Alaska.

Several years ago, the Commerce Department approved and implemented the first three years of an allocation of fishery resources between vessels which process at sea and vessels which deliver their catch to processing plants on land. This allocation, which has brought a measure of stability to these fisheries, is set to expire at the end of 1995. The North Pacific Fishery Management Council recently voted 10 to 0 to recommend to you a three year extension of this allocative regime. The extension was supported by affected industry sectors which had previously been at odds over the plan. We are pleased that this compromise has been worked out and we urge you to use your authority under the Magnuson Fishery Conservation and Management Act to approve the North Pacific Council's recommendation.

Now that the animosity which had earlier characterized this issue has been replaced by a spirit of cooperation, we feel that the Council will be better able to proceed in developing a permanent management structure for these fisheries. In fact, at its June meeting the Council voted to recommend a system for limiting entry into these fisheries, and voted to proceed with a detailed analysis of a system whereby Individual Transferrable Quotas could be granted to industry participants.

We believe, the Council is making progress toward a long term solution to the problems facing the North Pacific seafood industry. We hope that you will encourage further progress by approving the Council's recommendation of a three year extension of the allocation plan. Your support is essential if the Council is to have the time necessary to continue working to resolve the complex

Ronald H. Brown  
July 26, 1995

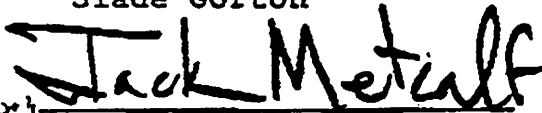
challenges facing the seafood industry in our region of the country.

We thank you for your attention to this matter and taking into account the views of our fishery constituents as you conduct your review of the Council's proposal.

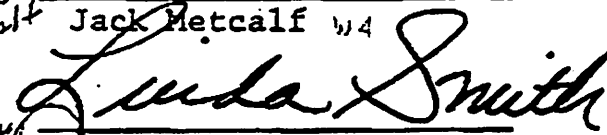
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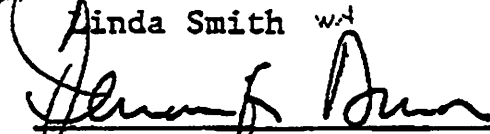
Slade Gorton



Jack Metcalf WA

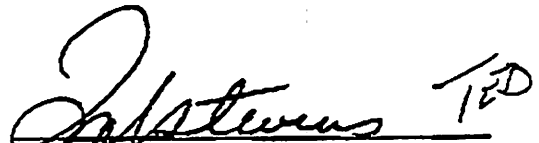


Linda Smith WA



Jennifer Dunn

CONGRESSWOMAN  
DUNN



Ted Stevens



Don Young



Doc Hastings

WA

CONGRESSMAN  
HASTINGS



3300 Arctic Boulevard, Suite 203  
Anchorage, Alaska 99503  
Phone (907) 562-7380  
Fax (907) 562-0438

November 2, 1995

Mr. Ronald J. Berg, Chief  
Fisheries Management Division  
Attention: Lori Gravel, Alaska Region  
National Marine Fisheries Service  
P.O. Box 21668  
Juneau, AK 99802-1668

Dear Mr. Berg:

Thank you for the opportunity to comment on the proposed rule for Groundfish of the Gulf of Alaska; Groundfish Fishery of the Bering Sea and Aleutian Islands Area; and Extension of Allocations to Inshore and Offshore Components published in the Federal Register on Monday, September 18, 1995.

The Southwest Alaska Municipal Conference (SWAMC) is comprised of nearly 130 communities, businesses, Native organizations and nonprofits located or doing business in Bristol Bay, Kodiak Island, the Alaska Peninsula, the Aleutian Chain, and the Pribilof Islands areas. Our membership includes the Bristol Bay Borough, Lake and Peninsula Borough, Aleutians East Borough, Kodiak Island Borough, and many communities in Southwest Alaska. We are a regional membership organization that advances the collective interests of Southwest Alaska people, businesses, and communities. We help promote economic opportunities to improve the quality of life and influence long-term, responsible development.

SWAMC supports the position of the North Pacific Fishery Management Council in the proposed Amendment 40 to the Fishery Management Plan (FMP) for Groundfish of the Gulf of Alaska and proposed Amendment 38 to the FMP for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area.

We strongly support the continuation of the current program for a period of three additional years, including the pollock CDQ program. SWAMC originally introduced the inshore-offshore allocation to the North Pacific Council, and we have continued to take a supportive role. We have passed at least four resolutions over the past several years supporting the allocation. In addition, we have provided comments and testimony to the Council, to the National Marine Fisheries Service, and to the Secretary of Commerce on the issue. We also supported and commented on the implementation of the CDQ program.

G:\fishnew.com\prorule.ios

Reasons for support of an inshore/offshore allocation

We support a continued inshore/offshore allocation because it clearly benefits Alaska coastal communities economically and provides community stability. The communities rely on taxes generated from the fisheries as a basis for their economy. Fisheries are taking on an even greater role in the future of Alaska, as oil production diminishes, and the state must rely on renewable resources for economic stability. With the continued allocation, there are the following results:

- o There are more stable flows of municipal and state revenues, as opposed to the economic peaks and valleys prior to the inshore/offshore allocation;
- o Locally-managed and owned support businesses operate more evenly throughout the year to serve processors, their workers, and their fleets;
- o An expanded market is available to fishermen for processing traditional species;
- o Integration and permanent residency of processing and management personnel and their families can continue;
- o Employment and education opportunities for local residents continue to improve; and
- o Longer-term decision-making and planning can occur, which facilitates financing of much-needed infrastructure.

Coastal communities benefit from the combined operation of both the onshore and offshore sectors. Each sector creates a different and essential type of economic benefit to coastal communities. The stability of both sectors is achieved by a continued allocation.

Communities in Southwest Alaska depend heavily on state revenues from raw fish taxes, municipal sales tax revenues from services and goods, fuel tax revenues from sales to the fishing fleet, corporate income tax revenues, and real and personal property tax revenues. Without dependable long-term sources of revenue, the financial stability of coastal communities is tenuous.

In the Aleutians/Bering Sea region, including Unalaska/Dutch Harbor, Akutan, the Aleutians West area, and the Pribilof Islands, the total economic impact of the shoreside seafood processing industry in 1993 was \$1.1 billion, of which \$493 million were direct expenditures. Seventeen and half million was spent on tax related items. These statistics were according to a study done by Pacific Associates in April of this year.

In Kodiak, the same study estimates the total impact of shoreside processing at \$523 million, of which \$209 million were direct expenditures, and \$9.4 million was spent on tax related items.


Much of the revenue generated in the last three years has gone into critical community infrastructure. SWAMC's 1995 Overall Economic Development Program update identifies water, electricity, phone, sewer, and solid waste disposal improvements in many

communities; harbor, dock, and port development projects undertaken; roads and airport facilities upgraded; and health care facilities, schools, and other community facilities built or expanded.

In looking toward a diversified, nonpetroleum-funded state economy, Alaska's communities must generate revenue for their own growth and security, and help contribute monies to assist other communities in attaining their own stability.

\* [ In summary, long-term community stability, in which communities can continue to build their self-sufficiency through a variety of means, will result from revenues generated by a continued inshore-offshore allocation and the continuation of the CDQ programs. We urge you to adopt the proposed rule, based North Pacific Council's recommendations.

Sincerely,



Mary S. Stadum  
Executive Director



AMERICAN SEAFOODS CO.  
SEATTLE, WA.  
F/T PACIFIC NAVIGATOR  
MARINE ENGINEER  
6/9/97

ATTENTION NPFMC:

DEAR SIR,

I AM WRITING YOU CONCERNING THE CURRENT INSHORE/OFFSHORE PLANT ALLOCATION. I'VE BEEN WORKING IN THE FISHING INDUSTRY FOR JUST A FEW YEARS COMPARED TO MY COLLEAGUES AND I CAN NOT FATHOM WORKING FEWER DAYS OUT AT SEA PER YEAR OR AT A SHOREPLANT FACILITY. THE MOST INTERESTING FACTOR FOR ME (BEING A MARINE ENGINEER) WORKING OUT AT SEA IS HOW ALL THE ENGINEERING SYSTEMS ARE BEING LOADED TO THEIR WORKING CAPACITY. I WILL NOT BE ABLE TO FIND THIS OPPORTUNITY AT A SHOREPLANT FACILITY. AS A MARINE ENGINEER IN THIS FISHING FLEET I HAVE A GREAT POTENTIAL FOR GROWTH IN THIS ELITE CAREER AND IF THE OFFSHORE FLEET LOSES THIS QUOTA ME AND MY COLLEAGUES WILL HAVE LOST SOMETHING GREAT THAT WAS STARTED MANY YEARS AGO. IF THIS HAPPENS THEIR WILL BE A LOSS OF THOUSAND OF JOBS AND THE QUALITY OF THE PRODUCT WILL DECLINE GREATLY IN THE UNITED STATES AND SLOWLY LOSE ITS ROLE IN THE MARKET. A CATASTROPHE . ME AND MY COLLEAGUES TAKE GREAT PRIDE IN THE QUALITY OF OUR WORK, WHICH ALSO REFLECTS IN OUR PRODUCT AROUND THE WORLD AND WE DEPEND UPON IT GREATLY. PLEASE TAKE THIS INTO CONSIDERATION AND BE AWARE OF THE EFFECT YOUR DECISION BARES ON OUR FUTURE IN THIS SPECIALIZED INDUSTRY.

SINCERELY,

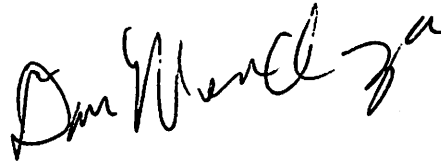
  
CHRISTOPHER FAVALORO

F/T NORTHERN EAGLE  
AMERICAN SEAFOODS COMPANY  
2025 FIRST AVENUE, SUITE 900  
SEATTLE, WA 98121

North Pacific Fishery Management Council  
ATTN.: Chairman Rick Lauber  
605 West 4th, Suite 306  
Anchorage, AK 99501

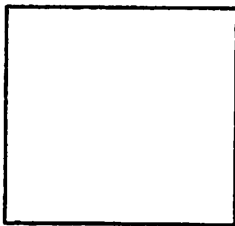
To: Whom it may concern

I'm Dan Medoza, I've been in the fishing industry for seven and a half years. I consider this work my lively hood. I live in Reno, NV. and have three kids and one granddaughter. This job provides me the means to care for my family. This job is vry important to me and my family as well.



Sincerely,

Dan Mendoza



To: The North Pacific Fisheries Management Council  
 Attn: Richard Lauber, Chairman  
 From: Crewmembers of the F/T Northern Eagle  
 Re: Bering Sea Pollock Inshore/Offshore allocations

Dear Mr. Lauber:

The undersigned believe that the existing Inshore/Offshore pollock allocation of 65% to at-sea processors and 35% to shoreside processors that has been in place for the last five years should be continued unchanged until a more rational allocation system is implemented. Each industry sector has adjusted to this system and **any** changes could have disastrous effects on the people who are employed in this fishery. The jobs provided by at-sea processors are important to us and to our families.

Many of us have been on this boat for over eight years and some for as little as one year. But for the most part the thing that we all have in common is that we live, eat, and work together while onboard the Northern Eagle. Which brings us to our point, and that is that we and our families all very much depend on our jobs. Our time at sea is already limited, due to strict laws that prevent overfishing. For most of us here this is the lifestyle we have chosen and take much pride in the quality of our work. Please consider carefully the effect of your decisions on our future in this industry. Thank you for taking the time to read this letter.

NAME	POSITION	NAME	POSITION
<u>KEVIN SMITHS</u>	<u>DECK</u>	_____	_____
<u>KEVIN D. CRAMER</u>	<u>CHIEF STEWARD</u>	<u>Kristi Kuiper</u>	<u>Purser</u>
<u>Melton R. Aman</u>	<u>1<sup>ST</sup> Cook</u>	<u>Janice Thomas</u>	<u>Galley Assistant</u>

Angel Ramirez  
CORAZON Hernandez

JUAN C. MORALES

Ron Perez

Roy Elanquez

Eddie Smith

Andrzej Cieslak

TOBY BERRY

Nualani Kuroki

Mia Louie

Rick H. Nelson

Don Montenegro

Constantine

Telante

David W. [unclear]

La Kutter

CLIFFORD DIAZ

[unclear]

[unclear]

[unclear]

Miguel Torres

[unclear]

P

Processor

9

Processor

Processor

Olav

Proc.

2nd Cook

SURIMI TECHNICIAN

RAT MAN DO  
PROCESSOR

[unclear]

CAPTAIN of THE CASE

CREW

Christian Believer

Fisherman

Processor

[unclear]

[unclear]

[unclear]

Processor



May 27, 1997

Chairman Rick Lauber  
North Pacific Fishery Management Council  
605 West 4th, Suite 306  
Anchorage, AK 99501

To NPFMC,

I have just finished reading that a proposal has been presented to your council that would give as much as 70% of the pollock quota to the shoreside processing facilities.

I am appalled that such a proposal could even be made, let alone seriously considered. How can this possibly be justified? The Pollock A & B seasons are the two major fishing seasons for all of us who work at sea aboard factory trawlers. As it is now, my income that is derived from the A & B Pollock Season is of paramount importance to my overall earning capacity due to the fact that length of the A & B seasons are proportionately longer than the sum of the other seasons that I can work. There is just not as much work for the year as I, as well as others, would like to have. A & B Pollock seasons account for approximately seventy-five percent of my yearly income.

This proposal, if adopted, would surely cause people to consider seeking other employment and could possibly put vessels and companies out of business. This business I consider my career. This is my sole form of income. Currently, the number of months I work each year is acceptable. However, if the council were to reduce my earning potential by 50% during these seasons through a reduction of approximately 12 weeks to 6 weeks of fishing, this I would find unacceptable.

I fear that this proposal would effectively put me out of work aboard factory trawlers and I can only wonder why and for whom does this benefit? Foreign entities? Is this another chess move by Japanese business to further control and dominate yet another market? The American fishing industry? There are already too many companies and politicians that are in their hip pockets. It is no secret that most shoreside facilities cannot operate without the Japanese money invested in development and the Japanese money to maintain these operations.

I feel that this proposal would make the factory trawlers the present day dinosaur, and the council deciding in favor of the shoreplants would act as our ice age.

[The text in this section is extremely faint and illegible due to low contrast and noise. It appears to be a standard block of text, possibly a letter or a report, spanning several paragraphs.]



As stated previously: This is my career, this is what I want to do. I want to work at sea and preferably aboard trawlers. I first became a part of the fishing industry in Feb. 1989 aboard a crab processor where I remained until April 1996 when I came to work on a Factory Trawler. I work in the Galley department as 1st cook aboard the F/T Northern Eagle. I do not know the trawling industry like I knew the crab industry and I do not yet know the depth of this issue, but I will not and cannot remain ignorant to what may be happening. Especially since your decisions will directly impact my sole source of income.

I pay taxes upon the money I earn. The money that I earn is mostly spent in Washington State, where I reside. So therefore, my money is recirculated within my state and within our country. I have two children that I support, both of whom are now teenagers in High school. I actively support and donate to their school in athletic as well as academic and social boosters. I also actively support and donate to their involvement in church activities such as camps, trips and community involvement. This involvement and financial support is possible because of my income that is derived from the fishing industry. This proposed change of allocation would directly impact my ability to be as supportive of a father that I am. So in turn, this becomes a trickle down cycle affecting the lives of many others besides myself. Also, raising the question of uncertainty in regards to trawlers and my employment aboard. Such raises the question of affordability of expenditures such as a quality college education for my children in the not too distant future. Because I work as a daily rate crew member on the F/T Northern Eagle, any reduction of the number of days worked affects my income. Though I do not live a lavish lifestyle, I enjoy myself while I am off between seasons. I have worked hard for what I do have and I do not relish the idea of losing my home or changing how I live, nor do I like the idea of having to seek another form of employment due to a re-allocation of the Pollock fishing quota.

My understanding is that the Factory Trawler fleet can grow no larger than it currently is, but anyone or any company with enough money, be it domestic or from a foreign investor can build a shoreside processing facility. Why must I and others such as myself fear losing employment or income after years of hard work and less than ideal working and living conditions to big business that has jumped late onto the band wagon? I ask - are there limitations to the number and size of shoreside facilities? I can only act as one person voicing the concerns of many by making an impassioned plea for a fair and unequivocal solution to this issue.

I ask the council not to change the allocations, and to support American Fisheries and Americans working to achieve our goals - whatever they may be. In closing, I would ask the council to consider what your reaction and feelings would be if a governing body were to consider drastically reducing your income.

Thank you for allowing my views to be voiced and my concerns to be heard.

Sincerely,



Mel Aman

1202 S. 3rd Ave

Yakima, WA 98902





Rebecca Ann

To: The North Pacific Fisheries Management Council  
Attn: Richard Lauber, Chairman  
From: Employees of American Seafoods Company  
Re: Bering Sea Pollock Inshore/Offshore allocations

Dear Mr. Lauber:

The undersigned believe that the existing Inshore/Offshore pollock allocation of 65% to at-sea processors and 35% to shoreside processors that has been in place for the last five years should be continued unchanged until a more rational allocation system is implemented. Each industry sector has adjusted to this system and **any** changes could have disastrous effects on the people who are employed in this fishery. The jobs provided by at-sea processors are important to us and to our families.

Many of us have been with this company for many years and some for as little as one year. We have chosen to work in this industry, take great pride in our efforts, and we and our families all very much depend on our jobs. Please consider carefully the effect of your decisions on our future in this industry. Thank you for taking the time to read this letter.

NAME                      POSITION

Bob Biford                      MATE

Terre Bjerve                      Fact Mgr

Michelle Guhan                      QC

NAME                      POSITION

Walter Jansay                      Factory Foreman

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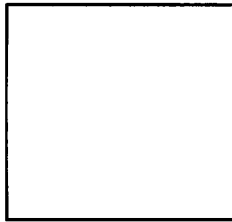
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NAME	POSITION
<u>GEORGE ZHERKOV</u>	<u>M. ELECTRICIAN</u>

MARK CUSHMAN - PROCESSOR

Nancy D. Philpot PROCESSOR  
Ricardo Castilleja PROCESSOR

NAME	POSITION
<u>ANDRZEJ SZANIEWSKI</u>	<u>BAADER TECH</u>

Shawn Brent Fac. Tec.

Christopher Favaloro ASSIT. ENG.  
DAVID GARCIA OILER



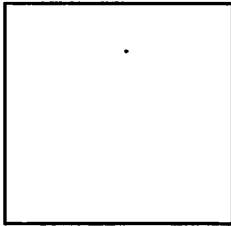
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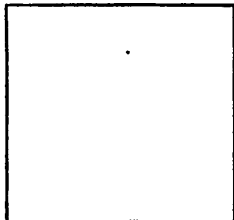
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<i>Christopher Jaramero</i>	<i>Engineer</i>	<i>Michael J. Kalpinich</i>	<i>Captain</i>
<i>GEORGE ZHERROV</i>	<i>- M. ELECTRICIAN</i>		
<i>RICARDO CASTILERO</i>	<i>(Processor)</i>		



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<i>Christopher Tavelero</i>	Engineer	<i>Michael D. Kulpernik</i>	Captain
<i>GEORGE ZHEROV</i>	<i>- M. ELECTRICIAN</i>		
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NAME	POSITION
<u>Amy Wallace</u>	<u>Bus Dev Mgr</u>
<u>[Signature]</u>	<u>Accountant</u>
<u>[Signature]</u>	<u>Purchasing Agent</u>

NAME	POSITION
<u>[Signature]</u>	<u>CDQ/ ALASKA Recruiter</u>
<u>Lebbie M. Martin</u>	<u>Controller</u>
<u>[Signature]</u>	<u>Vessel Personnel Manager</u>



Kandi Carley

Janice Tulob <sup>Sales Rep</sup>

Tammy French Director of Human Resources

Ann Peterson - Receiver

B. Kobus - Recruiter

M. McDonald - Payroll Admin

Katrina Beckman - ASST Buyer

Siobhan Phillips Vessel Key Crew <sup>Coor. factor</sup>

Michael Mitchell AK operations

Patricia Bee - Buyer

Jon Inge Volden - ch. address

My Del Calzo - Purch. Agent

Jan Carlo Divines

Jon Tulip - Adm.

Steve Kijewick

[Signature]

Bert Vulliamy

Carl Sorensen - I

Joe Phillips

Russell Leving

[Signature]

Deanna Swartz

Dee Berg

Tara Bray

Wini Glenn

Mark Harris

John McDemott

Joseph Glat

[Signature]

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Linda Lewis Accountant

Susan M. Myers Inventory Administrator