EXECUTIVE DIRECTOR'S REPORT

Ron Miller came to work the first week in March as the staff advisor for halibut. He comes from 3½ years with the Commercial Fishery Entry Commission and has recently completed post-graduate work on limited entry into the halibut fishery. It's a pleasure to have him aboard.

This will be the last Council meeting for Leroy Sowl who has been the representative of the U.S. Fish and Wildlife Service on the Council almost from the beginning. He's transferring to that center of wisdom and culture on the Potomac.

We sent you the President's Exclusive Economic Zone Proclamation and the Fact sheets prepared by the White House. I'm enclosing a copy of S750 in this Agenda item [Bl(b)], the bill Senator Stevens introduced to implement that proclamation. In most respects it is similar to HB 2061 introduced by Congressman Breaux and others for the same purpose, except that S750 calls for a mandatory five-year phase out of all foreign fishing, language not included in the house bill. Senator Packwood, Chairman of the Senate Commerce Committee, has asked for our comments on the EEZ. I would appreciate your advice on a Council response to the Senator. Copies of HB2061 are available if you want them.

Attachment Bl(c) is Senator Stevens' March newsletter in which he discusses his proposal to allow the Capital Construction Fund to be used for shore plants. It discusses a number of other fishery matters including the halibut moratorium and the U.S./Canada salmon treaty.

Attachment Bl(d) is a letter from the House Merchant Marine and Fisheries Committee to Vice President Bush recommending a small allocation for the Soviet Union to encourage their continued participation in joint ventures with American fisherman. The letter is also signed by Senator Stevens and Senator Packwood.

In the February mailing I sent you the Pacific Council response to our request for an Alaskan troller on their Advisory Panel in the February mailing. They approved the reinstatement of an Alaskan salmon troller on their salmon subpanel, but contingent upon NMFS approval of additional funding and the appointment of a salmon troller from the Pacific area to the North Pacific Advisory Panel. Do you wish to continue this correspondence? The Alaska Trollers Association has recommended the appointment of a California troller to our Advisory Panel if we decide to accept the Pacific Council's offer. Their letter is Attachment Bl(e).

When I was in Washington on March 10 to testify before the Senate Commerce Committee I talked to several of the other Councils' Executive Directors and Chairmen. Some, particularly the New England Council, would like to have a Chairmen's Meeting this Spring, preferably before the first of June. Aside
from Council funding, I can't think of very many things to put on a Chairman's agenda. I don't think that we have had enough time to think about new funding sources in time for a June meeting. There are a number of administrative changes emanating from the recent Act amendments and new NMFS guidelines to warrant a meeting of Executive Directors and Administrative Officers. I doubt if any of the Chairmen would be interested in discussing those areas in the detail that's required. I've told the other Councils, particularly the Gulf Council who will host the next Chairman's meeting, that I would get back to them after this Council meeting. What are your wishes?

Sea Grant has suggested that we co-sponsor a booth with them and other fishery groups from Alaska at the next Fisheries Exposition in Seattle this fall. It sounded like a good idea and I indicated I would discuss it with you. Since then, there's been some indications of interest from other Councils in joining us in such an effort, including those from the East Coast. If you're interested in the idea, I'll pursue the matter contingent on time and money, as well as interest.

I went to Spokane last week to take part in a panel discussion on fisheries at the Pacific Northwest World Trade Conference. I was on a panel with Dick Johnston from Oregon State University and Bob Stokes from the University of Washington. The Trade Conference itself was very well attended with a number of notables in attendance. The Fisheries Panel was not heavily attended; we couldn't compete with the glamour subjects like HiTech, but there was a fair turnout and a good bit of interest. When my speech is typed up, I'll send it to you in a Council mailing.

We have scheduled the July meeting for Homer during the week of July 25. Actual meeting dates should be July 27 and 28. We made the change partly because we think we can afford it now and partly because we were having an extremely difficult time finding enough space in Anchorage to sleep and meet.

The second Lowell Wakefield Symposium, on sablefish, is being held March 29-31 at the Sheraton Hotel here in Anchorage. Abstracts of the papers to be presented are available from the University of Alaska Sea Grant program. The Council is co-sponsoring the symposium with Sea Grant, the Alaska Department of Fish and Game, National Marine Fisheries Service, and the Pacific Fishery Management Council.

Attachment Bl(f) is a membership list of the State Boards of Fish and Game. Jim Beaton is still the Chairman of the Board of Fisheries.

The SSC will be doing its preliminary screening of programmatic requests for next year at this meeting and should have a list of those that they will recommend for funding in their report.

Council Documents 19 and 19a are available in limited quantities at the Council offices. Document 19 is the contractor's report on the "Feeding Habits, Food Requirements and Status of Bering Sea Marine Mammals." Document 19a is the annotated bibliography for the report.
Status of Fishery Management Plans

1. **Salmon FMP**

The Council will give final consideration to 1983 troll salmon management focusing mainly on harvest guidelines, proposed seasons to achieve them, and change in fishing year. The Council may also discuss the proposed U.S.-Canada salmon treaty.

2. **Herring FMP**

The Council will discuss changes to the FMP recommended by the Herring Workgroup. Given Council approval, recommended revisions will be forwarded to Washington, DC to recommence Secretarial Review of the plan.

3. **King Crab FMP**

The Council will review regulatory proposals to the Board of Fisheries concerning 1983 king crab management. The Council will also review the procedures for determining ABC and OY.

The plan was submitted to Secretarial Review on June 1, 1982. The review period has been extended pending receipt of minor editorial and technical changes, the EIS, and revised set of implementing regulations. These documents are nearing completion and the Secretary should act on the FMP in the near future.

4. **Tanner Crab FMP**

The Council will review regulatory proposals to the Board of Fisheries.

Amendment #9, which frameworks the Fishing Season section of the FMP and increases the Regional Director's flexibility in setting seasons is in the Region undergoing further development. Once completed, it will be submitted for Secretarial review.

Amendment #8, the housekeeping amendment with accompanying Environmental Assessment and Regulatory Review is nearing completion and will be submitted to the Secretary in the next few weeks.

Amendment #7, which established new C. bairdi OYs and set C. opilio OY equal to DAH (i.e. TALFF = 0), was submitted to the Secretary on December 24, 1980 and published in the Federal Register as a proposed rule on September 3, 1981. The amendment is currently at OMB and no date has been given for final publication and implementation.
5. Gulf of Alaska Groundfish FMP

No action is required by the Council at this meeting.

Amendment #12, which would ban pots in the Southeast sablefish fishery, is being prepared for submission to NMFS Regional Office for review.

Amendment #11, which adjusts sablefish and pollock OY and introduces a framework DAH, is undergoing Regional Office review which should be completed by the end of March. It then will be sent via the Council office to begin Secretarial review in Washington, DC.

6. Bering Sea/Aleutian Islands Groundfish FMP

No action is required by the Council at this meeting.

Amendment #7 modifying restrictions on foreign longliners in the Winter Halibut Savings Area was approved by the Council in September 1982. The NMFS Regional Office is preparing the amendment and supporting documentation for Secretarial review.

Amendment #6 establishing a U.S. Fishery Development Zone north of Unimak Pass was approved by the Council in September 1982 and will be sent to Regional Office review within the next week or so.

Amendment #5 decreasing the prohibited species catch of chinook salmon to 45,500 salmon for 1982 began Secretarial review on June 1, 1982. The amendment was approved by NMFS, DC on December 30, 1982. No proposed rule has been published yet.

Amendment #4 revising fishery apportionments for various species or groups began Secretarial review on February 22, 1982 and was published as a proposed rule in the Federal Register on December 6, 1982. The 45-day comment period ended January 20, 1983. Word has been received that the portion of the amendment granting the Regional Director field order authority to adjust time-area closures for conservation and management reasons has been disapproved.

Amendment #3 establishing prohibited species catch limitations for crabs, salmon, and halibut was submitted for Secretarial review on January 18, 1983 and the notice of proposed rulemaking was published in the Federal Register on March 11.

Amendment #1 on managing groundfish as a complex was sent to Secretarial review on December 10, 1982. No word has been received on its status.
Mr. President, this is truly the last order of business in the Senate. The legislative process will continue its work on the Magnuson-Fisheries Conservation and Management Act of 1976 and the Deepwater Drilling and Minerals Resources Act of 1980, by extending the supplemental U.S. jurisdiction over the 200-mile zone. In brief, the bill establishes an exclusive economic zone which runs 200 miles as far from the territorial sea. Within this zone, the United States will assert sovereign rights for the purpose of exploring, exploiting, conserving and managing all natural resources, both living and nonliving. The bill specifically asserts that the fisheries resources of this nation are to be used to the benefit of the U.S. fishing industry.

This bill seeks to implement, through legislation, the goals and declarations which the President has stated today in his proclamation of an exclusive economic zone. In addition, I have added a section to this bill which mandates the elimination of foreign fishing within our continental shelf zone. I feel strongly that we must reassert our intention to fully develop and control the fishery resources within our waters. Foreign participation in our development has proceeded, but at a much reduced pace. I think it is time that the Senate in formulating changes in our fishery policy which will maximize the interest and needs of the U.S. fishing industry.

Such a zone will substantially benefit the fishermen in this country, who now mainly purchase foreign, higher-priced products while our own fishery products are being caught and processed by foreign vessels. Bringing those products to the U.S. consumer will greatly broaden their options and price savings.

Mr. President, I feel that this legislation will take the step that is now long overdue. We can now strengthen the status of our adjoining ocean resources and facilitate their orderly development.

Mr. President, I ask that a statement by the President be printed in the Record, as follows:

**STATEMENT OF THE SENATE**

The United States has long been a leader in developing customary and national law of the sea. Our objectives have consistently been to provide a legal order that will encourage the responsible, equitable and effective development and management of resources from the seas and oceans. The United States has introduced the same measures in the House.

The United States has taken steps to protect the interests of the United States. In the House, the bill has been amended to add the United Nations Law of the Sea Convention that was opened for signature on December 10. We have taken part in the major debates in the Convention's 1973 - 1974 sessions. The positions of the United States are contrary to the interests and principles of industrialized nations and would help to limit the exploitation of the seas.

The United States does not stand alone in those concerns. Some important allies and partners have not signed the Convention. Even some countries have raised concerns about these problems.

However, the Convention also contains provisions with respect to traditional uses of the sea, such as fishing, which will help protect maritime law and practice. It is a balance of interests and reflects the United States' concern for the rights of other States in the waters off their coasts, as reflected in the Convention, so long as the rights and freedoms of the United States under international law are recognized by such coastal States.

Second, the United States will exercise and assert its navigation, overflight and other rights and freedoms on a worldwide basis in a manner that is consistent with the balance of interests reflected in the Convention. The United States will assert, however, access to and unrestricted access to other States designed to restrict the rights and freedoms of the international community in navigation, overflight and other related high seas uses.

Third, I am proclaiming today an Exclusive Economic Zone in which the United States will exercise exclusive rights in living and non-living resources within 200 nautical miles of its coast. This will provide United States jurisdiction for mineral resources out to 200 nautical miles that are not on the continental shelf. Recently discovered deposits there could be an important new source of strategic minerals.

This Zone also will continue to enjoy the high seas rights and freedoms that are not resource-related, including the freedoms of navigation and overflight. My position does not alter other United States policies concerning the continental shelf, marine mammals and fisheries, including highly migratory species of tuna which are not subject to jurisdiction by the United States. The United States will continue efforts to achieve international agreements for the effective management of these species. The enactment of this legislation supports the government's policy of promoting the United States fishing industry.

While international law provides for a right of jurisdiction over marine scientific research within such a zone, the Proclamation does not assert this right. I have elected not to do so because of the United States interest in encouraging marine scientific research and avoiding any unnecessary burdens. The United States will nevertheless recognize the right of other coastal States to exercise jurisdiction over scientific research within 200 nautical miles of their coasts. If that jurisdiction is exercised reasonably in a manner consistent with international law, it will be respected.

The Exclusive Economic Zone established today will also enable the United States to take additional steps to protect the
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marine environment. In this connection, the United States will continue to work through the International Maritime Organization and other appropriate international organizations to develop and to vote for national policies for the protection of the marine environment, while imposing no unreasonable burdens on commercial shipping.

The President's proposals I am announcing today will not affect the application of existing United States law concerning the high seas or existing authorities of any of our Regional Seas Conventions.

In addition to the above policy steps, the United States will continue to work with other countries to develop a regime, free of unilateral constraints, for mining deep seabed minerals beyond national jurisdiction. Deep seabed mining remains a lawful exercise of the freedoms of the high seas.

The Administration looks forward to working with the Congress on legislation to implement these new policies.

EXCLUSIVE ECONOMIC ZONE OF THE UNITED STATES OF AMERICA

By the President of the United States of America

A PROCLAMATION

Whereas the Government of the United States of America desires to facilitate the wise development and use of the oceans consistent with international law;

Whereas international law recognizes that, in a zone beyond its territory and contiguous to its territorial sea, known as the Exclusive Economic Zone, a coastal State may exercise sovereign rights over natural resources and related jurisdiction; and

Whereas the establishment of an Exclusive Economic Zone by the United States will aid the development of its resources and promote the protection of the marine environment, while not affecting other lawful uses of the zone, including the freedoms of navigation and overflight, by other States;

Now, therefore, I, Ronald Reagan, by the authority vested in me as President by the Constitution and laws of the United States of America, do hereby proclaim the sovereign rights and jurisdiction of the United States of America over the contiguous zone extending out to a distance of 200 nautical miles from the baseline from which the breadth of the territorial sea is measured. In cases where the maritime boundary with a neighboring State remains to be determined, the United States will take such measures as are necessary to exercise its sovereign rights and jurisdiction over the Exclusive Economic Zone in accordance with equitable principles.

The Exclusive Economic Zone of the United States is a zone contiguous to the territorial sea, including zones contiguous to the territorial sea of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands (to the extent consistent with the Governor of the Commonwealth of the Northern Mariana Islands and the United States), and the United States overseas territories and possessions. The Exclusive Economic Zone extends to a distance of 200 nautical miles from the baseline from which the breadth of the territorial sea is measured. In cases where the maritime boundary with a neighboring State remains to be determined, the United States will take such measures as are necessary to exercise its sovereign rights and jurisdiction over the Exclusive Economic Zone in accordance with equitable principles.

Within the Exclusive Economic Zone, the United States has, to the extent permitted by international law, the purpose of exploring, exploiting, conserving and managing natural resources, both living and non-living, of the seabed and subsoil and the superjacent waters and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds; and (b) jurisdiction concerning highly migratory species of fish and the laying of submarine cables and pipelines, and other internationally lawful uses of the zone.

This Proclamation does not change existing United States policies concerning the continental shelf, marine mammals and fishery management, highly migratory species of fish and other resources; nor does it affect United States jurisdiction and require international agreements or proposed international agreements for effective management.

Until such time as these are in force, the Proclamation establishes a high degree of confidence in the United States jurisdiction and jurisdiction in accordance with the rules of international law.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE.

This Act may be cited as the "Exclusive Economic Zone Implementation Act."

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) it is in the national interest to promote and facilitate the reasonable and simultaneous development and use of ocean resources;

(2) recent international practice and codification efforts widely recognized as reflective of ocean state practice beyond the limits of national jurisdiction, extended upon by the United States in an international conference on the high seas; and

(3) jurisdiction with regard to—

(A) the establishment and use of artificial islands;

(B) other installations and structures having economic purposes, and

(C) the protection and preservation of the marine environment.

As used in this section, the term "highly migratory species of fish" means species of tuna which, in the course of their life cycle, spawn and migrate over great distances in ocean waters.

SEC. 102. ABSTENTION OF SOVEREIGN RIGHTS AND JURISDICTION SUBJECT TO FUTURE TREATY OR AGREEMENT

The United States recognizes, and shall maintain the sovereign rights and jurisdiction asserted by it under section 103 in accordance with the rules of international law, specifically the recognized freedoms of the high seas, including, but not limited to, freedom of navigation, overflight, marine scientific research, and the laying and maintenance of submarine cables and pipelines.

SEC. 104. REPEAL

Nothing in this Act is, nor shall be deemed to be, a basis for any royalty, fee, tax, other assessment of revenue, for fishing by U.S.-flag vessels for living marine resources...
Program for the recovery of the mineral resources of the deep seabed, the protection of the marine environment from the potential effects of exploration or recovery of such mineral resources depends upon the enactment of suitable national legislation.

Section 9(c) of the Act is amended to read as follows:

(1) to encourage the successful conclusion of an international agreement that will authorize the development of the mineral resources of the deep seabed for the benefit of mankind and that will assure, among other things, nondiscriminatory access to such resources for all nations, assure the development of such mineral resources for the benefit of mankind, and provide for the establishment of safeguards for the protection of the quality of the marine environment.

(2) "Continental Shelf" has the same meaning that is given to such term in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

(3) Section 4(c) is amended to read as follows:

"(4) 'deep seabed' means the seabed, and the subsoil thereof lying seaward of and outside the area which is covered by topographic features and which lies beyond the limits of the continental shelf as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a))."

(4) Section 10(b)(3) is amended by striking out subsection (c) and inserting in lieu thereof "an international" after "inserting in lieu thereof".
SEC. 451. SHORT TITLE.
"This title may be cited as the "Deep Seabed Mineral Removal Tax Act of 1978.""


SEC. 453. Subsection (b) of section 4496 of the Internal Revenue Code of 1954 is amended to read as follows:

"(b) Mineral Resources.—For purposes of this Subchapter the term 'mineral resources' includes oil, gas, sulphur, coal, peat, muds, ore, and hydrothermal and associated resources, and all other minerals which are authorised and approved by the Secretary of Interior for mining on Public Lands as defined in section 103 of the Federal Land Policy and Management Act of 1976."

SEC. 454(a) of the Internal Revenue Code of 1954 is amended to read as follows:

"(a) In the case of any person to whom a tax for failure to report the cost of all fish, as described in paragraph (1), for the taxable period ending with the close of the taxable year which includes the fiscal year in which such cost occurred, is assessed under section 481(f) of this title, the person may, at any time before the end of the period allowed for the filing of a claim for refund (whether or not such claim is timely filed) for such cost, request a refund of such tax, and the Secretary of Treasury shall refund such tax upon a determination that the cost so assessed is excessive and that the person is entitled to such refund."

SEC. 455(b) of the Internal Revenue Code of 1954 is amended to read as follows:

"(b) In the case of any person to whom a tax for failure to report the cost of all fish, as described in paragraph (1), for the taxable period ending with the close of the taxable year which includes the fiscal year in which such cost occurred, is assessed under section 481(f) of this title, the person may, at any time before the end of the period allowed for the filing of a claim for refund (whether or not such claim is timely filed) for such cost, request a refund of such tax, and the Secretary of Treasury shall refund such tax upon a determination that the cost so assessed is excessive and that the person is entitled to such refund."

SEC. 456 of chapter 39 of the Internal Revenue Code of 1954 is amended by striking out "hard mineral resources" each place it appears in this subsection in that act and by inserting in lieu thereof "hard mineral resources" and by striking out "hard" in the table of subparts for such subchapter.

The table of subchapters of chapter 39 of the Internal Revenue Code of 1954 is amended by striking out the item relating to section 4695.

SEC. 457 of the Deep Seabed Hard Mineral Removal Tax Act of 1979 is amended by striking out "hard mineral resources" each place it appears in that section of the act and by inserting in lieu thereof "hard mineral resources" and by striking out "hard" in the table of subparts for such subchapter.

SEC. 458 of chapter 39 of the Internal Revenue Code of 1954 is amended by striking out the item relating to section 4695.

SEC. 459. Amounts in the Trust Fund shall be available as provided by appropriate Acts, for expenditure at the discretion of the Secretary of Commerce, for the purposes of sections 121 and 114 of this Act. Nothing in this subsection shall be deemed to authorize any program of any activity not otherwise authorized by law.

SEC. 461. MEMORANDUM OF UNDERSTANDING.
Not later than one year after the date of enactment of this title, the Secretary of the Interior and the Secretary of Commerce shall issue a memorandum of understanding setting forth the manner in which activities of the Outer Continental Shelf (as defined in the Outer Continental Shelf Hard Mineral Resources Act) and the deep seabed (as defined in the Deep Seabed Mineral Resources Act) will be regulated in those cases in which the logical mining unit for which application is made for a license or permit under title I of this title is located both on the outer Continental Shelf and on the deep seabed.

TITLE III.—FISHERIES CONSERVATION AND MANAGEMENT
SEC. 463. AUTHORIZATION RELATING TO FISHERIES CONSERVATION AND MANAGEMENT.
The Act entitled "An Act to provide for the conservation and management of the fishery resources, and for other purposes," approved April 13, 1978 (11 U.S.C. 2101 et seq.), hereinafter called "The Management Act," is amended as follows:

"(1) Section 203(f) is amended by striking out subparagraph (4)(i) and inserting in lieu thereof "may allocate.""

"(2) Section 202(d) is amended by inserting in accordance with equitable principles," immediately after the words "immediately after the words "may allocate,""

"(3) The Act (including the table of contents) is further amended by striking out "fishery conservation zone" each place it appears therein and inserting in lieu thereof "exclusive economic zone".

"(4) Section 201(h) and (i) is renumbered as (i) and (j) and a new section (k) is added:
""(k) Unless the Secretary of Commerce demonstrates that a deviation in harvest levels will benefit the United States fishing industry, no foreign fishing shall be permitted in any fishery within the exclusive economic zone except that:
""(1) During the 1984 harvesting season, an amount equal to 25 percent of the total allowable level of foreign fishing determined for the United States shall be included in the 1983 harvesting season (hereinafter referred to as the "1983 TALFP") for such fishery.
""(2) During the 1985 harvesting season, an amount equal to 70 percent of the 1983 TALFP for such fishery.
""(3) During the 1986 harvesting season, an amount equal to 49 percent of the 1983 TALFP for such fishery.
""(4) During the 1987 harvesting season, an amount equal to 20 percent of the 1983 TALFP for such fishery, and
""(5) no foreign fishing shall be permitted in the exclusive economic zone after the close of the 1987 harvesting season."

By Mr. RENTSEN.
"S. 751. A bill entitled the Federal Regulation Reduction Act of 1983, to be entitled the Committee on Governmental Affairs.
FEDERAL REGULATION REDUCTION ACT OF 1983
SEC. 1. The Congress finds that Federal rules and regulations for small business must be less complex than those for larger firms. In effect, Congress decided to two-tier Federal efforts to reduce the burden of its rules and regulations on the private sector. The first bill, the Pennsylvania Small Business Regulations Act, cleared the Executive Branch with the means to slash through the web of paperwork and data solicitation surrounding private enterprise.

The second bill, the Regulatory Flexibility Act, established the principal that Federal rules and regulations for small business must be less complex than those for larger firms. In effect, Congress decided to two-tier Federal efforts to reduce the burden of its rules and regulations on the private sector. This proposed law would have given Small business fewer cash resources, smaller profit margins, and less ability than larger firms to pass regulatory costs on to its customers. As a result, they and other like-situated entities would, to such an extent, be forced to deal with the mass of forms and red tape which tie up cash resources of attorneys and accountants in our larger corporations. Small business owners, farmers, and ranchers cannot afford the luxury of being required to completely comply with Government regulations, and the Federal Government should acknowledge that..."
Fund would benefit shore-based fish processors

Alaska shore-based fish processors would benefit under legislation proposed early in the 98th Congress by Senator Stevens. The legislation would extend the concept of the Capital Construction Fund (CCF), which now allows fishing vessels and floating processors to defer payment of federal taxes on income deposited in special accounts in order to channel those funds for capital investment into new vessels.

Onshore processors would be able to use the program for the rebuilding and expansion of their facilities.

The fund currently has $120 million in deposits. Since its inception 10 years ago, $480 million has been deposited to CCF accounts. Of that, $360 million has been returned to the fishing fleet as equity investment.

Extending the CCF to the processing and distribution side of fishing would stimulate balanced growth within the industry and advance the full domestic development of our fishery resources, Stevens said.

The permanent benefits from the extension of the fund would be felt by all Americans, he added, because we would gain new jobs, growth in the Gross National Product, and a reduced trade deficit.

To illustrate, full domestic development of only eight major fisheries resources in the 200-mile Fisheries Conservation Zone can produce these effects by 1990:
- Immediately create 2,000 jobs, with estimates of 43,000 jobs to be permanently created.
- Increase vessel revenues by $782 million annually.
- Increase domestic fisheries landings by 2.5 million metric tons per year.
- Add $1.2 billion annually to the Gross National Product.
- Reduce our trade deficit by $1.7 billion each year.

Fisheries are the number-three item in the U.S. trade deficit account - $3 billion in 1982.

"The Capital Construction Fund has radically changed the domestic fishing fleet," Stevens said, "but harvesting is only part of the total fishing picture. "Harvesting capacity has outstripped processing capability of present shoreside facilities, continued on page 2

Draft proposal requires improvement

The governments of the U.S. and Canada are negotiating to establish a comprehensive West Coast salmon management regime, and have drafted a proposal for an agreement between the two countries.

The current draft proposal for the U.S.-Canada salmon agreement requires improvement to be acceptable to Alaskans, Senator Stevens said. He has advised the State Department that Alaskans have serious problems with the proposal and that changes are needed before it is submitted as an agreement.

He will continue to explore alternatives and improvements to the proposal, he added.

The State Department is currently reviewing the document and is aware that Alaskans find the proposed agreement unacceptable in its present form, the Senator said.

At Stevens' request, the Deputy Assistant Secretary for Oceans and Fisheries Affairs from the State Department, Ted Krommiller, came to Alaska in February to discuss the proposal with fishermen.

"Alaskans should continue to discuss the options available in the negotiations between the U.S. and Canada," Senator Stevens said. "I believe an agreement concerning a resource as important as our salmon fishery is in everyone's best interest. The rights to salmon fishing off our shores must be protected."

Governor Sheffield and state officials have indicated they will continue to work with fishermen, the Congressional delegation, and with the State Department toward that goal, he added.
Study to explore application of farm programs to fishing

A Library of Congress study that could have a positive effect on Alaska's fishing industry has been ordered by Senator Stevens.

The study would examine the use of agricultural support programs and their possible application to the fishing industry.

"Agriculture and fishing are related," the senator said, "as food resources dependent on the weather, with variable - and not predictable - annual harvests.

"The law of supply and demand applies as much to the fisherman as it does to the farmer. Since the 1920s, the federal government has created a series of programs which have successfully bolstered agriculture. This report should show how the fishing industry could benefit under similar types of programs."

Methods used in the government agriculture programs include price and income stabilization, supply controls and export promotion.

The report will address a number of factors, including:

- An analysis of basic agricultural programs.

- A review of the needs of the U.S. fishing industry, particularly in areas of increasing our ability to enter overseas markets, and increasing domestic processing capabilities.

- An identification of which agriculture programs can be utilized in the fishing industry.

- What changes in law would be required.

- What trends can be expected in future agriculture promotion and their possible adaptation to the U.S. fishing industry.

Export emphasis will be strong in the 98th Congress, Senator Stevens said. "The fishing industry is at a critical stage in its development, and is in a position similar to the farming industry 50 years ago. The results of this report may prove to be the basis for important benefits to fishermen in Alaska and the rest of the nation."

CCF would aid shore based processors

continued from page 1

causing tremendous productivity problems."

The U.S. imports about half of the fish the nation consumes, even though it enjoys 15 to 20 percent of the world fishery resources. The need exists for substantial improvements and innovation in fisheries processing, unloading and distribution facilities over the next 10 years, he noted.

"This program does not require the direct appropriation of funds," he said. "Instead, it offers to the members of the fishing industry an incentive to invest their income into the undercapitalized sector within the industry.

The Fund has a positive revenue impact, he said, in that taxes are not lost, but only deferred until the capital investment is made.
Japan reduces tariffs on Alaska fish roe

Tariffs imposed by Japan on a number of U.S. products, including fish roe harvested and processed by Alaskans, have been reduced or eliminated, the Japanese government advised Senator Stevens in late January.

The reductions include 20 percent on herring roe and 22 percent on other fish roe. They will be effective April 1, after approval by the parliamentary arm of the Japanese government, the Diet.

After low harvests in the 1960s, the Alaska herring harvest in 1982 was the largest since statehood - 89.7 million pounds for sac roe and 7.2 million pounds for food and bait, according to the Alaska Department of Fish and Game. (See chart).

The tariff reductions were negotiated last October by a special team from the National Marine Fishery Service, which included two Alaskans: Elmer Rasmussen, chairman of the International North Pacific Fisheries Commission, and a representative from Senator Stevens' office.

"The decision is an important step toward expanding the market for Alaska products in Japan," Stevens said. "The tariff reduction will help make Alaska herring roe and other fish roe more competitive with Japanese products."

The decision to reduce the tariffs was made to promote the U.S.-Japanese trade relationship despite strong resistance from Japanese interest groups, the Japanese Ambassador to the U.S. told Senator Stevens.

"The reductions are beneficial to the Alaska commercial fleet," Stevens said. "We will continue to maintain close contact with the Ambassador's office to work toward future reductions on other fish products."

Rule eliminates conflicting Tanner crab regulations

An emergency regulation early in February eliminated a conflict between state and federal regulations, just before the beginning of the Tanner crab season.

Requests from Senator Stevens and other Alaskans seeking to bring federal regulations into conformity with Alaska's regulations brought action from the National Marine Fishery Service.

Under the changes, Tanner crab pots cannot be stored on fishing grounds where the commercial Tanner crab season is about to begin. Previous federal regulations allowed storage of Tanner pots 72 hours before the season's opening.

The areas principally affected are the Kodiak, Chignik and South Peninsula districts, where the season opening date is Feb. 10, and the Bering Sea and Eastern Aleutian districts, where the season opens Feb. 15.

Support for the change came from the majority of fishing groups in Alaska, Stevens noted, and from Jeff Stephan, manager of the United Fishermen's Marketing Association.

"We have worked long and hard to coordinate state and federal management of the crab fishery in Alaska," Stevens said. "It is essential that joint management proceed under the same rules.

"This action will allow all fleet members and, in particular, small vessels, an equal opportunity to participate in the Tanner crab harvest. Violations of the regulations will be more easily enforced now that this conflict has been eliminated," he added.
A bill to strengthen the United States' ability to explore and manage the natural resources of the sea was introduced this month by Senator Stevens.

The bill creates an exclusive economic zone (EEZ), and sets forth U.S. policy regarding conservation, development and use of the sea's non-living resources, such as metals and other minerals, as well as its living resources.

The EEZ extends the concept of the 200-Mile Limit by addressing the total products of the sea, marine scientific research, and other internationally recognized lawful uses of the sea.

The proposal would provide for reciprocal agreements with other nations also involved in marine research, and preserves freedoms of navigation and overflight in the high seas, as well as the laying and maintenance of submarine cables and pipelines.

Highly migratory species of fish, such as tuna, would be exempted in the proposal. Their status would remain the same as in the Fishery Conservation and Management Act.

The measure would clarify the FCMA in regard to fishery resources within the EEZ, which must be utilized first for the benefit of the U.S. fishing industry. Surplus fish would not be granted to foreign nations as a matter of right. The U.S. would obtain full benefits from foreign participation in the harvest of U.S. fishery resources.

The Stevens bill also mandates the elimination of all foreign fishing in U.S. waters. "The time has arrived to take control of this resource on behalf of the U.S. fishing industry," he said.

The proposal would also define in a single formula the Outer Continental Shelf, particularly in areas of semi-enclosed waters like the Bering Sea or the Caribbean Sea.

It would also convert the International Trust Fund to revenues to pay for the cost of carrying out environmental studies and other monitoring activities required in the Act.

"This legislation sets a course about future U.S. oceans' policy," Senator Stevens said. "We must continue to work with the Administration in reviewing and analyzing what steps would best state the nation's policies and objectives for the seas.

"The time is here to explore and clarify the measures necessary for the future development of the oceans' vast resources."

A similar measure was introduced in the House by Representative John Breaux, and co-sponsored by Representative Edwin Forsythe, Jr.

The address and telephone numbers of our Alaska offices are:

<table>
<thead>
<tr>
<th>Location</th>
<th>Address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage</td>
<td>701 C Street, Box 2, 99513</td>
<td>(907) 271-5915</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>101 12th Ave., Box 4, 99701</td>
<td>456-0161</td>
</tr>
<tr>
<td>Juneau</td>
<td>P.O. Box 149, 99801</td>
<td>586-7400</td>
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<tr>
<td>Nome</td>
<td>Box 608, 99762</td>
<td>443-2842</td>
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<tr>
<td>Kenai</td>
<td>Box 3030, 99611</td>
<td>283-5808</td>
</tr>
<tr>
<td>Ketchikan</td>
<td>Federal Bldg., Rm. 501, 99901</td>
<td>225-6880</td>
</tr>
<tr>
<td>Kodiak</td>
<td>P.O. Box 177, 99615</td>
<td>486-5407</td>
</tr>
</tbody>
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UNITED STATES SENATE
WASHINGTON, D.C. 20510

Report on Fishery Issues
Honorable George Bush  
Vice President of the United States  
The White House  
Washington, D.C. 20500  

Dear Mr. Vice President:

As Members of Congress with a long-standing interest in promoting the effective utilization of U.S. fishery resources, we have devoted much of our effort in Congress to the development of sound policies to promote the U.S. fishing industry. As part of that effort, we have supported amendments to the Fishery Conservation and Management Act (FCMA) that link foreign access to the surplus fishery resources of the United States fishery conservation zone to measures undertaken by such foreign nations to foster the full development of our domestic fishing industry. One of these so-called "fish and chips" criteria of special significance is the willingness of foreign nations to engage in joint fishing ventures.

Recently, you were contacted regarding the issue of U.S.-Soviet fishery relations. In that letter, it was noted that the Soviet Union sponsored the first, and one of the most successful, joint fishing ventures undertaken pursuant to U.S. fish and chips policies.

Since the inception of this joint venture, approximately 50 United States harvesting vessels have been involved in over-the-side sales to the Soviet sponsored processing vessel. Over $75 million dollars have been received by the owners of these vessels, sales that would have been foregone without the presence of the Soviet processing vessel.

It has also been noted that this joint venture would be even more successful, providing additional benefits to U.S.
fishermen, if it were allowed a small directed fishing effort to sustain its operations during that period of time when U.S. fishermen are unable to produce a sufficient quantity of fish to maintain a full level of production. The generally favorable violation record of the Soviet Union, when its vessels were previously allowed such a directed harvest, speaks in favor of allowing a new directed fishing effort, where appropriate.

We believe that the benefits that can be derived by U.S. fishermen through the consistent and full application of fish and chips policies to all nations interested in participating in the harvest of excess U.S. fishery resources calls for:

1. The immediate re-negotiation of the U.S.–Soviet Governing International Fishery Agreement (GIFA) in a manner consistent with fish and chips and the negotiation of access by U.S. fishermen to surplus resources of the Soviet fishery zone; and

2. Positive consideration for an expansion of U.S.–Soviet joint fishing ventures. Consideration should also be given to a direct allocation of surplus fishing resources where such an allocation would ensure the long-term viability and competitiveness of such joint ventures. We believe that this action is fully consistent with the "cash for food" approach taken by the U.S. in lifting the Soviet grain embargo.

Again, we would like to add our support to the comments you have already received and urge you to take the necessary actions which will lead to the effective utilization of our bountiful fishery resources for the maximum benefit of our domestic fishermen and economy.

With kind regards,

Sincerely,

EDWIN B. FORSYTHE, M.C.
JOEL PRITCHARD, M.C.
DON YOUNG, M.C.

JOHN B. BREAUXX, M.C.
GERRY STUDDS, M.C.
DON BONKER, M.C.
DOUGLAS H. BOSCO, M.C.
TED STEVENS, U.S.S.
SLADE GORTON, U.S.S.

WALTER B. JONES
WALTER B. JONES, M.C.
WILLIAM CARNEY
WILLIAM CARNEY, M.C.
BOB PACKWOOD
BOB PACKWOOD, U.S.S.

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Honorble George Shultz  
Secretary  
Department of State  
Washington, D.C. 20520

Dear Mr. Secretary:

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TED STEVENS, U.S.S.

SLADE GORTON, U.S.S.

WALTER B. JONES

WILLIAM CARNEY, M.C.

BOB PACKWOOD, U.S.S.
Mr. Jim Branson, Executive Director
North Pacific Fishery Management Council
Box 3136DT
Anchorage, Alaska 99510

Dear Jim:

I have just learned that the Pacific Fishing Management Council took some action on funding the Alaska troll advisory position on the Salmon Subpanel. Apparently, they agreed to reestablish the position if the North Pacific Council, likewise, establishes a position for a Southern troller on our Advisory Panel.

With the plethora of Southern interest represented on the North Pacific Council and all its panels, this request appears to be merely a way of delaying any action. However, should the North Pacific Council consider another AP position, I recommend that we look further South than Washington and Oregon. In California, we have a prosperous troll industry with a positive outlook towards mixed stock harvests. An appointee from that area would satisfy the Pacific Council's request while at the same time offering a different outlook from that espoused by the already heavily represented Washington and Oregon interest.

The Alaska Trollers Association would like to forward the names of Zeke Grader, Kick Hubbard or Roger Thomas as potential AP members, if such a position is considered. Should you desire, a resume can be provided for any of those individuals.

Sincerely,

EDWARD J. WOJCEK
Executive Director

cc: Mr. Clem Tillion
    Mr. Don Collingsworth
    Mr. James Campbell
    Mr. Keith Specking
ALASKA BOARD OF GAME

Joel F. Bennett
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586-1255 (home)
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Kirk Gay
SRA Box 4F
Anchorage, Alaska 99507
349-1741 (work)
1/31/86
John Hanson
Box 1
Alakanuk, Alaska 99554
238-3014 (home)
1/31/84
Dr. Samuel J. Harbo, Jr.
Vice-Chairman
P.O. Box 80522
Fairbanks, Alaska 99708-0522
452-7815 (home)
1/31/85
Sidney Huntington
Box 27
Galena, Alaska 99741
656-1212 (home)
1/31/84
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Nome, Alaska 99762
443-2785 (home)
1/31/86
John Shively
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Anchorage, Alaska 99510
274-6472 (home)
274-6472 (work)
1/31/86
443-5743 (work)
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Dillingham, Alaska 99576
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283-7144 (work)
1/31/84