

North Pacific Fishery Management Council

CHAIRMAN

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

EXECUTIVE OFFICE

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

March 18, 1977

MEMORANDUM

DATE: March 18, 1977

FROM: Mark I. Hutton

SUBJECT: Senate Bill 187 - The Kennedy-Stevens
Commercial Fishing Industry Revitalization
Act of 1977

Attached please find summary of above captioned Bill.

Senate Bill 187
The Kennedy-Stevens Commercial Fishing Industry
Revitalization Act of 1977

Senators Kennedy (D-Mass) and Stevens (R-Alaska) introduced a bill on January 11, 1977 which would "establish a program to revitalize the United States commercial fishing industry." The bill is designed to compliment The Fishery Conservation and Management Act (FCMA) of 1976 by directing that specific Federal financial assistance be used to "modernize and improve the U.S. fishing fleet sufficiently to enable it to compete successfully with foreign fishing fleets and meet American requirements to displace foreign fleets from the fishing resources of the United States."

Under the proposed Act, the total monies collected from 100% of the gross receipts: (1) from all duties collected under the customs laws on fishing products (approx. 25 million a year) and (2) from all penalties, fines and forfeitures as specified in the FCMA, 1976, Section 308, 309 and 310; will be deposited and maintained by the Secretary (Commerce) in a "Fishing Industry Revitalization Fund" for exclusive use by the Regional Fisheries Management Councils.

The Bill would amend portions of the Saltonstall-Kennedy Act by (1) increasing to 100% (from the original 30%) the amount of monies which would be dedicated to the Councils for fisheries research and development, (2) removing the \$1.5 million limit of collections of duties and (3) by redefining the areas suitable for grants, loans and guarantees as programs or projects which are likely to increase the efficiency or otherwise improve the capability of the U.S. Commercial fisheries and of the U.S. commercial fishery industry to harvest, process and market fish and fish products.

These monies are allocated to the Councils by the Secretary of Commerce and may not be used for any other purpose except as described by this Act. Ensuing grants, loans and guarantees are then available to any applicant (person or entity) who qualifies and is approved by both the Councils and the Secretary.

Status: .

As of March 17, the Bill was 'pending' in the Senate Commerce Committee.

Senate Bill 187
The Kennedy-Stevens Commercial Fishing Industry
Revitalization Act of 1977

This is a bill to establish a program to revitalize the United States commercial fishing industry.

Section 2: Findings: The bill is designed to compliment The Fishery Conservation and Management Act of 1976 by dedicating specific Federal financial assistance to the Regional Fishery Management Councils for the purpose of modernizing and improving the U.S. fishing fleet sufficiently to enable it to compete successfully with foreign fishing fleets and meet American requirements to displace foreign fleets from the fishery resources of the United States.

Section 4: Amendments of the Saltonstall-Kennedy Act and Related Legislation: The Bill proposes to amend portions of the Saltonstall-Kennedy Act. The amendment dedicates 100% (instead of 30%) of the gross receipts from duties collected under the customs laws on fisheries products and deposits such sums in the Fishing Industry Revitalization Fund found in the Treasury of the United States. The bill further proposes to deposit in the same Fishing Industry Revitalization Fund, monies collected from all penalties, fines and forfeitures assessed pursuant to Sections 308, 309 and 310 in the Fishery Conservation and Management Act of 1976.

The purpose of this bill shall not be construed to indicate any intent to reduce the amounts of funds appropriated annually for use of the National Marine Fisheries Service.

Section 5: Allotment of Funds for Commercial Fishing Industry Revitalization: The Secretary of Commerce is charged with appropriating a predetermined amount for each fiscal year to each Council based on the Secretary's determination of Council utilization of this money in reducing per unit cost of fish harvest and in potential value of fish to be harvested and utilized. The funds allocated to the Council are specifically directed to be used only for this act. Allotments to the Council shall not be construed as additions or substitutions for any other authorized grants to the Councils by the National Oceanic and Atmospheric Administration or any unit of such administration.

Section 6: Authority of the Regional Fishery Management Councils: The Councils may utilize these monies in the form of grants, loans, or loan guarantees for programs which in their opinion would likely increase the efficiency and/or improve the capability of United States commercial fishermen and of the United States commercial fishing industry to harvest, process and market fish and fish products.

Section 7: Adjustment Assistance: If the Secretary of Commerce finds that any person receiving financial assistance is unable to meet the obligations pursuant to the loan or the guarantee, the Secretary may 1) modify the terms and conditions of the loan or guarantee, 2) refinance or supplement the loan, and 3) make available a grant to such person to pay the principal and interest of the loan or guarantee.

Section 8: Approval of Assistance for Programs and Projects: Application for any grant, loan, or loan guarantee may be submitted by any person (or entity) to the appropriate Council for evaluation and recommendation. After receiving the Council's recommendation the Secretary of Commerce may disapprove any proposed project or program and accordingly, shall return the application involved to the Council with the reasons for such disapproval. The Council may then (1) prepare a new program, (2) request a hearing with the Secretary or (3) request a review with the Secretary to determine consistency of the proposal with the purpose of this act and duplication of any existing program or project.

Section 9: Regulations Governing Programs and Projects: The Secretary of Commerce must promulgate such regulations as to govern physical control and all fund accounting procedures to ensure proper disbursement of an accounting for such funds.

Section 10: Staff and Administration: The Secretary shall authorize the Councils to employ and shall compensate such additional personnel as are necessary and appropriate to carry out the functions of the Councils under this act.

*For: Jim Howard
For: Gary Ditzel*

FOREIGN TRADE

*Received
MAR 17 1977
NPPC
Agenda
Item #7
39*

U.S. IMPORTS

IMPORTS OF FISHERY PRODUCTS, 1966-75

Year	Edible		Nonedible	Total
	Thousand pounds	Thousand dollars		
1966.	1,593,714	568,091	151,611	719,702
1967.	1,470,437	538,301	169,582	707,883
1968.	1,741,365	643,165	179,504	822,669
1969.	1,706,571	704,809	139,484	844,293
1970.	1,873,300	812,530	224,880	1,037,410
1971.	1,785,470	887,070	187,131	1,074,201
1972.	2,341,138	1,233,292	261,119	1,494,411
1973.	*2,416,193	1,398,484	184,649	1,583,133
1974.	2,266,880	*1,495,380	215,498	*1,710,878
1975.	1,913,089	1,367,180	*269,919	1,637,099

*Record.
Source:--U.S. Department of Commerce, Bureau of the Census.

IMPORTS: VALUE, DUTIES COLLECTED, AND AD VALOREM EQUIVALENT, 1966-75

Year	Value		Duties collected %		Average ad valorem * equivalent	
	Fishery imports	All imports	Fishery imports	All imports	Fishery imports	All imports
	Thousand dollars				Percent	
1966.	719,702	25,360,330	24,812	1,919,514	3.4	7.6
1967.	707,883	26,733,200	24,709	2,016,400	3.5	7.5
1968.	822,669	32,991,700	25,455	2,341,100	3.1	7.1
1969.	844,293	35,870,400	25,421	2,551,200	3.0	7.1
1970.	1,037,410	39,767,700	25,175	2,584,100	2.4	6.5
1971.	1,074,201	45,545,900	(1)22,455	(1)2,768,000	2.1	6.1
1972.	1,494,411	55,555,300	24,292	3,124,000	1.6	5.6
1973.	1,583,133	68,655,100	25,835	3,459,000	1.6	5.0
1974.	1,710,878	100,125,800	29,815	3,772,000	1.7	3.8
1975.	1,637,099	96,515,102	26,675	3,780,000	1.6	5.8

(1) These calculated duties do not include the temporary surcharge imposed by the President under Proclamation No. 4074, effective August 16, 1971, and terminating December 20, 1971.

Source:--U.S. Department of Commerce, Bureau of the Census.

*30% of Duties goes to ER Fund: 1975 30% * 266 KK = 8 KK
1975 Duties on fishery products will be reflected in FY
77 budget.
* ratio of value of import to Duties.*

95TH CONGRESS
1ST SESSION

H. R. 3753

IN THE SENATE OF THE UNITED STATES

MARCH 1 (legislative day, FEBRUARY 21), 1977

Received; read twice, considered, read the third time, and passed

AN ACT

To bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act.

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

3 That section 2 of the Fishery Conservation Zone Transition
4 Act (Public Law 95-6) is amended—

5 (1) by striking out “and” at the end of paragraph
6 (5);

7 (2) by striking out the comma at the end of para-
8 graph (6) and inserting in lieu thereof a semicolon;

9 (3) by inserting immediately after paragraph (6)
10 the following;

1 “(7) the European Economic Community Con-
2 cerning Fisheries Off the Coasts of the United States,
3 as contained in the message to Congress from the Presi-
4 dent of the United States dated February 21, 1977;

5 “(8) the Government of Japan Concerning Fish-
6 eries Off the Coasts of the United States (for 1977), as
7 contained in the message to Congress from the President
8 of the United States dated February 21, 1977;

9 “(9) the Government of the Republic of Korea
10 Concerning Fisheries Off the Coasts of the United
11 States, as contained in the message to Congress from
12 the President of the United States dated February 21,
13 1977; and

14 “(10) the Government of Spain Concerning Fish-
15 eries Off the Coasts of the United States, as contained
16 in the message to Congress from the President of the
17 United States dated February 21, 1977;” and

18 (4) by amending the last sentence thereof to read
19 as follows: “Each such agreement referred to in para-
20 graphs (1) through (6) shall enter into force and effect
21 with respect to the United States on the date of the
22 enactment of this joint resolution, and each such agree-
23 ment referred to in paragraphs (7) through (10) shall

1 enter into force and effect with respect to the United
2 States on February 27, 1977.”.

3 SEC. 2. The amendments made by the first section of
4 this Act shall take effect February 27, 1977.

Passed the House of Representatives March 1, 1977.

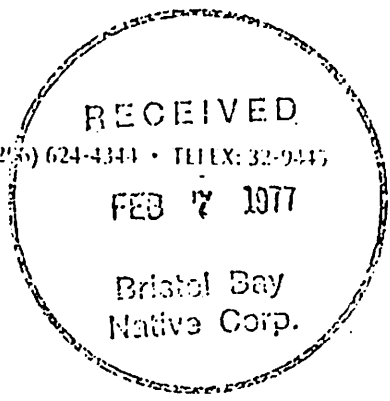
Attest: EDMUND L. HENSHAW, JR.,
Clerk.



SEAFOODS, INC. 1220 DEXTER HORTON BLDG., SEATTLE, WASHINGTON 98104 • (206) 624-4344 • TELEX: 32-9445

JAY S. GAGE, President

February 3, 1977



Mr. Robert C. Bacon
Executive Vice President
Bristol Bay Native Corporation
P.O. Box 220
Anchorage, AK 99510

Dear Bob:

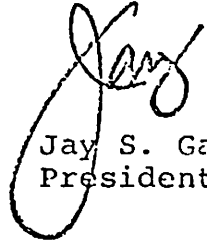
I think the enclosed letter, which was addressed to me from Walt Yonker, is self-explanatory.

From time to time I have told you of this industry's problems with respect to the EPA. The "white paper" is a comprehensive statement outlining the problem.

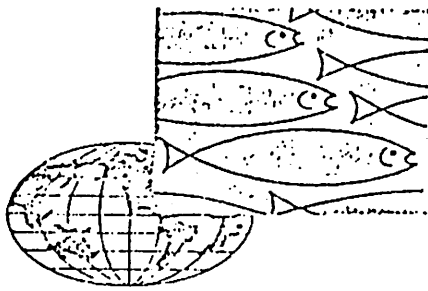
It occurs to me that, in the self-interest of the Native Corporations, both Regional and Village, if they were to lend their support to our efforts for an amendment, it would be helpful.

I'd be very happy to discuss this with you further. Perhaps we can outline some way in which the BBNC, as well as the other Corporations, could support this move. |

Sincerely,


Jay S. Gage
President

Enclosures



ASSOCIATION OF PACIFIC FISHERIES
1600 SO. JACKSON ST.
SEATTLE, WASHINGTON 98144
(206) 323-3540

February 2, 1977

Mr. J. S. Gage
Peter Pan Seafoods, Inc.
1220 Dexter Horton Building
Seattle, Washington 98104

Dear Jay:

I am enclosing a copy of a position paper which was developed by this Association for use in contacting U. S. Congressional delegations regarding a proposed fish processing waste discharge amendment (see page 2 of this paper).

On my trip to Washington, D. C. last week, I reviewed this paper with staff representatives of a number of Congressmen and Senators. These included the offices of Senator Stevens and Congressman Young of Alaska; Senators Magnuson and Jackson and Congressmen Bonker, Dicks, McCormack, Meeds and Pritchard from Washington; and Congressman AuCoin of Oregon.

All of the above indicated that the proposed amendment to the 1972 Water Quality Act, P.L. 92-500, is a reasonable recommendation and that they would support it.

We are making arrangements to have this amendment introduced by the Subcommittee on Water Quality of the House Public Works Committee and hope for early hearings.

When hearing dates are set, we will need strong support from all segments of the U. S. fishing industry, fishermen, processors, plant workers and allied industries.

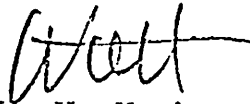
We urge that you make appropriate contacts with any of the above asking for their support so we may call on them for testimony and/or written support at hearings.

Mr. J. S. Gage
February 2, 1977
Page 2

With such support it will be possible to pass the proposed amendment and give needed relief to seafood processors from the provisions of the 1972 Water Quality Act and Environmental Protection Agency regulations. As presently promulgated, the Act and EPA regulations will jeopardize the future of large segments of this country's seafood processing industry.

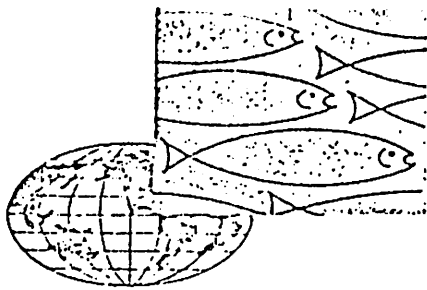
We will appreciate your cooperation in this effort and if you have any questions, please let us know.

Sincerely yours,



W. V. Yonker
Executive Vice President

WVY/kw
Enclosure



ASSOCIATION OF PACIFIC FISHERIES
1600 SO. JACKSON ST.
SEATTLE, WASHINGTON 98144
(206) 323-3540

January 24, 1977

IMPACT OF EFFLUENT GUIDELINE REGULATIONS
ON THE NORTHWEST SEAFOOD INDUSTRY

Introduction

The Environmental Protection Agency's effluent guideline regulations will have a heavy economic impact on the entire Northwest seafood industry. The Alaskan segment of the industry is the most severely impacted. However, the problems presented here also apply in part to the processors in Washington, Oregon and California.

The effluent guideline regulations promulgated by the EPA pursuant to the Federal Water Pollution Control Act Amendments of 1972 require high cost treatment methods which many facilities in this capital-short industry will be unable to install. These treatment costs coupled with the depressed economic condition of the industry will cause a high number of plants to close.

The seafood industry is unique. It includes a large number of plants, few of which would be classified as large facilities. In addition, the waste water resulting from seafood processing contains only biodegradable, organic fish wastes which are consumed by other fish and organisms as they are dispersed by marine tidal flows. This industry does not seek to avoid necessary waste treatment requirements. However, given the harmless nature of seafood processing effluent, the high number of plant closures predicted by the EPA seems unjustified and the regulations unreasonable.

Summary

••Seafood processing effluent is natural, nontoxic, organic biodegradable material. When adequately dispersed in tidal waters it is not harmful but beneficial to marine life.

••Most seafood plants are located adjacent to tidal waters which provide adequate dispersal. In most cases, grinding and deep water disposal is the only treatment necessary for seafood waste to protect the nation's waters.

••Current NPDES discharge permits contain compliance schedules which require major capital investments by July 1, 1977. Provisions

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must be made so that treatment is required only where the need is demonstrated. Treatment for treatment's sake must be avoided if the Northwest seafood industry is to survive.

••The Northwest seafood industry has exhausted its administrative options for relief. A judicial challenge is now in progress, however, this case will not be resolved before the start of the next processing season. Even a favorable ruling will not solve the problems facing all the seafood processing subcategories. It is obvious that Congressional action is necessary to correct the impossible requirements resulting from the EPA implementation of P. L. 92-500.

••The industry requests that the section of P. L. 92-500 dealing with the definition of pollutants be amended as follows:

Section 502(5) of the Act is amended by adding at the end thereof before the period the following: ; or (C) wastewaters resulting from commercial processing of seafoods where such wastewaters are discharged into bodies of water affected by tidal action, the territorial sea, the contiguous zone or the ocean, unless the appropriate permit issuing authority under Section 402 has found that the discharge of such wastewaters from a particular point source will interfere with the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife in and on the body of water into which the discharge is to be made.

The House version of P. L. 92-500, passed overwhelmingly in 1972, contained a similar exemption.

Seafood Processing Effluent Benefits

The effluent from seafood processing plants contains only organic seafood residuals. This discharge is a natural part of the normal marine food chain. It is obvious that fish, if not caught and processed, will die and decompose in their marine environment without causing pollution problems.

Studies conducted by the Fisheries Research Institute of the University of Washington have shown that these processing discharges are a food source of marine organisms, including fish, crabs and bottom dwellers, thus re-entering the marine life cycle.

There appears to be no justification in requiring seafood processors to install relatively expensive treatment technology to prevent this valuable material from re-entering the normal food cycle, so long as it is adequately dispersed.

The Uniqueness of Alaska

It is difficult to fully comprehend the nature of Alaska unless you have been there. It is twice as large as Texas and has more wild

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of coastline than all the remaining continental states combined. The State covers four different time zones and as shown on the enclosed map, the distance between the eastern and western extremities is the same as that between Florida and California. Alaska's population is a little over 360,000, two-thirds of them living in Anchorage or Fairbanks. The remaining towns are scattered along the coast and range in size from 16,600 and 10,600 for Juneau and Ketchikan respectively, to 2,500 in Petersburg, 1,500 in Cordova, and smaller.

The State produces little of its own food, industrial commodities or consumer products. All necessities must be imported and Alaska's distance from the Continental states places severe economic restraints on all businesses operating there. The only major industries in the State are those that are dependent on natural resources, including fisheries, forest products, petroleum and minerals. Any substantial additional costs make it unprofitable to operate in Alaska.

Required Treatments

The EPA divided the Alaska processors into two categories, Non-Remote and Remote. Those in Anchorage, Cordova, Juneau, Ketchikan, Kodiak and Petersburg, all small towns except Anchorage, were classified as Non-Remote plants, while those located elsewhere in the State are considered Remote.

Of the Non-Remote towns, only Anchorage has a sewage treatment plant and it cannot handle the effluent from the single seafood processor located there. The other Non-Remote towns have simple collection systems which discharge untreated sewage into the adjacent waters.

The regulations require the Non-Remote processors to install the same treatment as plants located in the Continental United States; fine screening for 1977. The Remote facilities must install a waste treatment system including grinding and 7 fathom discharge. For 1983, all plants must make processing equipment modifications. In addition, many plants will be required to install expensive and sophisticated treatment systems such as dissolved air flotation and aerated lagoons.

In Alaska the only available method of disposal for the solids removed by the screens in most cases is barging and ocean dumping. The EPA has recognized this and assigned dump sites within the territorial baseline limits; in some cases, within 300 yards of the plants. Barging in Alaska is an expensive operation and the solids disposal costs contribute substantially to the economic impact of effluent treatment.

EPA Projected Plant Closures

In preparation of the effluent guidelines the EPA published an analysis of the economic impact of the proposed treatment systems.

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The EPA predicted an extremely severe impact on the seafood processing industry. The attached table lists the EPA's projected plant closures. It can be seen that the plant closure numbers are iniquitous among the various product subcategories and especially severe for some geographical locations. For example, the EPA predicts that 100 percent of the Alaska bottom fish plants, Alaskan non-remote shrimp plants and Northern (Washington, Oregon, California) shrimp plants will be forced to close by 1983. This will result in a reduction of the U. S. production of seafood products.

Restraint of Expansion or New Plant Construction

Over 60 percent of the seafood eaten in this country is of foreign origin. As a result the seafood industry is marginal, having experienced slow growth over the past decade. The few new plants that were built were constructed by companies either partly or completely owned by foreign investors. It is apparent that the waste treatment requirements will further discourage the construction of new processing plants or the expansion of existing facilities. As the EPA has recognized, this industry is unable to recover the costs of effluent treatment by increasing prices, due in large part to foreign competition which does not operate under the same standards as U. S. processors.

It is paradoxical that at a time when the national policy is to increase this country's supply of domestically produced fish products by the establishment of a 200-mile fishery conservation zone, these effluent regulations will seriously hinder such development. The cost to processors in complying with present discharge requirements for existing facilities will make it practically impossible for them to expand production to handle underutilized or nonutilized fish that could become available to the U. S. fishermen. If the United States is unable to process such new production, the Fishery Conservation and Management Act requires that surplus stocks be made available to foreign nationals. This action would result in:

1. Foreign fishing and foreign factory ships in the U. S. 200-mile zone at the expense of the U. S. fishing and processing industry.
2. Fish from U. S. fishing effort delivered to foreign factory ships for processing in the U. S. zone at the expense of the U. S. shore plants.

Either of the above will result in a substantial loss of the anticipated economic and employment benefits intended by the Congress.

EPA ESTIMATED PLANT CLOSURES RESULTING FROM
BPT (1977) AND BAT (1983) SEAFOOD EFFLUENT GUIDELINE REQUIREMENTS

Subcategory	Number of Plants	Closures Attributed to BPT	Closures Attributed to BAT	Total Estimated Closures
<u>Abalone</u>	5	0	0	0
<u>Bottom Fish</u>				
X Alaskan	1	1 (100%)	-	1 (100%)
Non-Alaskan (conventional)	128	5 (4%)	6 (5%)	11 (9%)
Non-Alaskan (mechanized)	14	0	2 (14%)	2 (14%)
<u>Catfish</u>	12	2 (17%)	9 (75%)	11 (92%)
<u>Clams</u>	67	6 (9%)	0	6 (9%)
<u>Crab</u>				
X Alaskan (remote)	40	0	4 (10%)	4 (10%)
X Alaskan (non-remote)	19	5 (26%)	6 (32%)	11 (58%)
Blue Crab	97	4 (4%)	2 (2%)	6 (6%)
Dungeness Crab	9	0	2 (22%)	2 (22%)
<u>Herring Fillets</u>	2	1 (50%)	0	1 (50%)
<u>Fish Meal</u>				
With Solubles Plant	16	0	0	0
Without Solubles Plant	6	1 (17%)	0	1 (17%)
<u>Oysters</u>				
West Coast	32	4 (12%)	0	4 (12%)
Eastern	342	0	0	0
<u>Salmon</u>				
X Alaskan, fresh-frozen (non-remote)	7	4 (57%)	0	4 (57%)
X Alaskan, fresh-frozen (remote)	24	8 (33%)	6 (25%)	14 (58%)
X Alaskan, canned (non-remote)	9	3 (33%)	5 (56%)	8 (89%)
X Alaskan, canned (remote)	50	6 (12%)	5 (10%)	11 (22%)
West Coast, fresh-frozen	1	0	0	0
West Coast, canned	9	0	2 (22%)	2 (22%)
<u>Sardines</u>	16	1 (6%)	4 (25%)	5 (31%)
<u>Scallops</u>				
X Alaska	1	0	0	0
Non-Alaskan	5	2 (40%)	0	2 (40%)
<u>Shrimp</u>				
X Alaskan (non-remote)	10	0	10 (100%)	10 (100%)
X Alaskan (remote)	21	0	6 (28%)	6 (28%)
Northern (Wash., Ore., Calif.)	16	4 (25%)	12 (75%)	16 (100%)
Southern	68	2 (3%)	10 (15%)	12 (18%)
Breaded	9	2 (22%)	0	2 (22%)
<u>Tuna</u>	17	0	3 (18%)	3 (18%)
TOTALS	1,053	61 (6%)	94 (9%)	155 (15%)