FOR IMMEDIATE RELEASE

January 27, 1977

AuCOIN SEeks to CORRECT FLAW in 200-MILE-LIMIT LAW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We all know why the law had to be written. In recent years, the men and women of this industry were facing economic ruin because huge foreign fleets devastated fish stocks of our coast. The Fish and Wildlife Service projected that American fishers would not be able to meet the demand for seafood that the American people are demanding.

This new law lays down clear rules that will impose strict accountability on foreign vessels and their fishers. The foreign harvests will be limited to support, not just their own nation's fish stocks. American enforcement officers will be able to intercept foreign fishing vessels at sea, and American vessels will be able to fish within the 200-mile zone, without interference.

What is more, evidence is mounting that this practice is already underway. If the practices hold, it would be a catastrophe in the near future. This law will prevent this disaster and save our American fishing industry.

I want my colleagues to know that foreign investment in the U.S. fishing industry is not without reasonable operations. In its study, Foreign Direct Investment in the U.S. Commercial Fisheries Industry, the Commerce Department concluded that the foreign investment in U.S. fisheries firms remained at about 10 percent of the total value of fish caught. Today the number has increased to approximately 50 firms—the 10-percent figure is actually a small percentage of foreign firms in fact own controlling interest in many of these companies.

Mr. Speaker, foreign investment doubled between the years 1970 and 1974, and increased by over 50 percent during 1974 alone. Indeed, in surveying these statistics, the Commerce Department study reveals a disturbing trend.

The substantial extent of U.S. jurisdiction over 200 miles probably was a factor in the surge of direct investment in U.S. commercial fisheries in 1974.

Because of these questions and concerns, a joint oversight hearing in the Commerce Committee in the closing weeks of the last Congress. Those hearings were held on September 8 and focused on some of our findings with my colleagues.

At present, the law does not define what constitutes a U.S. corporation. Corporations may be incorporated under the laws of any state, and not more than a minimum number of directors necessary to constitute a quorum of directors need be non-U.S.

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

Mr. AuCoin. I have satisfied all of those requirements, a joint venture that is dominated on the books of stock by a foreign company could own vessels which would then be treated as U.S. flag vessels.

Mr. Youngblood. Yes, Sir.

Mr. AuCoin. Therefore, the joint venture would be non-U.S. and could not sell to us sales for vessels to fish at will within the 200-mile zone.

Mr. Youngblood. Yes, Sir.

Later I heard the same hearing, I asked the representative from the Commerce Department about the effect these requirements would have on the 200-mile law.

Mr. AuCoin. Doesn't it really boil down to this? A foreign company that feels express this in a foreign flag vessel—quote, unquote—would be able to use vessels in the U.S. waters.

Mr. Youngblood. I understand the concerns of foreign governments, and their right to earn a living. And I understand the concerns of other nations' fishermen. But the American public has a right to control our own resources. And we should not be allowing this to happen.

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

Mr. Speaker, I believe the facts speak for themselves. Mr. AuCoin. I want to be clear that this bill is not intended to discourage foreign investment in our domestic fishing industry, much less in the United States industry. But this bill will not allow such investment to be a threat to the American fishing industry. You've heard me today. And this will be good for our American people.

Part of one of the bill says that for purposes of the 200-mile law any foreign country must treat as its own any U.S.-flag vessels which is 75 percent or more U.S.-flag vessels. An act by a citizen or entity of that nation.

This means that U.S.-flag vessels controlled by foreign governments will be subject to the same conditions as foreign vessels. We would be telling foreign countries that they are welcome in our waters, but only so long as they are not violating the laws of that nation. And this bill provides that the U.S. flag vessels will only be treated as vessels under the laws of that nation when they are under U.S. control.

It would require the Secretary of Commerce to conduct a broad review of foreign investment in all aspects of the American fisheries industry. This is aimed at ensuring that foreign companies that have significant operations in the United States are subject to the same regulations as U.S. companies.

It would also require the Secretary of Commerce to provide for the development of United States fisheries resources that are not commercially viable. And it would authorize the Secretary of Commerce to make grants to encourage the development of domestic fisheries resources.

Mr. Speaker, I anticipate broad support for this legislation. During hearings on similar legislation introduced in the 93rd Congress, many members of Congress, both from the fishing industry and from the general public, expressed support for this legislation.

Mr. Speaker, at that time, the deputy director of the Commerce Department indicated that he would be actively supporting the bill.

At the very least, it is time for the Congress to come to grips with the problem. In the words of the Pacific Marine Fisheries Commission, "The Commission has been asked by the Department of Commerce to take up the problem of the American fishery industry."

And the Congress has been asked by the Department of Commerce.

To this end—and to the proposition that the American people deserve the help and support of the Congress—Mr. Speaker, Congress should act now to ensure that the new 200-mile law is one that is beneficial to our American fishermen.
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<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>March 1</td>
<td>Meet March 23-25</td>
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<tr>
<td></td>
<td>Drafting teams working on FMP for crab, trawl fisheries, troll salmon.</td>
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<td>AP should designate subpanels to work with MPDT.</td>
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<tr>
<th>April</th>
<th>Meet April 27-29 (optional meeting)</th>
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<tr>
<td></td>
<td>Work continues</td>
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<td></td>
<td>First draft to Council</td>
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<td>Reviews for policy only and distributes to SSC and AP.</td>
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<tr>
<td></td>
<td>(5/18/77) First draft to SSC and AP for review prior to May 25-27 meeting.</td>
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<tr>
<td></td>
<td>*SSC meets during Council session to review DMP's.</td>
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<td>*AP meets during Council session to review DMP.</td>
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<th>May</th>
<th>Meet May 25-27 (Mandatory meeting)</th>
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<td>Council gets recommendations from SSC and AP.</td>
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<td>Continues process or sends back to MPDT.</td>
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<td>MPDT does necessary revisions.</td>
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<td>Economic study gives preliminary report on tanner crab market impact (Sea Grant proposal).</td>
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<th>June</th>
<th>Meet June 29-July 1 (Mandatory meeting)</th>
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<td>SSC meets independently to determine and recommend changes in the DMP's.</td>
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Additional Notes:
- INPFC Drafting teams begin work on High Seas Salmon DMP. (FMP possible by 15 April 1978)
July
Meet July 27-29 (optional meeting)

July 17
DMP printed and available, notice in FR
Resubmits to Council - Council approves and goes ahead with process, etc. Effective date set back to February 16, 1978

August
Meet August 24-26 (optional meeting)

August 5
Public hearings begin, take 20 days

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

September
Meet September 28-30 (mandatory meeting)

Begin revising DMP's to Council - DMP's adopted Sept. 30 Aug. 25

Revised DMP's submitted to the Secretary

October
Meet October 26-28 (optional meeting)

October 12
Drafting teams begin work on FMP for shrimp, dungeness crab, scallop

DAY 36
Public Hearings
Crab
Kodiak
Sand Point
Dutch Harbor

Trawl
Kodiak
Dutch Harbor
YAK area
Petersburg

Troll
Ketchikan
Sitka
Juneau
Pelican/Craig
Petersburg

DAY 57
DAY 93
DAY 105

Council gets recommendations from SSC and AP. Continues process or sends back FMP. Day(0)
Oct. 18-20
DMP printed and available, notice in FR.

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

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

Chairman's term expires Oct. 5 - election on last day of meeting.
November
Meet November 30 - December 2
(mandatory meeting)

December
60 day review period by Secretary

1978

January
10 day review by Secretary publishes MP and notice of regs. in FR

Feb. 22-24

45 day review period MP and regs. become law

FMP could be in effect by August 1978

January 16

DAY 165

11-6
Early November begin public hearings. Take 20 days.

Day (40)
(20 days)

DAY 210
MPDT does necessary revisions.

Resubmit to Council -
Council goes ahead
with process, etc.
Effective date =
15 May 1978
March 1
Secretary publishes MP and notice of regs. in FR (Day 155)

April 15
MP and regulations become law (Day 200)

45 day review period
February 1977

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

NAME  Address  Subject

Keith  
Mick  
Tom  
Sig  

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

Dear Mr. Branson,

The United Fishermen of the Kuskokwim and the Lower Yukon Fishermen's Association, who represent our commercial fishermen on the major rivers, and the Association of Village Council Presidents which represents the 56 villages of the region in all affairs relating to fish and wildlife, requests that Steve Burgess of Calista Regional Corporation's Land Department be added to the list of technical consultants to the NPFMC. Mr. Burgess, a resource analyst, has been our villages technical support in the area of fisheries. It is the feeling of our regional groups that the addition of Mr. Burgess to the TAC would allow for a balanced input of information from our region. Currently, Mr. Guy and Mr. Wilde take the information from the meeting back to the villages, and prepare themselves to address the NPFMC at its next meeting with the opinions of our villages. Because of their constant travels, there have been times when Mr. Guy and Mr. Wilde have been unable to meet with their technical consultant and discuss the issues from a resource perspective. Through the addition of Mr. Burgess to the TAC, continuity of both public input from the villages, and technical analyses from the region would be better achieved. At this time, neither the fishermen groups nor Nunam Kitlutsisti, the environmental advisors to A.V.C.P., can sustain the technical demands being made upon our region due to the recent involvement in matters relating to the establishment and management of the continental shelf fisheries resources under jurisdiction of the NPFMC.

in peace,

Harold Sparck
harold sparck, director