

103
**REAUTHORIZATION OF THE MAGNUSON FISHERY,
CONSERVATION AND MANAGEMENT ACT**

Y 4. C 73/7: S. HRG. 103-586

Reauthorization of the Magnuson Fis...

HEARINGS

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

AUGUST 19, 20, AND 21, 1993

Printed for the use of the Committee on Commerce, Science, and Transportation



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C O N T E N T S

| | Page |
|--|-----------|
| Opening statements of Senator Hollings | 1, 37, 73 |
| Opening statements of Senator Stevens | 38, 74 |

AUGUST 19, 1993

| | |
|--|----|
| Albrecht, Daniel, Executive Director, Yukon River Drainage Fisheries Association | 24 |
| Anderson, Nels A., Jr., Executive Director, Bristol Bay Economic Development Corp | 29 |
| Angasan, Trefon, Vice President for Corporate Affairs, Bristol Bay Native Corp | 3 |
| Golia, Andrew, Board Member, Bering Sea Fishermen's Association | 19 |
| Jemewouk, John, Director, Western Alaska Fisheries Development Association | 12 |
| McGill, Joseph, President, Bristol Bay Longline Gillnet Cooperative, Inc | 21 |
| Morgan, Robert, Director and Past President, Oceantrawl, Inc | 33 |
| Naneng, Myron, President, Association of Village Council President, Inc | 5 |
| Nielsen, Donald, Bristol Bay Borough Fisheries Economic Development Commission | 8 |
| Olsen, Myra, Vice President, Rural Alaska Community Action Program | 14 |
| Samuelsen, Harvey, President, Western Alaska Cooperative Marketing Association, Anderson, Nels, on behalf of | 17 |
| Wolfe, Edward E., Director of Governmental and International Affairs, Oceantrawl, Inc | 30 |

AUGUST 20, 1993

| | |
|--|----|
| Blackburn, Chris, Director, Alaska Groundfish Data Bank | 46 |
| Curry, Vincent, President, Pacific Seafood Processors Association | 60 |
| Graham, Kate, Executive Director, American High Seas Fisheries Association | 64 |
| O'Leary, Kevin, Vice President, Kodiak Longline Vessel Owners Association ... | 50 |
| Rufe, Adm. Roger T., Commander, 17th Coast Guard District | 39 |
| Stewart, Beth, Director, Department of Natural Resources, Aleutians East Borough | 48 |
| Thomson, Arni, Executive Director, Alaska Crab Coalition | 67 |

AUGUST 21, 1993

| | |
|---|----|
| Benton, David, Director, Office of External and International Fisheries Affairs, Alaska Department of Fish and Game | 78 |
| Coburn, Terry | 97 |
| Dorsey, Capt. Michael L., Commander, Coast Guard Group | 74 |
| Lande, Nancy, Spokesperson, Alliance Against IFQ's | 90 |
| Leighton, Ronald | 91 |
| Pagels, Penny, Northwest Fisheries Campaigner, Greenpeace | 94 |
| Rauwolf, Andrew, Member, Alaska Marine Conservation Council | 93 |

APPENDIX

| | |
|---|-----|
| Anderson, Nels A., Jr., Executive Director, Bristol Bay Economic Development Corp., prepared statement of | 108 |
| Angasan, Trefon, Vice President of Corporate Affairs, Bristol Bay Native Corp., prepared statement of | 116 |
| Benton, David, Director, Office of External and International Fisheries Affairs, Alaska Department of Fish and Game | 149 |

IV

| | Page |
|--|------|
| Blackburn, Chris, Alaska Groundfish Data Bank, prepared statement of | 120 |
| Curry, Vincent A., President, Pacific Seafood Processors Association, prepared statement of | 128 |
| Dorsey, Capt. Michael L., Commander, Coast Guard Group Ketchikan, prepared statement of | 146 |
| Gilmore, Jim, Director, Congressional Affairs, American Factory Trawler Association, letter from, to Ms. Dalton, dated September 3, 1993 | 167 |
| Golia, Andrew, Vice Chairman of the Board, Bering Sea Fishermen's Association, prepared statement of | 107 |
| Graham, Kate, Executive Director, American High Seas Fisheries Association, prepared statement of | 132 |
| Jemewouk, John, Chairman, Western Alaska Fisheries Development Association, prepared statement of | 110 |
| Lande, Nancy L., Spokesperson, Alliance Against IFQ's, prepared statement of | 156 |
| Leighton, Capt. Ronald, F/V El Sol, prepared statement of | 157 |
| O'Leary, Kevin B., Vice President, Kokiak Longline Vessel Owners' Association, prepared statement of | 123 |
| Pagels, Penny, Fisheries Campaigner, Greenpeace, prepared statement of | 158 |
| Rauwolf, Andy, Alaska Marine Conservation Council, prepared statement of | 162 |
| Rufe, Rear Adm. Roger T., Jr., prepared statement of | 117 |
| Stewart, Beth, Aleutians East Borough, prepared statement of | 125 |
| Thomson, Arni, Executive Director, Alaska Crab Coalition, prepared statement of | 136 |
| Wolfe, Edward E., prepared statement of | 115 |

REAUTHORIZATION OF THE MAGNUSON FISHERY, CONSERVATION AND MANAGEMENT ACT

THURSDAY, AUGUST 19, 1993

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Dillingham, AK.

The committee met, pursuant to notice, at 10:00 a.m. at City Hall, Dillingham, AK, Hon. Ernest F. Hollings (chairman of the committee) presiding.

Staff members assigned to this hearing: Penelope D. Dalton, senior professional staff member; and John A. Moran, minority staff counsel.

OPENING STATEMENT OF SENATOR HOLLINGS

The CHAIRMAN. Welcome to today's hearing on the reauthorization of the Magnuson Fishery Conservation and Management Act. This is the fourth in a series of hearings by the Senate Committee on Commerce, Science, and Transportation to evaluate Federal activities and legislation that affect U.S. fisheries. We are here, as most of you know, at the invitation of the senior Senator from Alaska, Senator Stevens. Before we begin, I thank my friend and colleague for his insistence on a personal investigation into the condition of Alaska fishery resources. I am always pleased to have the opportunity to verify for myself the truth of his claims regarding the great beauty of his home State and its wealth of fisheries—and he's entirely correct.

The fishery resources found off these shores are indeed a valuable national heritage. In 1992, American fishermen landed almost 10 billion pounds of fish, producing \$3.7 billion in dockside revenues. By weight of catch, the United States is the world's sixth largest fishing nation. We are also the top seafood exporter, with exports valued at over \$3 billion in 1991.

The primary statute governing Federal regulation of marine fisheries is, of course, the Magnuson Act, slated for reauthorization this year. As part of the reauthorization process, today's hearing will focus on the conservation and management of fisheries in the North Pacific, as well as the effectiveness of the management system established by the Magnuson Act. Among the specific challenges which we face are: the growing overcapacity of the U.S. fishing fleet; the implementation of limited entry systems; safeguards against conflicts of interest within the regional fishery management councils; reduction of waste and bycatch; habitat and eco-

system protection; and strengthening the scientific basis for management.

To appreciate the achievements of the Magnuson Act over the last 17 years, one must recall the dire threat posed to the Nation's coastal fisheries in the 1960's and early 1970's. The oceans which surround the United States contain some of the most bountiful fishing grounds found anywhere in the world. However, a virtual invasion of foreign fishing fleets off the Nation's coasts plundered vast schools of fish and threatened the livelihood of American fishermen. The Magnuson Act, enacted in 1976, put a stop to this indiscriminate depletion of the Nation's precious fishery resources. Specifically, that act provided two important management tools. It staked out a U.S. claim to jurisdiction over the waters within 200 miles of the coast, and it set up the network of regional management councils tasked with managing intelligently the harvest of fish stocks. Despite the inevitable trial and error along the way, this Magnuson Act management system has achieved some notable successes since its enactment in 1976.

Specifically, the Magnuson Act once again has "Americanized" the Nation's coastal fisheries, guaranteeing to U.S. fishermen their appropriate share of the annual harvest. Further, we now realize that the oceans are not a limitless natural resource that we can exploit—and abuse—as we wish. With factory trawlers and longliners, commercial fishermen and recreational anglers all eyeing the U.S. fisheries, we must confront a basic fact of life—there will never be enough fish to go around. We must make choices and establish priorities. This is precisely the purpose of the Magnuson Act and the system of regional fishery management councils.

This is not to say that the Magnuson Act has been an unqualified success. Last year, the National Marine Fisheries Service reported that almost one-half of U.S. fishery stocks were overfished. Most of us here can attest to the rising tensions and complaints among those competing for fishery allocations. Putting U.S. fisheries on a path toward sustainable use is likely to require many years of restraint by coastal fishing communities. Furthermore, we must continue the struggle to maintain coastal habitat and water quality upon which these fishery resources depend.

These hearings have provided an important opportunity to bring together all those interested in conserving and managing this Nation's fishery resources—the Federal Government, the States, Native Americans, fishermen, researchers, and conservation groups—in a common effort to revitalize the current system. I look forward to today's witnesses to assist us further in that effort.

Mr. Angasan.

Mr. ANGASAN. My name is Trefon Angasan, and you are one of the few people that are capable of saying my name correctly when you first read it. I usually spend a lot of time trying to change that around, but thank you.

The CHAIRMAN. Thank you.

**STATEMENT OF TREFON ANGASAN, VICE PRESIDENT FOR
CORPORATE AFFAIRS, BRISTOL BAY NATIVE CORP.**

Mr. ANGASAN. My name is Trefon Angasan and I am a lifelong commercial fisherman in Bristol Bay. I am also the vice president of corporate affairs for the Bristol Bay Native Corp.

I am here today to urge you to support passage of the reauthorization of the Magnuson Act. It is my position that the Magnuson Act has been a very effective means of curtailing the interception of salmon on the high seas within the 200-mile EEZ.

For us, the most important issue in the Magnuson Act is the prosecution of the bottomfishery and the prosecution of the bottomfishery is conservation.

Another major issue within the—you know, within the bottomfishery is the bycatch problem that has been ongoing out on the Bering Sea. And I have some statistics that are really startling and I will try to—in 1992, for example, the State of Alaska commissioned a report to document the 1992 levels of bycatch, and the report concluded that over 507 million pounds of groundfish were thrown away, 20 million crab, 100,000 salmon and a million pounds of herring. And those are the kind of issues that we would like to see addressed when the Magnuson Act is—

The CHAIRMAN. Is halibut a bottomfish?

Mr. ANGASAN. Halibut is a bottomfish, but the fishery that I am talking about is, you know, the 200—I mean, the 2 million metric tons that are taken off the Bering Sea as—

The CHAIRMAN. What kind of fish? I am trying to get educated on bottomfish.

Mr. ANGASAN. Pollock.

The CHAIRMAN. Pollock?

Mr. ANGASAN. Cod, yellowfin sole, you know, ocean perch, those type.

The CHAIRMAN. So, if I am fishing for pollock, I am also picking up a lot of crab, you say?

Mr. ANGASAN. Right. Usually the crab is in the bottom—in the bottom, on hard bottomfishing, when you are dragging along—

The CHAIRMAN. How would you control it?

Mr. ANGASAN. It is a dirty fishery, Senator, it is really hard to control. I think designating areas, and the North Pacific Council has addressed those kind of issues, but when you are dragging along the bottom with steel doors, you are going to—you are in for—fishing for cod, usually that is a bottomfishery, or yellowfin sole, you are going to pick up everything else that is along the bottom, and it is really hard on the habitat. So, those are the kind of things that we want to, like, to see addressed when the Magnuson Act is reauthorized.

The council is working on those issues, but I think it needs to be—I think within the—within the act itself, I do not have any specific language to draw for you as an amendment, but I think that those are the kind of concerns that fishermen have throughout the industry.

The CHAIRMAN. Do you know whether the North Pacific Council has any language for us?

Mr. ANGASAN. I do know that they have addressed bycatch, and we really are pleased that they have, you know, addressed the

bycatch issue, but the methods and means of fishing, you know, out in the Bering Sea is—you are always going to have bycatch. I mean, no matter how you design your trawls, you are still going to get into that, you know, when you are fishing in areas when you have migrating species that come in, and—I mean, one of the ways, you know, that could be considered is when—you know, usually when fishermen fall short of their quota and go before the council and ask for an extension of time, you know, because they have not gotten their quota of what they are out there to fish, you know, you are granted that additional time. And during that time, when you have—when you are going back to the same grounds and you are finding different—for example, in springtime off of Port Moller, you know, you have a high concentration of crab during that time, and herring, salmon.

You know, the Shumagins, the mature salmon in the Shumagins, during the fall cod fishery, for example, those are the—I mean, I think the council maybe—you know, I cannot speak specifically, but I—I used to be involved in the bottomfishery back in 1976 to 1986. For 10 years I was president of a corporation that owned a 124-foot dragger out in the Bering Sea, so we have developed that fishery in the joint venture, which is why I am somewhat familiar with the process of what is going on out on the Bering Sea. And when we talk about immature salmon in the Shumagins in November, we know we have been there before and we can pretty much, you know, identify that as a hot area. When you are talking about fishing for yellowfin sole in Port Moller, you have a heavy concentration of crab in the spring.

The CHAIRMAN. That is how you have to control bycatch, by picking the time and place for trawling?

Mr. ANGASAN. Right, and I think those are the kind of things that should be talked about. I think one of the other major issues that I would like to address and yield is that CDQ's, I think the North Pacific Council has—you know, needs to be commended for developing the CDQ program, where the 7½ percent of the pollock allocation goes to the 44 villages in western Alaska communities.

The CDQ program is a very—is now becoming a very instrumental source of income for—or source of cash to develop the expertise needed, the equipment needed, the infrastructure to go out and begin to participate and have those kind of opportunities in the Bering Sea that are not available to them because of the heavy cashflow.

But, you know, the need for—I mean, you can rely on the Federal Government for programs or you can begin sharing in the CDQ program, and, you know, I think the people are finding that—you know, would like to see those kind of things continue.

The CDQ program is expiring in 1995. It is just a 3-year program. And we would like to see, you know, within the reauthorization of the Magnuson Act, the, you know, strong language that would direct—possibly direct the North Pacific Council to initiate that program and expand into other species, like crab and, you know, bottomfish.

The CHAIRMAN. So, you think the CDQ program is working well?

Mr. ANGASAN. Oh, definitely. I mean, it is providing an opportunity for people in the villages to train for that industry. When

you—you know, the bottomfishery prior to 1976 was—directed fishing by foreign processors and foreign harvesters and there was absolutely no participation by the local people. Even up to 1986 there was very—we were the only Alaska Natives in the bottomfishery. We had one vessel out there in 1986. And today with the CDQ program, the CDQ partners are being—are hiring local people, training them and they are assimilating into that industry. I think it is a worthwhile project.

The CHAIRMAN. Very good, sir.

Mr. ANGASAN. Thank you very much.

The CHAIRMAN. Thank you very much. Mr. Naneng.

STATEMENT OF MYRON NANENG, PRESIDENT, ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS, INC.

Mr. NANENG. I would like to say thank you for coming here to listen to our concerns in regard to the Magnuson Act. My name is Myron Naneng. I do not have a written testimony because I have spent the last week or so at the hospital with my father-in-law, who is 93 years old, first time in the hospital.

The CHAIRMAN. I hope he is doing well.

Mr. NANENG. He is doing better than you and I, I guess, by the way he—

The CHAIRMAN. We all hope we can make it to 93.

Mr. NANENG. My name is Myron Naneng. I am the president of the Association of Village Council Presidents, representing 56 villages on the Yukon-Kuskokwim Delta.

The Yukon-Kuskokwim Delta is situated north of here, starting from Platinum on the south end and up north to Kotlik on the north end, on the Yukon River up to Russian Mission and on the Kuskokwim up to Lime Village, so there are 56 villages that I am representing. We are supportive of the Magnuson Act, but there are some recommendations that we would like to make that I think the committee or the Congress should take a look at.

For the first time ever this year, this summer, the Kuskokwim River has had to be placed on subsistence restrictions. Two percent of the anticipated return of fish stocks to the Kuskokwim River returned. That means that in terms of numbers 250,000 were anticipated to return to one main tributary and only about 10,000 at the last report returned to that river.

The CHAIRMAN. And that was a State-imposed restriction?

Mr. NANENG. Yes. And the other thing that is going on right now, as of this week there are subsistence restrictions on the Yukon River for the first time ever, and that is also due to the fact that there is lower return of some fisheries to the Yukon Rivers. Like I said, the commercial fisheries on both rivers have been restricted substantially, and the reductions have been coming on over at the last 10 years.

One of the things that we are concerned about is the bycatch of the trawl fisheries. You know, there has to be some plans made to address that. You know, it is easier for a fish and game biologist to say that bycatch does not have any impacts on those terminal fisheries, but they do, and they say that without any scientific information, as if to give credence that bycatch is OK.

And our people rely on these fisheries for subsistence purposes as well as for a small economic gain, you know, economic opportunity that is very rare in the villages. The management plans should include clear and measurable definitions of overfishing and measures to prevent overfishing. Recovery plans for the fisheries should include time tables.

The CHAIRMAN. You think that should be in the management plan of the North Pacific Council—

Mr. NANENG. Yes.

The CHAIRMAN [continuing]. Not in the Magnuson Act itself?

Mr. NANENG. Well, not in the Magnuson Act, but one of the things that should be considered as part of the issues to be addressed by the Magnuson Act. Right now, in light of the fact that low fish returns have happened on the Yukon and the Kuskokwim, it is going to take us 20 to 25 years to try and rebuild the stocks that are depleted. And presently under the North Pacific fisheries management plan, with the negotiations that we have had with the Canadians, you know, there are a number of fish that are requested to be returned to through the Yukon River up into Canada, and our people on the lower river, lower Yukon, or even the middle Yukon on the Alaska side, are requested not to fish those stocks until those numbers of fish have returned to the habitats in Canada. So, there are some severe restrictions that are being placed on our people, and the burden of conservation is on our people and I think it should be spread around throughout the whole system. And it is not the burden of conservation on the fisheries that has been imposed upon our people, we have also had to be—placed the burden of conservation on waterfowl and other subsistence resource. So, there are two resources right now that have been placed as burden of conservation on our people, the Yukon and Kuskokwim Delta people.

The CHAIRMAN. Well, now, are you properly represented, as you see it, on the North Pacific Council?

Mr. NANENG. I think that one of the things that needs to be addressed, and that is one of my recommendations, is that fishery council members should not be allowed to vote on issues which they have direct financial interests in.

The CHAIRMAN. How do I handle that? I am supposed to know what I am doing, and then when I know what I am doing, I have an interest. We have had this problem in the Senate from time to time. For example, I am chairman of the Senate Committee on Transportation. I have an automobile, so I know something about transportation. But, you would not disqualify me for voting on anything about motor vehicles because I own a car. There has to be some kind of balance. Which is the principle to be adhered to, the expertise of the individual or the conflict of interest?

You know, we could put the councils under the relevant criminal provisions of Federal law. We have not. In fact, we have excluded the councils from conflict-of-interest statutes because the objective was to make sure that they knew what they were doing and how to direct regional interests, not loading the council with a bunch of southern yokels like myself, who would come all the way up here to Alaska and tell you how to fish.

So, in order for them to have knowledge and experience the law provides for fishermen to participate. But, if they have the knowledge and experience, then, bam, you suddenly have a conflict. What you are saying is let us not have a business interest in a management decision; is that right?

Mr. NANENG. Yes, that is right, let us not have business interests in that. I know that our villages are involved with the community development quotas.

The CHAIRMAN. You mean like the CDQ?

Mr. NANENG. I think that it is an economic opportunity for our people that was not there before, especially in light of the fact that they are now being given the opportunity to fish a resource that is closed to them that has been fished by other foreign fleets and other states in the past. And it is allowing a little—some of the employment opportunity for people, for young people in our villages, especially on the Yukon-Kuskokwim Delta, that may not have other opportunities for employment.

One of the things that we also would like to recommend that be taken a look at is the undesirable bycatch. You know, this past summer it was reported that 45,000 was caught by trawlers in the Gulf of Alaska, both in western and from the Gulf of Alaska overall, and, you know, that is a large bycatch. And for biologists to say that there is no impact on declining fish species without any scientific basis, we do not support that, because our biologists in western Alaska, you know, the State-run biologists, are not allowed to say that any other fisheries is impacting the fish that are supposed to be returning to the terminal fishery.

The CHAIRMAN. Why are they not allowed to say that?

Mr. NANENG. You have to ask the State for a clear definition for that. And if they make a comment in regards to that, they will be accused of trying to close out other fisheries.

The CHAIRMAN. Do we have a State witness on the panel this morning?

Mr. MCCABE. I think in Ketchikan we will.

The CHAIRMAN. In Ketchikan we will, good. Remind me of this question. By the way, if I do not ask any questions you all want asked, let me know, OK?

Mr. NANENG. All right. One of the other recommendations that we have is that the National Marine Fisheries be authorized to modify and prohibit projects that will degrade essential fish habitat. You know, with the decline of fisheries on the Yukon and the Kuskokwim, we have been asked to introduced aquacultures, and our people do not want farm fish. That is what they are called.

One of the reasons why our people do not support that is because the Pacific northwest has good habitat and no fish. A lot of fish are being turned out by the aquaculture fish, but they do not return to spawn. So, that is a problem that they see with the fishery enhancement projects that include the aquaculture, especially the farm fish concept.

The CHAIRMAN. They do not favor fish farming. Why is there a problem when the fish do not come back?

Mr. NANENG. It hurts the wild stocks. It depletes the wild stocks in one form or another, competing with the food habitat out in the ocean and whatever, and then they return in lower numbers. And

they might say that there is no scientific base for that, but, you know, if they are releasing 30 billion fry and the natural reproduction of fish is competing for the food out in the ocean, maybe there is an impact.

The CHAIRMAN. But if Alaska has farm fish, there are fewer out there competing in the wild.

Mr. NANENG. Yes.

The CHAIRMAN. Is that not right?

Mr. NANENG. Yes.

The CHAIRMAN. But you say you are against farm fishing?

Mr. NANENG. Yes. Our people on the Yukon-Kuskokwim are against farm fish. It is what we call the aquaculture fish.

And the one recommendation that we have that I think needs to be really taken a look at and considered is error on the side of conservation, and that is one thing that we—our people have had to bear the burden of, is conservation.

The CHAIRMAN. And you would rather that we err on the side of conservation?

Mr. NANENG. Yes. Like I say, the thing has been—under the present system, you know, they do not allow for management decisions for conservation purposes, and, you know, we would like to see that conservation be taken a priority over the short-term economic needs of the people. That is one of the things that our people on the Yukon-Kuskokwim Delta are saying, is that.

The CHAIRMAN. That is good. You are for conservation and you are president of the village council. You get elected by votes?

Mr. NANENG. Yes.

The CHAIRMAN. That is an eye opener. People down in my backyard would not think anybody in Alaska is interested in conservation, the way they talk on the floor of the Senate.

Mr. NANENG. Well, if we did not have conservation, we would not have the food that we rely on.

The CHAIRMAN. Exactly.

Mr. NANENG. And salmon is 98 percent of our subsistence food.

The CHAIRMAN. I think we have to get better educated in the U.S. Senate because they think it is just a free-for-all up here and that you are not interested in conservation. I find that people who rely on natural resources for a living know and understand conservation better than any.

By the way, in the 56 villages you represent, is there a hospital in one, or do you have to go all the way to Anchorage?

Mr. NANENG. No, there is Bethel Hospital.

The CHAIRMAN. Bethel. OK. Very good,

Mr. Naneng. I appreciate it.

The CHAIRMAN. Mr. Nielsen.

STATEMENT OF DONALD NIELSEN, REPRESENTING THE BRISTOL BAY BOROUGH FISHERIES ECONOMIC DEVELOPMENT COMMISSION

Mr. NIELSEN. Thank you, Senator.

For the record, my name is Donald Nielsen and I am a long-time commercial fisherman of the Bristol Bay area. I represent the Bristol Bay Borough Fisheries Economic Development Commission. I would like to welcome you to Bristol Bay.

Just to give you some idea of where you are, Bristol Bay is a vast region, some 30 communities, a mass of some 40,000 square miles, about the size of the State of Ohio, we have numerous fisheries, basically salmon.

I, too, want to support the reauthorization of the Magnuson Act. It is of critical importance to us in terms of protecting and promoting the basis of our region's economy and social fabric.

The commission that I represent was organized in 1992 to promote economic growth and long-term stability of our fishery resources. Since its inception, the measure of the North Pacific Council and the State board of fish, we have played an active role with both those organizations and we support both the organizations. After all, if we as fishermen and as representatives of fishermen organizations do not promote conservation, the No. 1 objective of the Magnuson Act, we will not have fisheries for ourselves or for our children to pursue.

I echo what Myron says, that—it is surprising that there is little knowledge of our conservation opinions, that we are strong conservationists and we want to protect the fish that we have, because without it, I doubt that there would be a Dillingham and we would not be sitting here.

The CHAIRMAN. Right. Well, Senator Stevens continues to remind us of that, but it is nice to hear firsthand at these hearings. The other Senators think he is making a political statement; he is making an accurate statement.

Mr. NIELSEN. And that is usually what he does make, is accurate statements.

The CHAIRMAN. He is doing all right. It sounds like this panel is fixed.

Mr. NIELSEN. Basically our lifestyle in Bristol Bay has been based on traditional fisheries, salmon, herring, and halibut, either for our subsistence use or for commercial operations. In this part of the State, subsistence and commercial fishing can be inter-related, but in both cases the health of the fisheries stocks is highly dependent upon the vigilance of our fisheries regulatory agencies and on the dedication of our fishermen toward conservation.

All that by way of background, the region's fishermen are very concerned about the bycatch issues facing the council. Bycatch generally, and perhaps euphemistically, refers to obtaining other species when prosecuting a directed fishery for another species, salmon caught in the pollock fishery, for example.

In the case of prohibited species, such as salmon, the catch must be returned to the sea and is so generally dead or in a weakened condition. In the case of other unwanted species or undersized or less desirable sized fish, they are discarded. As much as 100,000 salmon and 1 million pounds of herring are discarded at sea annually, and that is probably conservative.

During the prosecution of our fisheries, other fisheries, when salmon and herring do not return to their streams of origin, this has a multiple year effect and can actually devastate the run in a specific river system, and that is what Myron referred to earlier.

In a word, the commission encourages the approach whereby intelligent human beings come together before the council to address the issue of bycatch. You see, we have had generally good luck with

the council, and I have testified many times before the council on various marketing and conservation issues, and generally the system works. I know that it appears at times to be cumbersome, is frustrating, but the system does work.

We have supported efforts to have industry-funded observers on-board, two on the CDQ vessels, and to weigh the catch to get a better handle on the amount of biomass extracted from the sea. Our partners in the CDQ operation have done a very good job on that and we commended them for it.

We appreciate the structure of the council in its current makeup. Structurally, there is a functioning scientific committee and a separate industry advisory panel that provides a useful, analytical chain in the council's decisionmaking process.

As far as its makeup is concerned, I am unaware of any substantive issues on which the Alaskans "have all lined up on one side and the members from Washington/Oregon have been left out, or left in the minority." I have never seen that. Generally the issues breakdown along the lines of gear conflicts and the like.

The CHAIRMAN. You know, that is a big issue there right now. They say that it is happening, at least in the view of the Senators from Washington State, Senator Murray and Senator Gorton. In the past, Washington fishermen have said they are underrepresented and should have greater representation.

It is a matter of basic arithmetic. As I pointed out, you are getting 6 billion pound catches, the majority of the U.S. catch, in one State. As I see it, you deserve to have that kind of representation. However, that is an issue that Senator Stevens and I will be confronted with on the committee. I do not know the details, but I have been around long enough to see everybody moving for positions.

Mr. NIELSEN. I think, for the Senators' education, they should come and observe how the council functions, but in either case—

The CHAIRMAN. The people on the council would support your statement, that there has not been any really categorical overrepresentation, like we had just recently on our budget; we could not get a single Republican vote. Is it that you cannot get a single Alaskan to vote for something of interest to the State of Washington?

Mr. NIELSEN. I do not see where one State outweighs the other. I think that, as I was going to state earlier, both Washington and Oregon consider Alaska their distant water fisheries, so I do not know where their concern is, whereby they do not have the magnitude of the fish that they take from our waters. I think it is, although cumbersome, I think the system works good.

The CHAIRMAN. I will go right to the farm fishing that Mr. Naneng was talking about. I was in Washington 26 years ago, with John Lindbergh, Charles Lindbergh's son and Dixie Lee Ray, who was the State of Washington oceanographer before she was Governor, and they were doing just that, fish farming. They developed these little pan-fry pink and white salmon that weighed about a pound and a half. Now as I understand your testimony, releasing those out to the sea has a damaging effect?

Mr. NIELSEN. It does. It is eating the same food that our wild stocks are. And we do not have any idea, we do not have any sci-

entific proof that any diseases that those farm-reared salmon have can be passed on to our wild stocks. But an interesting point——

The CHAIRMAN. Are you making a point that those are diseased salmon they are letting loose?

Mr. NIELSEN. That could be.

The CHAIRMAN. Yes, but are they? I mean, you are talking about scientific knowledge.

Mr. NIELSEN. Well, we do not have any scientific knowledge that would prove that those diseases can be passed on. It's something that could be looked at.

But to make a point about Washington and Oregon, the bulk of our Bristol Bay fleet, salmon fleet, is made up of fishermen from Washington and Oregon right here in this Bristol Bay.

The CHAIRMAN. Most of it is processed down in Seattle; is that right?

Mr. NIELSEN. It is processed here, but it is marketed out of Seattle.

Now, our wild stock salmon competes with the farm-reared salmon. Washington and Oregon provides 75 percent of the eggs to the Chileans to compete with us in our markets. Now, think about that for a while and see if it makes any sense. It does not make any sense. We would want to defeat ourselves. I mean, this is a great fishery, and the marketing year after year, it gets—it gets extremely tougher.

Ten years from now——

The CHAIRMAN. A lot of folks up here want to sell to Japan.

Mr. NIELSEN. Well, Japan is easy because you do not need to work at developing a market; they want the fish.

The CHAIRMAN. The Chileans want the eggs.

Mr. NIELSEN. The Chileans want the eggs to rear the salmon to compete with us in that market, or, as a matter of fact, the markets in the United States.

The CHAIRMAN. All right.

Mr. NIELSEN. I have provided you my written testimony, it is some four pages. Not to take too much of your time, I just want to echo the earlier testimony about community development quotas. I think it is a fantastic program and it should be expanded to other related fisheries.

It is awfully strange that the salmon industry, as an example, has been in Bristol Bay for over a hundred years now, but as for the offshore fishing, we have sat back on our shores and looked in our front yards and looked at a fishery that we could not participate in, but through the community development quota program we are now there. And it is great and we thank you, we thank our Senator Stevens, we thank our Gov. Wally Hickel for pursuing it.

It is great, but it should be expanded. It has provided opportunities and it will provide greater opportunities in the future. The program has to be longer than 4 years. It should be put into the act that the CDQ program could be perpetually longer.

The CHAIRMAN. Right. Very good. Thank you, Mr. Nielsen.

Mr. NIELSEN. You are welcome.

The CHAIRMAN. Is it Jeemewouk or Jemewouk?

Mr. JEMEWOUK. Jemewouk.

The CHAIRMAN. Jemewouk. Yes, sir.

**STATEMENT OF JOHN JEMEWOUK, DIRECTOR, WESTERN
ALASKA FISHERIES DEVELOPMENT ASSOCIATION**

Mr. JEMEWOUK. Thank you, Senator Hollings, and I would like to welcome you again to Alaska, our great State.

For the record, my name is John Jemewouk. I am the chairman of the Western Alaska Fisheries Development Association. WAFDA was formed for the purposes of promoting economic development through the CDQ program, and the organization was founded by the six CDQ corporations, Bristol Bay Economic Development Corp., the Coastal Villages, Yukon Delta, and the Norton Sound Economic Development Corp.

Today I also am speaking on behalf of the Aleutian Pribilof Island Community Development Association and the Central Bering Sea Fishermen's Association. I also serve as the president of the Norton Sound Economic Development Corp., which provides me with direct involvement in the CDQ program.

Even though it was only started in December of 1992, the CDQ program has been a great success in a region that suffers from 70-percent unemployment, and in some other villages it is probably even higher. As a commercial fisherman and a resident of the Norton Sound area, you know, since the CDQ program has come into effect, I have seen villages very excited about getting into the off-shore fisheries. You know, they have participated in—you know, as a subsistence fisherman both with the halibut, king crab, salmon, the different salmon species, and through the CDQ program, you know, there has been a great sense of hope in a program that could be expanded, and could be expanded to other fisheries in Alaska.

And I think, you know, for this opportunity, we would like to thank Senator Stevens and you, Senator Hollings, for active involvement in making sure that this program was put into—into being.

Each of the CDQ corporations has used a CDQ pollock allocation to leverage the creation of economic development projects in the regions. These include investments in the fishing vessels and shore-side facilities, job training programs, new markets for salmon and herring, expansion into new longlining and crab fisheries, and over 200 local residents employed on vessels throughout the Bering Sea in the first 2 years and also career opportunities in the Bering Sea fishing industry, from processing worker to deckhand to gear operator to office manager.

The CDQ program provides access to fish, not money. The western—the residents of western Alaska have the responsibility for turning this access into economic value. The pollock allocations are competitive and based on performance. The program is very thoroughly monitored by the State and by the Federal Government. We have to undergo management audits, performance audits and financial audits on a regular basis. We do not object to the scrutiny because it is our best advertisement of the program's performance.

To my knowledge, I do not think there has been a Federal program that has provided a lot of opportunity with—you know, with this much impact, with so little investment by the Federal Government.

In June I traveled to Washington, DC, with two other western Alaskans to explain the program to the Clinton administration offi-

cial and Members of Congress, and I was really happy to see the favorable response that we got from everyone that we met with.

The CHAIRMAN. Did you come over on the Senate side?

Mr. JEMEWOUK. Yes, we did.

The CHAIRMAN. Good.

Mr. JEMEWOUK. And we plan to, you know, make another trip very soon in the future before the reauthorization of the Magnuson Act.

The CDQ program has been very effective and that is why we are asking that the—that you, Senator, consider probably making it as a permanent part of the Magnuson Act. It is a real tool that has helped us provide economic development and also opportunity, you know, for work that we never had access to.

We also would like to probably see the CDQ program be expanded on into other fisheries, more species than pollock. As you know, that when you rely on one species, there is ups and downs within that one species that really have economic impacts that takes years and years to recover from, so we would like to probably expand into other species, halibut, cod, crab.

The CDQ program, however, would do us no good if we have no fish. That is why we attach very special importance to conservation. You have heard the three gentlemen before me talk of conservation. We were concerned about conservation before the 200-mile limit was enacted and that we—and we have been here for over years and that is the reason we rely on conservation. We rely on different species of sea mammals, we rely on fisheries, you know, we rely on the whole ecosystem being healthy, and that is the reason we put special importance on conservation.

My corporation that was formed under the CDQ program has a bycatch control committee, and we look at the CDQ program as a management tool that the council can use to probably monitor bycatch controls, monitor the fishing activities. Just these past few fishing excursions that we went on, we were the managers and whenever we got into bycatch control—or bycatch problems, we asked our partners to move to another location and they complied with our requests, so it is something that—

The CHAIRMAN. They moved aside voluntarily?

Mr. JEMEWOUK. It was voluntarily on our part to put into our program a bycatch control program, and the direction that we give the fishing partner they comply with. We have a very good relationship with the Glacier Fish Co., who is our fishing partner, and they are very concerned also about conservation.

As I explained to you, you know, we put this into a voluntary program. We did put observers that we hired from the western—some communities in western Alaska and place them on vessels and they gave us reports, which proved very valuable in helping us make those decisions. We want this program to be here for future generations, Senator.

We also recommend that this committee examine measures that would give the fishery management councils more tools to deal with bycatch in a more efficient and timely manner, protect the ocean habitat, collect better scientific data, allow full consideration of management factors in addition to management efficiency, and curtail the administration roadblocks that often thwart conserva-

tion proposals. With these tools, the management councils would be able to deal with any conservation issue that might arise.

The CHAIRMAN. I notice you mention the Yukon Delta Fisheries Management and the Coastal Villages Fishing Cooperative. Do you also represent those groups?

Mr. JEMEWOUK. Yes, sir. I was elected chairman of WAFDA. We had these representatives get together and form this organization, and I was elected as chairman, and we list all those as members to this organization.

There are six groups that participate in the CDQ program and they are all qualified under regulations that were developed, and these are all villages that sit on the Bering Sea coastline.

The CHAIRMAN. Norton Sound, Aleutian?

Mr. JEMEWOUK. Norton Sound, the Yukon Delta.

The CHAIRMAN. Central Bering?

Mr. JEMEWOUK. Central Bering Sea, Coastal Villages, Bristol Bay, and the Aleutians.

The CHAIRMAN. Well, that really does what was intended by the Magnuson Act, to get all the folks with various interests represented, working for the general good, the general welfare. It seems like you are doing that up here. We just want to make sure that what is working now is built on and extended and, as you say, probably made a permanent part of the Magnuson Act.

I know this panel would want that. We will find out from some of the other panels whether they want to try to write in a permanent provision for community development quota procedures.

Mr. JEMEWOUK. I would just like to thank you for allowing me to testify. I think I can provide you with some information.

The CHAIRMAN. I thank you for coming all the way, and we apologize for being a little late. We thank you very much, we want to thank this panel, and we are going to move now to the next panel: Andrew Golia, Harvey Samuelsen, and Myra Olsen.

STATEMENT OF MYRA OLSEN, VICE PRESIDENT, RURAL ALASKA COMMUNITY ACTION PROGRAM

Ms. OLSEN. My name is Myra Olsen. I live in the village of Egegik, AK, and I am a Bristol Bay drift gillnetter, an Alaskan Native, and I am born and raised in Dillingham, and I am glad you are here in this beautiful country to see a little bit of what the real world is like.

I serve on the Bristol Bay Native Association board of directors, Rural Alaska Resources Board and vice president of Rural CAP, which is a statewide organization whose mission is the elimination of poverty in rural Alaska.

The impoverished communities on the western coast of the Bering Sea are finally participating in a successful CDQ program that is making strides in enabling these communities to help themselves. This CDQ program needs to be established in statute and expanded into other species besides pollock, such as yellowfin sole, pacific cod, and crab.

The North Pacific Management Council needs to keep the Alaskan boats to manage—votes, excuse me, that is a typo, to manage Alaskan resources. The majority votes need to be kept Alaskan to protect our interests. The Washington/Oregon seats are owned by

big industry people. Please do not lose sight of the fact that this is an Alaskan resource and Alaska is the voice of conservation of the resource and it needs to continue this way.

The bycatch issue is of intense concern to the local population and needs resolution. The bycatch of king and silver salmon is a very public issue and there are more halibut thrown away than are caught in the directed halibut fishery. This has always been a concern of the native people and will remain so.

And while I am talking about management and conservation, I would like to touch on issues before the NPFMC. We need to focus on good science over economics. Since this has been relegated to the Department of Commerce instead of the Interior Department, for whatever political reasons there were, all statistics they gather are in terms of pounds of finished product instead of numbers or pounds of fish caught, with no mention of the shrinkage that occurs when a catch has been processed and bones, heads, and entrails have been removed.

Also, the management has been single-species specific instead of the more viable ecosystem management, which can detect problems sooner and intervention can occur before the system is irreparably harmed, and here is where the local wisdom can be a valuable tool in preserving the health and strength of stocks.

To illustrate this, we noticed that the seagull eggs we gathered had a funny taste after the *Exxon Valdez* oilspill, and realized we, too, had been impacted. This was before all the dead sea birds started washing ashore along our beaches. And Larry Mercurief, of St. Paul and the Aleutians, has been mentioning the increasing thinness of sea otter skins, which points to a serious problem in the waters of the Pribilofs.

Thank you for listening to my concerns today and I hope you take the proper steps to ensure these issues are addressed.

The CHAIRMAN. Well, I thank you very much, Ms. Olsen. I can testify on the political reasons for putting marine fisheries in the Commerce Department. In the mid-1960's we had an extensive study that was known as the Stratton Commission. Julius Stratton was a provost at MIT and he headed a consummate, coordinated, comprehensive marine research commission that reported on all fisheries, all coastal zone, all oceans, all atmospheric concerns. We relied upon and joined in together in supporting their work.

Senator Magnuson asked that I head up the hearings. In fact, at that time I chaired the Oceans and Atmosphere Subcommittee, and we had 3 years of hearings, in 1967, 1968, 1969, and finally in 1971 I got to President Nixon.

I reached him through a friend of mine who I had known in the law practice, John Mitchell. He later had to go to the penitentiary as the Attorney General. I think he was taking a fall for the other folks, because he was an outstanding bond attorney, considered the leading authority on municipal bonds, if the mayor is still around. John Mitchell headed up the firm, Perkins, Cole, Symbol & Mitchell, then later went to another firm. He had headed up the bond division of the American Bar Association, and had been appointed Attorney General.

I went to him and said: "Jack, I have had these all hearings and cannot get anything done. There is a fellow named John Erlichman

at the White House who believes in land use, and, of course, we were interested in coastal zone management.”

So, I said, “By the year 2000, 80 to 85 percent of the people will live within 50 miles of the coast or the Great Lakes, and racing down to the sea and lakes will be development, urbanization, urban sprawl, recreation pressure, fisheries, and different power facilities. They will all crowd down to the sea, and we must have a plan to save the coastal ecosystem.”

And I could not get past Erlichman, although I had had hearings, and we had support from Alaska, all over the west, and the east coast. The recommendation was to establish a separate entity, an independent agency known as the National Oceanic and Atmospheric Administration. But I could not get the proposal into the White House without a miracle, because Erlichman kept killing it every time I made a move in the Senate and sent witnesses to testify against it. But John Mitchell was close to the President, recognized that we ought not to let all this work just go, and agreed to talk to President Nixon to get something going.

So, he went over and talked to the President and came back and told me, “I got it for you.” He said: “We are going to institute the National Oceanic and Atmospheric Administration. It is not going to be an independent agency; the President is against that, so we have to put it in one of the Departments. It would be appropriate to put it in the Interior Department, but there are some political differences between President Nixon and Governor Hickel, then Secretary of the Interior.”

And he said, “As a result, we are going to give it to Maurice Stans and put it over in the Commerce Department.” I said, “Well, I thought it was going into the Interior, but it suits me if you want to put it in Commerce. We will run with it and get it going.” Dr. Robert White, who is now head of the National Academy of Engineering, was the first director after we got it established.

Gov. Wally Hickel is an outstanding individual. I worked with him very closely. I am one of his admirers and think he is very conscientious about Alaska and the interests up here. But it was, you know, Republican politics. They acted like they were getting along, but when you read the papers a month later, they were after each other. Even now, if they did not have us to kick around, as former President Nixon would say, the Republicans would be after each other before the end of the year, and then we would get a respite and be able to regroup.

But it was a difference of some kind; I never did understand it. That is why I got the NOAA reorganization plan signed. I got it started by Executive Order 4 in November 1970. We have been going ever since.

Now, subsequently we had a chairman who abolished the Subcommittee on Oceans and Atmosphere, and the only way to keep a focus on fisheries and coastal policy was through something I had instituted, in addition to the subcommittee, called the National Ocean Policy Study. I chair that currently.

Senator John Kerry, of Massachusetts, has chaired most of the hearings. We share that responsibility because there are a lot of hearings to be held. Senator Stevens is the ranking Republican member. He keeps us honest and informed. And so we work a lot

of these fisheries matters through the National Ocean Policy Study. Even though it has no legislative authority, whatever the study wants legislated, comes right into the Commerce Committee, because it is really our device, that I kept when others tried to abolish it. They had to pass a statute to abolish it, and I blocked that, but one of the chairmen of the Commerce Committee came in and just did away with the Ocean and Atmosphere Subcommittee and that is where we got really behind.

It is one of the reasons I am up here, because we are trying to reinstitute interest in our fisheries, our coastal zone, and particularly in the oceans themselves. I do not know that we are going to get a space station, but seven-tenths of the world's surface is in the ocean and we ought to get back once again into the studies and reports of that kind. And in this regard, Alaska is very, very important to us. Back to your original comment, that is how fisheries management was placed in the Commerce Department. You go ask Governor Hickel, and he will tell you. He never has told me. Very good, Ms. Olsen. Let us see. Mr. Anderson.

STATEMENT OF NELS ANDERSON ON BEHALF OF HARVEY SAMUELSEN, PRESIDENT, WESTERN ALASKA COOPERATIVE MARKETING ASSOCIATION

Mr. ANDERSON. Thank you, Mr. Chairman.

My name is Nels Anderson and I am presenting testimony on behalf of Harvey Samuelson.

The CHAIRMAN. Fine.

Mr. ANDERSON. Harvey Samuelson is a long-term, I mean almost lifelong fisherman from Alaska, from the Bethel area, Akiachak originally, and has uprooted himself from his home and settled in Dillingham, where he has been a tremendous asset to our people over here. He sends his regrets, Mr. Chairman, that he is attending—or traveling with Secretary Babbit to Togiak to help facilitate meetings for the secretary and asked me to present his testimony.

The CHAIRMAN. I understand. I think we will be together this afternoon.

Mr. ANDERSON. If I may proceed with his statement?

The CHAIRMAN. Please do. And by the way, all these statements in their entirety will be included in the record, and the witnesses can highlight them as they wish or deliver them in their entirety, whatever you wish.

Mr. ANDERSON. Thank you.

These are exciting times for western Alaska's people. Two recent developments in the north Pacific fisheries have given western Alaska some of the best economic opportunities we have had since the Native Claims Settlement Act.

The first step was the training and hiring program run by the Bering Sea Fisheries—Commercial Fisheries Development Foundation. Through that program, funded by the American Factory Trawler Association, about 150 western Alaskans have found work on factory trawlers. Many of those trainees are on their way to good fishing careers. I am proud—Harvey states that he is very proud to have been a founding member of that organization.

The community development quota program is another example. It has opened the door to the Bering Sea fisheries for our coastal

villages. All six CDQ groups have successful joint ventures with factory trawler companies that are providing work and income for local residents.

We went with the factory trawlers because they offered the best price for our quota, the highest paying jobs for our people and better long-term fishery opportunities for our area. The money we received for our quota is being invested—or will be invested in fisheries projects that will help our local economies over the long haul. Senator Stevens, Henry Mitchell, John Binkley, and other long-term supporters of this program deserve much credit for these results.

These developments may have come as a surprise to some people. We now have a closer relationship to the high seas fisheries and the offshore fleet than anyone would have expected a couple of years ago. As a result, we shared many of the same concerns, and I would like—and Harvey would like to talk a little about two of them.

Even though more than 15 years have passed since the Magnuson Act was adopted, the Americanization goal of the act has not been reached yet. Major Japanese fishing companies, such as Nippon Suisan, Taiyo, and others, won a large majority of the salmon and groundfish shoreside processing plants in our coastal communities. These companies continue to dominate the Japanese market for fishery products as well.

Policies like the inshore/offshore scheme was adopted during the Bush administration, which guarantees the Japanese-owned shore plants in Dutch Harbor a share of the U.S. pollock and give these companies control of raw fish and seafood prices. I do not think it is an accident that the prices paid to U.S. fishermen for delivering to those plants, and that our CDQ operations get from competing product, have dropped through the floor since inshore/offshore was approved.

We need your help in creating more competition among processors. This means preventing large companies like Nippon Suisan and Taiyo from controlling our resources and the markets into which we must sell our product. It also means helping the industry develop new markets at home and overseas for American seafood products.

The other area where we need your help is stabilizing the catch effort of the groundfish in the Bering Sea and international waters. CDQ's have shown us that individual fishing quotas will lead to lower bycatch of salmon and other fish important to our culture and economy, better efficiency, less waste, and higher, more stable prices for our products.

We cannot afford to let the fishery in the Bering Sea fail for any reason. Native people on our Bering Sea coast depend on these fish for their livelihood. Your committee should not forget the people who will be hurt if we do not do everything that we can to protect and conserve our salmon and other fisheries in the Bering Sea. This means we should go as far as closing down the entire Bering Sea fishery if our salmon and other fisheries are in danger by overfishing, bycatch or waste.

Thank you for the opportunity to testify. I hope that you will keep Harvey's thoughts in mind while you consider reauthorization of the Magnuson Act. Thank you very much.

The CHAIRMAN. Tell me what you know now, Mr. Anderson, again about the companies to whom we gave a certain control of fisheries by the allocation under the previous administration of a part of the catch? Restate that for me. I want to get it through my thick head.

Mr. ANDERSON. OK. Mr. Chairman, first of all, I really will not be able to articulate a response to your question because this is Harvey's statement, and he stated that he was going to be very strong about this particular area, had he been here to be able to explain why he said what he did. And I am not privy to that information at this time, but he stated that he would like to explain that to you himself.

The CHAIRMAN. Well, I will find him and let him elaborate on it. We will keep the record open, by the way, for further questioning by Senator Stevens and any others on the committee that want to direct their questions back to the particular witnesses. Otherwise, you folks are like the Andrews Sisters on the CDQ's. You are all in perfect harmony, singing one tune, and the only little note I found of discord was when you talked about the allocation to these factories of a certain amount of control. I want you to elaborate and explain it.

Can any of the witnesses tell me what I am trying to find out? Ms. Olsen.

Ms. OLSEN. Are you trying to talk—

The CHAIRMAN. Mr. McGill, you will get to that in your statement?

Mr. MCGILL. Well, the reason they did it, they gave them allocations, or promised to them, so they would build on shore.

The CHAIRMAN. So, it was an economic development—

Mr. MCGILL. Yes.

The CHAIRMAN [continuing]. That sort of moved it, and, in essence, provided a certain control of the fisheries?

Mr. MCGILL. Yeah, to have them build shore plants is what has happened. I never followed it real close, but that is what is—basically what was behind it.

The CHAIRMAN. I see, that was the reason. Good.

Mr. Golia, thank you for being with us. Can we hear from you, sir.

STATEMENT OF ANDREW GOLIA, BOARD MEMBER, BERING SEA FISHERMEN'S ASSOCIATION

Mr. GOLIA. Senator Hollings, my name is Andy Golia. I am a commercial salmon and herring fisherman. I was born and raised here in Dillingham. I currently serve as the vice chairman of the board of the Bering Sea Fishermen's Association. The Bering Sea Fishermen's Association was organized in 1979 and represents western Alaska's small boat fishermen, primarily native fishermen from the Bristol Bay, Kuskokwim, Yukon, Norton Sound, and Kotzebue areas.

I would like to thank you for holding this public hearing in Dillingham. Despite Dillingham being a small community, the

Magnuson Act plays a very important role in our lives. I myself consider it probably the most important piece of legislation that we fishermen are affected by, and we have derived some real positive benefits from the act.

With the passage of the act in 1976, we have seen our Bristol Bay sockeye salmon returns rebound from the disaster years of the early 1970's. We have seen the interception of our salmon stocks by the foreign fleets in the eastern Bering Sea come to an end and thereafter our salmon returns improve. We are very thankful for that.

Another benefit we have seen from the act is the emergence of the community development quota program. The CDQ program is an excellent concept which allows western Alaska communities to directly benefit for the first time from the multimillion dollar bottomfishing taking place in the Bering Sea. The CDQ program has provided employment opportunities for our area residents. We have a growing number of residents being hired and working on factory trawlers on the Bering Sea.

Once the local CDQ organization, the Bristol Bay Economic Development Corp., is off and running and continues to grow, we believe the CDQ program will open up additional economic opportunities in our area and will also provide educational opportunities for our young people. And that is the way it should be. We live next door to the great Bering Sea and we should benefit from it.

As they say, the concern we have about the Bering Sea bottomfisheries are the bycatch levels occurring on nontargeted fish. We cannot afford to have high numbers of our herring and salmon stocks caught incidentally in the Bering Sea. Both the herring and salmon fisheries is all we have got. If any substantial damage is done to these stocks, then we as fishermen will be impacted.

For the past several years, between 30,000 to 40,000 chinook salmon have been caught and wasted by trawl boats fishing the Bering Sea. While we have seen the growth of domestic factory trawlers, we have also seen the decline of our chinook salmon fisheries here on the Nushagak River. We feel the chinook salmon fishery is being taken away from us. In fact, some of us fishermen feel that we have already lost it.

Another concern we have about the Bering Sea bottomfisheries is the dumpage and wastage of the fish resources. We do not think that fish should be wasted for any reason at all, and we feel that wastage in the Bering Sea should come to an end.

I believe the most important concern we have about the Bering Sea is the potential overfishing of the Bering Sea pollock stocks. If the stocks are overfished, we feel that this would disrupt the whole Bering Sea ecosystem. The pollock resource plays a critical role in the ecosystem, and we are afraid a depletion of the pollock resource will impact on near shore herring and salmon fisheries.

Conservation and sustained yield are the primary goals of the Magnuson Act, and reauthorization of the act must reaffirm these two goals. We would like to see the North Pacific Fishery Management Council's voting member's makeup consist of majority Alaskans. We feel that if that happened, then our concerns will be

heard. We want assurances that our grandchildren will reap benefits from the Bering Sea fisheries.

That is all I have. Thanks for the Magnuson Act and thanks for you coming out here.

The CHAIRMAN. Well, I thank you for your presentation. Mr. McGill.

**STATEMENT OF JOSEPH MCGILL, PRESIDENT, BRISTOL BAY
LONGLINE GILLNET COOPERATIVE, INC.**

Mr. MCGILL. I want to apologize because I do not have written testimony, but I did not know I was going to be on the panel until I got here.

The CHAIRMAN. Well, I understand. Very good. We will welcome you.

Mr. MCGILL. Presently I am president of Bristol Bay Longline Gillnet Co-op and one of the directors of Western Alaska Cooperative Marketing Association. And I am glad that I met a friend of Ted Stevens, because me and him was in the legislation together and we still joke that I was the one that broke him in on fisheries, but it did not take him long to—

The CHAIRMAN. A Harvard graduate, you taught him, huh?

Mr. MCGILL. Well, he had never fished before.

The CHAIRMAN. That is good. You taught him well, he knows it.

Mr. MCGILL. But he has done a good job and complimented him on it and everything.

One of the things, I would hate to see any change in the 200-mile limit. Of course, I do not say Magnuson Act because I look at this more as—you know, I have testified on, it is something Alaska worked for for years and Magnuson put an amendment in it, so it is Magnuson amendment, but it is set up as councils, as you well know.

But I would not want to see any change in the setup in the councils. I would still say that Alaska should have control of it since the majority of the fish come from here. And the economic pressure, the money behind, most of it is from out of State and they are going to do what they can to get their investment back, and I am interested in the fish, seeing that we have the—the fish stay here.

The CHAIRMAN. I do not know how to handle it. Like Mr. Golia just said, we lose 30,000 to 40,000 chinook salmon in bycatch. You have economic interests. I am Governor, and I am trying to show I am a good Governor, so I want to bring in industry. The only way to get industry is to give them some kind of guarantee that they will get their money back. To locate them, let us say, in Alaska you give them a guarantee, and then what you have done is guaranteed the catch for the local villages, the people who support the fishery, and the people who really conserve.

How do I do this? Is this going to be done at the State level or suppose you were the Senator, Mr. McGill. Since you educated Senator Stevens, educate me. What would you have me do that I am not doing about that?

Mr. MCGILL. Well, like I say—

The CHAIRMAN. What legislation would you want Senator Stevens to write?

Mr. MCGILL. It did not take Stevens long to get ahead on me, but, like I say, I would like to see—see, the whole thing is with your research and following that is Senate and legislature. We can only budget year to year, and I would like to see it passed so that the processors pay for it, you know, they pay a percentage, and that way it is ongoing.

The CHAIRMAN. What do they pay now? Do you mean for the research?

Mr. MCGILL. They pay for enforcement, which is—they do not have enough of that. I am in favor of more enforcement, too.

The CHAIRMAN. Well, now that is my Coast Guard friends.

Mr. MCGILL. I mean enforcement on their bycatch and more observers and having more coverage and everything else.

What we are doing in some cases is sacrificing the dollar, dollar-and-a-half pound fish for 7-cent pound fish, and I do not think it is right. Like I have said, I have been a fisherman a lot of years and I just do not believe in waste.

The CHAIRMAN. Well, that makes sense. You are sacrificing dollar-a-pound fish for 7-cents-a-pound fish, I can understand that language.

Mr. MCGILL. When they are dragging for yellowfin sole, which is in joint venture with the Russians, there was not a pass, I have not kept up on it that much, they are getting halibut and other species of fish. And, you know, we have a hard time proving it, too, because it goes right through the grinders, but halibut disappears in areas.

And what my friend Andy here, when he said the bycatch, that is reported bycatch. I do not know how much a difference there is. Maybe they are reporting everything or not, but I know as a fisherman, if I had a several million dollar debt staring me in the face, I would be doing what I could to get it, you know, make out on it.

The CHAIRMAN. Well, you know us, we do not take off on holiday just to see some fine people. I would like to get something done.

Mr. MCGILL. Yes, I understand.

The CHAIRMAN. And what am I supposed to do, come up here and just have the hearing? I want you to tell me what to do that I am not doing or what I am doing that is wrong.

Mr. MCGILL. Yeah. Well, like I say, I would like to see more enforcement. Like I said on the budget, if you can budget for year after year.

The CHAIRMAN. So, we need a bigger budget?

Mr. MCGILL. No. I would have liked the foreign—the processors paying for it, like you used to with the foreign processors. You know, they paid their own expense, and I think that that way you can afford to have processors and then the budget crunches would not hurt you. But I think it is something that ought to be done, because you got a chain reaction on—you know, when you kill off one species, it affects another one.

Like, well, it is getting a little away from the Magnuson Act, but when the Japanese started their big chum fisheries and everything, we were warned by the scientists that you should follow the food chain and several cycles of fish research and stuff like it, find out how much fish the food chain will support.

Well, of course, they do not know, but by all the indications—and now your chum salmon is on the downgrade and they are getting sickly. We could not do it because the year-to-year budget and stuff, and I think—like when you knock off the pollock, or whatever, the herring getting increased because the pollock feed on the herring, and then your next—whatever the herring feed on, they run out of food and pretty soon they start getting sickly, but you just have a chain reaction. One species depends on the other.

The CHAIRMAN. We get the impression down in Washington that these councils are outstanding entities; they work well. But if there is something slower than the Congress, it is the council. They seem to be hard put to get a decision. For example, would you recommend a fee system?

Mr. MCGILL. Yes, definitely.

The CHAIRMAN. And what about other fishermen, would they object to that or would they support it, or has this been discussed in the North Pacific Council?

Mr. MCGILL. I do not think they would—would support it. They finally, reluctantly, supported the system to have observers aboard, you know, when there was actually force to it, but they are not going to pay out anything they do not have to.

The CHAIRMAN. I learned long ago as a young legislator, not to charge fishermen a fee if you want to ever get back to public office. But you are saying, let us assess these companies that are really destroying the resource with their bycatch and hand them a fee so that we can get a greater amount of enforcement and observer coverage. And there is a big, big area up here to cover.

Mr. MCGILL. And research, long-term research is what I think is important, instead of just taking a few samples and then say, well, they are catching just as much fish as they did 5 years ago, so there must be just as much fish, but you do not say they have 10 times as much gear out there.

The CHAIRMAN. From your good experience, where is the best research being engaged in—at the University of Alaska, or down in Washington with the National Marines Fisheries Service?

Mr. MCGILL. I would say—

The CHAIRMAN. For Alaskan fisheries now.

Mr. MCGILL. Work through the National Marine Fishery. The university up here, we are not really big enough for it, and I do not—and you take the University of Washington there in Seattle, they do a lot of good work and stuff, but I would write down to the National Marine Fisheries. They have got a lot of good people and stuff that is sitting not doing a heck of a lot since they lost a lot of their fisheries, a lot of offices.

But there should be long-term research someplace along the line.

The CHAIRMAN. Very, very good. That is what we wanted to hear. Let us see if we cannot follow up on that, because in addition to trying to legislate the CDQ's, we ought to be looking at more extensive research and reinvigorating the National Marine Fisheries Service.

Mr. MCGILL. You know, like I started saying an example, I hope I am not taking too much time, as much fish as you had before, it is just like if I put, say, a 100-fathom net out there and get 1,000 fish, and pretty soon the fish go down, I have to put 1,000 fathoms

out to get the same number of fish. You know, there is just not as many fish in the water.

The CHAIRMAN. Right.

Mr. MCGILL. Like I say, kind of a crude example, but, I mean, it is the kind of logic they use.

The CHAIRMAN. How many years you been into this?

Mr. MCGILL. Let us see, since 1948—45 years I have fished. I have fished here since we had the sailboats right on up to where we are now.

The CHAIRMAN. That is the first year I got elected and took office, 1948. Like you, I am still fishing.

Well, this is an outstanding panel. We appreciate it very, very much, and the record will stay open for questions, particularly by Senator Stevens. We have a final panel before lunch, and we will ask them to come, please. That is Dan Albrecht, Robin Samuelsen, Bob Morgan, and Ed Wolfe.

Daniel Albrecht, we would be delighted to hear from you first, sir.

STATEMENT OF DANIEL ALBRECHT, EXECUTIVE DIRECTOR, YUKON RIVER DRAINAGE FISHERIES ASSOCIATION

Mr. ALBRECHT. Thank you, Senator Hollings.

For the record, my name is Dan Albrecht, executive director of the Yukon River Drainage Fisheries Association. The association is a relatively new organization and basically has two goals. One—

The CHAIRMAN. Let me apologize for saying so, but I am fairly adept in politics. Why do you not call yourselves Yukon River Fisheries Association? It sounds like you are draining the fish. I mean, that is what we have all been talking against.

Mr. ALBRECHT. Well, because the Yukon River has several large tributaries.

The CHAIRMAN. But you could handle tributaries as well as the Yukon River fishery.

Mr. ALBRECHT. If I say Yukon River, my Tanana River fishermen will be upset at me. If I say Yukon River—

The CHAIRMAN. They like that word, "drainage"?

Mr. ALBRECHT. Yes, they do. And it also covers more territory, which means more issues to cover.

The CHAIRMAN. Very good, sir.

Mr. ALBRECHT. Basically, the association unites downriver fishermen and upriver fishermen, including Yupik Eskimo, Athabaskan Indian, as well as white homesteaders and trappers and other residents. And the basic goals are to get the different fishermen cooperating amongst each other. They often, as fishermen will do, compete over the same resource and argue with each other and file lawsuits, so we try to bring fishermen together to solve management conflicts.

And then, second, we are there to work united to protect the shared salmon resource, which all the fishermen along the Yukon River use, about 50 villages along the Yukon River and its tributaries, 15,000 people, about 1,000 commercial salmon permits and both commercial and subsistence salmon fisheries, chinook salmon, summer chum, fall chum, and coho.

These last few years have been very hard on Yukon fishermen, particularly returns of both summer chum salmon, which come in late June and July, and fall chum salmon, which come in August and September. For example, this year there was only 100,000 summer chum salmon caught commercially in the river, whereas in 1988 there were 1.5 million caught commercially.

As Myron talked about earlier, the fall chum salmon fishery in the Yukon, which normally takes place, right now is closed, the commercial fishery is closed. The subsistence fishery, which has priority and usually operates roughly 7 days a week, has been cut back to 2 days a week of fishing time. Fall chum salmon are particularly important to the Athabaskan Indians of the middle and upper Yukon River.

Chinook salmon commercial harvest used to be in the neighborhood of 140,000 in the early 1980's, but has been curtailed to about 100,000 for the past several years. This lower harvest particularly of chinook and also fall chum are out of concern for Canadian stocks, which we are engaged in negotiations with the Canadian Government and the Yukon Territory right now. The treaty has not been signed yet, but there are agreements on how many fish go across the border into Canada, on spawning escapement targets and general harvest guidelines.

With that as a prelude, the difficulties in chum salmon, as well as lower catches of chum salmon and chinook salmon, the association has four recommendations. One, which you have heard from several other witnesses, is to require the councils and National Marine Fisheries Service to move away from single-species management and be concerned with the conservation and sustained yield of all species within the ecosystem, including anadromous stocks such as salmon and prey species such as herring.

Again, National Marine Fisheries Service or the council will say, well, that is a state resource, it is the salmon or the herring fisheries that take place along the coast, that is a State problem, we do not want to get into that, we are here for maximum economic benefit, greatest benefit to the Nation. Meanwhile, salmon and herring, as well as other species, are affected by bycatch. We want the Federal Government to take the whole ocean into effect, including fish that come out to the ocean and then go back up the rivers.

We would also like the Congress to try to put greater guidelines as far as bycatch. There are general statements about we want to encourage conservation, we want to encourage full utilization, but the amount of waste that you have heard about continues to go on. And things such as salmon, they are going back to the rivers. There are fishermen along the rivers, along the coast, that already fully utilize salmon species and herring species. They are not going to go to waste. They are going to be used too—for people, for commercial fishing and they are going to be dried and smoked for subsistence.

The other thing, and Mr. McGill alluded to it, is a user tax on all offshore fisheries, with the proceeds used to fund research management and enforcement.

We would also like to see greater cooperation and coordination between National Marine Fisheries Service and the State fish and game agencies. We have the 3-mile limit for State waters, and then

you get beyond 3 miles, it is Federal waters. But the fish do not hit 2 $\frac{7}{8}$ mile and turn back, they go out to the ocean. And so having greater coordination between the Federal and State agencies would help a lot.

You have heard Myron Naneng and Andy talk about the chinook salmon bycatch. The Yukon River is one of the main producers of chinook or king salmon, and, as I said before, 30,000 to 40,000 kings are being caught and wasted each year. On the Yukon River, the king salmon get the highest price in the State, anywhere between \$2 and \$4 a pound. If you caught a king salmon, Senator, you know, they are a pretty heavy fish, so one king salmon can be worth \$100.

The fishermen on the Yukon do not make too much money in a year, maybe \$5,000 or \$10,000 for their whole commercial fishing income for the summer, so every king salmon that comes back to the Yukon River would help the people in the villages a lot.

And some of the early studies consider that the chinook bycatch in the Bering Sea could be anywhere from 20 to 50 percent of this catch. Now, in exvessel value, that is only \$1 million. The council or National Marine Fisheries says, well, that is 1 million dollars' worth of king salmon, but that groundfish fishery, that is worth, oh, \$50, 100 million, we cannot close that area, we cannot regulate that groundfish fishery.

In straight economic dollars, yeah, the groundfish fishery is always going to be worth more than the coastal fisheries here, but \$1 million of income, say, for lower Yukon fishermen, that is 20 percent of the whole season's catch, and you are talking about people who have 5,000, 10,000 dollars' worth of income.

So, just doing that strict economic cost-benefit analysis, well, maybe it is good for the Nation, but the people—and in relative terms, one king salmon is worth a lot to the people on the Yukon River, as well as Nushagak River here, up and down the coast.

What is particularly galling about this chinook bycatch is that the Yukon River amendments to the Pacific Salmon Treaty, which are in negotiation now, but there is agreed upon language that says, "the United States and Canada agree that efforts designed to increase the in-river return of Yukon River origin salmon by reducing marine catches and bycatches would benefit the status of the Yukon River stocks." The parties agree—and this is U.S. State Department, Commerce Department, National Marine Fisheries Service, and our own fish and game—agree to identify, quantify, and undertake efforts to reduce these bycatches.

Sad to say, that council, after years, is only just beginning to address the salmon bycatch. They have done a little bit on herring, a little bit on halibut, a little bit on crab, but with salmon somehow they continue to drag their feet and say, "Well, we just do not know where that fish is going, how much of it is going to the Yukon, how much of it is going to this river. And, you know, besides, we cannot close down these groundfish fisheries. They are worth too much."

The CHAIRMAN. So, you think dragging of the feet is caused by the overwhelming economic interests?

Mr. ALBRECHT. The councils and the U.S. Department of Commerce listened to the—I have got nothing against those fisheries. They can catch the fish that they are supposed to catch, which

brings me to the issue of user fee. The—currently the industry does help pay for the observer program, but there is still—for example, this river of origin of this king salmon, it is all caught, it is thrown overboard, nobody knows where it is going.

There are some old studies, 10 years old, and this is going on. If there was greater user fees on the companies that are making millions of dollars out there, we would be able to figure out where that salmon is going, we would be able to figure out how to avoid this salmon or this herring or other bycatch, and then the offshore fleet could catch the fish they are supposed to catch, pollock and cod, and they would let the other fish go, the salmon and herring, back to the river so the fishermen here on the Yukon and Kuskokwim, all over, can get the fish they are supposed to catch and everybody is happy.

I know fishermen do not like taxes, but people are participating in a public resource. Federal waters, it is a public resource. Now, granted everybody pays taxes so therefore they can use some of that public resource, but they are getting into great economic benefit, that they can certainly afford to pay a user fee of some sort so they can fund the research so they can continue to fish for 100, 200 years from now.

Since we do not have that research, it is all going to come crashing down, all the boats will go back to Seattle, all the boats will rust away, and the people here will be left paying the price.

The CHAIRMAN. With respect to a user fee, if I wanted to put one into law this afternoon, how would it read, how much?

Mr. ALBRECHT. I do not know what kind of a percentage it would have to be. I think the thing to do is figure out how much research needs to be done, a good comprehensive research program, long-term research, and put that in as either, you know, a percentage of the gross, a percentage of the net or an annual fee, where currently there are fees paid, the observer program's paid, but the observer program—again, there needs to be more observers on the boats.

They can only—there is only one observer, they can only sample part of the catch. You know, you cannot get some college kid working 24 hours a day, looking at every load of fish that comes in. There should be more observers, better information, better reporting, better enforcement.

The CHAIRMAN. Well, you write it and let us have it in the committee at your convenience. I want to see how you propose to do it. I understand the problem and it is a difficult one.

If Ronald Reagan taught us one thing, it was never to say the word "tax." But if there was one other thing he told us, everything has got to have a user fee. We put a fee on Coast Guard. We just put a fee on the FCC; we got one on the SEC. Really, if you move, plans to impose a user fee you are now coming out of Washington, because we are running the biggest deficits in the history of man.

I want to know how you write that in a reasonable fashion, which will get the research done. I think the fisheries can stand a user fee, but what is reasonable, again, is another question.

Mr. ALBRECHT. I think if the fishermen—it is like a deficit reduction bill. If the fishermen know that money goes straight to the Na-

tional Marine Fisheries Service and is not lost in Congress, I think they will support it.

The CHAIRMAN. Very good. Go right ahead if you have not completed.

Mr. ALBRECHT. Yes, one final point. It has been discussed. Chum salmon, which are sort of a bread-and-butter fishery throughout western Alaska, they go and they spawn and then go back out to sea, and what appears to be happening is that something has happened to the ocean, in the ocean, there is not enough food for them to eat. They are coming back in less numbers and they are also coming back smaller sized.

For more than 50 years, the Japanese have invested in large hatchery programs up in northern Japan on Hokkaido. In the last 10 years, they have been producing on the order of 40 to 60 million adult chum salmon.

Naturally, back at the turn of the century they only produced about 20 or 30 million. And these chum salmon go out to sea and they compete for the same plankton and little critters in the ocean that our chum salmon compete for, and our wild stocks are being driven out, they are all eating the same fish. And the Japanese are seeing declines in theirs and we are also seeing a decline in ours, but they have got 60 million hatchery fish and we have got somewhere less than that of wild chum stock.

So, I am sure you are familiar with the high seas driftnet battle the last few years, and it is my contention, and many of the fishermen, not only Yukon fishermen, up and down the coast, that those Asian hatchery chum, and this includes Russian hatchery production, are seriously impacting our salmon just as much as the high seas driftnet fleet would be doing it.

With the driftnet, there was work in the United Nations and there was work in the U.S. Congress, as far as trade legislation, to bring an end to the high seas driftnet, and we would like to see the Congress, through the international agencies, through negotiations with the Japanese and the Russians, to say, you know, you can have your own fisheries, you can produce salmon, but you start producing more than nature can provide for and you start hurting our salmon, then you have got some serious problems.

It needs to be brought under control. We have extended our 200-mile limit, but they are releasing chum salmon which come all the way over even to our coast and feed in the same areas. So, I think, you know, Congress is going to have to sit down and say—you know, it is like dumping microchips on the market. They are dumping all these chum salmon out into the Bering Sea, eating the same food that our fish are eating and driving our stocks down to low levels, so it is a little bit out of the purview of the council on the Magnuson Act, but it is a serious problem for our fishermen.

The CHAIRMAN. Very good, sir. Thank you.

Mr. Anderson.

Mr. ANDERSON. Thank you again, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. ANDERSON. And this is my testimony, so I will—if there are any questions, I will be glad to try to answer any questions you may have.

The CHAIRMAN. Do you have an extra copy of your testimony?

Mr. ANDERSON. I do.

The CHAIRMAN. Thank you very much.

STATEMENT OF NELS A. ANDERSON, JR., EXECUTIVE DIRECTOR, BRISTOL BAY ECONOMIC DEVELOPMENT CORP.

Mr. ANDERSON. Mr. Chairman, my name is Nels A. Anderson, Jr., for the record, and I am the executive director of the Bristol Bay Economic Development Corp., and I have lived in Bristol Bay all of my life.

There are three areas on which I would like to focus my testimony: conservation, the continuation of the community development quota program, and the membership makeup of the North Pacific Fisheries Management Council.

First, conservation of our resources has been concern of our people along the coast of the Bering Sea for many years. What happens in the Federal waters of the Bering Sea affects all of our people who rely on the fish and marine resources found there. Our people rely on salmon and herring for our subsistence and commercial fishing needs. It is imperative for us to stress the need to reduce waste on the high seas by keeping bycatch levels to an absolute minimum, by imposing strict enforceable incentives and by creating the best monitoring programs that we can devise. In the interest of conservation, BBEDC, along with their partner Oceantrawl, supports two observers on each trawl vessel, volumetric bin measurement and caps on bycatch of salmon. And they may not agree with this one, but we support caps on bycatch of salmon throughout the Bering Sea fishery.

Second, based on our experience, the CDQ program is proving to be a tremendous success. Our CDQ corporation has adopted a very cautious approach to the use of revenue gained through the CDQ program. We are investing our funds in human resource development by initiating vocational and technical training programs, a scholarship program and a plan to protect our salmon fishery by keeping limited entry permits in Bristol Bay. For these reasons, we need to have a CDQ program placed in the Magnuson Act so that we can have a long-term source of revenue to support these plans to help our people.

Our Oceantrawl partner—our partner Oceantrawl Inc. has hired 50 of our people on their trawlers to date and we are rapidly approaching our goal of 60. In addition, Oceantrawl and BBEDC are working on an internship program that would be designed to give our people business office training. BBEDC and Oceantrawl are working on setting up an Alaska seafood investment fund that would be used to invest in fishery-related ventures. Revenue gained from this activity would support our training and scholarship programs.

We would also like to see the CDQ program expanded to include all species in the Bering Sea so that our CDQ groups are not dependent on the single pollock fishery. For these reasons, the CDQ program should be included as a part of the Magnuson Act during debate on reauthorization.

Finally, we would like to see the status quo maintained on the membership of the North Pacific Fishery Management Council. By and large, the council has been responsive to western Alaska and

conservation concerns. We seriously doubt that the proposals for adding new members to the council would improve the council's response in either of these areas.

Thank you very much.

The CHAIRMAN. Well, I thank you very much. You mentioned that some may not necessarily agree with the idea of caps on the bycatch. Elaborate on that, tell me why not.

Mr. ANDERSON. I think there just may be some differences of opinion on that particular issue. There is a strong feeling that if bycatch levels get to a certain point, that caps should be imposed, and that is a very clear position of Native people who live in the Bristol Bay area.

Our Oceantrawl partner, who is here, they can speak for themselves, may or may not agree with that position, but we believe it is imperative that the salmon and herring resources and other resources that we depend on need to be protected, and if we have to go so far as imposing caps, then we should do so.

The CHAIRMAN. Well, we will try that on for size here in just a few minutes. Very good, sir.

Mr. Wolfe.

Mr. WOLFE. Yes, sir, we would agree with that if it became necessary, we would also support caps, but I think Mr. Morgan will—

The CHAIRMAN. Mr. Morgan, would you agree with that?

Mr. MORGAN. Yes, sir. I think there needs to be a little more articulation on that, but, yes, that is certainly one program that is necessary, and we certainly agree that the—that the need to form rational management of bycatch is something that needs to be done. We have a common interest in that and we are interested in developing with our CDQ partner the proper way to do that, but certainly we have no objection to caps on prohibited species.

The CHAIRMAN. Very good. Excuse me. Go ahead, Mr. Wolfe.

STATEMENT OF EDWARD E. WOLFE, DIRECTOR OF GOVERNMENTAL AND INTERNATIONAL AFFAIRS, OCEANTRAWL, INC.

Mr. WOLFE. Yes, sir. If I could, Mr. Chairman, I would like to summarize maybe in 3 or 4 minutes, and if you would include my—our entire testimony for the record.

The CHAIRMAN. It will be included.

Mr. WOLFE. I will talk about the Magnuson Act and individual transferable quotas, ITQs, very briefly, and Mr. Morgan will talk about CDQ's.

Thank you for your leadership since, I guess, the beginning days of the Stratton Commission and your involvement. Also I would like to thank Senator Stevens, who obviously is not here, for his leadership throughout the years and assistance to us as an industry and a company, especially in CDQ's. If we walk away from anything here today, we hope we will walk away with your support to continue and expand the CDQ program.

For the record, I am Edward Wolfe and this is Robert Morgan. We are here today testifying before the committee on the reauthorization on behalf of Oceantrawl Inc. We are an Alaska company with an office in Dillingham, and headquartered in Seattle. We are one of the largest seafood harvesting, marketing, and processing

companies in the United States. We operate three factory trawlers which are state-of-the-art factory trawlers. We are especially pleased to be here in Dillingham, because, as Mr. Anderson said, we are the partners with the Bristol Bay Economic Development Corp. We have a very successful partnership, and are looking forward to long-term benefits from that partnership.

As a former U.S. State Department official responsible for international fisheries, I am keenly aware that the Magnuson Act was designed to encourage development of fisheries where the resources were considered to be underutilized.

As you are aware when the Magnuson Act was passed, we initiated joint ventures whereby our American fishermen delivered over the side to foreign processing vessels, soon displacing foreign vessels in our zone. Soon after this period, the factory trawler fleet was developed and we caught and processed groundfish. In a very short time, I believe it was in 1990, all foreign harvesters and processors were replaced by U.S. vessels which was one of the objectives of the Magnuson Act, and our Americanization of the north Pacific groundfish was completed.

Based on our experience as a company, Mr. Chairman, we think that the Magnuson Act needs to be strengthened. We think it has worked in many places, but could be strengthened, particularly in the areas of conservation and management.

You said that you were looking for something to take back to Washington to write into the law, and I would like to share with you very briefly just a couple of points with regard to Magnuson Act reauthorization.

One would be that the regional fishery management councils should serve more, in our opinion, in an advisory capacity to the Secretary of Commerce.

The CHAIRMAN. Now, you were the Ambassador under President Reagan for—

Mr. WOLFE. Reagan and Bush.

The CHAIRMAN. Under President Bush also, yes. The councils have not been acting in an advisory rule?

Mr. WOLFE. The record is replete with many examples of activities, I believe, within the council framework, where I think professional fishery managers within the Commerce Department should have been more involved than some of these examples that we could supply for the record.

The CHAIRMAN. Very good.

Mr. WOLFE. My point, my key point here is that we think that a lot of the authority, majority of the authority, should be returned back to the Department of Commerce, where the managers are fishery managers, maybe taking some of the politics, I say maybe, out of fisheries. That is one point.

The other point with regard to the councils, we think that ethical standards with regard to councils across our country, all of the councils, not individual—not specifying any one council, should be reviewed and maybe some restrictions placed on individual council members.

As I understand it presently within the Magnuson Act, council members are exempt from Federal conflict-of-interest statutes.

That is another key point that we would like to leave with you today.

The CHAIRMAN. You think they should be subject to—

Mr. WOLFE. Absolutely, like every other Federal official, yes, sir.

Within the Magnuson framework, we think Congress should address the overcapitalization of our fisheries. The act currently prohibits the Secretary from designating—I should say designing or initiating limited access programs through market-based systems. By that I mean an individual transferable quota.

We hate to hit you today with a lot of these CDQ's and ITQs, but this ITQ program has become very important to our segment of the industry. The authority to prepare these market based systems that I am talking about, such as an ITQ system, reside solely within the regional councils. Unfortunately, the councils have been slow to move on this process.

You made a point earlier that the councils are slower than Congress. This is scary, but I think it is accurate. I mean, the council has been very slow on developing a market-driven system for our particular fishery.

The CHAIRMAN. Then and only then can the Secretary of Commerce act.

Mr. WOLFE. That is my understanding. I think it has to be initiated, designed by the councils and then the Secretary of Commerce would implement.

The CHAIRMAN. But he could disapprove, send it back to them.

Mr. WOLFE. That is correct.

The CHAIRMAN. He has to still wait for them to—

Mr. WOLFE. I believe it is just a—I believe it is just a disapproval or approval. I do not believe he can toy with it, but I would have to check the law on that.

Briefly, I would like to more specifically address overcapitalization in our North Pacific fisheries. It is pretty simple, Mr. Chairman. There are too many vessels for too little fish—excess harvesting in the processing capacity, that is resulting in substantial economic inefficiency.

There is an industrywide quota. Everyone fishes for it at one time. It is unsafe, inefficient, and it places a premium on quantity and not quality. We believe that this individual transferable quota program would help resolve much of the problem which we currently experience in this overcapitalized fishery. You would not have to run and race to go out and get your share of fish. The safety at sea would be, I think, improved, and market factors, such as demand and supply, could be improved.

In keeping with the intent of the Magnuson Act, we think these allocations should be given to those participants who have done the most to Americanize the groundfish fisheries in the North Pacific, and a rational way to measure degrees of Americanization would be to determine which participants have created and continued to create the most value in a given fishery. And these should be active participants, individuals who are fishing now. We should not give these quotas to anyone that is no longer making their livelihood in fisheries.

Before I close, Mr. Chairman, you made a point about representation on the council. We are not here to directly discuss that issue

today, but I would suggest that this problem will certainly come up, as it has every time you have taken up the Magnuson Act, and undoubtedly we have talked a number of times to our representatives in the State of Washington about this issue. I think this problem could be alleviated in large part by taking the politics, if that is possible, out of the council process, and by doing this within the Magnuson Act. If we took a look at the conflict of interest, there have been a number of bias charges against individual council members, all of the councils, not just the ones that are relative to us here. I think if we looked at our suggestions, perhaps that would solve some of this conflict problem with regard to the representation issue.

Finally, Mr. Chairman, I would just say before Mr. Morgan comments, that we strongly support CDQ programs with our Bristol Bay partners. We think the program is working, should be given a life to continue beyond its sunset in 1995.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very, very much.

Mr. WOLFE. Yes, sir.

The CHAIRMAN. And you work right here in—

Mr. WOLFE. We are operating out of Seattle. Our vessels operate all over the world. They are operating in Russia and in the North Pacific. We have a small employment office here with our Bristol Bay partner and we will be expanding to this part of the world, we contemplate, in the very near future.

The CHAIRMAN. Do you believe in a fee?

Mr. WOLFE. Not necessarily. There are many different—I agree with you, I think there are too many fees.

The CHAIRMAN. I would like to see the fee that you would write to put on Oceantrawl.

Mr. WOLFE. I do not think you would see a fee that I would write. I would probably give you arguments to maybe not support that, but we could do that for the record also, if you would like.

The CHAIRMAN. No, I would like to get the fee, but I want to be reasonable in doing it because I think we need it, from what you are saying. We need some kind of expanded research, expanded enforcement, and the question is how you pay for it. I mean, you folks are asking for it, and I think the overwhelming evidence is of the need. But let us hear from Mr. Morgan. Very good, Mr. Morgan.

STATEMENT OF ROBERT MORGAN, DIRECTOR AND PAST PRESIDENT, OCEANTRAWL, INC.

Mr. MORGAN. Thank you, Mr. Chairman. My name is Bob Morgan. I am the retired president of Oceantrawl and currently serve as the director of that organization. I have been in the fishery in Alaska since 1941, except for a couple of years in the early 1940's, then I was probably in some of the places you were.

The CHAIRMAN. Yes.

Mr. MORGAN. We strongly support the matter of conservation, as Mr. Angasan, Mr. Nielsen, Mr. Anderson, Mr. Jemewouk, and Mr. Naneng. Conservation is absolutely paramount to our success, so we have no difference of opinion there.

We are fortunate in having as our partner the Bristol Bay Economic Development Corp. We expect that this relationship will last

forever and will expand into other areas, other fishing areas I mean.

I totally support Harvey Samuelsen's statements, as so eloquently articulated by Mr. Anderson, and I would be happy to respond to your questions about the statement that Mr. Samuelsen made regarding the Japanese companies.

The CHAIRMAN. Yes, let me hear them. Elaborate on that, please.

Mr. MORGAN. I think, and I do not want to get into a public argument with my good friend Joe McGill, but the fact of the matter is that Japanese investment built the plants on shore and then decided that they could not compete unless they had a specific allocation of fish for their benefit.

And I was active in the process of Americanization of the fishery, and the controlling interests of the fishery before Americanization was Nippon Suisan and Taiyo. They controlled the market, they controlled the production, and so we were successful in Americanizing the resource. And those two companies decided that their solution would be to invest in shore plants, and they were—as I say, they got an allocation.

And to give you an example of the tragic economic results of that, the No. 1 surimi, quality surimi, in 1991 and early 1992 was in the neighborhood of \$2.20 a pound. We now get in the neighborhood of 65 cents a pound for that same product, and the argument has been made that because these two Japanese companies that formerly controlled the market now have an adequate supply of their own. It gets back to, as somebody remarked, about dumping. It is a—may well be an attempt to dump.

And I would like to make one comment about—if I may, about the council seats and how we deal with people who have knowledge and also have a vested interest. And it used to be customary that—and I agree with you, we have to have people who have some knowledge of the industry in order to do things rationally.

The CHAIRMAN. Right.

Mr. MORGAN. But in the past it was customary for people who had a vested interest in a specific issue before the council to recuse themselves from voting, and that somehow has gone away in the last few years. And I think if there was some ruling about recusing yourself from taking a position in which you—on an issue in which you have a vested monetary interest, I think that might help to get the results we want without the criticism.

The CHAIRMAN. We will go to work on it and we will go to work on it better than form.

Are there any questions that we wanted to ask?

Mr. MCCABE. I will—just leave the record open. Senator Stevens may have questions for some of the witnesses.

The CHAIRMAN. Yeah, I am sure he will.

Mr. MCCABE. Senator Hollings.

The CHAIRMAN. Yeah?

Mr. MCCABE. I guess Lisa just told me they were heading out to pick up Senator Stevens and wanted to extend an invitation to everybody to come to a no-host lunch at the Bristol Inn right after this. They apparently have a room reserved there for us, and that will give people a chance to talk to Senator Stevens.

The CHAIRMAN. Yeah, well, good, Senator Stevens will arrive. We will be at lunch and we will be at Bristol Inn here momentarily. And then what, do we reconvene at 2 o'clock? What time this afternoon? We got some more hearings this afternoon?

There is another hearing with Secretary Babbit. You all ought to come to that.

I cannot thank you enough. It is been very, very helpful, and we appreciate it. Like I say, the committee will stay open.

Mayor Tilton, thank you very much for your hospitality, and I did not want to leave without—my wife is here. Now, let me tell you before we adjourn that there are a lot of these political couples down in Washington, they have a lot of domestic difficulty. But they say my wife—Peatsy is her name, she and I get along better than any. And I was at a party not long ago, the early part of the year, and a friend from home said, "Well, that is easily explained." I said, "How's that?" He said, "Hell, they are both in love with the same fellow."

Thank you all very much. We are in recess.

[Whereupon, the hearing was adjourned at 1 p.m.]

REAUTHORIZATION OF THE MAGNUSON FISHERY, CONSERVATION, AND MANAGEMENT ACT

FRIDAY, AUGUST 20, 1993

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Kodiak, AK.

The committee met, pursuant to notice, at 9 a.m. at Kodiak Regional High School Choral Pod, Kodiak, AK, Hon. Ernest F. Hollings (chairman of the committee) presiding.

Staff members assigned to this hearing: Penelope D. Dalton, senior professional staff member; and John A. Moran, minority staff counsel.

OPENING STATEMENT OF SENATOR HOLLINGS

The CHAIRMAN. I want to thank Admiral Rufe and the Coast Guard for getting us here and for their hospitality in taking care of us. We are going to hear from the Admiral in just a minute.

Let me particularly thank my ranking member, Senator Ted Stevens. As I said yesterday, if you want somebody to fight for you, I do not know any other of the 100 Senators who fights more for his State than Ted Stevens of Alaska. He and I have served together for 25 years, and I am not being facetious. If you have Panama Canal legislation up for consideration in the Senate, he has an Alaska amendment. I do not care what the issue is. If we go into debate over a resolution on Bosnia, he will have an Alaska amendment on it. Whatever it is, he has something to take care of Alaska's needs and wants. And he is particularly expert in the fisheries field because that is the predominant industry other than the oil right in his own home State.

We had a very good hearing yesterday on the Magnuson Act, which will continue today. Under that act, we took charge of our own fisheries resources back in 1976, and from all the testimony that we have heard back in Washington and otherwise, it generally is working very well. It will be reauthorized this Congress, and we are looking for any meaningful amendments that should be made.

There has always been a contest with respect to the representation on the regional fisheries management councils. That brings to mind that we have a 10 billion pound catch in the United States, and 6 of that 10 billion, the majority of the catch, comes from the State of Alaska. American Fishery resources bring in almost \$4 billion at the dock. In addition, we have a wonderful export market worth about \$3 billion. When we talk about representation on the

North Pacific council itself, I do not see that that is going to be changed at all. It is natural in a representative system to have the State with the majority of the fish be represented by a majority on the council itself.

Otherwise on the council, there have been questions raised with respect to conflicts of interest. The members of the councils are not subject to certain Federal statutes. We got into that issue yesterday. It was good testimony to the effect that, yes, the council members could have an interest, should have knowledge, but should not have a business interest.

Seemingly, the biggest problem is the bycatch and whether you can solve that. I come from a State where they harvest shrimp and crab and our fishermen use turtle excluder devices. If you want to see everybody go ape up here in the Alaska area, I will send you a few turtle excluder devices and you will find out what a nuisance it is. But bycatch must be controlled or monitored better.

Finally, there was a suggestion, seemingly for the first time, that there be some type of fee in order to get better research, better observer coverage, and better enforcement, particularly on the matter of bycatch.

With that in mind, before we take our first witness, let me yield to my ranking member, and thank him for having us here.

OPENING STATEMENT OF SENATOR STEVENS

Senator STEVENS. Well, Senator, I thank you for coming, and I know that all Alaskans involved in the fishing industry are pleased that you have taken the time to hold hearings in Dillingham and here in Ketchikan. It does enable people who are not able to get to Washington to bring their testimony to you, but beyond that, it enables you and your staff to see firsthand some of the conditions that our fishing industry faces, and I am delighted that our first witness is Admiral Rufe. They are our great partners in this endeavor here in Alaska. We—I think the Coast Guard has a greater number of friends in Alaska than anywhere in the country. We really honor them and value their service to us and to our people.

I also agree with what you said about the importance of the Magnuson Act. It certainly has meant more to our area than any area in the country.

As a matter of fact, the Magnuson Act came in response to overfishing and the great problems that we faced with the foreign fishing within our waters. It has been in part due as well to the Coast Guard's effort that we have gotten back in control of our waters. That and the Magnuson Act. There are no foreign fishermen within our waters, so now we are going to hear about some of the problems that are developing from the luxury of having a real Americanized 200-mile zone.

So, thank you, my friend, for coming, and we welcome you and I look forward to the testimony.

The CHAIRMAN. Very good. Admiral Rufe will be our first witness. As we all know, the Coast Guard has enforcement responsibility for the Magnuson Act. Now, today in Kodiak, I was told we were in the largest Coast Guard facility in the entire system.

I come from the smallest. In Charleston, SC. I told them, if you open the front door, you will fall overboard. It is the darnedest

thing I have ever seen. I am trying to rebuild it. Maybe I am going to have to move Senator Stevens down so I can get some facilities in my own home State.

But let me say something advisedly. I have been a former chairman of the Budget Committee and I have gotten into a bad habit about cost-benefit ratios and productivity and everything else, just like a business would do, of all the facets of our Federal Government. I know of no Federal agency where the taxpayers get a better return than they do from the U.S. Coast Guard. I say that advisedly.

I am an addict, you might say, of the Army, Navy, Air Corps, Marines, but more than an addict on the U.S. Coast Guard. I have seen them go out at 2 o'clock in the morning,, past the 12-mile marker to 90 miles, climb up 30 feet high on the side of a big tanker and bring it in full of marijuana. Those 21- and 22-year-olds can do that. And I have seen them in rescue missions and what have you. Ironically, when we enacted the Magnuson act in 1976, we extended to 200 miles the limit of jurisdiction of the United States, veritably increasing the size of the United States by one-third. In doing so, we increased overwhelming, the responsibility of the Coast Guard. Then, we started cutting their budget.

And that is intramural with Senator Stevens and myself. If it had not been for Senator Stevens and a few others on the Defense Appropriations Subcommittee, we could not really get the job done. They have been underfunded and yet they have not complained. They have taken as their assignment, not only additional jurisdiction, but now the drug war, illegal immigration, and everything else, working around the clock.

Up here in the fisheries, the job grows and grows, and the enforcement responsibilities enlarge each day. So, it is a wonderful privilege to hear from Admiral Rufe on fishery enforcement. I will be listening sympathetically, because you folks do not know how to ask for money. You all ought to go to the Navy; they know how to ask. Admiral Rufe, let us hear from you, sir.

STATEMENT OF ADM. ROGER T. RUFÉ, COMMANDER, 17TH COAST GUARD DISTRICT

Admiral RUFÉ. Good morning, Mr. Chairman, Senator Stevens. First, let me thank you for your kind words this morning about the Coast Guard, and more than that, you have certainly backed your words up with real support. This morning you both had an opportunity to visit our base in Kodiak and I think see the results of some of your efforts in improving the facilities for our people in Kodiak. So, on behalf of all of my shipmates who live and work on that base in Kodiak, I thank you for your support.

I am prepared this morning to report to you on the Coast Guard's fisheries law enforcement program in the waters of the North Pacific and Alaska and to provide you my views regarding the reauthorization of the Magnuson Act. With your permission, I will summarize my prepared statement.

The CHAIRMAN. The prepared statement will be included in its entirety in the record. I can say that for all the witnesses, and they can deliver or highlight their testimony as they wish. Thank you.

Admiral RUFÉ. Thank you. I have with me this morning Capt. Bill Anderson, who is chief of my maritime law enforcement branch for the 17th Coast Guard District.

As you mentioned, Mr. Chairman, the waters of the North Pacific and Alaska contain some of the world's richest fishing resources. The abundant groundfish, salmon, and shellfish harvest are of tremendous economic importance to our Nation. It is vital we preserve this tremendous natural resource. As you mentioned, Senator Stevens, the Magnuson Act has been very effective in making the waters of the EEZ, an exclusive American fishery. Foreign fishing is no longer active within our EEZ, but that does not mean that we are no longer concerned about foreign fishing. I would like to talk to you today about two areas of particular continuing concern for us from the foreign fishing fleets.

First, the high seas driftnet concern. As you know, we are actively enforcing the first year of a worldwide United Nations ban on high seas driftnet fishing, and I am happy to report to you that the threat from this fishery has been greatly diminished.

The Coast Guard is actively patrolling and demonstrating U.S. commitment by our patrols. The sightings so far this year were early in the season and very few in number. We have boarded only three vessels this year that were equipped for high seas driftnet fishing. All were claiming Chinese registry. When we boarded these ships, we found that none had fish aboard, but they were all preparing to conduct fisheries operations in the traditional high seas driftnet area.

In all three cases we directed the vessels to return to China. They did so, and in one case we escorted one vessel with one of our high endurance cutters all the way to Shanghai, where we turned it over to a Chinese patrol vessel.

The fact that these vessels were detected before they started fishing, I believe is a measure of our effectiveness and a strong deterrent to others. In conducting this mission, our radar-equipped C-130's, based right here at Kodiak and operating from Kodiak and from the Aleutian Islands, and our Hamilton-class high endurance cutters with deployed helicopters have made an effective high seas law enforcement team.

This is also the first year of a 2-year moratorium on fishing in the Donut Hole. Our patrols so far have confirmed that the moratorium is being observed. The only vessels that we have observed in the Donut Hole have been scout vessels that are allowed by the moratorium. A Coast Guard cutter just last month, the Coast Guard Cutter *Yocona*, homeported here in Kodiak, conducted consensual boardings of three of those scout vessels in the Donut Hole to confirm their activities and to record the catch data. What they found was that the fishing in the Donut Hole continues to be very poor. But looking long term, we feel that with the moratorium in effect, fishing will improve, and as stocks rebuild, fishing obviously will resume.

We strongly support the current U.S. efforts to develop an international management regime in the interest of long-term conservation of fisheries in Alaska. The Coast Guard strongly advocates such a regime including reciprocal boarding provisions.

Turning now to domestic fisheries law enforcement in our exclusive economic zone. This represents the most significant portion of our operations here in Alaska and I have given it significant close personal attention. I maintain regular contact with the fishing industry by participating in the Regional Fisheries Management Council meetings and have spent time underway on our vessels and in our aircraft observing fisheries operations on the fishing grounds.

During my 1 year here as District Commander, I have emphasized two areas in fisheries. One is the long-term conservation of our fisheries resources and, equally important, the safety of our fishermen. In both areas, my objective is to promote compliance, primarily through education, but through effective enforcement when we must.

In supporting fisheries management goals, we are maintaining a visible presence on the fishing grounds. We are focusing our law enforcement efforts on the resource abuser who inhibits responsible management and gains an unfair advantage on his law-abiding competitor. In supporting fishing vessel safety, a courtesy dockside examination program, complemented by at-sea boardings, are used to ensure fishermen have the right equipment and that they know how to use it. In the past year, we have had a number of cases where fishermen were saved because they prepared themselves and were properly equipped. The dramatic case of the fishing vessel *Majestic* is noted in my written testimony.

In both fisheries enforcement and fishing vessel safety we are seeing indications of improved compliance. The percentage of boardings resulting in violations is down this year, as is the number of lives lost. Each year, the community of Kodiak has a very moving bell-tolling ceremony marking the number of fishermen lost at sea the previous year. I am committed to working hand in hand with fishermen toward a goal of silencing that bell. Finally, Mr. Chairman, turning to the reauthorization of the Magnuson Act, I believe that no significant changes are necessary. The North Pacific is a real success story. Unlike other areas of the country, the stocks, by and large, in Alaska are healthy. Resource managers and users are fully involved in the regional council process, demonstrating how the process should and must work. I am also satisfied that the Coast Guard's voice on enforceability and safety issues is heard in that process.

I have two initiatives here in the 17th District in the year ahead to improve our fisheries law enforcement program. First, I think we need to improve the professionalism of our boarding officers. The regulations that we enforce are complex and we are not always consistent, and our fishermen deserve consistency. We must improve the training of our boarding officers. We have a request in the President's 1994 budget to establish a regional fisheries training team here in Kodiak to provide training for our Coast Guard cutters who come up from the Lower 48 to work on the fishing grounds of Alaska.

Second, under the direction of Commander, Pacific Area, we are beginning a pilot program to improve alignment with our customers, the fisheries resource stakeholders. Just this past week members of my staff met here in Kodiak with the Alaska

Driftnetters Association and Kodiak Longline Vessel Owner Association to get their views on how we can improve the way we do business.

The majority of fishermen are hard-working, law-abiding Americans. One of my brothers is a commercial fisherman, and I know firsthand both the challenges and the rewards of making a living from the sea. The job we do in fisheries law enforcement is important, but I am committed to doing it with minimum interference to the fishing community.

I will be happy to answer your questions, Mr. Chairman.

The CHAIRMAN. You did research and review of Coast Guard fishery enforcement. During that review, I understand that there were some complaints by commercial fishermen about enforcement. If that is the case, what were they and what do you expect to do?

Admiral RUFÉ. We did, yes, sir. I think that many of those complaints go back some time. I think we are improving. We are not perfect yet, but I do think we are improving. Just recently I received a letter from a fisherman from Petersburg, who said he was boarded by one of our boarding parties. He had received two violations, and he was writing to say that although he was not happy with having to pay a fine for his violations, he felt that our boarding team was courteous, that they were doing their job the best they could and that they really had his safety at heart during the boarding. That is only one indication. There are certainly others where we have not been as effective, but that is the kind of response that I am trying to attain, and we have made it a high priority to make courtesy boardings the way we do business in the 17th Coast Guard District.

The CHAIRMAN. The witnesses at Dillingham were unanimously in favor of community development quotas, or CDQ's. Now, you are not a fisherman yourself; your brother is. Do you have an observation that that would help in any way with enforcement of such new programs?

Admiral RUFÉ. I think it is a mixed bag in terms of enforcement. There are some advantages from an enforcement standpoint. We would be able to check when we go aboard the vessel whether, one, the operator did have a permit to fish in that particular fishery and whether he had quota remaining for that year. It would have an advantage from the safety standpoint particularly for the halibut fishery, where the fishing is done in about a 24-hour period. And it is an inherently dangerous fishery because that 24 hours is determined well ahead of time and you may have bad weather on that day. If that is the only opportunity to catch fish that year, or maybe two or three of those a year, whether the weather is bad or good, you are going to go out and fish. With the individual fishing quota—IFQ—program, the fisherman would then be able to decide when he wanted to catch his quota during the year, and presumably he would opt to go out when the weather was a little better. So, I think it does have some advantages from a safety standpoint. We have not really taken a position on it, but I think from a safety standpoint, it does have some advantages.

Senator STEVENS. You mentioned the three Chinese vessels. Was there not a Honduran vessel involved in the North Pacific this year, too?

Admiral RUFÉ. There was one that we sighted, Senator Stevens, and when we went back, we could not relocate him, so we are assuming that he left the grounds, because we had good coverage. He was last seen headed south, so we are assuming that when we caught the other guys he took off. There is just a chance that there may be vessels out there that we have not detected, but we are reasonably confident that we have caught everybody that has been out there trying to fish this year.

Senator STEVENS. In regard to law enforcement effort, how much percentagewise are you allocating, in terms of the moneys available to you in this district, for fisheries enforcement as opposed to other normal Coast Guard activities?

Admiral RUFÉ. I will have to provide an answer for the record, Senator.

Senator STEVENS. Is it increasing or decreasing?

Admiral RUFÉ. Oh, it is increasing, and I do have some figures on that. I will give you one example, for the boarding program in the 17th District, about 82 percent of our boardings are fisheries law enforcement boardings and that compares to about 40 percent Coast Guard wide. So, we do significantly more fisheries law enforcement in Alaska than we do anywhere else.

[The information referred to follows:]

The following table provides fisheries law enforcement effort and budgetary information for the 17th Coast Guard District (D17) for fiscal years 1989-93. Cutter days and aircraft hours include effort by both resources stationed in the 17th District and those stationed in the Continental United States which are periodically assigned to conduct operations in Alaska. The percentage of the 17th District's budget dedicated to fisheries law enforcement takes into account only those assets permanently stationed within the 17th District.

| Year | Cutter days for fisheries enforcement | Percent of total cutter days | Aircraft hours for fisheries enforcement | Percent of total aircraft hours | Fisheries enforcement percent of total budget |
|------------|---------------------------------------|------------------------------|--|---------------------------------|---|
| 1989 | 756 | 32 | 2,762 | 22 | 12 |
| 1990 | 852 | 45 | 3,529 | 29 | 20 |
| 1991 | 941 | 49 | 2,973 | 26 | 21 |
| 1992 | 1,209 | 55 | 3,216 | 27 | 23 |
| 1993 | 963 | 60 | 2,409 | 29 | 29 |

Note: 1993 data are for first three quarters of fiscal year 1993 only; fourth quarter data are not yet available.

Senator STEVENS. This regional fisheries training team, what will its relationship be to the fishery? I do not quite have a grasp on what you are going to do with that team.

Admiral RUFÉ. The team would be based here in Kodiak to provide training to our boarding parties that are aboard our cutters. And one of the problems that we have now is that the fisheries regulations are just so complex, and our cutters do not come here often enough, so that the boarding teams are not as well versed in the complex regulations as they should be. What we would provide here is a team that would be completely trained and up to speed on the regulations in the North Pacific fisheries, and they would provide training to our boarding teams.

Senator STEVENS. Would there be any participation of the fishing groups with that team?

Admiral RUFÉ. Yes.

Senator STEVENS. Are they going to be able to get some orientation of what to expect?

Admiral RUFÉ. Yes, sir. We would certainly have the National Marine Fisheries Service, as an example, assisting us. We would invite the fishery associations to come in and provide some training, and we think by having the team here in Kodiak, it would provide us better access to those groups so that we could make this relationship closer than it is now.

Senator STEVENS. You know one of my favorite subjects, and that is the subject of the lack of search-and-rescue capability west of Cold Bay. Is that still under study or does the Coast Guard intend to rely on its resources from the Pacific and North Pacific areas?

Admiral RUFÉ. Well, in all honesty, Senator Stevens, I do not think that it is under active study because I do not think we are looking to expand right now. We feel that with the increased numbers of cutters on the grounds, more than we had 2 or 3 years ago, that we have good coverage for immediate response to search and rescue. We generally have one ship up in the Bering Sea, one down in the gulf, and usually one running up and down the Aleutian Chain.

Senator STEVENS. Are they carrying helicopters?

Admiral RUFÉ. Yes, sir, most of them—not all of them, but most of them are. The two that are not are the *Storis* and the *Yocona*. They operate out of Kodiak here, but the rest are. And a good example of that is the fishing vessel *Majestic* that I mentioned in my testimony. Because we had a Coast Guard cutter on patrol near the Pribilofs, they were able to launch a helicopter as soon as we heard the emergency position indicating radio beacon—EPIRB—go off and get those guys out of the water within just a couple of hours. So, I think with that kind of a capability, we have as good response out to the Aleutians as we would if we had a permanent base in Cold Bay or in Dutch Harbor.

The CHAIRMAN. Do we have a facility at Dutch Harbor?

Senator STEVENS. No.

Admiral RUFÉ. No, sir. We have a small team of marine inspectors out there that board vessels.

The CHAIRMAN. The largest fishing harbor in the United States and we do not have a Coast Guard unit there? That sounds like my hometown of Charleston. Let me ask Admiral Rufe with respect to the enforcement representation, let us say, on the North Pacific council. Now, you are not a voting member of the council. You maintain a presence, you monitor the meetings, but do you speak? Would you recommend that Coast Guard be better represented on these councils?

Admiral RUFÉ. I think the representation we have now is right. I attend probably a day or two of each of these meetings. Each one of these meetings runs about a week. And Captain Anderson who is with me here, attends the entire meeting. He is there both at the plenary sessions and he also participates in the law enforcement committee.

The CHAIRMAN. When you say participates, now, to what extent, Captain Anderson? Do you just sit and listen politely—or are you telling them, “Wait a minute, that is not going to work”? What is the extent of your participation?

Captain ANDERSON. All of the above, Senator.

The CHAIRMAN. All of the above?

Captain ANDERSON. I feel very comfortable that my voice is heard as needed on enforceability issues.

The CHAIRMAN. So, you would not recommend a change, then, on that?

Captain ANDERSON. Not at all.

The CHAIRMAN. What about, Admiral Rufe, training and familiarity with respect to fishing laws? I am in the Coast Guard and I am out there enforcing fisheries laws. What is my background and what training and expertise do I have? As we all know, fisheries laws are very complex, incidental to a particular area and everything else. Are your personnel sufficiently backgrounded? I ask that because, as we know, we have got the Coast Guard reauthorization up, as well as the Magnuson Act itself. Maybe we ought to have further provisions for that within your Coast Guard authorization. I am just asking.

Admiral RUFÉ. Those training teams that we discussed will address that problem. We do have one right now in Cape Cod which has been operating for a number of years, to train our boarding officers that operate in the New England fishery. That has been very effective and it does do just what the senator was alluding to a few minutes ago. We bring in the fishing industry representative to talk to our people, we bring in the National Marine Fisheries Service and others who have a broad background in the complexities of the regulations. And it has been very effective, so that is why we want to do that here in Kodiak. I think that is the best way to attack that problem. I do not think we are as good as we can be. We need to—

The CHAIRMAN. I think that is one of the findings of the study.

Admiral RUFÉ. It is, it is one of the findings, and the result of that is this request in this year's Coast Guard appropriations bill for additional money to establish a team.

The CHAIRMAN. Oh, all right. What you need is the money, then. The process is ongoing, but we really need—

Admiral RUFÉ. It is in the President's 1994 budget.

The CHAIRMAN [continuing]. Financial support to extend it.

Admiral RUFÉ. Yes, sir.

The CHAIRMAN. Good. Have you got any further questions?

Senator STEVENS. No, other than to thank the Admiral again for the help that you have given us in organizing this series of hearings in Alaska. I appreciate it very much.

The CHAIRMAN. I thank you very, very much, Admiral Rufe, and you, too, Captain Anderson. The record will stay open for any further questions. On our next panel, let us see, we have Ms. Chris Blackburn, the director of the Alaska Groundfish Data Bank; Mr. Kevin O'Leary, the vice president of the Kodiak Longline Vessel Owners Association; and Beth Stewart, director of the department of natural resources for the Aleutians East Borough in Juneau.

We had a few other witnesses listed here on this panel, if you have a copy of the witness list. We are going to receive their prepared statements. We are glad to have these three here. Ms. Blackburn, we welcome you and we would be delighted to hear from you at this time.

**STATEMENT OF CHRIS BLACKBURN, DIRECTOR, ALASKA
GROUND FISH DATA BANK**

Ms. BLACKBURN. Thank you, Senator Hollings, and thank you, Senator Stevens, for bringing this charming gentleman to this community.

I am Chris Blackburn, director of Alaska Groundfish Data Bank, which represents both shorebased groundfish processors and the trawl vessels that deliver to them.

Overall, we are very happy with the Magnuson Fishery, Conservation, and Management Act, and I think the proof is we have gone from—the whole evolution from foreign fishing to U.S. fishing to overcapitalization in our fisheries and we still have stocks and we have very healthy stocks. The act has worked as intended to conserve the stocks and maintain the stocks and offer, through the regional management councils, tools for the industry, and the Federal Government to use to conserve the stocks.

I think a lot of the comments and concerns about the act have to do not with the act itself, but with the implementation. We detail some of this in our testimony, our written testimony at length. I think one example is there is always concern about the appointments to the council. The act very clearly outlines the type of people and the criteria for appointment to the council. We have never seen the Secretary reject a Governor's names, even when those names did not meet those criteria. If the Secretary followed the act, we would have better council appointees.

In the North Pacific, I think we have been very fortunate. There has been—I think 98 percent of the appointees have met the criteria, and that may be the only reason why the council has been——

The CHAIRMAN. But you say sometimes the Secretary, even though a nominee does not qualify under the guidelines of the act, goes ahead with the appointment anyway?

Ms. BLACKBURN. He does not reject the name. He has a habit of when someone sends in one or two names of people who obviously do not qualify, we feel those always should be sent back and the Governor should be required to produce three qualified names.

The CHAIRMAN. Very good. Excuse me. Go right ahead.

Ms. BLACKBURN. The issue of waste and discard is, as you have heard, a very critical issue in Alaska. Not only are we preserving our stocks, we are trying to figure out if we could get more value for the fish. There is a lot of suggestion in Alaska that we should be moving toward what is called full utilization; in other words, you catch it, you keep it and you use it, whether for meat or for fishmeal, and if you do not need that fish, you better figure out how not to catch it.

I think one of the biggest impediments we have to things like full utilization are right in the act where it says net benefit to the Nation, it requires that all actions consider net benefit to the Nation. The way that is interpreted by National Marine Fishery Service economists is maximum short-term corporate profits, and the economists have actually come out and said, "Gee, the net benefit to the Nation is to pull the roe out of the pollock and toss the carcasses away."

Now, that is not in the same conservation vein that we have all discussed, that I think Congress intended, and if any change would be made in the act, I would certainly put conservation as a much higher priority than short-term corporation gains. And that is not, once again, the fault of the act. I think it is the way it is being interpreted at the agency level.

Some of the other issues that are, once again, more implementation than act itself is on the bycatch issue. The trawl industry has had voluntary programs for controlling bycatch under the joint venture years that worked well. The foreign mother ships knew they had to be cooperative in order to get quotas, so that if a boat was not clean or did not want to participate in a voluntary program, the boat did not have a market.

Under the full Americanization now, we do not have that kind of control. The National Marine Fishery's attorneys do not feel that they can successfully enforce on a vessel-by-vessel level any kind of a bycatch control, but we do have a program on the books approved by the Secretary, as yet to be enforced or there is yet to be a successful court case on this.

Industry very much wants the ability to enforce and require individual responsibility. It is not an industry that has problems. It is certain members of the industry that refuse to act in responsible ways for the good of us all.

And I assume I am very close to the end of my time. The last issue that is constantly brought up is the conflict of interest. Quite frankly, I think no one understands the industry like the industry itself. The Alaska State fisheries are managed by an industry board, the Alaska Board of Fish. It has been successfully managed ever since statehood this way.

The biggest difference is that we do have conflict-of-interest statute governing the procedures in the State board, which I think Beth Stewart can address a little better because she has worked with it more closely than I have. They work well. I would be horrified to have nonindustry people there who saw their chance to try out their pet theories on other peoples' incomes and lives. I think we need an industry council as we have now.

The CHAIRMAN. You characterize the North Pacific council as an industry council now?

Ms. BLACKBURN. A council of industry members, plus the regional directors of the National Marine Fisheries Service and the State directors of the department of fish and game, or however they are called. Plus the Coast Guard enforcement there. They are very active and contribute considerably.

The CHAIRMAN. We are talking about the maximum net benefit or the maximum corporate profit. Of course, conservation is fundamental to the success of the fisheries up here or anywhere. Yet, there seems a move to get some additional representation for conservation interests. Would your testimony be that you do not think such a change is in order?

Ms. BLACKBURN. No, I do not think it is in order. When you have something that is working and you can look out and say these stocks are healthy, and some of them are recovering from abuses during foreign days, it's not broke, you don't need to fix it.

The CHAIRMAN. Do you think the councils work fast enough?

Ms. BLACKBURN. The councils, I think, do under at least the mandates. We have two major problems in speed. One——

The CHAIRMAN. The reason I ask, they are slower than the Congress, I am told. That is pretty slow.

Ms. BLACKBURN. Well, I am on the city council. Sometimes I know it is good that we are slow. If we would have been too fast, we would have made a mistake.

Yes, it does get slow. And within the agency we have had real problems with things like regulatory amendments, and those are usually amendments that are designed to protect the stocks, just bogging down in the system. And it has been suggested, and we suggested in our written testimony, that once a council recommends a regulatory amendment, that either the Secretary reject it in writing or it is automatically into effect 60 days after it has been approved by the council or recommended by the council.

There is no reason for these things to wait 6 months, and we have an example in the gulf, where the thing is overfished only because a regulatory amendment would have taken care of the problem and it was sitting on somebody's desk back in DC.

The CHAIRMAN. Ms. Stewart.

STATEMENT OF BETH STEWART, DIRECTOR, DEPARTMENT OF NATURAL RESOURCES, ALEUTIANS EAST BOROUGH

Ms. STEWART. Thank you. Good morning. My name is Beth Stewart and I would like to take this opportunity to present comments on behalf of the Aleutians East Borough.

The Aleutians East Borough is located on the Alaska Peninsula and adjacent islands. It includes the small communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon, and Sand Point. Geographically, this area is unique, with borders along the Bering Sea and the Gulf of Alaska. All of the communities except Cold Bay, which is our gift from World War II, are native communities that depend entirely on commercial fishing.

Let me begin by saying that Aleutians East Borough supports the council process. We believe that this process is working well now and does not need substantial change. Most of the frustrations our fishermen have are similar to those that Chris expressed, problems with implementation of the act rather than flaws within the act itself.

Today we are going to comment briefly on five issues, which are gone through at length in the written comments we have. We are very concerned about comprehensive rationalization, bycatch reduction, critical habitat designations, emergency order closure authority, and conflict-of-interest standards.

People of the Aleutians East Borough, even though they would receive IFQ's under the limited entry systems currently being proposed, have no ability to deal with the concept that fish can be owned, traded, or sold before they are caught. This is perhaps a cultural difficulty, but it is a very real difficulty within the region. And more importantly right now, we do not see how an IFQ program can be implemented in any kind of cost-effective way.

As I suppose you have probably heard more about that, and I will skip through that one fairly quickly.

Bycatch reduction, much of the rhetoric surrounding bycatch is actually the roar of allocation battles between gear groups. Currently there is no magic gear that harvests target species without bycatch.

Through the end, two things are clear. One key to bycatch reduction appears to be individual vessel accountability, and Chris spoke to that topic. In those voluntary pools that have operated in Alaska, bycatch rates have been dramatically reduced. NMFS and the council should be given the legal means to construct mandatory accountability programs.

The other key is gear research, both to reduce bycatch and to make lost gear easier to retrieve and remove.

The other thing that we would like to see NMFS get some direction on is releasing a PIN number, it is personal identification numbers for vessels, and having those posted with their bycatch rates on the electronic bulletin board. There is nothing like peer pressure to get a dirty boat to clean up its act.

There has been a lot of discussion about giving the councils the authority to designate critical habitat. Although Aleutians East shares the growing national concern regarding the effect of habitat loss and habitat degradation have on the marine environment, we do not believe that the councils should be given a role in designating critical habitat or actively participating in the permitting process for construction and other projects. The councils do not have the staff, the expertise or the time to devote to such a critical task.

We strongly support developing legislation that strengthens NMFS' role in overseeing permits for projects that have potential ill effects for the marine environment, and we strongly support improving the Clean Water Act to clean up our Nation's watersheds and oceans.

Emergency order closure authority, one of the frustrations we have with timeliness in regulatory areas is with the regional director's ability to have a 24-hour closure. Right now it is required that such closures be published in the Federal Register. We understand the concerns about due process, but we believe that if under an FMP the regional director is given the authority to have emergency closures, we can get faster response time and not go over quotas.

Conflicts of interest, we agree with the comments that Ms. Blackburn made. It is a difficult issue to address. By their very nature, the councils are composed of people who have some kind of interest in the fisheries conducted in the U.S. EEZ. We can't understand why anyone with no interest would subject themselves to the meetings the council has or how they can make reasonable decisions. We do not believe that scientists or fish managers are free from biases or conflicts, either.

There is one kind of conflict of interest that is measurable, and that is a financial conflict of interest. We have included some language in our testimony that deals with that. We do not believe that financial interest is necessarily a prerequisite to recusal, but in some cases where there are very few people involved in the fisheries and the direct benefit from an action taken by the council would accrue to a member and not to a large group of people, we believe that council member should recuse himself or herself from participation.

I would like to point out that not only does this occur with fishermen, but it occurs with people who represent fishermen or who contract their services to fishermen who may appear on councils, so we included that language. It is similar to the language that the State of Alaska uses.

That is it.

The CHAIRMAN. Very good. Mr. O'Leary.

**STATEMENT OF KEVIN O'LEARY, VICE PRESIDENT, KODIAK
LONGLINE VESSEL OWNERS ASSOCIATION**

Mr. O'LEARY. Good morning, Mr. Chairman, Senator Stevens. I appreciate the opportunity to make our views known to you at this time.

I agree wholeheartedly regarding the testimony of Chris Blackburn. She more or less stole my tongue in a number of issues here. Our concerns—

My name is Kevin O'Leary. I am with the Kodiak Longline Vessel Owners Association, by the way.

Our greatest concern with the reauthorization is strengthening of the conservation—of prioritization of conservation issues. We feel that the Commerce Department recently had begun to review active allocative issues and they are reviewing those allocative issues from sort of a narrow economic benefit to the Nation perspective, as Chris was saying.

We believe that there are broader implications for the benefit of the resource that have to be taken into consideration as well as the net benefit to the Nation in terms of strictly short-term economic profits.

We also feel that long-term interests of conservation are sometimes lost in a den of short-term profit and we would like the act strengthened in that regard.

We also feel that social and biological impacts, as well as long-term economic benefit to the resource participants, has to be taken into consideration. Oftentimes it seems that at the council level allocative decisions are being made, short shrift is given to taking a meaningful look at social impacts of some of the council actions, and we believe that that particular aspect of analysis should be greatly increased. We believe that selective gear types should receive a preference, and we would like to see something in the act that strengthens selective gear types in harvesting the resource.

We believe that the major problem in the industry today is the bycatch and waste issues. Economic—there are two kinds of bycatch and waste. There are economic discards of fish which are legally retained, but are the wrong species or the wrong size and processed quickly, and these fish are dumped over the side and constitute a great deal of wastage. In the Bering Sea from January of this year to August 7, over 470 million pounds of fish have been dumped dead into the ocean. That represents 21.6 percent of all fish caught in the Bering Sea this year. A large majority of the fish that were dumped were caught by factory trawlers and consisted of pollock, Pacific cod, and rock sole, which are all marketable species. Much of this fish could have and should have been used. In the Pacific cod fishery alone, over 63 million meals were thrown

away this year because cod was taken either at the wrong site or caught in the wrong trawl fishery.

We recommend that a provision be established in the act which would require utilization of all species which are legal to retain and are covered under the management plan. This would halt the massive amount of waste that occurs as a result of good business.

The prohibited species bycatch, on the other hand, is required to be discarded. The amount of halibut and crab that are thrown away each year is disconcerting and there has been a push by some members of the industry and others to require retention of prohibited species when taken incidentally.

We oppose this for several reasons. The members of the industry that are pushing for retention of prohibited species are the very ones who are dumping large amounts of fish that they could legally keep and process. We strongly believe that prior to allowing retention of prohibited species, that needless wastage that is now occurring must be stopped.

The second primary reason we are opposed to this is that the caps which are set for upper limits of incidentally caught prohibited species are too high. They are higher than they were for foreign fishing fleets at the time prior to the Magnuson Act. Until that happens, we oppose the retention of—until the reduction of caps occurs, we oppose the retention of prohibited species.

We feel very strongly in support of the observer programs that are currently in place. We understand the necessity to raise funds for that, but in the raising of any funds of any sort of user fees, we would like the language very tight and we would like the funds that are raised to be designated to be spent in the areas where the funds were raised.

Finally, with regard to council system, it is our opinion that the council's very important and serves the needs of the community and can't be duplicated in Washington. It is of concern to us the Commerce Department recently has begun to modify council decisions, and this is a sore subject with us. Two recent actions by Commerce have greatly changed the nature of council system's decisions. One took place off the coast of Washington, Oregon, and now recently the—

Help me here, Chris, what is the—it escapes me.

The pelagic trawl definition, the pelagic trawl definition has been modified. Council system invests a great deal of time and energy in developing their programs, and when these council decisions finally are forwarded to the Secretary—and it seems to us appropriate that if the Secretary does not find the action the council took appropriate, that the decision should be returned to the council for further review and action.

We do not particularly feel comfortable with the Secretary actually making policy himself back there. That is the leading major portions for change in the structure of the council decisions. For example, in the pelagic trawl definition, the Secretary has just expanded the amount of crab that could be caught from 1 crab to 20 crab, and we feel that this significantly impacts the effectiveness of the decision and really guts it, and we feel that it is inappropriate for Commerce to do this.

We would much rather see Commerce say something like we do not feel this was a good action or we do not feel that what you have done was wise, send it back to the council, let the council massage it, let the council people look at it and forward it. We do not disagree that the Secretary should be overseeing some of these actions, but we do not want the Secretary making policy himself.

And that more or less summarizes and concludes our testimony. Thank you.

The CHAIRMAN. The councils, in a sense, could be advisory to the Secretary? I am just trying to promote a little discussion here.

We recently had a General of the Marine Corps say recruits could not come in if they were married, and the Secretary overruled him very quickly. You thought the Secretary of Defense ought to tell a General in the Marine Corps to go back and study it a little while?

Mr. O'LEARY. I think it probably would not have been inappropriate for him to tell him to go reflect on it a little bit and maybe reconsider his policy, which is I believe what he did. And it was then retracted?

The CHAIRMAN. It was retracted within 24 hours. The poor gentleman's chief was on the TV saying it was the biggest boo-boo he had made since he had been in the service.

But you can see what I am getting at, the Secretary has the responsibility, but he does not. All he can do is say he hopes the council comes out with the right policy, but he has responsibility for it.

This is a question that we are looking at closely in Washington, as you well know. The councils often work extremely well, but in some cases they could be too parochial for general policy.

But let me ask you about bycatch. I am out there and I have a trawler. Now, I have to comply with this new rule that you suggest relative to bycatch, not to throw away 470 million pounds.

With that particular policy, how do I respond? I am catching all these other things, do I put them in other containers and bring them in, or what do I do?

Mr. O'LEARY. To some degree, if you go with some sort of selective gear provision, you encourage the change of—of—movement from one gear type to another to harvest certain species.

The CHAIRMAN. Right, I can understand that, but suppose with the gear type allowed, I still am bringing in a tremendous bycatch.

Mr. O'LEARY. There are—you would be surprised, Senator. There are many, many ways that trawlers in particular can mitigate their bycatch, towing speed, mesh size. If there is a will, you would be surprised how many ways can be found.

And it strikes us, quite honestly, that the small individual owner/operator with a stake in the community at hand tends to take better care of the resource and tends to be much more responsive to the kinds of changes that can be made.

On the other hand, very, very large factory ships towing at high speeds with a very serious overhead and necessity for bottom line considerations beyond their own immediate needs and the immediate needs of their crew members tend to take a very different perspective on what is an effective way to fish, and I think most

of the problems we are experiencing in the North Pacific are a result of that kind of corporate mentality on the high seas.

And the people that Beth and Chris represent tend to be able to do a much better job at ameliorating the kinds of problems we are talking about.

The CHAIRMAN. Well, Ms. Stewart just gave us the language with respect to the conflict-of-interest issue, but where is your language? You have to be King Solomon to write this. I want you to write out for me, how to do it.

When I asked, you said, "Well, fishermen must be more conscientious, have more individual responsibility, have different gear, and do this and do this." It is all economics, and you have to at least minimize economic loss. In other words, the solution must be effective, reasonable, and practical.

Do you bring the bycatch in? Is there a market for it?

Mr. O'LEARY. There is, Senator, and if it is required to retain, there would be the markets that develop. Also, one of the advantages to forcing retention eventually is the fact that it is going to slow the pace of the fishery down, which is going to provide for better management of the fisheries.

Right now, at the volumes that factory trawlers in particular are able to catch, you are looking at a situation where there is no economic disincentive for them to operate any other way. If they have to retain, it is not going to slow down their rate of catch, but it is also new markets for different kinds of meals and different kinds of fishery products that would eventually result as a result of that kind of policy.

The CHAIRMAN. Well, you write it out for me. I want to look at it. Just say section X to be added to the Magnuson Act. You write it and I will see how it reads and try it out with some of the fishermen to see how realistic it is. You are going to have irresponsible fishermen, but most are very responsible. I understand that conservation is fundamental to the success of management and not to be thrown away, and I would like to get it properly in the Magnuson Act, if we can.

Mr. O'LEARY. I do not think, Senator, that you can write any kind of act that is going to—or require any kind of provision that is going to address every—every single contingency. However, if within the act it is stated that full utilization and retention, that those provisions are strengthened, and if there is a will on the part of the National Marine Fisheries and the Federal Government to enforce those provisions of the act, industry will adapt and will move in that direction.

I do not think we need to write some very, very tight piece of—or section in the act, but I think that we need to emphasize within the act that full utilization and a longer, more conservative approach to maximization of the resource and benefit to the nation in terms of conservation and maintaining strong fisheries resources are appropriate, and I think that industry will follow.

But, you know, Commerce and the National Marine Fisheries has to lead, and they are subject, quite honestly, from our perspective here in Alaska, to influence in Washington, DC, on the part of some of the larger factory corporations that can afford to lobby extensively back there, that we are not able to, and—

The CHAIRMAN. But you see the problem, when you say the Department of Commerce should lead. A minute ago you said Commerce should not lead. In other words, in most instances you want Commerce to send plans back to the council and hope they come up with a better recommendation which is not giving Commerce the lead. Now with respect to bycatch, we have to lead. That is our frustration as politicians trying to write laws.

Mr. O'LEARY. Well, maybe I misstated myself. I do not necessarily mean "lead," but they must be receptive to those kinds of policies, and if they are stated in the act strongly enough, then they should not be fiddling with them. Most of the actions that we are seeing right now from Commerce seem to be deluding the conservation aspects of some of the acts that are coming back from the council.

The CHAIRMAN. What about the relationship between the State of Alaska, the National Marine Fisheries Service, and Coast Guard? Could the relationship between Federal law and the State law be improved at all? Ms. Blackburn, you look like you are ready to answer.

Ms. BLACKBURN. One of my favorite topics. Yes, it could be improved and it needs to be improved on both sides. The State, of course, is, like everybody else, underfunded now and has cut back their funding on fish and game. They really do not have the people to interface or help take part of the responsibility, which is one thing I make lots of noise about in State.

On the Federal level, there tends to be, I think not within Kodiak, I am saying National Marine Fisheries Service here in Kodiak works very closely with the State and it is like one big set of biologists that we all work with the same ball, but when we get down to Washington/Alaska Fisheries Center, where most of the scientists are that serve the Alaska fishery from the Federal system, there is too much distance and there is not the kind of close working relationship between the State and Federal biologists that I would like to see, and I think that even each of them would like to see.

The CHAIRMAN. Is there anything within the Magnuson Act that we could provide to promote a better relationship? You think about it and let me know.

Ms. BLACKBURN. Let me think on it. My first answer is yes, move the scientists that do research in Alaska to Alaska so they live here. I do not see how you can effectively serve Alaska by coming up here a couple of weeks or months a year and going back to Seattle. I really do not.

The CHAIRMAN. That goes back to the testimony about user fees being expended in the particular region in which they are collected. Do we have the research facilities here in the North Pacific?

Ms. BLACKBURN. Facilities here?

The CHAIRMAN. Yes. I am going to collect all these user fees for the region, but I do not believe I have the majority of the region's research and expertise.

Ms. BLACKBURN. The expertise is definitely here, Senator. We have the University of Alaska. We have one of the most outstanding Arctic research programs in the Nation through the University of Alaska in Fairbanks. We have a National Marine Fisheries Serv-

ice research facility here in Kodiak, which Senator Stevens has been very helpful in getting funding and corresponding with the city of Kodiak, where we have the land for it to expand and get them a building that is not falling apart.

The Alaska region has been putting more people in Kodiak. There are also facilities in Seward, Cordova, Ketchikan, Juneau. You know, this State has plenty of facilities.

The CHAIRMAN. And you have the expertise?

Ms. BLACKBURN. Yes, sir.

The CHAIRMAN. I know about the university because we have had the witnesses before the committee down in Washington, but I just wondered whether it was comprehensive enough. Senator Stevens.

Senator STEVENS. I would like to get to the question of creating a disincentive on waste, and I have talked to some of you this morning about this at breakfast, but it does seem to me that we need to pursue some sort of economic burden on those who have the largest amount of waste.

Senator Hollings was talking to you about writing the language—why do we not just write language that says that if you discard or if you do not follow good conservation practices with regard to your harvest, that you pay a penalty.

I think that if these trawlers, whether they are factory trawlers or nonfactory trawlers, were required to pay a penalty, they would soon have tenders out there bringing these incidentally caught species to processing facilities that would process them. It would increase their cost, but they would avoid the penalty of a fee for discard. Have you looked at the concept of placing a financial burden on those who discard species because they are not the proper size for processing?

The CHAIRMAN. And I ask, if you would yield, too, how do you measure that discard so that I know whether or not I am liable for the penalty? Is somebody on a boat watching this, or what?

Ms. STEWART. There is a proposal now in front of the North Pacific council, Amendment 29, with the Bering Sea, and I have submitted a proposal to include the gulf, which would require the retention of all salmon, and you get several benefits from that. One, you get a real count of what the salmon bycatch is. Right now the salmon bycatch is estimated based on sample sizes, so you do not really know what you are catching. You have the ability to get scientific samples, scale samples, and genetic material, the ability to weigh those fish, measure those fish and check the gonads for maturity, so you get scientific information that you are currently using.

The cost to the industry is they must pay for processing those fish so the fish can go into the food bank, and what you have accomplished there is, if you are going to have to pay for processing fish, it is going to cost money, that is a disincentive that you may not have. Right now, some of our groundfish fisheries are pretty marginal. The price of pollock has fallen lower than the price of just about any fish out there, and Pacific cod prices have dropped. You have got scientific information at almost no cost because it has to be delivered shorebased and you are not competing with the commercial salmon fishery because this is going to a food bank, it is not going into the market stream. You can take that example for

the rest of the programs and the economy parts as well. If you force someone to pay to have those fish processed, that is enough of an economic disincentive without any additional fine being implemented, and the processing company would let you know for sure how much it costs them to process that.

Senator STEVENS. Well, we have laws on shore that prohibit waste of game, you cannot waste game that you harvest. It would be—you are talking about a similar concept offshore?

Ms. STEWART. Yes.

Senator STEVENS. If you catch fish, it must be utilized. Currently the law allows discards in many instances; right?

Ms. STEWART. Yes, and the only reason that discard would be acceptable is if you can discard something back into the ocean that is alive and likely to survive. And you can in some cases, whether it is halibut, for instance, on longlines, in a way that that fish can go back and it can be live and be caught some other time probably, so, yeah, that would be it.

It is like the wanton waste laws for game. It is never going to be perfectly enforced, but the financial disincentive of paying even to have it processed as a meal rather than as an edible product, because some of these fish are not going to be edible products, is prohibitive.

And I think in addition to publishing PIN numbers so that people know who the problem boats are, those boats are causing them problems that is going to close down the whole fishery, letting them speak much more forthcoming, I am in favor of having the vessel name published—

Ms. BLACKBURN. Yes.

Ms. STEWART [continuing]. So that there is an industry—

Senator STEVENS. I think the committee would agree with that. Trevor McCabe just told me, last week Congress approved an experimental fishing permit for a small nonprofit group, the Terra Marine Group, to retain bycatch salmon and distribute it to food banks in order to work up a cost analysis of that approach.

Ms. STEWART. Yes.

Senator STEVENS. But let me ask you this. If we put the burden to use all fish that is harvested on the harvester, would that not bring about changes in the gear and fishing practices? I mean, rationally, a fisherman is going to change his or her habits; right?

Ms. STEWART. Exactly, the gear and fishing patterns.

Senator STEVENS. The same thing happened to tuna, it happened to people that have been intercepting the stellar sea lions. The whole concept is to change fishing practices so you do not have the problem; right?

Mr. O'LEARY. Exactly. And that is something I want to address from my more narrow perspective than Chris or Beth's, and that is that in certain fisheries, for example, we feel the cod fishery, we were able in the Bering Sea in particular, not so much in the gulf but in the Bering Sea, our particular gear type harvests a volume of the resource at a fraction of the bycatch caught with trawl gear.

And people have different perspectives on this, but we really feel strongly that the best bycatch is no bycatch. Then you are not harming anything, you are not catching and releasing and you are not catching as much. And we feel strongly that we should move

in that direction and there should be some strengthening in the Magnuson Act that, on these allocative issues, that we should be rewarding those gear types that have a diminished overall amount of bycatch, period.

In certain instances, in the trawl fisheries, if they can improve their bycatch numbers substantially, that is good, but if there is a situation where you have a gear type that fishes relatively clean, as opposed to a gear type that even with improved standards or improved efforts, that we ought to be moving in a direction of no bycatch, because that would be the best possible scenario.

Senator STEVENS. Well, the largest amount of the discard, as I understand it, is the discard because it is either undersized or oversized for the factory trawler. How would this approach impact that?

That is an economic decision related to the size of the equipment that is onboard, and I really think the only way to deal with that is to have a requirement that that fish not be discarded, but it be put in the tender and brought to some camp processor. Now, that would be a real cost, but your proposal will not deal with that, will it?

Mr. O'LEARY. Well, it will to the extent that it will force several companies to harvest—use a different method to harvest the resource is what I am saying.

Senator STEVENS. You had—Trevor reminds us, you had the same problem with the bycatch of halibut, right? How did you handle that?

Mr. O'LEARY. I had the same problem—

Senator STEVENS. With the bycatch.

Mr. O'LEARY [continuing]. Of halibut in the Gulf of Alaska?

Senator STEVENS. Yeah.

Mr. O'LEARY. Well, basically we were operating under a cap system, and it is—when we cap out, our fisheries is shut down. Right now the way the black cod fishery prosecute it, it is very, very difficult to get people to slow the pace of their fishery down to the point where we can reduce mortality of halibut as we fish.

Senator STEVENS. You can't shut down this factory trawler fleet, though, that is discarding because of the improper size of a portion of their catch. That would not be effective, would it?

Mr. O'LEARY. I think over the long term we need to improve and move to another gear type, is what I am trying to say, in certain fisheries. It would be more appropriate for them to be harvesting with a different gear type, for the companies to make a commitment to going to a different gear type to harvest a certain resource.

Senator STEVENS. Ok. Ms. Stewart, you talked about the regional directors having stronger closure authority, emergency closure authority. Have you presented that to the council?

Ms. STEWART. Yes. And Chris and I are both on MFAC. We presented that to Bill Fox, National Marine Fishery Service, and it is a real concern. I think Steve Pennoyer, our current regional director, moved from fish and game, where he had that kind of authority, where he could say within 12 hours this fishery is going to close. It works, it is reasonable. Everybody who is out fishing has, or should have, electronics that make them able to be in touch.

Right now you have to wait until it is published in the Federal Register, where you have to play this game where you are trying

to guess what the closure date will be, so they can preannounce and get printed in the Register and go through all this paperwork. It is not good enough. Things change rapidly.

Senator STEVENS. If the same authority existed beyond the 3-mile limits currently within the State waters, would that be sufficient?

Ms. STEWART. Absolutely. And I think you get your public review during the FMP. We understand from the FMP, we are going to allow the regional director this authority to make these closures and people have the opportunity to comment during the FMP on how that will impact them. And no one reads the Federal Register, with all due respect, anyway. It is not like that really informs the fishing industry.

Senator STEVENS. I think it is good what you are pointing out. I have never thought it was very effective to put out a notice that we are going to cut your leg off in 2 days; it does not really help you. You mentioned, Chris, the problem of the bottom line and—I thought we had handled that.

Ms. BLACKBURN. Yes, Senator, you did, but it was over the objections of the economists, and every time you try to do something, we have to work very hard to overcome the economic analysis that says whatever this wasteful practice is, that actually makes more profits than what you are suggesting.

Senator STEVENS. I do not think that the Magnuson Act was intended to have a profit orientation at all.

Ms. BLACKBURN. It speaks to the necessity to consider net profit to the Nation and that has been interpreted as maximum short-term corporate profits. You saw that in "inshore-offshore," too, where we overcame that with social arguments. But the economic analysis said the best way to do it is take a great big factory trawler and go out to sea.

Senator STEVENS. Well, that is where you could help us, I think, by suggesting some language. I distinctly recall that we thought we had passed a bill that had the preservation of species as its first objective, not bottom line economics.

Ms. BLACKBURN. We will be happy to submit some language that may help mitigate.

Senator STEVENS. Very provocative testimony, Mr. Chairman, I think.

The CHAIRMAN. Well, let me ask Mr. O'Leary, because I am learning, we now legislate the area and the time of catch, or fishing. Could it be, to solve this bycatch problem, we legislate the gear itself? You keep coming back to the gear. I have a similar problem in the shrimp industry in my own backyard, but in different areas, it would require different gear. I am learning that maybe we are using the wrong gear as regards bycatch. Is that right?

Mr. O'LEARY. Yes, that is exactly the point, Senator.

The CHAIRMAN. Well, now, I have a trawler and you are going to legislate the gear. How much is that going to cost me? Do you have any idea of what the new gear would be like? Elaborate on that idea.

Mr. O'LEARY. OK. If you chose to prosecute a fishery because a certain gear type had less overall bycatch for equal production of product, right now the way the industry is constituted you have got

a situation that would create a great economic hardship to people who have substantial investments in certain gear type, and I do not think it would be appropriate necessarily—take a fishery, for example, that I am particularly interested in, which is the cod fishery in the Bering Sea. I, with five other fellows here in Kodiak, own a factory longliner and we harvest codfish in the Bering Sea. We compete for that coast cod fish with factory trawlers in the Bering Sea and some smaller shorebased trawlers. I would not attempt to suggest that tomorrow or next week we all of a sudden say it is illegal to harvest cod fish with trawl gear, but I believe that some sort of phased-in program, when there is significant benefit in terms of bycatch, some phased-in program where over a period of years you slowly accrue to the particular gear type that performs better and has less bycatch and provide enough of a change over, a window of change over, I think that ultimately you are benefiting the resource. And you are ultimately, in benefiting the resource, you are going to benefit all participants in the industry, and you provide those participants with an opportunity to switch gear types as they can afford to, and I think it is an appropriate way to address some of these bycatch issues.

Senator STEVENS. What does a longliner do with regard to the size of the fish as compared to a factory trawler?

Mr. O'LEARY. OK. The longline gear tends to be more selective based on the size of the hook. The larger the hook, smaller fish cannot bite; therefore, if you use a large enough hook, you do not catch the volume of juvenile fish that the factory trawler does in a more indiscriminate nature.

The CHAIRMAN. On this phased-in approach, has that been recommended or debated or discussed by the North Pacific council?

Mr. O'LEARY. Yes, it has.

The CHAIRMAN. Why have they not reacted to your way of doing it?

Mr. O'LEARY. Well, they did, and some would say that it was basically—given the vested interest within the industry at this point, nobody wants to change the way they are doing business. And we just had a gear preference program go through the council process, and the longline segment of the industry was allocated 45 percent of there source. We were hoping to be allocated significantly more over a phased-in period of time, but factory trawl interests and some shorebased trawl interests did not want to make that kind of changeover and felt it was an economic hardship and lobbied against it.

The CHAIRMAN. But is the council level the appropriate level?

Mr. O'LEARY. That is the level that the council felt comfortable with.

The CHAIRMAN. Well, that has been very good testimony. Do you have anything further?

Senator STEVENS. No.

The CHAIRMAN. We thank you, each of you very much. You have made a good contribution here this morning. We have a second panel composed of Mr. Vincent Curry of the Pacific Seafood Processors, Kate Graham of the American High Seas Fisheries, and Mr. Arni Thomson, the director of the Alaska Crab Coalition. My wife would run for that job. Very good. As stated before, the statements

will be included in the record in their entirety. You can deliver or highlight them as you wish. We are doing well on time, so do not rush yourself. Mr. Curry, we are delighted to hear from you, sir.

**STATEMENT OF VINCENT CURRY, PRESIDENT, PACIFIC
SEAFOOD PROCESSORS ASSOCIATION**

Mr. CURRY. Thank you. Good morning, Senator Hollings, Senator Stevens. It is a pleasure to be here this morning. I appreciate the opportunity to speak on behalf of PSPA regarding the reauthorization of the Magnuson Act.

Senator STEVENS. Do you want to pull up that mike a little bit, please?

Mr. CURRY. Yes, sir, thank you.

I find myself in agreement with much of what has been said here this morning regarding the current status of the act; that is, we agree that overall, overtime the structure of the Magnuson Act has worked well for the nation, particularly here in the North Pacific, and we think that changes to the system at this time would be in error. However, I would like to summarize five specific points for you that we think deserve some attention in this reauthorization process.

And first and foremost, I guess, in our mind is the fact that in our opinion, where we are dealing with the most valuable of the Nation's resources here in the North Pacific, it is incumbent upon us to accurately record the catches made by all fishermen that are out there. And we think a uniform system requiring weighing of catch is both resource responsible and should be required both from an allocative and a management standpoint.

I note that the National Marine Fisheries Service has recently decided with regard to the CDQ fisheries, which you had testimony on yesterday in Dillingham, they decided that all fish caught by participants in those fisheries should be accurately measured either by weight or by volume. Either one seems to work well.

We have to ask the question of why it is important to do it just for that 7½ percent of the pollock fishery, in this example, and to ignore the 92½ percent that goes on in the regular course of the commercial fishery. We think that that should be improved.

Second, we would like to suggest that Congress give the council some directive to reduce waste in the fishery by requiring a greater utilization of commercially marketable species. I think that we would want to address what has market, one, and improved utilization of it that makes good sense, because people can address this issue in a commercial and economically responsible way and that would be an excellent start that would help the fishery overall in terms of its perception of the public as well.

Third, under the Magnuson Act, the net national benefits are comprised of not only the economics of the fishery, and you have heard a great deal of testimony about this today, but also the social and biological impacts, and we feel it would be wise at this stage for Congress to remind the agency that the net economic effect of the management plan is only one of several standards of review by which the management plan should be judged. It is time for Congress to sort of give some direction to the agency and how they are considering some of the plans that come out of the councils.

Fourth, we are very concerned about the recent Commerce Department strategy that basically makes wholesale changes to some of the recommendations in the fishery management council under the guise of partial approval, partial disapproval. We heard some good testimony about this earlier today.

We recommend that Congress once again remind the agency that the primary responsibility for formulating fishery management plans rest with the councils. Certainly the agency has the national standards by which they can judge the accuracy of the plan that is sent to them, but we think it is in error for a centralized decisionmaking process that may not have some of the local knowledge and expertise to interject a selection process in agreeing to a chief financial plan.

Fifth, one that is, I think, of particular significance at this juncture, there is a great deal of testimony and discussion around the country about the utility of ITQ plans, or plans that would privatize the resource. And there are certainly some positive things to be said about ITQ plans; however, it is incumbent upon us to recognize that all the current participants in fisheries have gotten there under an open access system and also to recognize that an ITQ plan basically changes the ways that the fisheries are conducted. It also threatens to change the basic capital flow, and there is no uniform way to implement an ITQ system.

So, there is some concern about the fairness of putting a system in place and I would like to propose some language for you. We suggest that a new national standard could be added to section 301 of the act that would be applicable specifically to implementation of an ITQ, or a resource privatization management system. And that language would basically require that no existing sector of a fishery, this would include competing fishermen or competing processors, shall be disadvantaged by the initial implementation of an ITQ resource privatization system.

We think this makes good sense. It would also be fundamentally fair to the players that are currently in the fisheries and we would ask that you consider it. That concludes my summary and I would be happy to answer questions.

The CHAIRMAN. I have been in Washington too long. Let me ask you, how do I do this? Now, you are proposing that no existing sector of a fishery, including competing fishermen or competing processors, be disadvantaged by the implementation of an ITQ resource privatization system. How do I determine disadvantage?

Mr. CURRY. Well, of course it is the council's job, I think, to determine what is—what that means, but my vision of it is you look at the status quo. People have invested their livelihoods, invested their lives in the fishery, I think basically Americanized the fishery here in the North Pacific. And when you implement the system, you are probably going to look at the status quo in terms of preserving it, in terms of people participating in an ITQ system. There is a great potential that some entire sectors would be excluded under an ITQ plan that could be formulated and, by virtue of that action, be taken out of the fishery because of a governmental directive rather than their ability to produce quality food.

The CHAIRMAN. But with that in mind, then, all ITQ's would be voluntary; is that not right?

Mr. CURRY. I am not sure that I see it that way.

The CHAIRMAN. If I see myself disadvantaged and I do not volunteer for an individual transferable quota, I am going up to the council. They say, "Yes, we find you disadvantaged, and under the Curry rule you cannot be disadvantaged, so do not worry about it. So, in other words, we would have to have a voluntary ITQ system, as I see it from your testimony.

Mr. CURRY. Well, no. The way I see it, Senator, is this would work in conjunction with the existing national standards, which speak to equity, which speak to some of the economics and the other items that I have talked about. And certainly in every allocation that the council is involved in, we have people that claim that they are disadvantaged. My proposal recognizes that within sectors there will be winners and losers, but I am talking about sectors, the structure of an ongoing fishery. And that—the examination does not need to be any more detailed than that in terms of names of oversight, and if you can predict, and I believe the analysis would do the job for you, that an entire sector would be removed from the fishery or disadvantaged because they are not able to share in an ITQ program.

The CHAIRMAN. Well, it would go to the sector, then, and not the individual?

Mr. CURRY. Well, this would be part of the—well, the analysis.

The CHAIRMAN. But you say there are going to be some losers?

Mr. CURRY. Certainly. There always are in every council decision.

The CHAIRMAN. So, the disadvantage would not go to the individual necessarily, but the idea is to extend it to the region itself—

Mr. CURRY. To the sector.

The CHAIRMAN [continuing]. To find out if the region was disadvantaged rather than the individual?

Mr. CURRY. Yeah. The way I would define "competing sectors" at this stage, for instance, you have heard testimony from various fishermen and they generally identify the sector as harvesters by their gear type, so you have a variety of sectors identified by gear type. Processors, you can do the same sort of thing by, for example, the location. We always have to base it by offshore or onshore processors. And it is, I think, something that a council could do quite easily. Certainly in the North Pacific that could be done, and you may want to consider this for the North Pacific.

Senator STEVENS. What about subsequent to the implementation of the plan? If a sector was impacted by the decision of the council, for instance, in reducing the allowable catch, that would have an impact on the sector as far as the value of their permits or the value of the boats? Is that an impact that should be considered?

Mr. CURRY. Certainly would have to be considered. I think the post allocation of the initial shares—

Senator STEVENS. Well, that is implementation by IFQ—ITQ.

Mr. CURRY. True, and so it would have to be considered what the impact would be, and I think it would be incumbent on the councils to do as fair a job as possible to include all the existing sectors and allocate in a uniform way amongst those sectors. After allocation, you will have the natural forces that will allow rationalization that proponents of ITQ systems favor take place, and I think if you have initial allocations that is fair, then the winners and losers following

that action really do not have much to complain about. They have had their shares, they have participated in the system, and rationalization can take place.

Senator STEVENS. Well, isn't the whole idea for putting these systems into place that there is overcapitalization and a fear that there might be even greater reductions in the amount each fisherman is able to catch?

Mr. CURRY. The idea of implementing the system, as I understand it, is, to rationalize it, the fears do—they are varied, being excluded from the system, not having as much of a catch. There are particular components of that particular system, but we do want to see a fair system, we do want to see standard that is toward fairness, and we are concerned that unless Congress addresses the issue, that basic concern may be lost.

The CHAIRMAN. Let me ask, Mr. Curry, because I did not want Mr. O'Leary to think I was riding him, I thought his testimony was excellent. Mr. O'Leary attested to the fact that he or others had been to the council relative to the gear issue, but special interests which comprise the council, brought pressure and he could not get his proposal adopted.

Now, that is what makes some in Washington feel maybe everybody here has a particular interest and they are running their own show, whether or not that is for the general good. Are we hearing just from anybody here but us chickens? I mean, is your view that we are running this thing and you fellows in Washington just leave us alone and we will continue on. And for goodness sake, do not give the Secretary of Commerce any authority. We want him to lead, but we do not want him to have the authority to lead. Can we get the kind of decision that you have indicated out of the council? You say there must be winners and losers, but it has to apply to sectors. I am back to the original observation that you made.

Mr. CURRY. Well, with regard to the first remark, I think some of the discussion we have had here today highlights the complexity of many of these management decisions, which is a good reason why you need a local council, I think, making the fundamental policy call. The national standards, the job of the standards and the job of the agency is to apply those standards and make sure that the general rules are followed, but it would be difficult, for instance, just for Congress to make a call that a particular gear makes sense for a particular fishery. And we do have a balance here, a wonderful balance actually, in terms of the act looking at the reality of meeting the local expertise of fishermen to make the particular calls with some meaningful oversight by Congress. I think with regard to this ITQ standard, it is generalized enough that if we define what sectors mean, it would have some meaning and it would be useful from a department standpoint.

The CHAIRMAN. Very good. I apologize, I interrupted you. Did you complete your statement?

Mr. CURRY. Yes, sir, I did.

The CHAIRMAN. Good. Ms. Graham.

**STATEMENT OF KATE GRAHAM, EXECUTIVE DIRECTOR,
AMERICAN HIGH SEAS FISHERIES ASSOCIATION**

Ms. GRAHAM. Mr. Chair and members of the committee, I am Kate Graham, executive director of American High Seas Fisheries Association.

We are a group of traditional trawl catcher vessels homeported in all four west coast States, who participate in various groundfish fisheries in the Bering Sea, the Gulf of Alaska, and along the Pacific coast. We do not process the fish we catch, but instead sell them both to shorebased and to floating processors.

We were part of a joint venture fleet that pioneered the harvesting of groundfish all along the west coast. We are proud of the part we played in achieving the original goal of the Magnuson Act, the Americanization of our Nation's fisheries. The Magnuson Act is the cornerstone of our industry and we are pleased to have the opportunity to address the committee today regarding reauthorization of the act.

My written statement contains our views on such issues as the balance of authority between the Secretary and the councils, conflicts of interest, council composition, and additional tools that would be useful in managing our fisheries. It also has a section on conservation measures, and I would like to use my time today to provide more detail on this very important topic.

American High Seas has always been a strong advocate for conservative management of our fisheries. For us, fishing is not just a business venture, it is a way of life and we want our children to have the same opportunities that we have had.

It is significant to those of us who were pioneers in the industry that the Magnuson Act emphasizes resource conservation. The problem is that it simply is not possible to protect our resources effectively as long as we continue to use the Olympic system, which is the management regime that is the basis for most of our commercial fisheries.

The Olympic system spawns a race for fish, a contest to see who can catch the most the fastest. The result is our industry's dismal safety record and overcapitalization in both harvesting and processing capacity nationwide. It is also the root of our conservation problems. The Olympic system actually discourages the reduction of bycatch of nontarget species, and at times even provides an incentive for discard target species. There is little inducement to fish responsibly other than one's own sense of what is right.

Our association has consistently been a vigorous proponent of conservation and has initiated several measures to promote it, both through the council system and within the fleet voluntarily. One of our biggest frustrations is that the system penalizes us for doing these things. To develop these measures, we lost both catch and fishing time, and under the Olympic system this put us at a competitive disadvantage with other fishermen. This is very discouraging to those of us who understand the need for responsible fishing practices.

People often cite the reduction of bycatch achieved by the foreign fishing fleets and decide that we must be wasteful and irresponsible for not doing the same. But they are overlooking a critical difference between the two situations. The foreign fleets were essen-

tially operating on individual fishing quotas. When each country had used up its share of bycatch, its boats had to stop fishing.

Our domestic fleet, on the other hand, is treated as one huge entity. Until each fisherman is made accountable for his actions, our efforts to achieve effective conservation of our resources will be stymied. Without individual accountability, we will be unable to reduce bycatch and discards because the dirty fishermen can continue to hide their activities behind the rest of the fleet.

This situation is one of the major reasons the members of our association are strong proponents of an individual transferable quota system. A carefully constructed ITQ program will stop the race for fish and will reward the clean fishermen while penalizing the dirty ones.

The most effective action Congress can take to achieve the long-term health of our fishery resources is to direct the councils to establish systems that promote individual accountability. There is currently no mention of this in the act, and that omission has led to the precarious situation we find ourselves in today. A good fisherman is flexible and creative, and there is no better stimulus for his innovation than knowing that he will be sitting on the beach if he does not fish responsibly. Thank you.

The CHAIRMAN. How do I write that into the act?

Ms. GRAHAM. I thought you were going to ask that.

The CHAIRMAN. Calling for fishermen to exercise individual responsibility, is like saying we cannot have anybody any other than individually responsible Senators. We are looking at each other and wondering how we got here. How do I get that individual accountability? How did it work with the foreign fleet? Educate me. Tell me about it.

Ms. GRAHAM. The North Pacific council tried several different times to do this and ran into, apparently, a constitutional problem. The council agreed to a penalty box system, where if someone catches too high a percentage compared to the rest of the fleet, he has to go sit on the beach for a while. But NMFS said it couldn't be implemented.

Right now we have a vessel incentive program, and if one boat has a higher bycatch rate than the rest of the fleet, then he has to pay a high penalty.

The CHAIRMAN. Is that a penalty for good fishing, if I am catching more than Senator Stevens?

Ms. GRAHAM. Not on a rate basis, a percentage basis.

The CHAIRMAN. I see.

Ms. GRAHAM. But the trouble is that the success of the program hinges on what is provable in court, and in trying to figure out how to make that work. NOAA general counsel has not been comfortable. That is why we have been thinking that an ITQ program might get individual accountability. Each fisherman would hold quota shares for the different species, both his target species and his bycatch. If he catches more than the number of quota shares he has, he either has to buy more, or he has to sit on the beach, or he has to figure out a different way to fish, which is actually what we think will happen. This would really motivate a fisherman to try different gear types to keep from running out of quota shares for halibut, for instance.

We would like to see incentives for clean fishing rather than penalties for dirty fishing. There are plenty of penalties right now. What Mr. O'Leary was proposing was in many ways a penalty system. But under the Olympic system there is no incentive at all. In fact, there is a penalty for clean fishing, because you are competing on a constant basis with all those other fishermen.

Senator STEVENS. Can you tell him what you mean by that? I think, my friend, it means that you are catching nontarget—too high a percentage of the nontarget species.

Ms. GRAHAM. A clean fisherman catches his target species and the—

The CHAIRMAN. And the dirty one—

Ms. GRAHAM [continuing]. Catches anything that is out there. We do not know for certain because, as Beth Stewart was saying, we do not have the information posted on the electronic bulletin board by vessel name, it is hidden behind a PIN number, but we think that there are some boats that have actually tried to catch more of the prohibited species in order to shut a specific fishery down. We think they wanted to corner the market on a particular species that they had already caught quite a bit of, so to keep others from catching much of it, they increased their halibut bycatch and shut that fishery down. They can get away with this because there is no individual accountability.

The CHAIRMAN. The system is nuts, is that what you—

Ms. GRAHAM. Yes, sir, that is what I said.

The CHAIRMAN. Well, we are getting some testimony up here now.

Ms. GRAHAM. We are real straightforward up here in Alaska, sir.

Senator STEVENS. But is it the Magnuson Act or the way it has been implemented?

The CHAIRMAN. Well, it is lacking in the Magnuson Act. She said, "We ought to improve upon it because there is no mention of individual responsibility." I see Mr. Curry wants to comment, and Mr. Thomson is going to jump up on top of the table here in a minute. Go ahead, Mr. Curry. And excuse me, Ted, I did not mean to interrupt, but this is a better way. At our committee level, it is always informal because we learn better. Go ahead, sir.

Mr. CURRY. Senator, if I might, in terms of this individual accountability, one of the reasons that we raised the question about doing accurate and clean measurement catch is not only is it fundamental to our quota management system, making that accurate, but Kate touched on a very good point, which is the inability to legally enforce your bycatch rules against fishermen who might not want to play the game and until you do accomplish the task of making certain that you have an accurate assessment of what is being caught by the fishermen, the prosecutor and the judge, I think, will have a grave difficulty in making a lot of cases which would lead to greater compliance simply because the database that is presented to them will have a significant error factor. And I believe that to accurately weigh the measurement of catch, we will plug some of the holes that are now causing us to leak out bycatch.

The CHAIRMAN. Mr. Thomson, did you have a comment on this particular point. I am going to get your statement in a minute.

Mr. THOMSON. Well, Senator Hollings, I appreciate the opportunity to make a comment. What we are talking about is bycatch and enforcement of bycatch. The ACC has been involved in this issue for several years. I think there is a matrix of things that need to be done and can be done that will improve accountability and reduce dirty fishing. I think the kinds of things that Beth Stewart and Chris Blackburn raised in terms of identification of bad operators through PIN numbers on NMFS reports, or through disclosure of names, in one way or another to get the identities of the bad players out in the open. I think peer pressure within the industry is very effective. I think the weighing of fish is important. In the salmon industry here in Alaska, they have been weighing fish for aeons. In the crab industry, most of our crab is landed ashore, and it is all weighed. And even the catch of at-sea processors, of which there is a small percentage, they have to weigh all their boxes of crab. They are required by the State of Alaska to do that. This results in accountability of all crab withdrawals from the ocean, as they are being weighed. In regards to the trawl groundfish industry, the individual bycatch quota system, when it is combined within this matrix of weighing, it could be very effective in terms of reducing bycatch and waste.

The CHAIRMAN. Very good. Ms. Graham, did you complete your statement?

Ms. GRAHAM. Yes, sir.

The CHAIRMAN. Well, thank you. Mr. Thomson, we would be delighted to hear from you, sir.

STATEMENT OF ARNI THOMSON, EXECUTIVE DIRECTOR, ALASKA CRAB COALITION

Mr. THOMSON. Senator Hollings and Senator Stevens, it is indeed a pleasure and an honor to be able to testify before the Senate Committee on Commerce, Science, and Transportation here in Kodiak, AK. My name is Arni Thomson. I am executive director of the Alaska Crab Coalition.

The remarks that I just made about bycatch, I was going to use as a preface to my prepared testimony. The gist of those brief remarks is that the ACC is pretty much online with some of the technical types of recommendations presented here that would reduce bycatch. The ACC also feels that there should also be some language changes made to the act that could result in improvements.

Having said those few things, I would like to introduce the Alaska Crab Coalition, a trade association representing approximately 65 crab fishing vessels that operate principally in Federal waters off the coast of Alaska.

The main objective of the ACC has been to promote improved conservation and safety in our fisheries. The ACC has been a key industry participant in the legislative and regulatory processes, including the 1990 and 1993 reauthorizations of the Magnuson Act. The ACC has also played a significant role in the development and implementation of new international standards for responsible fishing, that will also achieve sustainable utilization of our marine resources.

My prepared statement describes in detail the loss of human life and discard waste of target and nontarget species. My prepared

statement also sets forth a set of proposals to address these and other problems. I would like to focus my oral testimony on those proposals.

First, the ACC, along with other major industry organizations based in Washington State, recommends that the act be amended to include a new national standard requiring that fisheries management measures promote the safety of life and property at sea. It has become a matter of issue in the public and national press that safety, death at sea, in fisheries is a major issue.

Second, the ACC, again joined by other major fishing organizations, recommends amendment of the act to bring into closer compliance the objectives and standards established by the international community at the United Nations Conference on Environment and Development, the 1992 Conference on Responsible Fishing, and the 1993 Inter-American Conference on Responsible Fishing. This means amending the act to provide expressly for the minimization of waste, including the bycatch of nontarget species and the discard of targeted species. It also means the avoidance, reduction, and elimination of excess fishing capacity.

On the latter point, it is now universally recognized, as reflected in recent studies undertaken by the United Nations Food and Agricultural Organization, that overcapitalization is a major contributor to conservation problems in the fisheries of the world. This committee should be conscious of the fact that overcapitalization in the fisheries off the coast of Alaska poses a severe challenge to the sustainability of target and nontarget resources alike.

In closing, I would like to focus on two more points which are closely and interrelated. The ACC recognizes there is considerable interest in establishing Federal fishing fees. My organization can accept new fees, but only if they are set at economically sensible levels. That means that other fees, taxes, and costs must be taken into account. In this region, the State of Alaska already charges substantial fee impasses and the operational costs of fishing are very high.

In addition, the State is pressing for the extension of fishing quotas for coastal communities. That reduces the available resources for those within the fisheries who must attempt to survive in an already overcapitalized economic environment.

In short, there are limits to what the crab fleet can sustain. New fees and new quotas for the coastal communities cannot be considered in isolation from one another, nor in isolation from other fees, taxes, and costs borne by our fisheries.

In addition, it may well be that the elimination of excess fishing capacity in the existing fleet will be indispensable for the further development of coastal community-based fishery operations.

That concludes my remarks.

The CHAIRMAN. Mr. Thomson, what would you do with a fee? Let us assume it is a reasonable one that has been paid into a fund. What am I going to do with it?

Mr. THOMSON. We hope it would come back to the region, in terms of being applied to fisheries management and research within the region where the fees are collected.

The CHAIRMAN. With respect to research, would you institute a different endeavor such as the University of Alaska? How would I

set up a research system under the council? I have got the money now. What do I do with it?

Mr. THOMSON. We would support a fee system program that would be under the management of the North Pacific council.

The CHAIRMAN. Under the auspices of the North Pacific council?

Mr. THOMSON. Yes, but it could include the University of Alaska, in terms of actual research programs.

The CHAIRMAN. As I understand the language from the Alaska Crab Coalition, "conservation of fishery resources should be the principal objective of fishery management plans" and any regulation to implement any such plans.

This is the recommendation of the crab coalition?

Mr. THOMSON. Yes, sir, Senator Hollings, and I think that Senator Stevens passed that to you. We met with Senator Stevens about 6 weeks ago in his office and went over this with him.

The CHAIRMAN. And you still stand by the recommendations here?

Mr. THOMSON. We still stand by those recommendations, yes, sir. We think that kind of language would clarify the principal objective of the act, that conservation is the principal objective of the act. It also addresses prevention of overfishing through minimizing waste, including bycatch mortality of nontargeted species and discard mortality of target species. Thus, it also gets at the issue of bycatch and waste.

The CHAIRMAN. Sounds like good language. Let me yield to Senator Stevens, see what you think of that.

Senator STEVENS. Well, I have gone over that language with the crab coalition, Mr. Chairman, and I think very highly of it. I do have some reservations on the language of the United Nations conference dealing with fishery resources.

I think we should attempt to achieve the same goal, but I would not want to tie ourselves necessarily to the UN language. I would like to have us achieve the same goal with our own language, but there is no question that the coalition's requests make a lot of sense, particularly conservation measures that promote the safety of life and property at sea. That is not in the act, either.

Mr. THOMSON. No, sir.

Senator STEVENS. And I do think we ought to have safety. That may have been an error in the act and you have made good comments. Let me go back to PIN numbers, if I might for a minute, Mr. Chairman. Over the years, PIN numbers have been defended by people who come in to see me because they protect the location of where the successful fisherman is pursuing his trade. And if you publish the names, are you not, in effect, going to disclose that? Do you publish names or vessel numbers?

How do you handle the PIN number, or do you want to just do away with PIN numbers?

Ms. GRAHAM. I think that there are actually two different things going on here. If what you are talking about is what boat caught how many salmon just in terms of numbers, how many halibut in terms of pounds, then that can be done on a boat name basis. You can still keep that PIN number as a private piece of information that you can attach to other information that really is propri-

etary—that has to do with the way a guy fishes or the way a company operates, and there are some legitimate reasons for that.

But for the bycatch information, you can just post the boat name with how much bycatch it caught. The fleet needs that information to know who is ruining things for them.

Senator STEVENS. But you do not want to abolish the PIN number practice?

Ms. GRAHAM. There are good reasons for keeping it.

Senator STEVENS. I have always thought that for waste, you would use the boat name without regard to the PIN number. Do you agree on that?

Mr. THOMSON. Yes.

Mr. CURRY. I think it would work; yes.

The CHAIRMAN. Do you all agree on weighing the catch? How about the folks on factory trawlers, do they like that idea, too?

Mr. CURRY. Actually, you will have to ask them directly, but I know something about that because I recently was with them. I think that there is a growing awareness and they are working to have a system that will be practical for them. I think it can be done, but I will not answer for them.

The CHAIRMAN. Do you have any other questions?

Senator STEVENS. No.

Mr. Chairman, let me tell my fellow Alaskans here the advantage of what we are doing. The chairman is both chairman of this committee and of the Appropriations subcommittee. If we had these hearings in Washington, 3 days of hearings, we would be lucky to find a spot for one of you on one of the panels.

Instead, by coming to Alaska and be willing to hold a hearing in Dillingham and here and in Ketchikan, we now have another opportunity to reeducate my friend. And he has been here many times before this, some of us may not know that, but we also get the chance to get in the record the information from three different geographical areas and to some extent some different perspectives in 3 days.

And I think it is invaluable and I really want you all to join me in thanking my friend for coming to Alaska, bringing his full staff that works on fisheries with him. That, too, is essential, that they all know the difference between Ketchikan and Kotzebue. And I do think that this is developing into a very good record from which we can glean some changes in the Magnuson Act which will improve it. I am particularly pleased with the beginning of the hearing, however, that said that the Magnuson Act has worked.

The CHAIRMAN. Yes.

Senator STEVENS. I think that is the main message.

The CHAIRMAN. You preempted me. I have been in the position of doing the work and the other fellow has had the acts named after him, and that was appropriate. I had 3 years working on coastal zone management—as the Magnuson Coastal Zone Management Act. It was proper because Maggy was the chairman of the committee and he provided the leadership, but this could well have been the Stevens Act.

Now, it is fortuitous that we did not name it the Stevens Act because nobody would come and testify against it, I can tell you that, not in Alaska, but Ted Stevens led the way in the 1970's on getting

this whole approach written into law, there is no doubt about it. He brought all the witnesses from up here in Alaska.

I agree, the act has really worked. It could well be the Stevens Act, and you have to be proud to hear all these witnesses and the few alterations that could be made.

I think you witnesses are far more polite here than you all are in Washington. Maybe that is because the local audience is watching them?

Senator STEVENS. They wave at us with all five fingers here, did you notice that?

The CHAIRMAN. Well, the committee is indebted to all the witnesses, in particular this panel here. We really appreciate it.

Senator STEVENS. Mr. Chairman, you have got in the audience some of the people that helped me write the first bill. I did introduce the first bill that led to the Magnuson Act.

The CHAIRMAN. Well, I talked to McGill yesterday.

Senator STEVENS. They are here. Oscar Dyson in particular, he was one of the original ones, and there are a lot of them.

Mr. FITZ. Senator Hollings, I am Jim Fitz from Kodiak, and I am kind of Governor Hickel's appointed manager, and I would like to congratulate you for coming to Kodiak. You always represented to me, and to a lot of people across the country, as kind of the iron horse of the south. We know that South Carolina and North Carolina are both close. It is like Kodiak and Washington—or Anchorage, and I certainly am very pleased to be able to hear you personally in our community and I hope that you return some day. And it could well have been the Senator Hollings Act.

The CHAIRMAN. Well, you are mighty kind. Thank Governor Hickel, too, for his many courtesies. We appreciate them.

Senator STEVENS. We will make it the Hollings amendment to the Magnuson Act, that is what we will do.

The CHAIRMAN. Do not put me on a fisheries act, I can tell you that. I am willing to work on it, but I tell you, when you get all the fishermen together on one thing, something is wrong.

Thank you all very, very much. We appreciate it. The committee will be in recess.

[Whereupon, the meeting was adjourned at 11:30 a.m.]



REAUTHORIZATION OF THE MAGNUSON FISHERY, CONSERVATION, AND MANAGEMENT ACT

SATURDAY, AUGUST 21, 1993

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Ketchikan, AK.

The committee met, pursuant to notice, at 10 a.m. at the U.S. Coast Guard Base, Ketchikan, Alaska, Hon. Ernest F. Hollings (chairman of the committee) presiding.

Staff members assigned to this hearing: Penelope D. Dalton, senior professional staff member; and John A. Moran, minority staff counsel.

OPENING STATEMENT OF SENATOR HOLLINGS

The CHAIRMAN. Good morning. The committee will come to order.

Let me at the outset thank our host, the Coast Guard. They have gotten us here through rough weather. Around the world, Senator Stevens and I continually brag about the Coast Guard. Incidentally, I have been in the Senate almost 27 years. Captain Dorsey, that is the first time I have been in a Coast Guard plane.

So, it is not that I have been ferried around or favored particularly by the Coast Guard. It is just that the American people have been favored by the Coast Guard. They are doing an outstanding job, underfunded, and yet, excellently staffed. And we are grateful to you.

Captain DORSEY. Thank you.

The CHAIRMAN. I want to thank you. Let me also thank Senator Stevens. I have had the opportunity to thank him in various ways in Dillingham and Kodiak and otherwise. I think one of our duties as Senators is to make friends for our State. In that regard, I do not know of anyone who has made more friends for his State than Ted Stevens of Alaska. He has made friends throughout the administration, throughout the Democratic ranks, as well as being a leader in his own Republican ranks.

He does that because he knows what he is talking about. He travels and sees, and he convinces us. And now, as a result of our hearings, I am becoming fully informed. Fisheries in the United States yield about a 10 billion pound catch annually. Of that harvest, 6 billion pounds are caught right here in one State. Alaska has a greater catch than the other 49 States combined.

In addition, I have learned that the State of Alaska, I would say, in proportion to citizen population has a greater number of con-

ervationists than any State in the United States. Conservation is fundamental to the success of the State of Alaska and its people. That was brought up very dramatically both in Dillingham and then at our hearing in Kodiak.

I am sure we have an outstanding group of witnesses here today. I am grateful for the Senator's leadership. He has been providing it for the entire time he and I have been together, over 25 years in the Senate. Now, let me yield to him before we recognize these witnesses.

Ted, do you want to make a good talk and get the votes of all these people?

OPENING STATEMENT OF SENATOR STEVENS

Senator STEVENS. If I do not have their votes now, I am in trouble. No. Senator, I am pleased again to have you conduct a hearing here. Many people do not realize that you first came with me to Alaska in 1971. We came here and up to Petersburg, and we had hearings on the same subject, so—

Mr. COBURN. Could you move the mike a little closer?

Senator STEVENS. I am not close myself. I am sorry about that.

Mr. COBURN. Thank you.

Senator STEVENS. We welcome you, and we look forward to this hearing today. As I pointed out in Kodiak and let me point out to you all, that if we held these hearings in Washington, they would go on for 3 days like they have here in Alaska, but we would be lucky to have one Alaska witness on the national scene.

I appreciate that Senator Hollings has been willing to come with his staff and himself here to Alaska for meetings. For 3 days we will have heard discussions of the problems and suggestions here in Alaska. And we get the chance to meet some of you personally and listen to you.

The result of this is that the boss gets informed better. Where is the boss? Peatsy? She is right back there. This is Mrs. Hollings. And to show you how dedicated this pair is—they told me not to mention it, but I will do it anyway. This is their wedding anniversary they are sharing with you today. So, we are happy to have you here on this important day in your lives, and thank you, my friend, for coming.

The CHAIRMAN. Thank you very, very much.

Captain Dorsey is the commander here at the Coast Guard base in Ketchikan. And David Benton is from the State of Alaska Office of the External and International Fisheries. I take it your testimony will discuss the enforcement of the Magnuson Act, fisheries laws, and general management policies. We will rely on your testimony to get a balanced view from the Federal and the State end. We recognize Captain Dorsey first.

OPENING STATEMENT OF CAPT. MICHAEL L. DORSEY, COMMANDER, COAST GUARD GROUP

Captain DORSEY. Mr. Chairman, members of the committee, it is an honor to welcome you to Coast Guard Base Ketchikan and to be appearing before you today representing the District Commander, Admiral Rufe.

I have a lengthy written statement that I would like to offer into the record at this time.

The CHAIRMAN. The written statements will all be accepted in their entirety for the record. You can deliver it or highlight it as you wish.

Captain DORSEY. Yes, sir, with your permission I will go ahead and summarize the important points in my statement, after which I would be happy to answer any questions that you might have.

The theme of my summary today is a success story involving two very important issues related to the Magnuson Fisheries Conservation and Management Act; Dixon Entrance fisheries enforcement and fishing vessel safety.

As I am sure you know, Coast Guard Group Ketchikan is a subordinate command of the 17th Coast Guard District. One of our major missions is enforcement of U.S. fisheries laws and regulations including the Magnuson Act. We accomplish that mission using three 110-foot patrol boats, three utility boats from our stations, as well as air support from Coast Guard Air Station Sitka, Air Station Kodiak, and Air Station Astoria, OR. For other major enforcement operations like halibut and black cod openings we also use buoy tenders provided by the 17th Coast Guard District.

We are the frontline units which translate Rear Admiral Rufe's two areas of focus, providing enforcement in support of fishery management goals and promoting the safety of fishermen into a continuous program of public education, voluntary dockside examinations, inport and at-sea boardings, and, when necessary, appropriate enforcement action.

Our fishery enforcement effort is principally focused on three areas; enforcement of the international fisheries boundary with Canada in Dixon Entrance; enforcement of fisheries regulations during Federal halibut and black cod openings; and enforcement of the Commercial Fishing Industry Vessel Safety Act and its regulations.

Group Ketchikan conducts two principal activities in relation to the Canadians in Dixon Entrance. We enforce the Magnuson Act prohibitions against foreign fishing vessels fishing in waters of the State of Alaska, and we assert and protect the right of U.S. fishermen to fish in the disputed area between the Canadian claimed A-B Line and the U.S. claimed equidistant line. The disputed area is claimed by both the U.S. and Canada and is currently managed under a flag state enforcement agreement between the two nations.

Approximately 500 Canadian fishing vessels fish in Dixon Entrance at one time or another during the fishing season. In the recent past, a number of Canadian vessels have crossed the A-B Line to fish in undisputed U.S. waters within the boundaries of Alaska. To prevent this illegal fishing activity, the Coast Guard has for a number of years stationed patrol boats in Dixon Entrance during the fishing season from mid-June to mid-August.

The U.S.-Canada Fisheries Enforcement Agreement of 1991 promotes coordination among the fisheries enforcement agencies of the United States and Canada. For the past several years, we have conducted some highly informative preseason meetings between all the United States and Canadian agencies with an interest in Dixon Entrance enforcement. In addition, we have communicated with

Canadian authorities frequently throughout the fishing season to foster cooperation and to resolve a number of issues.

The positive rapport we have established with the Canadians has helped us to obtain periodic information on Canadian fishing pressures on the A-B Line, which has helped us to better position our patrol units for maximum effectiveness. In addition, the Canadians have increased their own patrols in Dixon Entrance, both to warn their own vessels not to fish north of the A-B Line and to enforce Canadian interests in the disputed area.

In fishing seasons past, our patrol vessels used covert enforcement activities, which resulted in the seizure of five Canadian vessels from 1989 through 1992. The seizures of those vessels apparently got the attention of the Canadian fishing fleet. The Canadian fishermen realized that the potential gain from fishing in U.S. waters was not worth the risk of seizure.

During the past two seasons, we have shifted to a high-visibility patrol program in Dixon Entrance which gives a continuous strong presence there to discourage Canadian fishermen from even considering fishing in Alaskan waters.

I am very happy to report to you that as a result of our past seizures and our present high-visibility patrols, we have gained total Canadian compliance this season with no Canadians illegally fishing in our waters. In fact, where the Canadian vessels once pressed up against and sometimes over the A-B Line, they now typically leave a mile or more of buffer between themselves and the line.

A side benefit of Canadian compliance has been that our cutters now have more time to board U.S. fishing vessels in the area, with resulting improvements in our own vessels' fisheries and safety compliance.

One lingering issue in Dixon Entrance is the Canadian insistence that our vessels fishing in the disputed area are illegally fishing in Canadian internal waters. Canadian Department of Fisheries and Oceans—DFO—vessels periodically direct U.S. fishing vessels which are fishing in the disputed area to stop fishing and proceed north of the A-B Line.

Some fishermen who are either unaware of the U.S. position on their right to fish in the disputed area or are concerned about possible Canadian enforcement action do move north of the line. In response to questions from our fisherman and reports of adverse DFO activity, we issue VHF-FM radio broadcasts informing our fishermen of their right to fish in the disputed area. We make it clear that we will dispatch a patrol boat to assist any U.S. vessel which is being harassed by Canadian fishermen or is being pressured by Canadian enforcement authorities to stop fishing in the disputed area.

Although there are some lingering issues involving the disputed area, we are very pleased that tensions in Dixon Entrance seem to be diminishing, and we are delighted that we have been able to achieve total Canadian compliance with the Magnuson Act this season.

Group Ketchikan is also responsible for enforcement of halibut and black cod openings in southeast Alaska. For these openings we use a combination of aircraft to spot fishermen setting gear early or retrieving gear late; surface craft conduct compliance boardings;

and station personnel to observe vessel offloads at shoreside processing plants. This last method maximizes vessel coverage using minimal numbers of personnel.

During our at-sea boardings, we are, of course, careful to avoid interfering with longline vessels actively fishing. During all of our boardings, whether in connection with openings or routine patrols, our boarding officers also check for compliance with fishing vessel safety requirements. And therein lies the second major success story in my testimony.

As our patrol units reach more and more fishing communities and fishing grounds throughout southeast Alaska, our combination of public education and enforcement action is increasing the awareness of fishing vessel safety requirements. As we increase our at-sea boardings, we not only foster compliance through enforcement, but we also demonstrate the value of the voluntary dockside examination program.

A successful dockside boarding by a Coast Guard examiner not only ensures that the examined vessel meets the fishing vessel safety requirements, but it also provides the vessel with a decal evidencing compliance. Subsequent at-sea boardings can therefore be expedited since we know the vessel has successfully passed an extensive dockside examination. The two parts of the program really do complement one another in promoting compliance.

With some recent terminations of the voyages of several fishing vessels found operating unsafely, fishermen have quickly come to realize that serious safety infractions can result in lost fishing days and substantial lost income. As more fishermen have brought their vessels into compliance, the fishing community has seen numerous real-life examples of fishermen saved from Alaska's unforgiving waters by emergency position indicating radio beacons, immersion suits, life rafts, and other safety equipment.

As a result of all these factors, our patrol units have noted a significant increase in fishing vessel safety compliance in our area. We in Group Ketchikan are proud of the fact that we are playing an important role in ensuring that all fishermen in southeast Alaska will be properly equipped to survive an emergency.

With respect to the Magnuson Fishery Conservation and Management Act, I echo Rear Admiral Rufe's view that no changes to MFCMA itself are necessary to promote Coast Guard responsibilities in southeast Alaska.

For our part, Group Ketchikan will continue to refine our procedures to more efficiently accomplish our enforcement and protection missions in Dixon Entrance, while fostering harmonious United States and Canadian relations in that area. Most importantly, we will continue to conduct a comprehensive boarding program on the entire fishing fleet of southeast Alaska with special emphasis on the Magnuson Fishery Conservation and Management Act and the Commercial Fishing Industry Vessel Safety Act.

I would be pleased to answer any questions at this time.

The CHAIRMAN. Well, let us just hold the questions momentarily and hear from Mr. David Benton of the Alaska Fish and Game.

STATEMENT OF DAVID BENTON, DIRECTOR, OFFICE OF EXTERNAL AND INTERNATIONAL FISHERIES AFFAIRS, ALASKA DEPARTMENT OF FISH AND GAME

Mr. BENTON. Thank you, Mr. Chairman. For the record my name is David Benton. I am with the Alaska Department of Fish and Game. I am the director for the external and international fisheries affairs.

Mr. Chairman, I too want to express our gratitude for you taking the time from your busy schedule to come to Alaska. We know that you have been a long-time friend of Alaska and a real leader in fishery matters in the United States. And we truly appreciate your coming here today, especially on your anniversary. And we want to wish a happy anniversary.

The CHAIRMAN. Thank you very much. I just do what Senator Stevens tells me to do. Go ahead.

Mr. BENTON. That is good advice.

The CHAIRMAN. Yes, sir.

Mr. BENTON. Mr. Chairman, I too have a long written statement which will be included in the record with your permission.

The CHAIRMAN. It will be.

Mr. BENTON. I would like to summarize my statement. It sounds to me like you have heard an earful from other Alaskans in the two previous hearings regarding the value of the fisheries of our State. Over 5 billion pounds of fish are harvested off our coast every year. That is roughly one-half of the total harvest of the United States. The seafood industry in Alaska is our largest single, private basic industry employing 77,000 seasonal jobs, 33,000 year-round jobs, with a total investment of roughly \$4 billion. In our small State that is a very significant contribution, and we place very great values on our fishery industry.

I have basically three main issues that I would like to just briefly cover with you regarding the Magnuson Act today. These include the need to improve our ability to conserve our fisheries stock, to deal with the complex issue of regulating and reducing bycatch and minimizing discard waste in our fisheries. Closely tied with that is the need, we believe, to protect and enhance the economies of coastal fishing communities. In Alaska most of our communities along the coast are heavily dependent on the seafood industry. Some of them have no other commercial activity. And the third is to strengthen the regional council system, because we are firm believers in that process. We think that it is working well up here. And we would like to see just some minor modifications perhaps in the act to strength that process to make it work more effectively.

With regard to the need to conserve our fish stocks, generally speaking, the North Pacific Fishery Management Council, we believe, is doing a very excellent job in trying to take the long-term view to make sure the stocks off Alaska are in good shape. Nonetheless, we have been frustrated, both the state and, I think, the council in dealing with issues such as waste and bycatch.

For example, just to give you some figures, Mr. Chairman, in 1991 the discard of pollock in the directed pollock fishery—these are pollock that are harvested, brought to the surface by a vessel that is targeting on pollock, but then there are subsequently dis-

carded because of size or sex or some other economic consideration—now that discard was 111,000 metric tons.

That comes out to about 245 million pounds of fish. That is roughly 6 times the total salmon harvest in Washington State, or it is roughly equal to, in volume, the entire combined commercial harvest of herring, halibut, and shellfish in Alaska.

We came across those numbers during some investigations we were doing in 1992. So, we decided that perhaps we should have a more in-depth look at what was going on with bycatch and waste in our fisheries. Just to highlight some of our other findings, using processor reports, not observer reports, but processor reports, which come directly from industry, we found that there were 507 million pounds of groundfish thrown away in 1992. Of that, 452 million pounds came out of the Bering Sea/Aleutian Islands area.

In the Bering Sea/Aleutian Island trawl fishery 47 percent of the discards were species being targeted. These were fish that they are targeting on, but for one reason or another the vessel decided to discard those fish. Generally they are dead. They are out of the fishery. And it is a major economic loss for the Nation. By contrast roughly 2 percent of the targeted species compose bycatch and discard from hook-and-line fisheries.

Just to round that all off, the other discards include 20.4 million crab, roughly 100,000 salmon, and over 1 million pounds of herring. This kind of waste, Mr. Chairman, is not acceptable to the State of Alaska and, I think, most people around the country. We have heard a lot about bycatch and discard in other hearings in Washington, DC, and elsewhere, and I think there is a real perception that we need to clean up our fisheries. We have some recommendations for Congress to consider in reauthorizing the Magnuson Act.

For example, we believe that it would be very useful to give direction in the statute to require fishery management plans to set a goal of eliminating discard waste and fully utilizing harvested resources. We would like to see such guidance include a requirement for there to be a specified timeframe in each fishery management plan to achieve that goal.

Similarly we would like to see FMP's—Fishery Management Plans—required to give allocation priority to fishing practices or fishing gear that harvest a given target species with a minimum bycatch.

When the Magnuson Act was first put together back in the early 1970's, the major goal was to Americanize our fishery. The way that Congress chose to accomplish this was to open the door to U.S. industry, and let U.S. industry through its entrepreneurship and enterprise and creativity figure out how to maximize that fishery. I think it exceeded all of our expectations. We Americanized that fishery very quickly by putting industry in the position where they had the incentive to do the job.

If we were to require that fishery management plans have a priority for using clean gear or clean fishing techniques, and then tell the whole industry, "You guys go figure out how to do it. We do not want to describe how to do it, but there is a race on now. And the winner is the gear group or the group in industry that can figure out how to take those fish in the cleanest possible manner."

I think then you will see the creativity and entrepreneurship in our fishing industry being devoted to developing clean fishing practices, and we would see some real improvement in our fisheries.

The second point I wanted to cover with you, Mr. Chairman, was the need to protect our coastal communities and their economies, and help rebuild and further enhance stable fisheries found adjacent to our coastal towns.

One problem we have had in dealing with allocation decisions has been the way the National Marine Fishery Service interprets the act, and the language in the act which specifically deals with the need to maximize economic efficiency. The National Marine Fishery Service has chosen to interpret that language to mean efficiency at the corporate level. Considerations about long-term economic or social stability in adjacent fishing communities takes a back seat to considerations for "economic efficiency."

We would like to see some clarification in the act that, indeed, the needs of our communities and the economic opportunities and stability the fisheries provide to adjacent coastal communities can be protected and enhanced.

One program I want to mention to you, and I believe you have heard about this when you were in Dillingham, is the community development quota program. That is a new program that the State, along with the Secretary, administers. It took a very modest amount of quota and provided it to the communities along the Bering Sea coast. Those communities entered into joint venture operations with major seafoods companies. The program has been very successful to date, and has generated literally hundreds of jobs in a region of our State that has some of the poorest communities in the country. The CDQ program has resulted in numerous training programs, scholarship programs, and investments in the seafood industry. We are looking forward to continuing the program. It continues until 1995, and we believe it is one of the most significant opportunities we have for building an economy in some of the poor parts of our State. And, we can do this without any significant expenditure of Federal money, which I think in these days is truly an accomplishment.

The final thing I want to mention briefly is the need to strengthen the regional council process. Attending a hearing back in Washington, I heard a lot of criticism of the council system regarding conflicts of interest, their inability to tackle tough problems, and the need to reform and change the makeup of the council. The State of Alaska does not support that viewpoint at all. We believe that, at least in the North Pacific the council has done an excellent job of conserving the fish stocks up here.

It was the council that placed the 2 million ton cap on Bering Sea harvest, which over the long haul has minimized impact of such things as foreign fishing in the Donut Hole, and the consequent impact that it has had on the fish stocks in the Bering Sea.

We believe that the council, if it was given some of the legislative guidance that I mentioned previously, would be able to address bycatch and waste problems, and be able to reduce those numbers I referred to you earlier.

We do not subscribe to the notion that the North Pacific council has an undue conflict of interest. Our council has come under severe criticism at times because of that. I would like to point out that out of 905 recorded votes on motions and amendments in 24 meetings of the North Pacific council from basically January 1988 to September 1992, only 14 votes out of 905 found the 6 Alaska council members unanimous. Out of those 14 votes, 11 had the Secretary's representative voting with the Alaskans. So that left 3 votes out of 905 where it was just the Alaskans lined up against members from the south with the Secretary's representative voting against Alaska.

I think that clearly shows that the council and the Alaska votes on the council take the long view of managing the resources, trying to consider the implications of management actions, not just for Alaska fishermen, but for the fisheries as a whole. And I think that it really speaks to the fairness of the process. There are winners and losers, there is no doubt. There always will be. But I really believe that this voting record is exemplary and something that Alaska can be proud of.

One problem that we have had—and this not confined just to Alaska, but is true up and down the west coast and perhaps the east coast—is that it has become more and more the practice of the Secretary to substitute his judgment for the judgment of a council. This has happened with the Pacific whiting decision. It has happened with the inshore-offshore decision up here. It happened with salmon off the west coast. And it is a growing trend.

Our reading of the act, and the legislative history, is that Congress intended for the council to really do the job—and placed the Secretary in a role of final arbiter against any arbitrary and capricious decision; any decision that was contrary to the long-term conservation of stocks, or was clearly a capricious decision that came out of a council. The Secretary was not intended to substitute his or her judgment for the council's without at least making some findings and taking some steps to work with the council to try to ameliorate the problem with their decision.

We believe section 304 of the act should be amended, and that it should restrict the Secretary's ability to override a council decision without making detailed findings explaining why that decision was reached, and setting out some criteria for secretarial override. Presently, the Secretary has not, in our view, related his decision back to the record sufficiently.

Once again, I want to thank you for coming to Alaska and taking the time to hear about our fishery management problems. Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you very much, Mr. Benton. We can start right there, Mr. Benton, and clarify in my mind on the section 304 of the act itself. As I understand it, the Secretary cannot make a decision. He can send it back to the council, but he cannot make the decision himself. In fact, that came up in the hearings. Several witnesses wanted to have stronger Secretarial leadership. They suggested that the Secretary ought to provide leadership on the bycatch problem and other conservation issues right on down the line. But you are telling me that as you know it, and you are probably far more experienced than I am, that the Secretary has over-

ruled the council, just bamm, or has he sent it back? I cannot understand under the act where he can overrule the council. Now, he can just disapprove it and send it back.

Mr. BENTON. Mr. Chairman, your reading of the act is similar to my reading of the act, but the fact of the matter is that the Secretary on the three occasions that I mentioned to you has actually substituted a different decision for a council decision. Now in the case of Pacific whiting and the inshore/offshore decision on pollock allocation in Alaska, the Secretary did send those decisions back. The council reconsidered their decision——

The CHAIRMAN. Right.

Mr. BENTON [continuing]. Pursuant to the act, but then sent a new decision back to the Secretary. And the Secretary said, "Well, I do not like that so here is my decision on what we are going to do," and came up with his own decision.

And I do not know whether the Secretary remanded the salmon decision off the Pacific Coast or not. But I do know that he substituted a different decision and proposal than what came out of that council.

The CHAIRMAN. Maybe we can state section 304 with greater specificity, but you have got more fisheries lawyers than you have got salmon out here.

Mr. BENTON. Mr. Chairman, fortunately I am not a lawyer.

The CHAIRMAN. Yes. And I cannot see him getting by that section, unless I have been misreading it. But we can hear from our colleague here. He will understand it better than I. With respect to the matter of strengthening the regional councils on conflict of interest, you do not think the North Pacific council members vote down the State line. But you say out of 900-and-some votes, in only 3 of them the Secretary went against the Alaskans. Now, that tells me you are a powerful leader, and your public relations or something was wrong with the last two hearings, because at the last two hearings fishermen all told us—and representatives of the industry and otherwise said now, you have to have an interest. You must have the knowledge, and not get too excited about the conflict of interest. However, where there is a direct financial interest, and it is observed to be a direct financial interest, council members should excuse themselves. We ought to revise the statute, not necessarily put them under the criminal provision of conflict-of-interest statute, but at least in Magnuson, itself. That was recommended at both hearings. Why do they feel that way, given your descriptions of council voting patterns?

Mr. BENTON. Well, I actually do not disagree with the viewpoint you heard elsewhere. And, in fact, our board of fisheries which regulates state fisheries in our waters much like the council does, has provisions like that. They are adopted internally as regulations. They are not statutorily mandated. We can do it as a statute. But I do not disagree with the idea that council members which have a direct financial interest in a particular decision at least state up front their interest and either excuse themselves from the decision, or at least put it on the record.

The CHAIRMAN. Do you know of situations wherein they have had a financial interest, but failed to excuse themselves?

Mr. BENTON. I can imagine—I would have to go back through the record, Mr. Chairman, but I can certainly imagine where that is true for virtually all, or at least a large number, of council members. Most would have some kind of a financial interest in a decision at some time or another. I can point to a number of incidents where council members have voted against themselves as well.

The point I was trying to make was that overwhelmingly in Alaska with regard to the North Pacific council, the makeup of the council has not led to any decisions, or any trends, in voting that would indicate that the Alaska majority has abused itself of the power of sitting on that council. For individual council members, on the other hand, there definitely have been conflicts. And, frankly, I feel that the Secretary already has the authority to deal with this through regulations, and that there could be a tightening up of the procedures that the councils operate under through regulatory authority. There is nothing to prevent that presently. The other thing that I would point out is that the Secretary has a fairly extensive review process in choosing council members. I know that there is a lot of consternation of the makeup of some councils and what kind of people they are getting as candidates, and whether or not they have a conflict of interest, and similar issues. I feel strongly that this is a failure of the Secretary, and the secretarial review process.

The Governor recommends a list of names. The Secretary is supposed to do a background check on those people and can either approve them or send the whole darn list back to the Governor and say "these people are not acceptable," or "the makeup of this list is not acceptable, and I want to have broader representation on this council."

And, frankly, I think that if the Secretary's office took a more diligent approach to dealing with council appointments that would go a long way in answering some of these criticisms of the councils.

The CHAIRMAN. Well, you have given us a good statement on the bycatch problem, particularly with respect to letting them phase in gear and in using an affirmative action approach in developing plans to award those who use the proper gear to eliminate the bycatch problem. But, with respect to the weight of the catch by the factory trawlers—I have heard about that in these previous hearings. You have not said anything about it.

If I'm fishing here in a regular trawler and come into Ketchikan, I weigh in. But if I have one of those factory trawlers, I do not weigh my catch. Is that the case?

Mr. BENTON. Yes.

The CHAIRMAN. Am I understanding that properly?

Mr. BENTON. You understand that properly, Mr. Chairman. And it is a very large problem.

The CHAIRMAN. How do the big boys get away with it?

Mr. BENTON. Well—

The CHAIRMAN. Because they are big boys, huh?

Mr. BENTON. Yes. They are big boys.

The CHAIRMAN. Yes. We can catch them.

Mr. BENTON. I would point out that the—well, there are a number of problems. One is that up until recently the ability to require additional observer coverage on vessels has been restricted. In

1990, Mr. Chairman, Congress enacted the North Pacific Research Plan, the last time we reauthorized the Magnuson Act. Your committee, I think, strongly championed that North Pacific Research Plan.

The council adopted a plan in June 1992. Now, that took 2 years, which was too long to get that plan put together. But there were a lot of details that had to be worked out. The National Marine Fishery Service had a lot of concerns about it, as did fish and game. The council adopted that plan in June 1992.

Presently the National Marine Fishery Service is going through the third set of internal, draft regulations for that plan after they helped write it. Under an optimistic scenario, with the Secretary reviewing the draft regulations promptly we have a 60-day review period, and then we have 45 days, and so on. The bottom line is that this plan will not be adopted under an optimistic scenario until July 1995 to January 1996.

The CHAIRMAN. Hmm.

Mr. BENTON. This plan would do a lot with helping us observe these fisheries, and better tell what is happening out there.

The CHAIRMAN. Right.

Mr. BENTON. One thing that we have done, because of the CDQ program, is to get the National Marine Fishery Service to finally own up to the fact that they are not able to effectively determine what the catch is, and what the discard is, and what is really going on out there in the ocean. So, they come up with a proposal to require total weight measurement or volumetric measurement of catch, plus two observers per vessel.

The CDQ groups saw a substantial economic loss from this, but they stood calm and said, "We agree with this and we will do it." The State firmly backed them. The council firmly backed them. We have adopted that kind of process, and they are going to lead the way. Now, a number of these are on factory trawl vessels. The CDQ operations are showing that they can meet this requirement, and do it in an economic fashion. The next step is to get this on all the other vessels out there so we can actually see what is going on. But this is one good first step.

I think that additional statutory language is definitely warranted. Like I pointed—those numbers I pointed out to you were from the processor reports. We have seen great discrepancies in the amounts of bycatch and discards that are being reported between observed and unobserved vessels.

I do not have the numbers in front of me, but it is something on the order of—in the pollock fishery in the Bering Sea a little over 47,000 metric tons were reported by processors. Federal observers reported 113,000 metric tons. That is a 37-percent difference. So, we have to get better observation on those vessels, no question about it.

The CHAIRMAN. On these plans Senator Stevens and I know from criminal law that if I am charged I have got to be tried in 90 days. We found with the airline industry, we put a 60-day termination on a study and report, and it has already happened. It seems to me that with the councils, one big misgiving is that they are slower than the Congress.

Mr. BENTON. Yes.

The CHAIRMAN. And somehow we have to ensure, once the plan is there and submitted and approved, that implementation takes place in a reasonable period of time.

Let me jump for a minute to Captain Dorsey and ask him about these community development quotas on the enforcement side. How about it? Are you having difficulties with those or are there any difficulties?

Captain DORSEY. Well, sir, given the nature of our enforcement locally, we have very little dealings with that program.

The CHAIRMAN. Oh.

Captain DORSEY. Our folks at the district office level are the ones who would best be able to provide information on that program and the effects of it.

[The information referred to follows:]

The community development quota (CDQ) fishery does not entail special enforcement requirements for the Coast Guard and we have not experienced difficulties with CDQ enforcement.

The CDQ fishery is routinely conducted immediately prior to or following the traditional pollock A and B seasons. CDQ fisheries enforcement is conducted as part of our overall program to ensure that total allowable catch (TAC) for pollock is not exceeded.

Pollock fishery efforts are satisfactorily monitored through a combination of Coast Guard presence on the grounds, at-sea boardings during the transition periods between the CDQ and traditional A and B fisheries, and high observer coverage for the CDQ fishery.

The CHAIRMAN. Mr. Benton, one other thing that I have yet to hear about is fees. We have heard suggested perhaps a fee should be enacted to promote research, more observers, better implementation, and so forth of the council's decisions and, of course, the fees or revenues thereon would be retained and used in that particular region. And you talk about community development. Do you have a view about any kind of fee?

Mr. BENTON. Mr. Chairman, the State really has not taken a position on fees other than to say that if a fee is charged, then it should be specifically targeted at management and enforcement of those fisheries in the region where the fee is assessed.

From personal experience I know that fundings for these programs is tight, going down, not up. The Nation is in a situation where we have to tighten our belts, just like—and the State's in the same position. And I cannot see how we can avoid at some point extracting the costs of management and enforcement to make that industry profit from that economic activity that the industry generates.

It is a matter of degrees, and I think it has to be reasonable. If the fee is charged, and I think it really does have to come back to the region because that is where the burden, if you would, of Government services comes from.

The CHAIRMAN. Very good. Captain Dorsey, as I understand your testimony a solution to the Dixon Entrance dispute is more or less on course, at least de facto not de jure, not in law. As you see it now, with fewer violations from both sides, and helping the American fishermen with their particular vessels if they get over the line or otherwise, should we leave it alone or what should we do?

Captain DORSEY. Well, certainly, Mr. Chairman, the ongoing negotiations between the United States and Canada would hopefully

ultimately, and hopefully sooner than later, produce a solution to the problem down there that would finalize the determination of our boundary. As long as there is a disagreement down there over the appropriate maritime fisheries boundary, I think there will be the potential for some conflict or disagreements between our agencies and among our fishermen.

So, we are very hopeful, of course, that that would be the ultimate solution down there. But certainly as you mention down there, Mr. Chairman, de facto, over the past several years we have seen a great improvement in the compliance of the Canadians in that area. And I think they understand now that we anticipate that we will take enforcement action whenever we see them crossing the A-B Line into undisputed U.S. and Alaskan waters.

And I think that having done so, we can anticipate that we are adequately protecting the U.S. fisheries in that area. But obviously we would be much better served by a final resolution between the two nations.

The CHAIRMAN. Finally, we see you and Mr. Benton close together this morning. Are you all that close when we leave town? What about the enforcement? Is that well-coordinated between the Federal and the State or do you recommend any changes.

Captain DORSEY. Mr. Chairman, I think we have a good working relationship at all levels between the Coast Guard and State enforcement agencies. State fisheries are constantly going on within our area of responsibility. And even though we are not involved in enforcement of those fisheries, we are involved in doing boardings on a constant basis for fishing vessel safety purposes. So, we do cooperate with the State agencies, we work very closely together, we complement each other's efforts, and I think it is quite a good relationship at the working level here.

The CHAIRMAN. I have heard from time to time, Mr. Benton, that activities in this State are being regulated and enforced more and more each day by the Feds. Is that the case or is the relationship of enforcement well coordinated; as you see it?

Mr. BENTON. Mr. Chairman, with regard to fishery matters I would say we have a have good relationship with the Coast Guard and the National Marine Fishery Service. And, frankly, I have to put in a real plug for increased funding for Coast Guard activities up here and for National Marine Fishery Services enforcement.

I do not think I have run into anybody in the industry that is not for increased enforcement and better working relations between the agencies. And certainly the State's of the same mind. We would strongly encourage increased enforcement capability up here. These folks have done a good job, and they work hard under difficult conditions. And they are real top notch.

The CHAIRMAN. Very good.

Senator STEVENS. Mr. Chairman, the question is not only whether they have done a good job or not. During the Carter administration there was a negotiated agreement on the A-B Line. There was a dispute, and the whole agreement fell aside because the Canadians would not accept the A-B Line.

Mr. Chairman, if you will notice that map up there, the disputed area is outlined. The southern line is the A-B Line.

Captain DORSEY. Excuse me, sir; no. The southern line is the equidistant line. The northern line is the A-B Line.

Senator STEVENS. It shows the A-B——

The CHAIRMAN. Where?

Senator STEVENS. Where the line is straight.

Captain DORSEY. The A-B Line is the northern line. That is right. Straight across; yes, sir.

Senator STEVENS. At any rate, a straight line. Was it the northern line that the United States agreed to Captain Dorsey?

Captain DORSEY. Well, the United States took the position, sir, that it is the equidistant line; the Canadians have never agreed to the equidistant line to my knowledge. They have decided to assert the A-B Line as the dividing line between the United States and Canada for all purposes.

Senator STEVENS. I thought they agreed at one time with us.

The CHAIRMAN. Still in——

Senator STEVENS. But the main point is that today you enforce against the Americans that they can fish in disputed areas, but you do not see the Canadians do it; right?

Captain DORSEY. That's right, sir; we accept the principle that was agreed to between Canada and the United States of flag-state enforcement; in other words, the United States enforces against U.S. vessels in the disputed area and Canada would enforce against Canadian vessels, but we would not enforce against each other's vessels in that area.

Senator STEVENS. But I hear reports that Canadians are at the same time harassing Americans in that disputed area; is that right?

Captain DORSEY. From time to time, yes, sir; they do.

There are remarks of course, on the radio periodically. We haven't had any serious incidents of conflict between the vessels in a physical sense; however, there is a lot of harassment on the radio down there. And, as I mentioned, the Canadian Department of Fisheries and Oceans vessels that patrol in that area have told U.S. vessels, "you may not fish in this area. Please proceed north of the A-B Line." The reason they do that is that they maintain that the agreement for flag-state enforcement only applies to traditional fisheries in that area. They do not recognize any of the current fisheries that the United States conducts in the disputed area as "traditional" fisheries. So, they repeatedly advise our people to move north of the A-B Line. They have not taken any enforcement action in the sense of seizure or boardings on any vessel that failed to leave the area, but they kind of rely on the reluctance of fishermen trying to test what their reaction will be, and some U.S. vessels have moved north of the line. That is why we have undertaken an educational process to try to educate the U.S. fishermen on the A-B Line.

FROM THE FLOOR. I have a question very pertinent to the question just asked. May I say a word?

Senator STEVENS. Well, I think we better wait until the chairman takes questions.

I do think we need to understand where the negotiated line was during the Carter administration. We supported that line. The State of Alaska supported it. The Federal Government supported it,

and me memory is that the Canadians accepted it conditioned on the acceptance of the Northeast—

Mr. BENTON. I seem to recall that, too, but I do not recall the specific settlement.

Senator STEVENS. I would like to have, and we will ask our staff of to get a map to show that line.

And in the meanwhile you do not require Canadians to get out of the disputed area; is that right?

Captain DORSEY. That is right, sir. The only enforcement action we take against Canadians is when they cross the A-B Line into undisputed U.S. waters.

Senator STEVENS. Right.

Captain DORSEY. Because we support the concept of flag-state enforcement in the disputed area.

Senator STEVENS. Right. I stated it wrong at the beginning. That was my misunderstanding. You will get them when they come over the A-B Line. You will not get them when they come over the first line.

Captain DORSEY. That is correct, sir.

Senator STEVENS. Mr. Chairman, it appears that we have a question from the audience.

The CHAIRMAN. Go ahead. Let us have the gentleman's question. We do not want to turn this into the Donohue Show, but we will be delighted to hear from you.

FROM THE FLOOR. Yeah, I appreciate that.

Senator STEVENS. If you would please introduce yourself to Senator Hollings.

Mr. COBURN. Terry Coburn. I have 48 years of fishing experience in Alaska, Canada, and United States waters.

And the gentleman, the commander here asked for questions from the audience just a moment ago. Well, in the days of the 3-mile limit, the 12-mile limit, the Hecata Straits, the Goose Island grounds, all west of Graham Island, we would seek harbors in Canadian waters right around Beach Jacket. Two different instances the Canadians run us out of their harbor because is was not blowing 25 knots.

Now, my pertinent question is this, any Canadian here, whether—the weather can be glassy calm, and smaller and smaller boats have been coming across from Canada to fish this disputed area, because our Coast Guard asked them a formal question: "Do you understand the rules of using our harbors?" Which is you cannot process fish. And they come back with their immediate quick answer on the radio phone, "Yeah, we understand." And we are inviting them to fish these areas by furnishing secure harbors every night.

And my question to the commander is, why? Thank you very much.

The CHAIRMAN. Captain, do you want to deal with that question?

Captain DORSEY. Yes, Mr. Chairman. Several years back there was a meeting between Canadian enforcement officials and various U.S. agencies at which it was agreed that, because of the fact that there are a number of safe harbors within U.S. waters that are much closer to the fishing grounds in the disputed areas than the safe harbors in Canadian waters, that Canadian vessels would be

permitted to anchor up for the evening in U.S. waters subject to a number of conditions; namely, that they not fish, of course, or that they not engage in any activity essentially in support of fishing.

This was an effort to promote some harmony in that area and to allow them to do something which, I believe, they considered to be traditional activity down there. So, yes, indeed, the gentleman is correct. We do allow Canadian vessels to anchor up under very stringent conditions. They are not permitted to fish, and they get underway at the end of the night and proceed out to the fishing grounds.

The CHAIRMAN. I want to thank you, Captain, and you, too, Mr. Benton.

Senator STEVENS. I would like ask a question of Mr. Benton.

The CHAIRMAN. I am sorry.

Senator STEVENS. If I may.

The CHAIRMAN. Go ahead.

Senator STEVENS. One question, Mr. Chairman.

The CHAIRMAN. Yes.

Senator STEVENS. David, this discussion of the Secretary's action, in one instance he was acting on a management plan, in another instance he was acting within the regulatory process. While there is a distinction there, we disagree generally with his making changes without a full explanation for the record of the actual consent of the council.

But let me ask you this, you are familiar with the North Pacific Fisheries Research Plan that is not going to go into effect until 1995. There are provisions of that that we could legislate now without disagreements, as I understand. Is that so?

Mr. BENTON. That is correct, Senator.

Senator STEVENS. If we wanted to review the plan and put it into legislation, we could implement the noncontroversial portions of the plan now and not have to go through all these long delays, because there is a consensus, as I understand, on a substantial portion of the plan.

Mr. BENTON. That is correct. In fact, I do not believe there is any contentious components in the plan any longer. I believe what the problem was, was bureaucratically the NMFS could not figure out to how to collect the fees. And it is a bureaucratic problem, not a problem of substance.

Senator STEVENS. I seem to remember that and I would urge you to get together with our staff and see if we cannot find a way to put that plan into effect. I think we could close that gap on the timeframe. We can literally legislate that plan into effect. And I understand that at the council level there has been no disagreement—even with members of the south. Again, is that your understanding?

Mr. BENTON. That is correct, and I would welcome the opportunity.

Senator STEVENS. I would suggest—

The CHAIRMAN. Yes.

Senator STEVENS [continuing]. Everyone get together with our staff, see if we cannot put that plan—which would implement substantial conservation measures—in effect at least 18 months early

by tacking it onto a Magnuson Act renewal this year. I urge you to do that.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Thank you both, too, very, very much this morning. Is Mr. Daniel Falvi of the Alaska Longline Fishermen's Association here?

[No response.]

The CHAIRMAN. If not, then we can probably combine these panels. So, would Nancy Lande come forward, for the Alliance Against IFQ's; Mr. Ronald Leighton of the commercial fishermen, Mr. Andrew Rauwolf, a member of the Alaska Marine Conservation Council; Ms. Penny Pagels of Greenpeace; and Mr. Terry Coburn, you can come forward. You can take that Daniel Falvi's place on the panel here, so we will have your statement in full. But we do not want you to act like a Senator and filibuster. We have to limit you a little.

Very good. Ms. Lande, we welcome you to the committee, and we are delighted to hear from you at this time.

STATEMENT OF NANCY LANDE, SPOKESPERSON, ALLIANCE AGAINST IFQ'S

Ms. LANDE. Thank you. Mr. Chairman, my name is Nancy Lande, and I represent the Alliance Against IFQ's. We are a grass-roots coalition. Our membership reaches from Dutch Harbor, AK, down to Astoria, OR. I am here to address the IFQ fishery management plan.

It has been submitted for approval by the North Pacific Fishery Management Council. In your letter of invitation to testify at this hearing in paragraph two it states that our testimony should discuss, and I quote, "ongoing Federal efforts to conserve and manage fishery resources." As chairman of this committee you have placed conservation first. The IFQ plan that the council has submitted has placed economic allocation first.

There are flaws when the council has to eliminate the prohibited species cap thereby throwing conservation out the window. There are flaws when the council has to violate Article I, Section 9, Paragraph 6 of the United States Constitution that states, "Nor shall vessels bound to or from one State be allowed to enter, clear, or pay duties in another." Even with this violation there will not be enough enforcement. And with inadequate enforcement there is no conservation.

There are flaws when over 35 resolutions from communities, boroughs, native associations, and even the Alaska State House of Representatives asking for a comprehensive economic impact study be done are ignored. The council and council process works when it comes to the management of the resource. There are a few glitches, but generally it does work.

This new role that the council has stepped into of creating a distributing property to themselves and their friends and their employees, this is not working. It is not their job. If it is the intent of Congress to allocate fishery resources, then we feel there needs to be another agency set up to do this, not the council which has no conflict of interest rules.

There are flaws in both the Magnuson Act and the Halibut Act that states any allocation will be fair and equitable to all fishermen, and yet this plan only reward the vessel owner or investor, if you will. Deckhands who have put years into fishing will not even be awarded with unemployment checks. Hired skippers who push hard to become a highliner get to watch that hard work be given away. If there is a need to allocate, then we should be looking to selective gear. Allocate to the benefit of the resource by eliminating waste and bycatch. Above all, conservation should be put back into the Magnuson Act as the first priority. Economic allocations need to be buried forever and selected gear needs to be pursued more aggressively.

Thank you.

The CHAIRMAN. Thank you very much. Mr. Leighton.

STATEMENT OF RONALD LEIGHTON

Mr. LEIGHTON. Yes, thank you. I feel fortunate to be here to testify. I forwent 3 days of a 5-day king salmon opening to be here, and I feel it is very important. That is why I am here. I am here to voice our concerns concerning the Magnuson Act, and its effect on Alaska fisheries.

First, even though Canada is a signatory to the Magnuson Act of 1978, she is not following it as it was intended. Canada believes her boarders run 1½ miles south of Cape Chacon to and across the point—tip of Cape Muzon. Canada has seized, from what I understand, two U.S. fishing boats in the past, which were fishing about 2 miles off the coastline between Cape Chacon and Cape Muzon, and towed them to Prince Rupert for court processing.

The U.S. Department of Commerce chart No. 7420 shows two zones near the middle of Dixon Entrance, one called the contiguous zone, and the other the exclusive economic zone or the fishery conservation zone. The latter located about 19 miles south of Cape Chacon and 14 miles south of Cape Muzon. The exclusive economic zone was brought forward through the Magnuson Act which Canada became signatory to.

I found quoted in the 19th edition of the U.S. Coastal Pilot, Dixon Entrance to Cape Spencer, page 25, the U.S. Fishery Conservation Zone, which gives the United States exclusive fishery management authority over the species of fish, except tuna. According to Canada I cannot fish without risk of seizure by them any further than 1½ miles off of Cape Chacon and no further off—south than Cape Muzon. This is in direct conflict with Federal Laws 50 CFR 611 and 16 USC 1801 1888.

According to these laws no foreign vessels other than U.S. vessels may fish, aid, or assist vessels at sea in the performance of any activity relating to fishing, preparation, supply, storage, refrigeration, transportation, or processing within the fishing conservation zone or fish for anadromous species of the United States. Canada is only ignoring its obligation to the act by seizing our vessels while fishing within the fishery zone and by allowing and having their Coast Guard protect 100 of their troll fish while fishing 18 miles inside our line.

To my knowledge, none of the 100 or so Canadian trollers have sought or obtained a permit to fish in this area. At any given day

during June, July, or August I have observed approximately 50 fishing vessels 1½ miles off of Cape Chacon and about 50 more fishing just off Cape Muzon.

To show though the impact on the Canadian troll fleet upon the U.S. fisheries, two of us, the fishing vessel *High C* and myself, the fishing vessel *El Sol*, spent a day fishing outside of Nunez Rocks in the disputed zone. Our catch per boat is as follows: 50 cohos; 8 kings, which were released; 3 sockeyes; 4 chum salmon; and about 300 pink salmon, which were released.

This totals about 365 salmon as a very low, conservative estimate, as we only fished 10 hours, and we used four tag lines. The Canadian fleet uses up to eight tag lines and fish about 13 hours. Assuming this and their ability to target species, I believe I can conservatively double our catch to 700 per fish per boat per day, times 100, which equals 70,000 salmon per day. In one month that computes to 2,100,000 salmon.

While we were closed down for our king retention and our coho closures this fleet is still fishing. The fleet also is allowed to use our harbors, McLoud Bay and Nicholas Bay while fishing this area. The Canadian Coast Guard about 20 years ago made our U.S. troll fleet use their Canadian harbors because the wind was blowing less than 25 knots. This was during the time of the 12-mile limit.

I was informed at a Snake River salmon meeting held at the American Legion Hall in May of this year by the Department of Fish and Game, State of Alaska, that Canada does not supply tagged fish information to our United States or State on how much tagged fish they intercept and where and when they are caught or the origin of their tagged fish.

When my Government tells me I can fish this fishing zone but at my own risk of seizure of my vessel by Canada, what am I to do? Am I to arm myself with LAWS rockets to prevent pirating of my vessel?

Because of this, I feel that the Magnuson Act is hindering our State's ability to manage our fisheries in the most economical way to benefit our system. If the Magnuson Act was formed to serve Alaska fisheries, then I agree, but at our fishermen's expense. While our fisheries has dwindled since the act, Canada, Washington, Oregon, California, has increased. Since statehood, I have seen our fisheries decline especially our troll and halibut fishery. Our halibut fleets used to remain open most of the year, and our troll fleet could retain the halibut they caught while fishing for king salmon year around.

I would like so see a time set aside for testimony from Alaska fishermen when it would be—when it would not interfere with their limited openings.

My questions to you are:

Why do we cater to the violators of the Magnuson Act by allowing them to anchor in our harbors?

Is the Magnuson Act one way? Does Canada follow it?

If it is not followed by Canada and not enforced, then why keep it?

My other question, can I fish without being seized in our fishery zone?

Thank you very much.

The CHAIRMAN. Thank you very much. Mr. Rauwolf.

**STATEMENT OF ANDREW RAUWOLF, MEMBER, ALASKA
MARINE CONSERVATION COUNCIL**

Mr. RAUWOLF. Thank you for the opportunity to testify. My name is Andy Rauwolf, and I am here today representing the Alaska Marine Conservation Council. I submitted a lengthy testimony, and our group did in Anchorage through Trevor. And he informed me that it is here. But this is a condensed version, and I think we can get the point across.

Our members come from diverse cultural and economic backgrounds throughout the State of Alaska, primarily coastal communities from here in Ketchikan to Kodiak to Bethel and on to Unalaska. Our livelihoods depend, for the most part, either directly or indirectly on the sea. We are part of the Marine Fish Conservation Network and support its recommendations including placing conservation over efficiency, adopting a precautionary multispecies approach to management, identifying and protecting marine habitat, and promoting clean fisheries.

The Magnuson Act provides the framework for conservation of fisheries off our coast, but unfortunately the priority it gives to efficiency and optimum yield for targeted species is resulting in huge amounts of dead and dying fish and marine life being discarded each year. In Alaska last year alone over 507 million pounds of groundfish were dumped over the side as economic discard or bycatch. Allowing this industrial scale of wanton waste to continue is a national disgrace. Its effects are rippling through coastal communities and villages throughout the entire State jeopardizing our livelihoods and our heritages. Unlike other areas of the world including the Gulf of Mexico and the northeast coast of the United States where most fisheries have been depleted in the last 25 years, Alaska is lucky in that most of its major fishery resources are still supporting healthy harvests. In fact, Alaska supplies over 55 percent of all the fish caught in the United States.

But the warning signs are all about us, particularly in the Bering Sea, Gulf of Alaska, where there are population declines of numerous top of the food chain predators. Bird species such as murre and kittiwakes, fur seals, harbor seals and, of course, the stellar sea lions. Both President Bush and President Clinton have pledged that the United States reduce bycatch within a 200-mile fishery management zone. Unfortunately these international commitments have not been written into domestic law and have therefore not been addressed at the council level.

While the problem of wanton waste and destruction of marine habitat are widely recognized, Alaska Marine Conservation Council has taken the issue one step further and developed a plan that if implemented will help solve these problems in the next few years. Recognizing that fishermen are highly imaginative and resourceful we propose using harvest priorities as economic incentive to more selective gear groups and techniques. Fisherman will voluntarily make the change to clean fishing if the council gives harvest priority to the cleanest fishermen. As an example the council can allow the clean fishermen to start a month earlier.

With these incentives more selective gear will automatically be developed and used. Also the cleanest techniques will be adapted and the bycatch problem will be curtailed.

This has already worked, by the way, during the Americanization of the fishery. And somehow this fell by the wayside.

Therefore we request that the following language be included in National Standard Five: "Conservation and management measures shall assign harvest priority to use of selective gear and practices that minimize waste of catch of target species, minimizes bycatch of nontarget species and minimizes disruption of habitat."

The Alaska Marine Conservation Council supports selective gear and selective practices. As a cautionary note, if limited access programs are enacted before the council addresses the issues of waste within the fishery, these problems will only be compounded.

Thank you for giving us this opportunity to testify.

The CHAIRMAN. Very good. Thank you. And we next have Ms. Pagels.

STATEMENT OF PENNY PAGELS, NORTHWEST FISHERIES CAMPAIGNER, GREENPEACE

Ms. PAGELS. Thank you, Mr. Chairman. On behalf of Greenpeace and its approximately 1.8 million supporters here in the United States, I am pleased to present our organization's views regarding the Magnuson Fishery Conservation and Management Act. My name is Penny Pagels, and I am the northwest fisheries campaigner for Greenpeace.

I work specifically on North Pacific fisheries issues, advocating for the conservation of living marine resources. I am also serving my second term on the advisory panel to the North Pacific Fishery Management Council. It is with great pleasure that I present this testimony to you today.

As an environmental organization dedicated to protecting the marine environment, Greenpeace is concerned with several issues that will be under review during this reauthorization process. We are steering committee members of the Marine Fish Conservation Network and are currently working on a national outreach program to empower citizens of the United States to become involved in ocean issues.

In our view, the Magnuson Act has ample room for strengthening and improvement. More emphasis should be placed on the long-term sustainability of living marine resources and the marine ecosystems that support them both inside the U.S. EEZ and outside of our national jurisdiction. As we are well aware, marine species do not respect international boundaries and it is therefore in our interest to include ocean policies that extend beyond 200 nautical miles.

Almost 17 years after the passage of the Magnuson Act, the state of our Nation's fisheries has not improved. We have not halted overfishing, and for the most part, we have not allowed for the conservation or prudent management of fish stocks. The National Marine Fisheries Service reports that 42 percent of the managed fish stocks in this Nation are overutilized.

Today, in fact, the matter in which our fisheries are prosecuted begs the question as to why we have allowed and even encouraged

the U.S. fishing capacity to surpass that of the foreign fisheries that once operated in what is now the U.S. EEZ.

In this testimony I will point out some of the egregious problems facing the status of our Nation's fisheries and recommend specific changes that should be addressed during the reauthorization process.

One of these egregious problems is what we term unsustainable fishing practices. The waste and discard issue is highlighted—is easily highlighted in a fishery called the rock sole fishery prosecuted in the Bering Sea/Aleutian Islands area. If you have a problem with my testimony, I would ask that you refer to the last chart in the testimony, which is the fishery management report from National Marine Fishery Service on the rock sole fishery in 1993. I will just go over some points with you.

In 1993, this fishery, which is conducted by the use of bottom trawls, reported catch figures as follows: total catch 73,804 metric tons, the retained catch 23,411 metric tons and a discarded catch of 50,393 metric tons. In more familiar terms, the discards amounted to an excess of 110 million pounds of fish. The composition of the discards, as you can see, was Pacific cod, pollock, flounder, rock sole, and other species.

This fishery is conducted during the spawning period for rock sole, and the target is females with roe or eggs. Because this product fetches a high market price, the fishery is economically important. But the question is, Is this type of fishery sustainable? In actuality, we know little about the impacts of targeting on spawning aggregations. We do know that it is much easier to catch the fish because of their aggregated formations during spawning. But what of the impacts on the population? And what of the impact of the other species which are considered bycatch and are subsequently discarded? And what of the impact on the benthic environment? Because there are no scientific answers to these questions, we give the benefit of the doubt to the lucrative fishery. They justify their response by explaining that, since we cannot prove that this fishery impacts the rock sole population or other species that are caught, we have no reason to disallow the fishery.

Yet, it can be argued that the foregone opportunity of other fishers who are targeting Pacific cod or pollock is, in fact, worthy of economic consideration. And furthermore, disrupting the benthos and the productivity of the ecosystem may cause irreparable damage to the health of the rock sole fisheries and other marine species that are interdependent in this food web.

We propose that fisheries be conducted in a more sustainable and selective manner. Gear selectivity is an area where numerous wasteful fisheries could be eliminated simply by allowing cleaner gear to prosecute those fisheries. Specifically, preferential allocation should be the reward of clean fishing practices.

We recommend that the act be amended to provide broader authority to manage bycatch problems through fishery management plans. The act should contain a directive to reduce the problems caused by bycatch and provide the tools to reach that goal. Additionally, incentives must be created for conservation engineering so that low-impact types of fishing gear can be developed.

I would like to talk about another conflict that we see within the act and we would like to see amended. I heard prior testimony address this issue, and I will try to sum this up as soon as possible.

Some of our issues that we are concerned with, are the cost of managing these resources, obviously. We are very concerned about the numerous loan guarantee programs that were authorized under the Merchant Marine Act which effectively set up a symbiotic relationship between the fishing industry and NMFS. Essentially NMFS provides the funding for vessel construction and operation, only to have the fishing industry indebted to the agency, which in turn must maintain fishing quotas so that vessels can continue operating in order that their loans can be paid off.

Currently the overcapitalization of the U.S. fishing fleet in the North Pacific alone has caused federally funded vessels to go bankrupt. And all the while, NMFS has knowingly approved loan guarantees that allowed for excess capacity. Subsidy programs to the U.S. fishing industry should be scrutinized with the U.S. taxpayer in mind.

In addition to these subsidy programs, the U.S. fishery industry is the only extractor of natural resources that does pay to utilize the resource. And the costs of management are borne by the U.S. citizen. The fisheries of the United States are common property resource which belong to everyone or which belong to no one. It is high time that the users of this resource pay a fee because fishing is not a right. It is a privilege.

The Magnuson Act should be amended to allow for a user fee mechanism that will offset the cost of management. This is not a tax, but a user fee that is earmarked for fisheries conservation, research, and maintenance. In order that this user fee plan can be implemented, we recommend a standard national registration program for all vessels that fish in Federal waters. This would serve to provide a standard data base in order that resource user fees could be assessed.

Interestingly, a time not too long ago, the State Department successfully collected access fees from nations wishing to fish in U.S. Federal waters. Failure to pay the fee resulted in the denial of a fishing permit. Later, as a joint-venture fisheries developed, the access fee and the price of fish was paid by foreign vessels that worked with U.S. catcher vessels. When the fisheries became "Americanized" we dropped the user fee concept altogether. And now, oddly, we have no method of collecting a fee to fish, nor do we have total consensus from the fishing industry to help pay the costs.

In conclusion the Magnuson Act has the framework to become an effective conservation-oriented law. Adjustments will need to be made in order that the act adequately address the conservation concerns. By updating the law to keep pace with the present status of U.S. fisheries, the health of the marine environment may be restored and the economic stability of coastal communities from Alaska to Maine could be maintained.

As a nation that boasts the largest EEZ in the world and as a region that boasts the largest fishery in the Nation, we have reason to be concerned about the future of fish. We also have learned from our antiquated management practices of the past and we are

poised to reform our ocean policies. Alaska's fisheries are not an inexhaustible resource, but they can be renewable and sustainable if we take immediate steps to include ecological concerns at all levels of living marine resource management.

The fishing industry and the environmental community are working together to ensure that our compatible goals of sustainable ecosystems and the fisheries that depend on them are maintained for the long term. We are committed to advocate sustainable fishing practices and we welcome more comprehensive science to improve our understanding of the oceans.

Thank you for considering our views. We will look forward to working with you throughout this reauthorization process, even way into 1994. Thank you.

The CHAIRMAN. Thank you very much. Now, Mr. Coburn, we would be delighted to hear from you.

STATEMENT OF TERRY COBURN

Mr. COBURN. I will be quite brief. Something off the top of my head, I completely agree with the two preceding people here when we are talking about wanton waste here in Alaska. I think we are really going to have get with the program and stop some of our wanton waste or we are going to destroy our resources over a long enough period of time.

The CHAIRMAN. Now, how would you stop it?

Mr. COBURN. How would I stop it?

The CHAIRMAN. What would you have us do?

Mr. COBURN. All right. The large ships that harvest perhaps 60, 70 percent of the vessels, with observers aboard, and if they waste fish and dump tons by the million back in the ocean to be destroyed, they are out of the business. They do not fish any more.

The CHAIRMAN. We do not have observers aboard each one of these vessels.

Mr. COBURN. No, we have a few observers, but not very many, I will tell you that.

The CHAIRMAN. Yes. On the big ones? These factory trawlers, do they have one on each one of these factory trawlers?

Mr. COBURN. Well, I do not think they all have observers, but the larger, perhaps.

Ms. PAGELS. Excuse me, Mr. Chairman, if I may, I used to work as an observer for National Marine Fisheries Service, so I can explain very quickly for you.

The CHAIRMAN. Please.

Ms. PAGELS. The way they had it work is vessels under 60 feet do not require observer coverage. Vessels between 125 and 60 feet—60 feet is the demarcation line. So if your vessel is 59.8, you do not require an observer. Between 60 feet and 125 feet you require an observer 30 percent of the fishing time.

Vessels that are in excess of 125 feet—again that is the line—require an observer 100 percent of the fishing time. So, effectively I do not know of any—well, there may be a few. I better be cautious.

The CHAIRMAN. Yes.

Ms. PAGELS. Most factory trawlers have observers onboard 100 percent of the time. That does not mean, however, that the observ-

ers are monitoring 100 percent of the catch because observers have to sleep.

The CHAIRMAN. Because the observers have to sleep?

Ms. PAGELS. That is correct. They fish around the clock, and observers cannot necessarily work 24 hours.

The CHAIRMAN. I understand that. How would you improve it? I am coming back to you, Mr. Coburn. But, Ms. Pagels, how would you improve on the observer problem then?

Ms. PAGELS. Well, we recommended numerous things at the council level. Some of the things that we are directly concerned with are—I believe Mr. Benton from the State of Alaska highlighted those. In the CDQ fishery, for example, right now the way they are operating is on almost a voluntary basis, and next year it will be regulatory. And they are taking on these factory trawlers two observers so that they can work in 12-hour shifts around the clock.

In addition to that they are asking that the vessels either put a scale on board which be verified by the observers, or to assess approximately what would settle within a certified bin, so that they can get an accurate volume assessment of the fish. And effectively you will have 100 percent of the catch monitored.

We would like to see that spread out through the rest of the industry; that is, 100 percent observers——

Mr. COBURN. On all vessels?

Ms. PAGELS. Absolutely.

The CHAIRMAN. I am going back to you. Go ahead, Mr. Coburn. Let me let you complete your statement.

Mr. COBURN. Well, that is the way to cure the problem. I mean you monitor it, you know. You monitor it for enforcement. And the enforcement is if they do not observe it, they are not the licensed to fish. And the Coast Guard—"Get off the ocean. You do not have a license or permit or darn thing else."

Now, if you take a man's livelihood away, he is going to be a very careful individual in the ocean about wanton waste. That is the way to cure the problem.

The CHAIRMAN. Very good.

Mr. COBURN. Yeah, I have got a little bit of humor here, and it sort of makes the point. We were out fishing in the disputed area, and I brought up a drowned king salmon, a beautiful fish, 27½ pounds, floating on his side. And according to Alaska State law it is an absolute criminal offense for me to keep this beautiful fish to eat, because the king salmon season is not open.

The same fish you pay \$37.50 a plate in Washington, DC, just as good or better as filet mignon. And I have to cast it back in the ocean. And my wife's sitting over there. And I could have ate on that fish for 2 weeks and enjoyed every mouthful of it.

And I know of one instance, you know, through the pipeline where there was a \$3,000 fine for keeping one Alaska fish. And our wanton waste law says we are not supposed to waste it, but what do you call throwing a 27-pound drowned fish back in the ocean?

The CHAIRMAN. That is a State law?

Mr. COBURN. That is the State law, yeah.

The CHAIRMAN. You have got to get on Benton now. You cannot——

Mr. COBURN. That—it just sort of makes my heart beat a little faster. Yeah.

The CHAIRMAN. Yes.

Mr. COBURN. All right. I am through talking.

The CHAIRMAN. Yes, thank you a lot. Mr. Rauwolf, you wanted to make an observation.

Mr. RAUWOLF. Yes, I think if the council adopted the policy that we suggest that harvest priority be assigned to the cleanest gears and the cleanest fishing technique, I think that vessels will voluntarily pay for observers to come aboard in order to prove that their gear or their technique, that they are cleaning up their act so they will be assigned more harvest the following year. I think this is the whole idea behind the suggestion that we have.

And I think the vessel would be happy to pay for the bill of having that observer aboard.

The CHAIRMAN. Do you favor the community development quota being employed?

Mr. RAUWOLF. I cannot speak for my group on that. I can get back to you on that.

The CHAIRMAN. Well, how about the individual transferable quotas?

Mr. RAUWOLF. I do not favor IFQ's.

The CHAIRMAN. You do not favor the IFQ's?

Mr. RAUWOLF. No.

The CHAIRMAN. Now, I have gotten confused. Both Ms. Lande and you oppose IFQ's because—as Ms. Lande says, let us allocate the gear and not the quota. And yet I understood that by allocating the quota we are trying to institute some kind of conservation.

Mr. RAUWOLF. Our proposal is not to say that one gear is better than the other, because there are clean fishermen out there that are trawlers. There are probably 25 percent of them that use techniques of clean fishing. And there are probably 75 percent that are dirty fishermen out there, that are dragging up a lot of fish and dumping them over the side.

There are techniques to use within specific gear groups that do work. And there are skippers that know how to handle these properly aboard these ships. Some do and some do not. Some could care less. But as far as IFQ's go, you are not going to solve the problem of bycatch by IFQ's. You are just going to allow specific vessels to fish longer periods of time for that particular fishery. And they are, during that period of time, naturally going to keep onboard the fish that is the highest money fish. And if, for instance, some crewmen on board a vessel sticks a gaff hook in the side of a 60-pound halibut, and it is going to cut down the price down to 30 percent of that halibut, that halibut is going to go back over the side, and they are going to fish for one until they get that one.

And another reason that I am against IFQ's is because eventually you are going to take a fleet of 6,000 fishermen throughout Alaska's communities and you are going to reduce them to 600 fishermen because these smaller fishing group are going to be bought up, and their quotas are going to be taken over by larger fishermen. And they are—it is going to be devastating to the fishing community—communities throughout the State.

Senator STEVENS. Do you think that is true under the Sitka-block proposal also?

Mr. RAUWOLF. I believe it probably is.

Senator STEVENS. Well, how could it be the shares cannot be traded between vessel size classes under the current plan, and the block proposal will further restruct transfers even within a vessel size class? It seems that the block concept at least has the potential to prevent consolidation.

Mr. RAUWOLF. Well, if that is the fact, if that is the case, then you would not have that problem. That is true.

Senator STEVENS. OK.

The CHAIRMAN. Well, let me go back, not to the bycatch problem, but just the overcall catch problem. As Mr. Leighton, I think, said—"now, wait a minute here. We are stuck with the Magnuson Act system. And on the one hand, the President has pledged to ensure U.S. fishermen's rights, and on the other hand the President does not have the authority that the council does. At the same time, I read in the newspaper somewhere on July 2 you had a catch of 2 million salmon. Obviously, you are getting tremendous catches 15, 16 years after the enactment of the Magnuson Act itself."

What about the targeted catch? Should there be any restrictions other than the time and the season? Ms. Pagels, do you have a view on that?

Ms. PAGELS. I am not quite sure I exactly—

The CHAIRMAN. Well, the problem, it appears to me, other than the bycatch, just is overfishing—

Ms. PAGELS. Right.

The CHAIRMAN [continuing]. If you can catch 2 million pounds in 1 day.

Senator STEVENS. Well, we do have some limits on target species, Senator.

The CHAIRMAN. You do?

Senator STEVENS. We have State management limitations as well as salmon treaty limits under our agreement with Canada. The treaty affects southeast Alaska very strongly.

The CHAIRMAN. Well, let us see what Mr. Leighton says.

Senator STEVENS. Well, let us have Ms. Pagels—

Ms. PAGELS. You asked me a question, and I can answer that.

The CHAIRMAN. All right.

Ms. PAGELS. The whole problem with overfishing is it is kind of an amorphous blob. And you have to look at each fishery and decide. Of course, each fishery has their own fishing level. So, to control it I would say the best way, when you look at it, is like in the North Pacific we have a cap in the Bering Sea. That cap was arbitrarily picked. It is not really based on size. It is just says so many metric tons. And hopefully we will maintain the status of the stock. But I would prefer to—

Senator STEVENS. Well, but didn't that cap reduce the catch significantly?

Ms. PAGELS. I am sorry.

Senator STEVENS. That significantly reduced what the foreign vessels were taking. They were taking too—

Ms. PAGELS. Correct. Correct.

Senator STEVENS. But the level was placed at what was thought to be a conservative number of—

Ms. PAGELS. Right. It was.

Senator STEVENS [continuing]. Sixty percent and—

Ms. PAGELS. Yes, it was, and part of that, I would imagine, was politically motivated because we did not know at what point the American fisheries would kick in.

Senator STEVENS. Right. We did not know they would get this big.

Ms. PAGELS. Right. Exactly. But the point is that what—what I have heard other panelists say is we need to look at overfishing as no longer the single fisheries management regime. We need to look at more of a multispecies management regime. And how we are going to get there, I could not tell you that right now. I would say, though, we need to consider what these ecosystems' impacts are going to be or at least model or include for deficiencies in one stock versus another stock and how they are related in an ecosystem, if that makes any sense.

So, my recommendation is you compare our fisheries to the New England fisheries. One of our saving graces is that we have this cap, and we have a quota system. And we have an economic quota, and we have a biological quota, and we have overfishing quotas. In other fisheries that are managed by net sizes or trip limits have not done a very good job with respect to overfishing.

The CHAIRMAN. OK. With the deviation of the fisheries there, Mr. Leighton, is that totally caused by bycatch problems?

Mr. LEIGHTON. I would say yes, that a lot of the problems are because of bycatch. And I think another way to help eliminate it is to restrict so many factory trawlers further off of our shores to where they are not intercepting a lot of halibut and some of our salmon, salmon species.

Another thing I would like to make clear, too, is that the Magnuson Act has worked. And it worked effectively on the high seas interception of our salmon. And I see it working continually in that area, but I feel that it was not Senator Jackson's or Senator Magnuson's intent to allow or to make it easy for Canada to come in and take fishing grounds away from either Alaska or Washington.

Senator STEVENS. Let me deal with that, Mr. Leighton, I will get you some specific answers to your questions. But Canada did not adopt the Magnuson Act. I introduced the first 200-mile limit bill. We named it after "Maggie," because, as Senator Hollings said, he worked so hard to bring it about and bought about the compromise at the time with the Seattle fishing industry, which was by and large opposed to that act. And because we worked out a balance and consensus we named it after "Maggie."

Canada does not follow the Magnuson Act. It is not part of their law. It is the boundary dispute as well as the salmon treaty that gives us the problem, and as you know, we are currently at an impasse resolving many of the salmon treaty issues.

You all here have paid the price for the salmon treaty, and we will continue to try to make sure that there is not a further restriction on the southeast Alaska king catch.

The problem of the disputed area was between the United States and Canada was basically solved once as I remember correctly.

To the great credit of the Carter administration it was worked out, but we could not get an agreement on the east coast, if I remember correctly, and it all fell apart. We have a similar problem up in the Beaufort Sea where there are two lines and each country claims a different line.

Now, I do not know why—and I am not critical of the Coast Guard—but that one policy is to allow them into our waters for safe harbors when they do not allow you into their waters for safe harbor. We are going to take that up when we get back to Washington. We will try to follow through.

I do think that you ought to be able to be in the disputed zone without being harassed by the Canadian enforcement agency if we are extending the same courtesy to them. And if you have any specific problems in that, I urge you or your people to contact us. I am in regular contact with a member of the Canadian Parliament from the B.C. area, and we meet about once a year to talk over problems. And if any of these come up, once again I will be glad to pursue them.

Mr. Chairman, we will get some specific answers to Mr. Leighton and Mr. Coburn on their concerns. I think Captain Dorsey reaffirmed here today that you should not be harassed within the disputed zone.

Now, it is true that we also have the salmon allocation disputes, but that is something we can solve with the treaty.

Well, Ms. Pagels, we are delighted to have your testimony with your familiarity on the waste issue. I am glad to see you on board with your background representing Greenpeace. That will be very meaningful. It was very meaningful to us when Greenpeace came on board to help with the driftnet issue. You may remember that they once brought a driftnet they had intercepted and set it up down on the mall. It went up and down the mall four times, and finally people got to understand how long a driftnet really was. But here, your testimony is a substantial contribution, and I appreciate it.

Ms. Lande, we still do not have all the answers on IFQ's or ITQ's, and I appreciated hearing your concerns. Thank you.

The CHAIRMAN. Well, let me ask this finally, get all this panel to get me straight on this. And as I understand it, we can go over this. Other than the problem of bycatch, we do have quotas, and I believe we have those quotas to limit the catch and promote conservation—Ms. Lande, is that correct? You have an alliance against these individual fishery quotas—would you say it puts economics first and does not put conservation first? I thought that was the reason for the quota, but from your testimony, unless I got the wrong impression, that is exactly what it really mitigates against; namely conservation.

Ms. LANDE. That is right. At the present time we have what is called a total allowable catch. The quota system has not been fully—the Commerce Department has not fully signed off on it. And it does not deal with conservation. One of the first things that is going to happen under the quota system is that the prohibited species cap is going to be eliminated. And that is—there is a 750-metric ton catch, mortality cap on halibut. Once any fishery

reaches that 750 metric tons, you are shut down from fishing. They have it on rock fish. That is six different species, I believe.

They are going to eliminate that. Once you eliminate it, there is no—nothing to stop some of the fishermen from going out there and targeting and discarding the smaller fish and keeping the big ones. Right now you are supposed to keep track of every halibut that you bring aboard and whether you were targeting halibut or another species. They are not going to have any idea of how much mortality there is going to be once they eliminate the TAC. That is not conservation minded. Enforcement is going to be nonexistent.

The CHAIRMAN. Does anybody on the panel want to comment about that? Yes, Mr. Coburn.

Mr. COBURN. Well, I might be off the subject a little bit, but I do not know if you are aware of Canada's—I call it "sea grab." On the east coast they set their boundaries to include the Grand Bank up there, which took about three-fourths of it for Canada and left the United States with one-quarter of it. Maybe Ted is familiar with that.

Now, here the Straits of San Juan De Fuca I have done quite a bit of halibut fishing down there. It goes—makes it way between—oh, we call it Cape Flattery and Victoria, right down the Straits of San Juan De Fuca. As soon as they hit the open ocean, their line extends southwest. Southwest the 200-mile zone—I have fished there—puts it right outside of Astoria, OR.

So, there are two instances of where they have grabbed boundaries. And I do not know who to blame for this. Who goes along with it? Our State Department, are they more powerful than us when it comes to setting a boundary line? And now we are on the last one right out here; Cape Chacon to Cape Muzon.

But they grab everything they can get their mitts on. And they really look out for their own fishermen by acquiring territory. And they are still in the process of doing it.

And that is all I have to say.

The CHAIRMAN. Very good, sir.

Senator STEVENS. No, we had a discussion on CDQ's, and I am interested in your position on CDQ's, all of you. You do not have CDQ's down here, do you? I think you should watch those, though, because as my assistant points out, the participating factory trawlers have been willing to pay for the right to catch that allocation. And they have been willing to increase the observers and pay for them. And they have been willing to have a means of weighing or determining the volume of catch. Now, if all three of those can be done and still stay within the bottom line of those few factory trawlers dealing with CDQ's, I do not know why all of them cannot do the same thing.

And I think—Mr. Rauwolf, I think you make a good suggestion that we should try to reword clean operators. I am hearing more and more from people from all over the State who say they would accept the concept of licenses or full public identification in order to know who is entering these places and what their targeted species are and how much bycatch they are catching.

And I do think that the council ought out to consider that. Then if there is a sanction, you cannot fish. I think that we ought to have some basic means of sanctions that is substantial. And if

boats fish dirty they should not be in the fishery, they ought to be denied a renewal of their license.

Now, what do you think about that?

Mr. LEIGHTON. I think I agree.

Senator STEVENS. Ms. Lande, what do you think about that? Are you willing to get a license?

Ms. LANDE. I have a license.

Senator STEVENS. Fisheries license?

Ms. LANDE. Yes.

Senator STEVENS. For your boat?

Ms. LANDE. Yes. I have every license that the Federal Government requires.

Senator STEVENS. But that is basically for fishing?

Ms. LANDE. Yes.

Senator STEVENS. But when you register, is it a national license?

Ms. LANDE. We have a Federal fishery—

Senator STEVENS. You do not have one that can be denied you because you have had a dirty boat.

Ms. LANDE. No.

Senator STEVENS. All right. That is what I am talking about. The capability to sanction fishing as Terry mentioned. If you do not fish right, take their license away. That is what happens to me as a fisherman. If I am a sports fisherman, and I violate the law, I do not get a license.

Ms. LANDE. Is this observer program going to be forced on the smaller boats? I have a 36-foot boat, and I am not sure where I am going to put an observer.

Senator STEVENS. I do not see that being a goal. We should try to avoid putting an economic burden on vessels or putting them out of business.

Ms. LANDE. That had been brought before the council at one time—

Senator STEVENS. Yes.

Ms. LANDE [continuing]. On the small fleet.

Senator STEVENS. I do favor having mandatory weigh-in requirement for all vessels. Now, that may get me in some trouble, but I do believe we ought to know what fish are being taken out of the ocean. And that is one area where the small vessels are doing a much better job than the factory trawlers, even with their observer coverage.

Ms. LANDE. The small vessels have to come in. We have no other way to weigh our fish, but to go to a processor.

Senator STEVENS. Yes, you get the fish tickets, and we can get those and know the weight. Yes, Penny.

Ms. PAGELS. Yes, I just wanted to clarify, you know, part of the issue we have been working on in the North Pacific are of significance is the North Pacific Fisheries Research Plan, which Mr. Benton talked about earlier. And in that plan they have excluded the salmon fisheries. And I just want to point out though that we fully recognize how difficult it would be to put an observer on a 35- or a 36-footer or whatever. And that is something though that some folks in the fishing industry from the southeast with the 56- or 55-footers, they said we will voluntarily do a—start a—sort of a pilot program, if you will, to see how feasible it is going to be with small

boats. And they kind of put that on the table to counter some of the other larger boats in the industry who were really seeing the user fee plan and the way it was going to effect them. It would cost them more money than they were paying now, because the user fee plan is based on the amount of fish you catch.

I mean this one is proposed. It has not been passed yet. As proposed right now, it is just based on the size of your vessel. And if you have a small vessel that can catch a heck of a lot of fish, and you are paying the same amount as a vessel of that same category that does not catch as much fish, so the profit margin and the cost of paying for your observer is really inequitable. And that is part of the reason why a user fee plan was put forward, to put a value based on the fish you catch to make it equitable across the board.

But what I am saying is we have never said that we want an observer on a 10-foot row boat. That is not the point. The point is, again, we want to get better handle on how much fish are removed from the ocean. And you will see, percentagewise, that many small boats—there are over, I think, 13,000 or 8,000 small boats in Alaska that would not require observer coverage, but they only catch maybe 5 percent of the total catch. Virtually 50 or 60 large vessels catch over 70 percent of the catch. So, it kind of works itself out. I just wanted to make that clear.

The CHAIRMAN. Yes, you put an observer on these 36-foot boats, that would eat up the profit of the boat.

Ms. LANDE. Right.

The CHAIRMAN. And we ought not to do that.

Senator STEVENS. Well, Mr. Chairman, I thank you very much. I do not have any further questions. I thank you for coming. And I would like to thank all of you again for coming.

The CHAIRMAN. We want to leave this record open. Unless there are additional questions, we will communicate with staff and be out of town. But let us give our thanks, Ted, to this wonderful panel and the panel before.

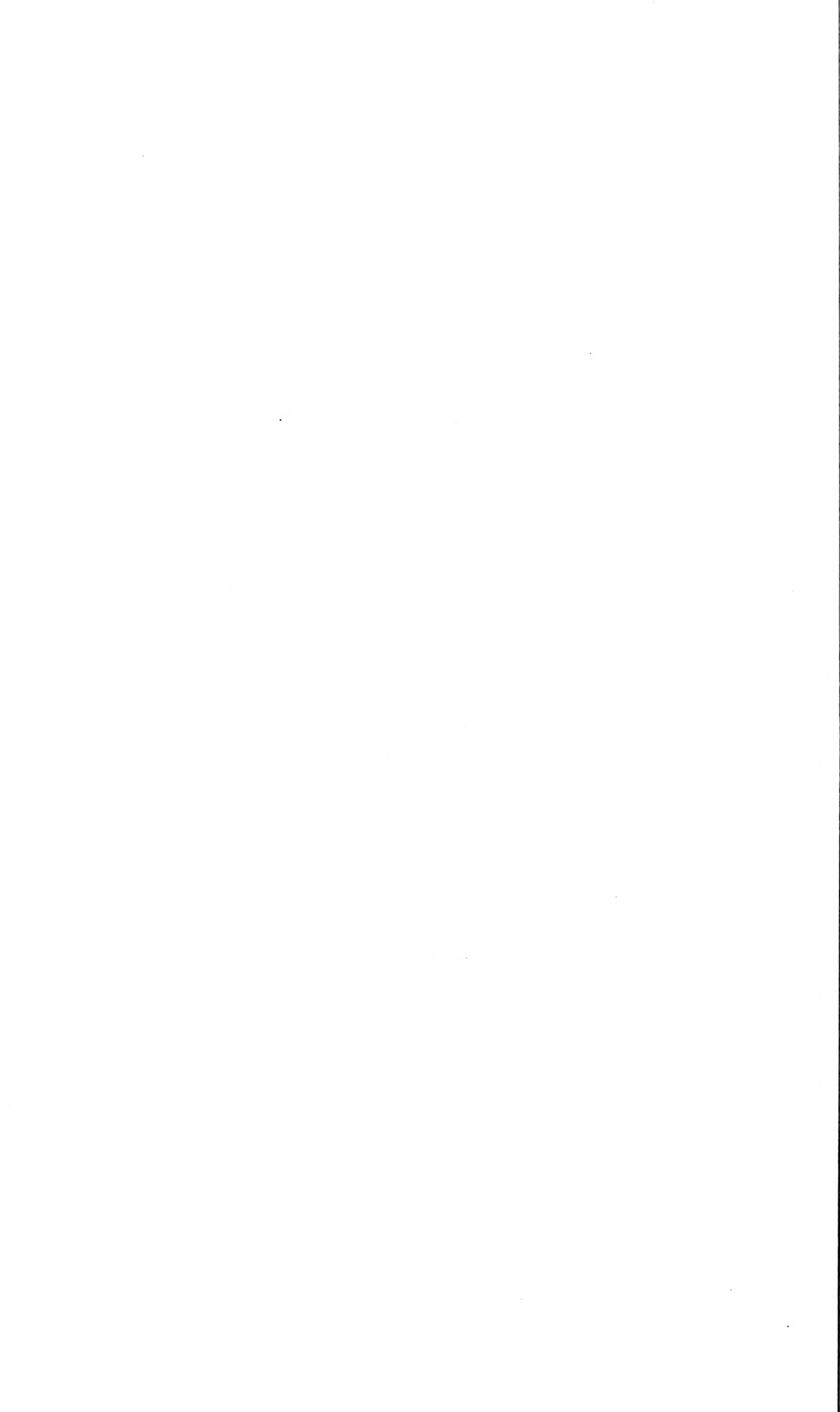
Senator STEVENS. I do not know if I mentioned this, Mr. Chairman, but Mr. Leighton, his major opening started 3 days ago, and he stayed to testify. We do appreciate that. Is it a king opening?

Mr. LEIGHTON. The king opening started today, but I normally take 2 days to travel to where I wanted to fish kings this day, and so—

Senator STEVENS. Well, we thank you for your commitment, and we will give you some specific answers to your questions.

The CHAIRMAN. We thank you all here this morning, and we really appreciate it very, very much. The committee will be in recess subject to call of the Chair. Thank you all.

[Whereupon, at 11:30 a.m., the hearing was adjourned.]



APPENDIX

PREPARED STATEMENT OF ANDREW GOLIA, VICE CHAIRMAN OF THE BOARD, BERING SEA FISHERMEN'S ASSOCIATION

Mr. Chairman and members of this Committee: My name is Andrew Golia, vice-chairman of the Board of Directors of the Bering Sea Fishermen's Association (BSFA). BSFA, founded in 1979, represents western Alaska Native small boat fishermen from Bristol Bay in the south to Kotzebue on the northwest corner of Alaska. Our members most of whom live in small villages along the coast and rivers harvest salmon, herring, halibut, cod and other species both for subsistence and for commercial purposes.

As residents of the coasts and rivers for thousands of years, our Native culture is bound strongly to the careful use of the bounty that nature provides us. Using the fish, marine mammals and birds in a respectful way and above all, not wasting or abusing the resources has enabled us to survive and prosper in a harsh environment.

Therefore, the main concerns our members would like to make known to the Committee are aimed at ensuring conservation and sustained use of the marine resources both for commerce but above all to sustain our subsistence harvests and the way of life of our ancestors. Our recommendations are as follows:

- the reauthorization of the Magnuson Act must reaffirm that conservation and sustained yield are the primary goals of the Act;
- the bycatch of non-target species must be dramatically reduced and managers must manage for the conservation and sustained use of both target and non-target species as well as the marine mammals, birds and other wildlife that rely upon these species for food;
- the Congress should require some form of use tax on all offshore fisheries (commercial, recreational or charter boat) in order to finance better science and better enforcement so as to ensure (not solely through legislation) proper management of the ecosystem; and
- the reauthorization of the Act should codify the Community Development Quota or CDQ program currently in place for western Alaska villages and formalize this mechanism of regional economic empowerment as a specific goal of the Act not only for Alaska's coastal communities but for coastal towns throughout the nation.

The goals listed above have been formed based on our experience not only as fishermen but as observers and participants in the North Pacific Fishery Management Council and NMFS management process. As the financial investment and participation in the North Pacific fisheries continues to expand the pressure on these resources will continue to increase. It is therefore necessary for the Congress to remind the Council and NMFS that conservation is the chief goal and that Congress will be watching both managers and fishermen closely.

One of the most disturbing aspects of the North Pacific groundfish fisheries is the tremendous amount of bycatch and waste of non-target species. Of chief concern to our villagers has been the bycatch of salmon, herring and halibut. Too often what happens to these non-target species is ignored in favor of the "almighty dollar". What managers too often forget is that not only are these non-target species already fully utilized by coastal and river fishermen but these species as well as target species such as pollock are critical links in the ecosystem. Irreparably damage one species and the whole food chain could collapse.

For example, the Council and NMFS have made some progress on capping and reducing the bycatch of herring and halibut but their efforts and those of the industry to reduce salmon bycatch have been noted more for their ability to deflect any meaningful conservation measures and master the art of the delaying tactic.

For the past several years between 30,000 and 40,000 chinook salmon each year have been caught and wasted by the factory trawlers and shore-based trawl boats fishing in the Bering Sea. Most of these chinook or king salmon are headed for western Alaska rivers including the Nushagak River located less than a mile from where

we sit. Chinook salmon are the most important salmon species for subsistence throughout western Alaska. The Nushagak chinook run has been struggling for the past several years and we've informed the Council and NMFS of the problem. Their usual response is we don't know how much of that chinook bycatch is headed for the Nushagak therefore we won't do anything to slow or reduce that bycatch.

That brings me to our next recommendation, a user tax on the North Pacific fisheries to finance more research and better enforcement. Council and NMFS decisions only pass muster if they are backed up by good data. Information which supports restrictions on the groundfish industries in order to reduce bycatch must be irrefutable in order to survive the inevitable political and legal challenges. Users of the North Pacific resources must pay a tax to finance the research, management and enforcement that enables the fishermen to have a sustainable fishery.

Finally, we urge the Congress to codify the Community Development Quota program as a formal goal of the Magnuson Act. Senator Stevens, you yourself tried to do just that several years ago and the success of the new pollock CDQ program shows that you were right in supporting CDQs as a means to empower local communities and build sustainable economies. Our people have survived and prospered for many years because we have used our resources wisely. Now that we have a stake in the groundfish fisheries we hope we can use our experience wisely so that the North Pacific fisheries can be maintained for the benefit of our local communities and for all Americans.

Thank you for this opportunity to testify.

["The CDQ Program—New Economic Potential for Western Alaska" may be found in the committee's files.]

PREPARED STATEMENT OF NELS A. ANDERSON, JR., EXECUTIVE DIRECTOR, BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

Mr. Chairman, and Senator Stevens, on behalf of the Bristol Bay Economic Development Corporation, I wish to thank you for the time you are taking to hear our views on the reauthorization of the Magnuson Fishery Act. My name is Nels A. Anderson, Jr. and I am Executive Director of the Bristol Bay Economic Development Corporation.

There are three areas on which I would like to focus my testimony: Conservation, the continuation of the Community Development Quota Program, and the membership makeup of the North Pacific Fishery Management Council.

Conservation and management issues in the North Pacific fishery affect our daily lives out in this part of the world. Residents of Western Alaska have been concerned about conservation for many, many years. What happens in the federal waters of the Bering Sea affects our regional salmon and herring runs. These fisheries have traditionally been the economic mainstay of our region.

Those of us who live on the coast of the Bering Sea rely heavily on salmon and herring for our traditional subsistence and commercial fishing needs. We cannot overemphasize the need for conservation.

Now that the Bristol Bay region and other coastal communities on the Bering Sea coast are engaged in the Bering Sea fishery, through the Community Development Quota program, we are especially concerned about the conservation of groundfish stocks. We went through a hard fought struggle to obtain a federal pollock allocation and we would like to be able to look forward to participating in this new fishery through the next generation and all the generations that follow.

The reauthorization of the Magnuson Act offers Congress the opportunity to help guarantee this result by strengthening the conservation provisions in the act. For instance, salmon by-catch cannot be tolerated on the high seas. Salmon is a species of fish that is vital to all the residents of Western Alaska. We depend on the salmon for our very survival. Salmon is the single most important fish in our traditional subsistence fishery which meets our cultural and nutritional needs and literally affects every single person who lives in our region. Salmon is our most important commercial fishery.

It is imperative that Congress stress reduction of waste of all non-targeted fish species and to devise ways and means to discourage by-catch. We are already on record of supporting two observers on each CDQ trawl vessel, volumetric bin measurement and caps on salmon by-catch. We encourage you to look at other tools that the management councils can use to prevent by-catch and implement major mandatory disincentives for by-catch.

We also believe that the most effective approach to conservation would be to give the councils more tools to handle the issue of by-catch rather than institute measures that would deprive the councils of some of their authority.

When you look at the Bristol Bay Economic Development Corporation's plan for the use of its CDQ revenues, you will quickly see why conservation is so important to us. Our plans are based on a long-term sustainable flow of revenues.

Because our traditional salmon and herring fisheries are well established, we have a lot of experience with fisheries and are taking a cautious and conservative approach to the CDQ program. For these reasons, the BBEDC community development program stresses employment training, education and long-term investment.

The Bristol Bay Economic Development Corporation was formed in October, 1992, in order to participate in the Community Development Quota program that was approved by the Secretary of Commerce as a part of the North Pacific Inshore-offshore fishery allocation management plan. This plan allowed the communities that border the Bering Sea to harvest 7.5 percent of the allowable catch of pollock in the Bering Sea.

Our corporation is one of six that were formed to be the recipients of these quotas so that we could initiate programs that would provide our people with education and economic opportunities. The Bristol Bay Economic Development Corporation is composed of 14 Bristol Bay villages that are within 50 miles of the Bering Sea.

Our CDQ corporation, along with others, were allocated quotas of pollock and formed partnerships with Bering Sea trawling organizations. Our partner, Oceantrawl Inc., has employed 50 of our people on their vessels since the program started. Our goal is 60 people and we are rapidly closing in on that goal. These jobs will be in all areas of the trawl operation and eventually will lead from the fish slime lines up to bridge command. In addition, we are working on an internship program with Oceantrawl that will allow our people to gain job office management training in their corporate offices.

We are encouraged by the short term gains already experienced and are looking forward to more successful enterprises in the future. Our plans require a continuation of the CDQ program and the full support of your committee and the United States Senate. Economic development cannot occur without a long term commitment from our government so that necessary human resource development and infrastructure can be built to sustain new opportunities for our people in Western Alaska.

We are developing a vocational/technical training program and a scholarship program for our students in Bristol Bay. Our scholarship program will be funded in perpetuity by our investment fund which will depend on a reliable long term source of revenue. We are focusing at all levels of education by helping our people gain vocational, technical and college training.

Many but not all of our people are engaged in the commercial salmon fishery. This fishery is of short duration. Salmon prices have been dropping and income has gone down to disastrously low levels. This is all going on while the costs of staying in the fishery are going up. Pressure is building on those that are moving into boat payment problems and there are those who are behind in their tax payments.

It is our plan to develop and implement a permit retention program in Bristol Bay. Bristol Bay has lost 175 drift net permits and 194 set net permits in the last 15 years. Further erosion of permit owners who live in Bristol Bay will be a disaster to our fishing industry if this trend continues.

We plan to work with the IRS to develop work out packages that will prevent Limited Entry Permits from being seized and auctioned off. We plan to work with our fishermen to work out long term payment schedules with the State so that boats and permits do not have to be sold to make boat and IRS payments.

Human resource development, training and protecting our Bristol Bay salmon industry from further erosion are our focal points for the short and median term. Long term plans are centered on the development of an Alaska Seafood Investment Fund that would allow us to invest in ventures that would provide a long term cash flow to support our vocational, technical and scholarship programs. Our investment fund would also be used to investigate the profitability of secondary value added salmon and herring processing, long-lining and other seafood related industries in Alaska and the Pacific Northwest.

These programs are brought to your attention to illustrate the importance of the CDQ program and how it is impacting our lives on the Bering Sea coast. As you consider reauthorizing the Magnuson Act, please keep in mind the need for strong conservation measures, expanding the CDQ program to other species and placing the CDQ program in statute.

We recommend that your committee expand the CDQ program to include all Bering Sea species so that we do not place all of our future eggs into one pollock fishery basket. It would be advisable for the committee to expand the fishery and diversity

it to all Bering Sea fish species so that a more reliable long term source of funding is available for our CDQ communities well in to the 21st century.

Finally, it is our recommendation that this committee keep the status quo on the makeup of the North Pacific Fishery Management Council. We cannot see any benefits that would accrue to the nation if the current structure is changed. History shows that the Council has had a very strong conservation philosophy that we strongly endorse. We will be dependent on strong, healthy and sustainable fishery resources in the Bering Sea. Other countries have not been so careful and we should err on the side of caution as we manage our renewable resources.

In conclusion, I would like to summarize my three points:

One, we cannot overemphasize the need for conservation of our resources in the Bering Sea. It is imperative for us to stress the reduction of waste on the high seas by keeping by-catch levels to an absolute minimum by imposing strict, enforceable disincentives and by creating the best monitoring programs we can devise.

Two, Congress should include CDQ's in the Magnuson Act. Based on our experience, the CDQ program is proving to be a tremendous success. We would also like to see the CDQ program expanded to include all of the fish species in the Bering Sea so that we are not totally dependent on a single species. For these reasons we would like to see the CDQ program enshrined in the Magnuson Act.

And third, we would like to see the status quo maintained on the membership of the North Pacific fishery Management Council. By and large, the council has been responsive to Western Alaska and to conservation concerns. We seriously doubt that the proposals for adding more members to the council would improve the councils response in either of these areas.

Mr. Chairman, please accept once again my sincere appreciation for coming to Bristol Bay and allowing us to address this very important legislation. Have a good stay and safe travel back to the Capitol. I would be happy to answer any questions. Thank you.

PREPARED STATEMENT OF JOHN JEMEWOUK, CHAIRMAN, WESTERN ALASKA FISHERIES DEVELOPMENT ASSOCIATION

Mr. Chairman and members of the committee, thank you very much for visiting Alaska to learn the perspective of the people of our state on the Magnuson Fishery Conservation and Management Act. In particular, I wish to thank you for the time and special effort involved in traveling to Dillingham in rural Alaska. The people here can provide you with first hand information on the fisheries of western Alaska and on the positive impact of the Community Development Quota program.

My name is John Jemewouk. I am the chairman of the Western Alaska Fisheries Development Association. WAFDA was formed by four of the six CDQ corporations * * * the Bristol Bay Economic Development Corporation, the Coastal Villages Fishing Cooperative, the Yukon Delta Fisheries Development Association, and the Norton Sound Economic Development Corporation * * * for the purpose of promoting economic development in western Alaska through the Community Development Quota program.

My testimony today also reflects the views of the Aleutian Pribilof Island Community Development Association and the Central Bering Sea Fishermen's Association. We are all in agreement on our position on the Magnuson Act. For the record, I have provided the committee with copies of a brochure that describes the plans and activities of all six CDQ corporations.

I also serve as the president and executive director of the Norton Sound Economic Development Corporation, giving me direct involvement in the CDQ program.

CDQ PROGRAM HISTORY AND BACKGROUND

The CDQ program was approved by the Secretary of the U.S. Department of Commerce as a part of the North Pacific inshore-offshore fishery allocation management plan. It gave the residents of the Native villages along the Bering Sea coast the opportunity to harvest 7.5 percent of the biologically available pollock in the Bering Sea in partnership with established seafood processing companies. This is a necessary transition in the process of moving from small scale shorebased fisheries to economic self-sufficiency. Through the program, we have created jobs for western Alaska residents and we have generated revenues that are being used to implement fisheries development projects throughout western Alaska.

The CDQ region comprises the entire coastline of Alaska from the Aleutian Islands to Norton Sound. The CDQ program involves 56 communities with a population of over 21,000 people. The region is characterized by subsistence * * * where people hunt, fish and gather from the land to obtain the food and materials

necessary for sustenance and survival * * * and by an economic dependence on the dollars generated from small scale commercial fisheries. Year round job opportunities are scarce to nonexistent, which often results in chronic unemployment, social problems, and poverty.

Ironically, the villages of western Alaska are situated in close proximity to the fisheries of the Bering Sea, one of the world's richest renewable resources. Until the creation of the CDQ program, western Alaska residents had no means of raising the capital necessary to participate in the deep water large vessel fisheries that harvest the Bering Sea resource.

The first CDQ fishery occurred in December, 1992. The 1993 CDQ allocation was harvested earlier this year. The CDQ corporations have just finished submitting applications to the State of Alaska for the 1994-95 pollock quota allocations. Under the current management plan, the CDQ program will expire at the end of 1995 in anticipation of the approval of a comprehensive plan for allocating the fisheries resource in all North Pacific fisheries.

As a lifelong resident of Norton Sound, I have noted the sense of hope that has swept through western Alaska as a result of the CDQ program. The program * * * which is closely monitored by the state and federal governments stresses jobs, training and education. It provides economic opportunities that can supplement and enhance the lifestyles led by the people of western Alaska.

We are extremely excited about this program. It has opened up new worlds of opportunity. The CDQ program provides access to fish, not money. The residents of western Alaska have the responsibility for turning this access into actual economic value. It is a competitive performance-based program. The allocations are based on the success of the outcome. Even though CDQs are having a tremendous positive impact on our region, they are off-budget in the federal appropriation process.

THE IMPORTANCE OF CONSERVATION

As new participants in Economic Enterprise Zone fisheries, we intend to make the conservation of the resource our highest priority. We have argued for conservation ever since we became involved in the fishery management process. This philosophy will not change even though our role has shifted from small boat fishermen standing on the outside to quota-holders participating in industrial-scale fishing operations.

For example, we fully support the presence of two observers on board CDQ pollock vessels and the weighing of all harvested tonnage in order to obtain the most accurate and comprehensive catch data. These practices add expense to the operations of a pioneer industry, but * * * in our view * * * they are reasonable requirements that are worth the extra effort.

For these reasons, WAFDA is pleased that conservation has emerged as one of the leading issues in this year's round of reauthorization hearings. We encourage Congress to examine measures that would give the fishery management councils more tools to deal with by-catch in a more efficient and timely manner, to protect ocean habitat, to collect better data, to help curtail administrative roadblocks for fishery management plans that thwart conservation measures, and to allow the full consideration of management factors in addition to economic efficiency.

One reason we are so enthusiastic about the CDQ program is the way the CDQ corporations have used CDQ revenues to address long-standing problems in their regions and lay the groundwork for future challenges. Western Alaska is bursting with activity as a result of CDQs. Summaries of the WAFDA membership's activities and plans clearly demonstrate the CDQ program's tremendous value.

BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

The Bristol Bay Economic Development Corporation is working on immediate, median and long-term job opportunities in the 14 CDQ communities. BBEDC is working with the University of Alaska, school districts, and local businesses on implementing a training program that can place many local residents into existing jobs in the region. BBEDC also is working with businesses to encourage them to take local people * * * once they have gone through training * * * to take people into their companies as interns or entry level workers.

BBEDC has developed a vocational training program which will focus on bringing people into the existing work force both in the region and in the state. BBEDC is looking at internships with local business associates and ask them to consider their people for new jobs. BBEDC believes an aggressive regional local hire program in conjunction with an effective training program can reap great benefits for Bristol Bay area residents.

BBEDC's corporate partner, Oceantrawl, Inc., hired thirty-eight Bristol Bay residents to work on its trawlers. The goal is sixty employees by the end of 1993.

BBEDC is working closely with Oceantrawl to encourage upward mobility within the company, from jobs on the fish processing line up to bridge command. Additionally, BBEDC is working toward an internship program that would place Bristol Bay people in the Oceantrawl office in Seattle to gain office skills that would prepare them for entry level work in any office in the region or the state.

BBEDC also is working on a limited entry permit retention program. Bristol Bay has had a 15 year trend of losing salmon permits from the region. Bristol Bay fishermen owned 667 salmon drift permits and 652 salmon set net permits in 1975. By 1991, local ownership had dropped to 492 drift permits and 458 set net permits, a loss of 175 in the drift fishery and 194 in the set net fishery. While some of those permits still may be owned by Alaskans, they no longer contribute to the Bristol Bay local economy.

Additionally, many Bristol Bay limited entry permits are in jeopardy because of IRS problems. BBEDC is implementing an ambitious program that will (1) help stem the tide of permit auctions, (2) provide business and tax counseling services, and (3) create a permit brokerage presence in Bristol Bay. BBEDC will work with the processors and fishermen to develop a program that would set aside funds for tax purposes. Another idea BBEDC is exploring is to work with the state on a buy back program to regain permits that have migrated from Bristol Bay. The fishing industry is the main source of income for the people of the region.

BBEDC is working on a long-term investment plan through an investment fund with the goal of maximizing yield while protecting the principal in order to have reliable source of funding for community goals and objectives. BBEDC is investigating a variety of fishery-related businesses from long-lining to secondary processing.

Finally, BBEDC is focusing its attention on the development of a regional fisheries infrastructure plan to quantify existing processing capacity, infrastructure analysis, job opportunities, underutilized species study, and the research and development of new fisheries products.

YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

The Yukon Delta Fisheries Development Association's approach has been to develop a program that involves local people directly in the fishing, processing, and marketing of locally available seafood products. A second goal is to provide opportunities for seafood industry jobs in any location when jobs aren't available within the region.

YDFDA has provided training and jobs for 49 people on the factory trawler Golden Alaska. YDFDA also trained 35 people on the four vessels it operates to fish and to explore the fishing potential of local waters.

YDFDA currently has four vessels fishing in the Norton Sound area. Through their catches, they have demonstrated that commercial quantities of fish can be harvested and marketed from the area.

YDFDA will provide opportunities for local fishermen to own boats and fishing gear in order to have the tools required to participate and earn livable incomes from Bering Sea fisheries.

YDFDA's program has eight initiatives: (1) Training. (2) Employment. (3) Exploratory eastern Bering Sea fisheries research and training. (4) Salmon and herring limited entry permit buy-back. (5) Multi-fishery vessels with local ownership. (6) Development of shoreside processing and value-added products. (7) Floating processor. (8) Small business fisheries infrastructure.

YDFDA provided matching funds to the Emmonak Fisheries Co-op that * * * combined with funds from the Economic Development Administration and the Department of Housing and Urban Development * * * will be used to build a shorebased processing plant in Emmonak.

This winter, YDFDA * * * in cooperation with the Alaska Vocational Technical Education Center * * * will operate a longline fishery training program in Seward, Alaska.

YDFDA's goal is to use the income, training, and commercial stature of a groundfish CDQ allocation as the catalyst to create and sustain approximately 100 full-time jobs and \$3 million in annual wages, salaries, and proprietor income by the year 1995.

COASTAL VILLAGES FISHING COOPERATIVE

The Coastal Villages Fishing Cooperative has created new employment opportunities for Kuskokwim and Yukon Delta region residents. During 1992 and thus far in 1993, CVFC created sixty jobs at sea and another seventy jobs onshore. These two employment programs have generated hundreds of thousands of dollars in income to area residents.

Given the lack of competition and the traditionally low value of Kuskokwim River salmon, CVFC joined with corporate partner Golden Age Fisheries to establish a salmon processing operation in Bethel, servicing eight CVFC villages as well as ten other area communities. Providing competition in the region has resulted in salmon prices at least thirty percent higher than would have occurred without a second major buyer on the river.

CVFC and Golden Age created an internship program where CVFC residents are eligible to obtain advanced skills in seafood company operations. Four internships have been completed and another seven are scheduled for the remainder of the year.

CVFC and Golden Age are contributing a portion of their profits to a scholarship fund for CVFC residents to obtain higher education and vocational training. This program will benefit the individuals who will lead the company in the future. The first scholarships will be awarded in August.

CVFC and Golden Age have formed a partnership to own and operate the factory trawler Browns Point. This vessel was refurbished with state-of-the-art equipment which not only can efficiently harvest and process pollock, but also can produce value-added products such as pink salmon blocks. The product will not only benefit the CVFC region, but other areas of Alaska as well where pink salmon are harvested in abundance.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

The Norton Sound Economic Development Corporation successfully managed fishing operations during the 1993 CDQ pollock "B" season, harvesting over 13,000 metric tons of pollock.

NSEDC purchased and distributed over \$250,000 worth of herring and salmon gear and related equipment to 118 fishermen. Fishermen will repay these loans over two years from the proceeds of increased fishing revenues. Thirty-three individuals obtained jobs hanging fishing gear and preparing brailer bags, generating 1,346.5 hours of work in an area with high unemployment.

In cooperation with corporate partner Glacier Fish Company, over 1,000 tons of herring were purchased from 105 local herring fishermen and over 740,000 pounds of all salmon species were purchased from 90 local salmon fishermen, opening up new markets for traditional species.

Twenty Bering Strait region residents recently went to work on onboard Glacier's factory trawlers, supplementing previously employed workers. Ten residents recently completed training in entry level fisheries skills at the Alaska Vocational Technical Education Center.

NSEDC will provide funding for ice delivery systems, buying station facilities and revitalized fish processing plants in four communities. NSEDC finalized an agreement with the Alaska Department of Fish and Game for a salmon rehabilitation and enhancement program. A revolving loan program for local fishermen was established and put into operation.

ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

Though not a member of WAFDA, the Aleutian Pribilof Island Community Development Association asked me to provide you with information about its program.

APICDA's partners are the Trident Seafoods Corporation, one of Alaska's largest shoreside processing companies, and the Starbound Partnership, a factory trawler company operating the F/T Starbound. Both Trident and Starbound are 100 percent American owned.

APICDA has focused primarily on three areas: Training, education, and employment; infrastructure development; and equity acquisition.

Since APICDA was formed, 45 residents have secured employment directly related to APICDA's activities, generating approximately \$150,000 worth of new incomes in local communities. APICDA is developing a comprehensive training program that combines vocational education with on-the-job training at Trident/Starbound facilities. An intern/mentor program is being developed.

The APICDA communities are located immediately adjacent to the main fishing grounds. Ironically, none of the communities have sufficient port and harbor facilities to allow community residents to participate in the industry. The proximity to the fishing grounds and proper infrastructure development will provide the existing industry with the opportunity to utilize new facilities closer to the grounds than current facilities. This will foster the development of local fishing-related businesses and activities, and provide local residents with the opportunity to participate in and profit from the seafood industry.

During 1992, APICDA will spend approximately \$2.2 million on infrastructure related projects, including matching funds to complete the Zapadni Bay harbor on St.

George Island, extension of water and sewer services to the new False Pass City Dock, construction of a gear storage warehouse in False Pass, and completion of engineering designs for new dock facilities in Atka and Nelson Lagoon. In each case, APICDA receives a quid pro quo from the local government in exchange for its contribution.

The purpose of the quid pro quo is to provide APICDA with the opportunity to economically benefit from the infrastructure activity and generate profit-making business relationships. For example, the City of False Pass will provide APICDA with a 20 year lease (no fees for the first ten years) for four acres of land immediately adjacent to the dock. APICDA will develop the property, thereby generating local economic activity and providing APICDA with an opportunity to achieve a return from its investment.

For the long-term, APICDA has formed a joint investment committee with its partners and is actively seeking equity acquisition opportunities throughout the seafood industry. As acquisitions are made, APICDA's investment portfolio will diversify and its future as a participant in the seafood industry should be secure.

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

The Central Bering Sea Fishermen's Association of St. Paul Island also asked me to provide the committee with information about its program.

The CBSFA is already showing the benefits of the CDQ program to its region. For every dollar CBSFA has spent on fisheries-related infrastructure development on St. Paul Island, the community is seeing an unbelievable \$16.50 in improvements that will be completed by the end of 1992-93 CDQ allocation period.

The infrastructure improvements include a major dredge project in St. Paul Harbor, city water system improvements, three major processing plant construction projects occurring simultaneously, sewer/ outfall construction, and a temporary small vessel floating dock.

Through the CDQ program, CBSFA is giving a much needed jump start to local participation in an industry that was once foreign to the people of the region because the economy was restricted by law to the now-defunct sealing industry.

CBSFA is passing on the benefits of the CDQ program to the local fishing fleet by providing loans for vessel improvements. This also included the purchase of at least one 26-foot fishing vessel. The program, just started, has involved about \$100,000 so far. The successful sector of the fleet will likely invest this coming year in bigger boats, which might not have happened for quite a while if not for the CDQ program.

CBSFA is currently considering an offer from its fishing partner, American Seafoods Company, to buy into one of its factory trawlers, either the F/T Pacific Scout or the F/T Pacific Explorer. The CBSFA board of directors and management are reviewing how this offer fits into the organization's long-range plans.

THE CDQ PROGRAM AND THE MAGNUSON ACT

As you can see, the program has been phenomenally successful and has produced an impressive record in a short amount of time. Congress can play a key role in ensuring that this success continues.

The CDQ program operates under the authority granted to the fishery management councils by the Magnuson Act. The program has become so important that its provisions should now be spelled out in statute.

WAFDA would like to request this committee to give favorable consideration to an amendment that would make CDQs a permanent part of the Magnuson Act. When you have a tool that has proved its usefulness, you want to keep it on the nation's workbench.

Fisheries stocks are subject to natural fluctuations. The CDQ program cannot survive on pollock alone. In order to be sustained, the program will need access to a wide variety of Bering Sea commercial fisheries.

Congress can guarantee that the program will continue to provide benefits for generations to come.

NPFMC MEMBERSHIP

We have heard suggestions that Congress consider changing the voting membership of the North Pacific Fishery Management Council by adding or mandating specific seats. WAFDA strongly endorses the present makeup of the North Pacific Council. Changing the membership will solve no problems and will only end up creating more.

The record indicates that out of hundreds of recorded votes, there have been fewer than a handful where the Alaskan members voted unanimously on one side of an

issue in opposition to the other members. And on most of those votes, the Alaskans also had the support of the National Marine Fisheries Service regional director, who represents the federal government's national interests on the council.

The North Pacific Council is unique among all the fishery management councils in that it manages a resource that is harvested entirely off the shores of one state, Alaska. Overall, the council has been oriented toward conservation because a majority of its members have been concerned about the long-term sustained yield of the resource. WAFDA opposes any changes that might jeopardize this philosophy.

In the case of council membership, the adage clearly applies that if something is not broken, don't fix it.

CONCLUSION AND SUMMARY

WAFDA again wishes to emphasize the importance of conservation and the need for Congress to give the management councils the tools they need to protect the nation's resources.

Additionally, WAFDA urges the committee to look at the results of the Community Development Quotas and give serious consideration to making the program a statutory part of the Magnuson Act.

Again, I wish to thank the committee members for their presence in Alaska. We hope you have an enjoyable stay and that the information we have provided has helped make the journey worthwhile.

PREPARED STATEMENT OF EDWARD E. WOLFE

Thank you Mr. Chairman and members of the Committee. For the record my name is Edward E. Wolfe. Joining me is Robt. F. Morgan. We are here today testifying before the Committee on the Magnuson Fishery Conservation and Management Act (MFCMA) and other federal fishery management issues on behalf of Oceantrawl Inc., one of the largest seafood harvesting, processing and marketing companies in the U.S. As an Alaskan company, we are proud to operate in both the U.S. and Russian fishing zones with our three state-of-the-art factory trawlers, the Northern Eagle, the Northern Jaeger and the Northern Hawk. We are especially pleased to be here in Dillingham joining our Community Development Quota (CDQ) partner, the Bristol Bay Economic Development Corporation.

As a former U.S. State Department Official responsible for international fisheries policy, I am keenly aware that the Magnuson Act was designed to encourage the development of fisheries when resources were considered to be underutilized. In the North Pacific, the passage of the Magnuson Act initiated U.S. joint venture operations, in which American fisherman delivered their catch at-sea to foreign processing vessels and thus began displacing foreign vessels in the U.S. zone. Subsequently, the domestic factory trawler fleet was developed to catch and process groundfish. In a very short time, all foreign harvesters and processors were replaced by U.S. vessels, and the "Americanization" of our North Pacific groundfish fishery was completed.

Based on actual experience, we know now that the Magnuson Act needs to be strengthened. The principle goals of the Act—conservation and management—are not being achieved to their fullest extent. The Act must be amended if we are to maintain our competitive edge as a world leader and wisely and efficiently harvest and process our valuable resources in the North Pacific. In this regard, we suggest that the Committee consider the following points relative to the proposed Magnuson Act Amendments.

- The Regional Fishery Management Councils should serve in an advisory capacity to the Secretary of Commerce. Further, we believe that conservation and management can be improved only if authority is returned to the professional fishery managers in the Department of Commerce, particularly, in light of recent bias and self-interest allegations directed towards certain Council members.

- The Secretary and Councils should be required to choose the management alternative dictated by the "weight of the evidence on record," thereby reemphasizing a reliance on scientific data. We believe this action would have the positive effect of preventing arbitrary and capricious actions by the Councils.

- The adequacy of ethical standards should be reviewed for Council members and corresponding restrictions on individual Council members should be considered. Presently, Council members are exempt from federal conflict-of-interest statutes which govern the conduct of other federal officials in the course of their official duties. We believe that Congress should require that all federal employees, including Council members, should be required to disclose, for the record, any direct or indirect financial interests prior to voting on a management measure.

• Within the Magnuson framework, Congress should address the overcapitalization of the U.S. fisheries. The Act currently prohibits the Secretary from designing or initiating programs to limit access to U.S. fisheries through market based systems such as ITQs. As you know, the authority to prepare such measures resides solely within the regional Councils. Unfortunately, the Councils have been slow to pursue effort limitation schemes. In fact, the North Pacific Fisheries Management Council (NPFMC) aggravated the problems of overcapitalization in the North Pacific by spending three years developing a "shoreside preference" regulatory scheme. Instead of finding a way to reduce effort and increase economic efficiency, this plan created two olympic-style fisheries where only one had previously existed, and thereby encouraged capital expansion by the shore-side and at-sea sectors, further contributing to overcapitalization.

If I may, Mr. Chairman, I'd like to briefly but more specifically address the subject of overcapitalization in our North Pacific fisheries—excess harvesting and processing capacity that results directly in substantial economic inefficiency. Under the present olympic or open access fishery, the groundfish fleet operates under an industry-wide annual quota. Each vessel seeks to catch as many fish as possible as quickly as possible before the quota is reached. Consequently, those who employ the most fishing effort during a compressed season are rewarded. It's an unsafe and inefficient system, one that places a premium on quantity, not quality.

Oceantrawl believes that an Individual Transferable Quota (ITQ) Program would help resolve problems caused by overcapitalization. Under an ITQ system, vessel operators would not have to run a race to get their share of fish; safety at-sea would most certainly be improved; and market factors such as demand, supply and price could be used to determine a company's business and operational plans. To run a business efficiently, one must have predictability. In the recent past, we have not been able to make any predictions with regularity due to the nature of the olympic fishery system. ITQs would provide some of the certainty which is necessary for sound business decisions.

In keeping with the intent of the Magnuson Act, we believe ITQ allocations should be given to those participants who have done the most to Americanize the groundfish fisheries in the North Pacific. A rational way to measure degrees of Americanization would be to determine which participants have created and continue to create the most value in a given fishery. For example, a value-added processing vessel creates more value from a metric ton of pollock than does a catcher vessel which sells the same ton of pollock over-the-side to a foreign processor or a shore plant. By combining harvesting and processing functions, catcher/processors truly fulfilled the goals and principles of the Magnuson Act and merit appropriate consideration when ITQs are determined.

We believe that ITQs should be awarded only to active fishery participants. For example, we would propose that, in order to receive an ITQ, a prospective participant must have fished during each of the three years immediately prior to the year ITQs are awarded. Quite simply, ITQs should not be awarded to boats which no longer make their livelihood in the fisheries.

Finally, as most everyone knows, the groundfish industry is experiencing difficult financial times, and we believe that further industry disruption should be avoided. In this regard, we believe that currently active participants in a given fishery who have invested years of hard work and equity and gained a certain measure of market share have a right to expect to receive an ITQ allocation at least equal to the market share that they have currently achieved in fair and open competition.

This concludes my testimony, Mr. Chairman. Thank you for the opportunity to testify. Mr. Morgan and I would be happy to answer any questions the Committee may have.

PREPARED STATEMENT OF TREFON ANGASAN, VICE PRESIDENT OF CORPORATE AFFAIRS, BRISTOL BAY NATIVE CORP.

My name is Trefon Angasan. I am a lifelong commercial fisherman in the Bristol Bay fishery and currently serve on the State Board of Fisheries. I am also Vice President of Corporate Affairs of the Bristol Bay Native Corporation.

I am here today to urge that you support passage of the reauthorization of the Magnuson Act. It is my position that the Magnuson Act has been a very effective means of curtailing the interception of salmon on the high seas within the 200 mile EEZ.

For us, the most important issue in the prosecution of the bottom fishery is conservation.

Another important issue is the by-catch of prohibited species like salmon, halibut, crab and other fully utilized species. Bycatch is inevitable with the method and means to harvest ground fish. Hard on bottom trawling is a dirty business no matter how hard you try to keep it clean. The North Pacific Management Council, created by the Magnuson Act to manage the fishery in federal waters, has done an excellent job in the protection of crab nursery grounds and halibut stocks and need to continue that strategy. My observation of where it gets controversial is when fishermen are short on their quota of allowable catch within the optimum yield. The Council will often deviate from the management plan and extend fishing seasons to allow the quota to be filled when fishermen appeal to them to do so. During this process, the grounds often are reopened to fishing.

Prohibited species like salmon, crab, black cod and halibut are present on the grounds due to run timing. An example of this is the fall cod fishery in the Shumagins. Immature salmon are present during this phase of the fall fishery. observer coverage is not always 100 percent on all vessels under the mandatory observer program. Another example is the spring yellow fin sole fishery in the Round Island area, and another is the sole fishery in the Port Moller area. In both areas, fully utilized species like salmon and herring are present. In the Round Island area, sole is taken at halibut nursing grounds as well as at the migration path of a world premier herring stock. The Council has addressed these issues but as stated, will often forgo the strict order of conservation so that fishermen can harvest their quotas. In 1992, the State of Alaska commissioned a report to document the 1992 levels of bycatch in the Gulf of Alaska and in the Bering Sea/Aleutians. The report concluded that over 507 million pounds of groundfish were thrown away as by-catch. Specifically, 20.4 million crab, almost 100,000 salmon and over 1 million pounds of herring were discarded. I do not have specific amendments to offer. I do know that when the Magnuson Fishery and Conservation and Management Act was enacted by the US Congress in 1976, it established a 200 mile fishery conservation zone. It provided protection for the salmon returning to Alaskan waters. We need only to look at the salmon returns to the Bristol Bay in the 1980s and 1990s to see that the Act has worked as the Congress intended.

Finally, I would like to commend the North Pacific Management Council for providing an opportunity for the Western Alaska coastal communities share in the benefits of the bottom fishery in the Bering Sea through community development quotas (CDQ). They have sat and watched the bottom fishery since it first started with foreign harvesters and then through the Americanization process under Magnuson with American harvesters. The cash that comes from this program will provide an opportunity for increasing opportunities. Thank you for allowing me to testify.

PREPARED STATEMENT OF REAR ADM. ROGER T. RUFÉ, JR.

Mr. Chairman, members of the Committee, it is a pleasure to appear before you today. I appreciate the opportunity to report on the Coast Guard's fisheries law enforcement program in the waters of the North Pacific and Alaska and the Coast Guard's views regarding the reauthorization of the Magnuson Fishery Conservation and Management Act (MFCMA).

As the Seventeenth Coast Guard District Commander, I am firmly committed to supporting fisheries management goals through an effective enforcement program. The 950,000 square mile Exclusive Economic Zone (EEZ) off Alaska and the adjacent waters of the North Pacific support many of the world's largest populations of groundfish, salmon, shellfish, marine mammals, and seabirds. With the displacement of foreign distant-water fleets by U.S. vessels, groundfish stocks of the Bering Sea/Aleutian Islands (BSAI) and the Gulf of Alaska (GOA) annually produce the Nation's largest domestic fish catch by volume and one of the world's largest single-species fisheries (walleye pollock). In 1993, the BSAI and GOA are expected to yield a harvest approaching 2.4 million metric tons (mt) of groundfish and 20,000 mt of halibut. This harvest, combined with abundant salmon and shellfish harvests, is of tremendous economic importance to the region and the nation.

The Coast Guard was protecting the fishery resources of the North Pacific and Alaska even before the MFCMA was enacted 17 years ago. As the threat to conservation of the living marine resources of the North Pacific changed, the Coast Guard's law enforcement program changed with it. At one time, our primary concern was ensuring foreign fleets that worked within sight of Alaskan shores complied with laws and treaties. Today, our fishery resources are fully utilized by U.S. fishermen. The Coast Guard now provides a Federal presence in the EEZ to promote compliance with domestic fishery management measures.

Our interest in the activities of displaced foreign fleets, however, has not waned. While these fleets have relocated to areas outside our EEZ, they are still in a position to adversely impact U.S. resources. Therefore, the Coast Guard continues to maintain a close watch on the activities of foreign fishing fleets operating near the U.S. EEZ. This has required the Coast Guard to expand our areas of patrol to include the Central Bering Sea "Donut Hole," the U.S./Russia Convention Line, and the former high seas driftnet areas of the North Pacific.

One topic of interest in the North Pacific is that of driftnet fishing. Since the late 1980's, the U.S. has led efforts to control large scale driftnet fishing on the high seas, initially through regional agreements, and more recently through a United Nations moratorium. The primary concerns were that foreign driftnet fleets were both targeting U.S.-origin salmon stocks and catching salmon as bycatch in the squid driftnet fishery; and the environmental impacts of this indiscriminate fishery. Five years ago, the North Pacific driftnet fleet was estimated at 1,000 vessels. This year, only four driftnet vessels have been detected, only one of which was observed to be engaged in fishing. The Coast Guard boarded three of these vessels and found no fish aboard any of them. Thus, through the demonstrated leadership of the United States over the past five years, and the spirit of international cooperation we have seen this year, the destructive threat from this fishery has been minimized.

The Coast Guard plays a major role in visibly demonstrating the Nation's commitment to ending driftnet fishing on the high seas. Coast Guard HC-130 long range surveillance aircraft equipped with the new APS-137 long-range radar continue to provide the enhanced surveillance capabilities necessary to monitor vast areas of open ocean. Our Hamilton-class high endurance cutters with deployed HH-65A helicopters provide the capability necessary to carry out effective high seas enforcement action. In 1989, a Coast Guard high endurance cutter escorted a salmon-laden driftnet fishing vessel to Taiwan, contributing to the achievement of multinational agreements designed to protect U.S.-origin salmon. This May, the Coast Guard again demonstrated the United States' resolve by escorting a Chinese driftnet fishing vessel to Chinese authorities in Shanghai.

Our actions have been part of an international effort by member nations of the North Pacific Anadromous Fisheries Commission. That cooperative effort includes the exchange of patrol and sighting information among the United States, Canada, Japan, and Russia. It has been successful in removing vessels equipped to conduct large-scale pelagic driftnet fishing from the high seas of the North Pacific. The People's Republic of China has also cooperated by responding quickly to our requests for registry checks and boarding authority. In addition, they accepted custody of a driftnet vessel and crew claiming their flag. In this first year of the United Nations moratorium, regional cooperation has been the most important ingredient in discouraging attempts to engage in driftnet fishing in the North Pacific.

In support of this cooperative effort, aircraft and cutters based in the Seventeenth District have flown over 450 hours and patrolled over 100 cutter days to date in 1993. We will continue to monitor the traditional high seas driftnet area in the year ahead, adjusting our effort as appropriate.

The Central Bering Sea "Donut Hole" is another area that requires our attention. Since a two year moratorium on fishing in this area went into effect in January of this year, fishing activity has been significantly reduced, with only several scout vessels fishing in the Donut Hole. The poor fishing in the Central Bering Sea is apparently providing little incentive to fish even though the terms of the moratorium permit each fishing nation a maximum of two scout vessels in the area.

The fishing is expected to improve, however, as stocks rebuild under the protections of the current moratorium in the Donut Hole and the close management of pollock stocks in the U.S. EEZ. To ensure the uncontrolled fishing of the late 1980's is not repeated, the U.S. is working with Russia and other nations to develop an international management regime for the Donut Hole. The Coast Guard advocates that such a regime include reciprocal boarding provisions of the signatory parties to facilitate monitoring compliance. This summer, the Coast Guard boarded, with the consent of the vessels' masters, scout vessels from Japan, Poland, and the Republic of Korea fishing in the Donut Hole. This has demonstrated the United States' commitment to responsible management of foreign fishing in the Donut Hole.

As a result of the shift to full utilization of U.S. fishery resources by American fishermen, the majority of Coast Guard cutter and aircraft patrols in the Seventeenth District directly support domestic fisheries management goals. For example, 40 percent of all Coast Guard boardings nationwide are of U.S. fishing vessels; in the Seventeenth District it is 82 percent. Because domestic fisheries enforcement represents such a significant portion of the District's operations, I have given it particularly close attention since I assumed command of the District last year. I have been in regular contact with fishing industry representatives both in the field and

at the North Pacific Fisheries Management Council. I have also deployed aboard Coast Guard cutters and aircraft during major fisheries openings in order to fully appreciate the complexity of at-sea fisheries law enforcement in this region.

The picture is clear: the domestic regulatory regime is complex and the environment is unforgiving. I have two major areas of focus. They are providing enforcement in support of long term fishery management goals and the safety of our fishermen. The measure of how good a job we are doing, however, is not how many tickets we write. In both areas, the emphasis is on achieving a high rate of compliance with the regulations designed to protect our fishery resources and the lives of those who harvest them.

In the area of living marine resource conservation, we work closely with the National Marine Fisheries Service, the State of Alaska, and the fishing industry to make the most effective use of our patrol units. Our strategy is to be in the right place at the right time to meet the highest threat of damage to the living marine resources. The focus of our enforcement efforts is the resource abuser, who through violation of the regulations inhibits responsible management of the resource or gains an unfair competitive advantage on his law-abiding competitors. When boarding fishing vessels, we strive to conduct our operations with a minimum of inconvenience to the fishermen.

The Coast Guard's day-to-day presence on the fishing grounds enables us to provide valuable information to fisheries managers on changing patterns in a particular fishery and alert them to potential loopholes or shortcomings in existing regulations. Our presence also supports a variety of other missions, including search and rescue and marine environmental protection.

In the area of fishing vessel safety, our focus is on preventing casualties. Two ingredients that help make a vessel safe are having the right equipment and knowing how to use it. The voluntary dockside examination program is designed to help a fisherman ensure his vessel is safe before it leaves the dock. The safety portion of an at-sea boarding is designed to complement our dockside program through spot-checks of the major lifesaving equipment and the ability of the crew to use it. In the past year, there have been a number of cases where having the equipment and knowing how to use it turned a potential tragedy into a successful rescue mission. None was more apparent than the 70-foot fishing vessel *Majestic*, which sank in September 1992 in the Bering Sea 70 miles south of the Pribilof Islands. The boat broached and sank at night in seven minutes with no other boats in the vicinity. They did not have time to radio for help. The crew, however, was prepared. They had survival suits and an Emergency Position Indicating Radio Beacon (EPIRB), and they knew how to use them. They had prearranged emergency assignments and had drilled. The Coast Guard received the EPIRB alert 20 minutes after the sinking. The Coast Guard responded immediately and within five hours a cutter on fisheries patrol was within range to launch its HH-65A helicopter, which located the five fishermen clinging to their EPIRB, and hoisted them all to safety. Their preparation saved their lives.

The Coast Guard's increased nationwide focus on fisheries enforcement is well reflected in the Seventeenth District. Over 900 cutter patrol days and 3,700 aircraft flight hours were dedicated to fisheries law enforcement in the Seventeenth District in 1992. That represents an increase of 150 cutter days and 450 HC-130 flight hours over 1991. The increase in cutter days was facilitated by the increase in cutter availability now that the Fleet Rehabilitation and Modernization (FRAM) project on our Haznilton-class high endurance cutters has been completed and two high endurance cutters have been relocated to the west coast. Aircraft flight hour increases were made possible by deploying aircraft based in the lower continental U.S. to Alaska. The result has been an increased Coast Guard presence on the fishing grounds. That increased presence appears to be paying early dividends both in living marine resource conservation and safety. While the number of fishing vessels boarded has increased in each of the past two years, the percentage of those boardings which resulted in a fisheries violation has decreased, from 18 percent in 1991 to 10 percent thus far in 1993. From 1987 through 1992, loss of life in the commercial fishing industry remained relatively unchanged, with an average of 36 deaths each year. Thus far in 1993, there have been 11 deaths, as compared to 19 at this time last year. I am hopeful this indication of a downward trend will continue.

Regarding the MFCMA, it is my view that no significant changes are necessary to support Coast Guard responsibilities. Management of the North Pacific fisheries is a success story. The foundation of the current process is the North Pacific Fisheries Management Council, whose chief concern is maintaining the health of the marine ecosystem and ensuring sustainable harvests of groundfish and crab resources. The Council has recently embarked on a Comprehensive Rationalization Process to

address the competing and frequently conflicting needs of the domestic fisheries. The current complex enforcement regime for fishermen and managers alike is one of the problems being reviewed. I personally attend a portion of every council meeting and have designated Captain Bill Anderson, my Chief of Law Enforcement, as my representative for the entire session. Captain Anderson brings to this job many years of experience in fisheries law enforcement, both from commanding a cutter in Alaska and as the previous chief of fisheries enforcement at Coast Guard Headquarters in Washington, DC.

My observation is that the North Pacific resource users are fully involved in the council process of developing management measures. That involvement is vital to achieving industry buy-in and promoting compliance with management regulations. Coast Guard participation in the council is also important. With respect to enforcement and safety issues, the Council listens. A law enforcement committee, of which the Coast Guard is a member, is in place to review regulatory proposals and make recommendations on enforceability. I am satisfied that the Coast Guard's voice is heard and our recommendations carefully considered in the committee and in open session.

This past year, the Commandant completed a study of the Coast Guard's living marine resource enforcement program. The recommendations of that study focused on making the following four quality improvements:

1. Improving interagency cooperation and coordination of enforcement operations at all levels;
2. Improving the training and expertise of Coast Guard fisheries law enforcement personnel;
3. Improving the enforceability of fisheries management measures by increasing our participation on the regional fishery management councils; and
4. Expanding and increasing support for Coast Guard fisheries law enforcement through increased dialogue with all stakeholders.

During the past year, we have made progress in each of these four areas. We are now embarking on an aggressive program for continuous improvement, especially with regard to training and increased dialogue with all stakeholders. First, improving the training and expertise of Coast Guard fisheries law enforcement personnel is paramount to promoting compliance. Fisheries managers, resource users and others expect the Coast Guard's knowledge, expertise, and effectiveness in fisheries enforcement to keep pace with the rapid changes in fisheries conservation and management. In the North Pacific, the management regime is complex and dynamic. It will stay that way for the next few years while a Comprehensive Rationalization Program is developed. We are working to improve the training of our boarding personnel to ensure they obtain and maintain the sophisticated regional fisheries expertise needed to conduct effective law enforcement. The President's 1994 budget requests funds to establish a regional fisheries law enforcement training center here in Kodiak to help us fill this need. Such an approach is being used successfully in a pilot program in Cape Cod, Massachusetts. Our goal is to use the Cape Cod program as a model and replicate this regional approach here in Kodiak.

Second, as part of Commander, Pacific Areas Total Quality efforts, we are embarking on a pilot program to increase dialogue with the resource stakeholders. Understanding the concerns and needs of all affected parties will help us provide enforcement services that best meet the needs of the resource, the resource managers, and the resource users.

In summary, the Coast Guard recognizes the importance of the fisheries resources of the North Pacific and the safety of those who actively pursue them on the fishing grounds. We of the Seventeenth District are firmly committed to doing our part to insure proper conservation of those stocks and to promote safety in the fishing industry.

I would be pleased to answer any questions.

PREPARED STATEMENT OF CHRIS BLACKBURN, ALASKA GROUND FISH DATA BANK

For the record I am Chris Blackburn, director of the Alaska Groundfish Data Bank which represents shorebased groundfish processing plants and trawl catcher vessels in the Gulf of Alaska and Bering Sea.

The Alaskan groundfish fisheries are all federally managed through the North Pacific Fishery Management Council—a forum in which we are very active.

Basically we are happy with MFCMA, and would be willing to see the act reauthorized without any changes. The act provides a strong framework for conservation and management of our marine resources and certainly here in the North Pacific the act has worked.

Since the act was passed in 1975 the North Pacific groundfish fisheries changed from fisheries totally prosecuted by foreign vessels and processors to fisheries totally prosecuted by U.S. companies. What is even more important is that, despite the transition, despite rapid technological improvements in fishing gear and electronics and despite overcapitalization of catching and processing capacity, the fish stocks are still strong.

The Alaskan fishery industry learned during territorial days when its salmon stocks were overharvested and runs decimated that conservative management is the only way to assure the industry a future. This lesson has carried over to all of Alaska's other fisheries. The MFCMA has provided the Alaskan industry the tools that were needed to carry Alaska's conservation ethic into the EEZ under federal management.

Among the recent regulatory measures implemented by the North Pacific Fishery Management Council as the result of pressure by industry are the industry funded observer program and the reduction of gulf rockfish quotas to allow for rebuilding. (The stocks were heavily overfished by foreign vessels prior to passage of the MFCMA.)

We are aware, however, that concerns have been raised elsewhere—by those truly concerned that management could be better and by those looking to further their own particular interests. The following section addresses these issues.

FINANCIAL CONFLICT OF INTEREST

The State of Alaska's fisheries are managed by an industry Board of Fish. If there is desire to strengthen federal conflict of interest standards we suggest the standards used by the Alaska Board of Fish be incorporated into the Magnuson Act.

We feel strongly that the industry should be governed by those involved in the industry. Only industry members have the knowledge and experience necessary to address industry problems. And industry members have a very vested interest in assuring their own future through conservative management. Generally speaking, in Alaska we have found industry members to be more conservative than the scientists—and far more conservative than the economists.

Further, financial conflict of interest is a simple conflict to recognize and regulate. I am far more concerned about the nonfinancial conflicts of interest which we have seen among some (but not all) nonindustry council members who have served on the North Pacific Fishery Management Council:

1. Scientists may have pet theories they want to test, promotions that may depend on going along with a prevalent viewpoint or graduate students for which they wish to find funding and/or thesis projects. I have seen all of the above at one time or another bias scientific advice to the North Pacific Fishery Management Council.

2. Politicians occasionally get appointed to councils to improve their image in the fishing industry. Their decisions may be guided by politics instead of the good of the resource.

COUNCIL COMPOSITION

We feel the Magnuson Act gives the Secretary clear and adequate guidance on the criteria for a council appointee. However, that guidance does not always appear to be followed. Rather than make any changes in the act, we suggest that the Secretary adamantly require that all names submitted by a state governor meet the criteria set forth in the MFCMA and, should a governor's nominees fail to meet the MFCMA requirements, refuse to accept the names.

It could happen that a State, because its governor failed to submit names which met the MFCMA criteria, ends up in August with one of its council seats vacant. I can think of no stronger and clearer message to the States that the Federal Government takes seriously the quality of its appointments to the regional councils.

DESIGNATION OF AN ENVIRONMENTAL SEAT ON EACH REGIONAL COUNCIL

Since our fishing community includes bird watchers, former biologists, members of environmental groups and environmental activists, I am rather puzzled by what constitutes an "environmentalist." If seats are to be designated for special interest groups, then I suggest seats be designated for every special interest group, including gear groups—not just one particular special interest group.

IMPROVED CONSERVATION

Under the general heading of "conservation" a whole medley of issues tend to collect: a few true conservation issues and many allocative issues in conservation costumes. Any of us with any creative spark at all can dress the most blatantly

allocative issue in conservation language and decorate it with conservation justifications.

We are concerned about real conservation—taking care of all our marine resources so that they remain renewable resources and the ecosystem which provides our livelihoods and feeds the world remains healthy.

Legislation can promote and create the opportunity for conservation as the MFCMA does, but no legislation can successfully assure conservation. The assurance of conservation occurs, I believe, under the following conditions:

1. A good working relationship between scientists and industry that includes respect of each group for the other.
2. Involvement of industry in research priorities and, when appropriate, in research design and in the research itself.
3. Adequate funding for research.
4. A financially healthy industry. Starving men will kill the last dinosaur.
5. Enforcement that concentrates on crimes against the resource (not paper violations) and is followed by timely and severe punishments that far outweigh any profit which might have been gained by the infraction.

ECONOMISTS

The MFCMA recognizes the validity of social and economic issues as well as conservation issues. Where the long term health of a stock is seriously at stake, it is obvious that true conservation issues should outweigh economic and social concerns.

We do have concerns that the theories under which the NMFS economists appear to be working, at least in Alaska, are contrary to the long range health of the industry and to conservative management. The MFCMA requirements to consider "net benefit to the nation" as well as the term "efficiency" have been interpreted as "maximum short term corporate profits."

Under the "net benefit to the nation" requirement, conservative management to encourage rebuilding of depleted stocks has been opposed by economists. Since biologists can't say how fast and how much the stock will rebuild, the economists determined that the loss of revenue caused by reduced quotas is not in the interest of the nation.

A processing operation which does many species and holds its markets even during years when there is little or not profit in a particular species or product, because the processor knows that market may be profitable next year—in other words, a prudent businessman—is considered a net loss to the nation.

Net gain to the nation, according to the economists, is produced by the company or operation which made the biggest profit last year—usually a big boat operation which targeted only the highest value species and produced only the most profitable product.

I have a few recommendations, should Congress decide to make changes in the MFCMA this year. I want to emphasize that we feel the act is working and all the following suggestions are in the spirit of "if changes are going to be made, consider these proposals too."

1. Provide legal language following regional directors inseason authority, when provided by the council in a fishery management plan (FMP), to take specified actions such as closing a fishery without waiting for the notice to be published in the Federal Register.

The requirement that all regulatory actions be published in the Federal Register takes at least three days. In the Gulf of Alaska where many high value species quotas are small, effort large and fisheries short, the three day delay in closing fisheries has resulted in overharvests for some critical species and underharvests in other species.

2. define "net benefit to the nation" so that more than short term corporate profits are considered.

3. Prohibit law suits against NMFS on conservation issues unless it can be shown that NMFS clearly acted against the advice of its own and the regional council's scientific advisors. I believe when the council and the NMFS, in an open public process, have acted on the best advice of their scientists, neither NMFS nor the industry should be subject to suit by law firms.

4. Include conflict of interest requirements similar to those used by the Alaska Board of Fish.

5. Set time deadlines for regulatory amendments which allow any regulatory amendment to automatically go into effect after the deadline is reached unless specifically rejected in writing for cause by the Secretary. I suggest 60 or 90 days after approval by the regional council.

Many of the regulatory amendments promulgated by the North Pacific Fishery Management Council are promoted by industry for conservation reasons—and are thwarted by the slowness of the process.

Those of us who maintain Washington, DC, lobbyists have our lobbyists hand carry the documents from desk to desk.

6. Include under the MFCMA noncommercial fish species which are important prey items. In the Gulf of Alaska it is absurd that there is no mandate to survey, assess, evaluate or in any way pay any attention to forage fish such as sandlance, capelin and euphausiids which are important food species for most of the commercially important species.

Because there is no emphasis on forage fish which aren't commercially fished, there is no incentive for research on these species and those who might want to study forage fish find it impossible to obtain funding. In the age of ecosystem consciousness and ecodiversity concerns, this oversight is unconscionable.

7. Make provisions for mandatory industry assessments to pay for industry approved research. The first step in this direction was taken with the North Pacific research plan, intended to allow industry to assess itself to pay for its observer programs in Alaska. Salmon fishermen, under Alaska law, can form regional aquacultural associations and assess themselves to pay for hatcheries and enhancement projects.

It is important that the federally managed fisheries and industry have this same opportunity on a regional basis. We do not want assessments that disappear into the general fund or end up funding work in Maine and Alaska money.

8. Make provisions that allow for sale of the resource to pay for survey work. This method is used by the International Pacific Halibut Commission to fund its halibut surveys. We feel much of the survey work needed in Alaska could be funded in the same way. The fish needed to fund the survey work could be subtracted from the quota if necessary.

Thank you for this opportunity to appear before the Committee on Merchant Marine and Fisheries and for your continued work to assure the health of our marine resources and our fishing industry.

PREPARED STATEMENT OF KEVIN B. O'LEARY, VICE PRESIDENT, KODIAK LONGLINE VESSEL OWNERS' ASSOCIATION

For the record, my name is Kevin O'Leary and I am vice-president of the Kodiak Longline Vessel Owners' Association (KLVOA). The KLVOA was formed in 1987 by a group of Kodiak fixed gear vessel owners and now represents hook-and-line and pot catcher and catcher/processing vessels participating in the groundfish and crab fisheries in the Gulf of Alaska and the Bering Sea. We are represented at North Pacific Fishery Management Council meetings and the KLVOA president is a member of the Council's Advisory Panel. We also attend International Pacific Halibut Commission and Alaska Board of Fisheries meetings, as well as other federal and state meetings which impact our industry. We are involved in many issues which affect members of the group and instruct our director to spend a large portion of her time on concerns we have with conservation of the resource. Our director, Linda Kozak, is president of the Fisheries Conservation Action Group which consists of 15 catching and processing groups in Alaska, Washington and California. This coalition speaks regularly before the North Pacific Fishery Management Council on bycatch and conservation issues.

My testimony today will focus on a few of the areas we feel are important in the process of reauthorizing the Magnuson Act.

CONSERVATION OF THE RESOURCE

We believe the primary concern in this current reauthorization is the need to prioritize conservation of the resource. The Commerce Department has recently begun to review allocation proposals from primarily a narrow economic perspective using a cost/benefit analysis which defines net benefit as profits made by participants in the industry. This leads to some concern; a short-term economic profit may not be in the national long-term interest. The social and biological impacts as well as long-term economic health of the resource and participants have not been of primary importance. It is our opinion that the conservation elements of allocation decisions need to be considered on an equal or higher degree as the short-term economic benefits. We believe that selective gear should receive a preference whenever possible. With many species, a selective gear group such as pots or hook-and-line can easily prosecute the fishery without the incidental bycatch and wastage problems.

BYCATCH AND WASTAGE

The major management problem facing industry today is the bycatch and waste issue. The term "bycatch" refers to other fish or crab that are caught while the gear is targeting a specific species. There are two types of bycatch; economic discards and prohibited species bycatch.

Economic discards are fish which are legal to retain, but are the wrong species mix or the wrong size for processing quickly. These fish are dumped over the side and constitute a large amount of wastage. In the Bering Sea from January through August 7th of this year there have been over 470 million pounds of groundfish (21.6 percent of all fish caught in the Bering Sea) dumped dead into the ocean. A large majority of the fish that was dumped was caught by factory trawlers and consisted of pollock, Pacific cod and rock sole. Much of this fish could and should have been utilized. In the Pacific cod fishery alone, over 63 million meals were thrown away because the cod taken was either the wrong size or caught in another trawl fishery. We recommend that a provision be established in the Act which would require the utilization of all species which are legal to retain and are covered under a management plan. This would halt the massive amount of waste that occurs as a matter of "good business" every year.

The prohibited species bycatch, on the other hand, is required to be discarded. The amount of halibut and crab that are thrown away each year is disconcerting, especially when one realizes that the size of most of these animals is very small, certainly too small for utilization. There has been a push by some members of industry and others to require the retention of the prohibited species when they are taken incidentally. We oppose this for several reasons. The members of industry that are pushing for retention of the prohibited species are the very ones who are dumping the large amounts of fish that they could legally keep and process. They just aren't as high value a species as halibut or crab. We strongly believe that prior to allowing retention of prohibited species, the needless wastage that is now occurring must be stopped. The second primary reason we are opposed is that the caps which are set as upper limits for incidentally caught prohibited species are too high. They are higher than they were for the foreign fleet and little is being done to force the gear groups to bring their bycatch down to a more acceptable level. Until that happens, we would oppose the retention of prohibited species.

USER FEES AND ASSESSMENTS

The members of the KLVOA strongly supported the requirement to carry observers and the implementation of user fees to pay for funding the research plan. In looking at the future of fisheries management, with some form of limited access likely to be implemented in the future, there has been a significant amount of discussion in regards to user fees to pay for this type of program and for the management of the resource. We believe that any user fee which may be established must clearly be defined as to purpose, and money raised in a certain region must be designated to be spent in that region. There should also be an upper limit as to what the amount of fees could be. We are very concerned that a loosely defined, open ended fee structure could financially cripple the small boat fleet in Alaska. We currently have user fees which cover the research plan, various municipalities which tax the fleet, raw fish tax paid by the inshore fleet, as well as the recent passage of a tax for the offshore fleet. The profit margin is so narrow for many operations that a large user fee could be devastating.

STRENGTHEN THE COUNCIL SYSTEM

In our opinion the Council system is very important and serves a need that can't be duplicated. It is of concern to see the Commerce Department recently begin to interpret the Secretary's authority in modifying Council action prior to approval. We believe that it would be very detrimental for Congress to amend the Act to allow for a centralized decision making authority in Washington D.C. While the Secretary should and does have oversight authority, it is mandatory that the regional council system stay not only in place, but be strengthened. A management system run from Washington D.C. would make it almost impossible for the members of our group and other small groups, as well as individual fishermen, to have their voice heard in the decision making process.

The Council system, by utilizing experienced, knowledgeable individuals, will understandably have instances where a Council member will vote on an issue for which he or she is financially involved. We believe that the conflict of interest model under which the Alaska Board of Fisheries operates is an ideal situation. Board members are required to state for the public record whether they have a financial

or other conflict with the issue under discussion. With this type of disclosure, Council members should still vote on every issue. We urge you to reaffirm the Council system.

SUMMARY OF TESTIMONY

The primary focus of this reauthorization process should be to prioritize conservation of the resource. Conservation elements of allocation decisions need to be considered on an equal or higher degree as the short-term economic benefits. Selective gear which reduces bycatch and wastage should receive a preference whenever possible.

The massive dumping of groundfish which is legal to retain must be stopped. Over 470 million pounds of groundfish were dumped in the first seven months of 1993. Over 63 million meals of Pacific cod were thrown away. The factory trawl vessels are responsible for the majority of wastage in the groundfish fisheries. We do not support the retention of prohibited species. The numbers of very small crab and halibut which are taken as bycatch need to be reduced prior to any allowable retention. The wastage of groundfish which can be legally retained must be halted before steps are taken to allow the retention of prohibited species.

We are concerned that user fee or assessment provisions which may be under consideration be strictly defined as to purpose and amount of funds which can be raised. The money raised in a certain region must be designated to be spent in that region.

It would be a terrible mistake to limit the Council system and provide the Secretary with more authority. The Council system actually needs to be strengthened. The small boat fleet and small groups would have no chance to express their viewpoints if they were required to present their case to Washington D.C. or another centralized location. The make-up of the Council is diversified, and while there may be some conflict, this is inherent in the system and should be expected. The Council system works and while we may not always be happy with a certain vote or decision, we believe that our voice is heard and the opportunities to present viewpoints before the Council are always present.

PREPARED STATEMENT OF BETH STEWART, ALEUTIANS EAST BOROUGH

My name is Beth Stewart. I am presenting comments on behalf of the Aleutians East Borough regarding reauthorization of the Magnuson Fishery Conservation and Management Act.

I serve as the Director of the Natural Resources Department in the Aleutians East Borough. I am also a member of the North Pacific Fishery Management Council's Advisory Panel, and a member of the Marine Fisheries Advisory Committee which advises the National Marine Fisheries Service on a variety of fishery management issues.

The Aleutians East Borough is located on the Alaska Peninsula and adjacent islands. It includes the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point. Geographically, geologically, and anthropologically this area is unique. The borough has borders along the Bering Sea and the Gulf of Alaska, and is home to numerous volcanoes, active and dormant, thermal hot springs, petrified redwood forests, bears, foxes, sea birds, and diverse fish and shellfish.

Most important, however, Aleutians East is the home of the descendants of Eastern Aleuts and the Scandinavian, Scot and other Northern Europeans who settled in the region during the late 1800's and early 1900's. Akutan and Cold Bay are the exception. Akutan's indigenous people are Western Aleuts, while Cold Bay is primarily a non-native community created during World War II by the U.S. Government.

Although the Aleuts living within the region comprise many distinct tribal groups, they share several characteristics and values and somewhat similar histories.

Local control, a widely held, critical value, characterized Eastern Aleut interactions with the Russian and U.S. Governments. Efforts to form increasingly more powerful local governmental units began before statehood. Self-sufficiency and independence remain the driving forces behind local government. Creating the borough in 1987 was clearly an expression of the fundamental desire for local control of government services. The borough's revenue base is a 2 percent raw fish tax. The FY-92 budget was \$12.5 million. Five of the borough's communities, King Cove, Sand Point, False Pass, Nelson Lagoon and Akutan are totally dependent on commercial fishing.

The borough is responsible for the school system, community health grants, capital improvements and maintenance. The vast majority of the capital projects in the

AEB are related to commercial fishing—ports and harbors and airport expansions and improvements are all aimed at providing infrastructure for fishing.

The tiny village of Akutan is one of the oldest continuously settled villages in Alaska and one of the busiest groundfish ports in Alaska. Only the small number of processors keep it from being listed and nationally ranked. The local people, however, are not direct participants in Bering Sea fisheries. They lack the vessels necessary to venture beyond the relatively sheltered waters near their village. For reasons best known to the State of Alaska, these villagers were not allowed to participate in the Bering Sea CDQ fisheries. Only two AEB communities, False Pass and Nelson Lagoon were allowed to participate directly in the pollock CDQ fishery. These two communities are attempting to include Akutan in the benefits derived from their participation.

Sand Point, King Cove, False Pass and Nelson Lagoon are all sites that were created to take advantage of commercial fishing opportunities. During the late 1880's and through the 1970's smaller more remote villages were abandoned as the dependence on fishing grew. Sanak, Unga, Belkofski, Squaw Harbor, Morzhovoi, Thin Point, Wosnesenski and other village residents were forced to choose between leaving their homes and having no chance for economic stability.

The specter of these abandoned villages haunts the region. The entire social and cultural fabric of the remaining Aleut population depends on the continued ability to rely on the fisheries resources near their homes.

To protect their interests as much as possible, borough residents have become active participants in fisheries policy and regulatory forums. They have taken a keen interest in both state and federal fisheries management issues including the Marine Mammal Protection Act, the Magnuson Act, and the Endangered Species Act.

It has been substantially harder to identify the critical issues that will arise during the reauthorization of the Magnuson Act than it was for the MMPA and ESA. Many of the frustrations our fishermen have stemmed from the way in which the Secretary and NMFS have chosen to implement the act rather than flaws within the act itself. These comments will focus on five issues: comprehensive rationalization, bycatch reduction, critical habitat designations, "emergency order closure authority," and the implementation of conflict of interest standards with recusal provisions.

COMPREHENSIVE RATIONALIZATION

The current push for comprehensive rationalization schemes presumes that privatization of a public resource will result in a net economic benefit for the nation. Although many AEB residents would receive IFQ's, the concept that fish can be owned, traded, and even sold before they are caught has no parallel in Eastern Aleut thought. Residents believe that promoting American corporate values into fishery management will result in a focus on profits rather than the long-term health of fishery resources which is critical to the survival of coastal communities.

On a purely practical level, Aleutians East fishermen cannot visualize how IFQ systems can be implemented without placing at least two observers on each fishing vessel. Individual quotas require individual monitors. It is clear from this year's pollock CDQ fisheries that single observers cannot accurately assess when a vessel reaches its quota. Clearly, the cost of such observers can be borne more easily by large vessels than by the smaller vessels operated by Eastern Aleutian fishermen.

The IFQ systems discussed by the North Pacific Fishery Management Council also provide incentive for establishing "black markets" for fish. This is particularly dangerous for species like rock fish which can be easily overharvested.

We could support limiting the number and kind of vessels that can participate in federal fisheries, but we cannot support the cost both to the resource and the small boat industry of an IFQ program.

BYCATCH REDUCTION

Much of the rhetoric surrounding the bycatch issue is really nothing more than another allocation battle. Currently there is no magic gear that harvests target species without any bycatch. The key to bycatch reduction appears to be individual vessel accountability. In those voluntary pools that have operated in Alaska, bycatch rates have been dramatically reduced. But, currently NMFS and the Council lack the legal means to construct mandatory accountability programs. Since there are allocation as well as conservation problems associated with bycatch, Aleutians East Borough supports amending the Magnuson Act so that effective vessel incentive programs can be adopted as part of the Fishery Management Plans.

CRITICAL HABITAT DESIGNATIONS

Aleutians East Borough shares the growing national concern regarding the effects that habitat loss and degradation have on the marine environment. However, we do not support amending the Magnuson Act to give the councils an additional role in designating critical habitat or actively participating in the permitting process for construction and other projects. The councils do not have the staff, the expertise, or the time to devote to such a critical task. We strongly support developing legislation that strengthens NMFS's role in overseeing permits for projects that have potential ill effects for the marine environment. We strongly support improving the Clean Water Act, to clean up our nation's watersheds and oceans.

Aleutians East Borough believes that NMFS should be adequately funded so that critical habitats for marine species can be identified and protected. Lacking appropriate funding, habitat designations are contentious and difficult to implement.

"EMERGENCY ORDER CLOSURE AUTHORITY"

Aleutians East Borough believes that the act should be amended to grant the Regional Director authority to implement closures without waiting for publication in the Federal Register. The due process considerations supposedly served by such publication are better served during the amendment of fishery management plans. The delay in implementing closures has too often meant that NMFS cannot respond fast enough to close a fishery before a quota or cap is reached.

CONFLICT OF INTEREST

Let me begin by saying that AEB supports the Council process. We believe in the separation of biology and allocation. NMFS clearly has the mandate to conserve and protect the nation's fish stocks, but should play no role in the allocation of those fish. The Councils, with their greater expertise in fishing practices, are primarily a political body. All allocations are political and are appropriately given to such a body. The public process involving the industry Advisory Panel, the Scientific and Statistical Committee, and an open forum for decision making are in the best interests of the public.

Right now conflicts of interest on the various Regional Fishery Management Councils appears to be a hot issue.

This is a difficult issue to address. By their very nature, the councils are composed of people who have some kind of interest in the fisheries conducted in the U.S. EEZ. Why would anyone who had no interest in these fisheries subject themselves to these grueling meetings? How can reasonable decisions be made by a group of people with no interest or experience in these fisheries? We do not believe scientists or fish managers are free from biases or conflicts.

The councils are composed of competing interests. To a large extent, those competing interests minimize the power of any one council member or interest group to drive the process. It is the Secretary's job to ensure that diverse interests are represented on all councils. Where balanced representation is a problem. Secretarial action, not MFCMA amendment, is all that is required. If council representation is not balanced the Secretary must simply return the list to the appropriate Governor.

All that being said, in attempting to regulate conflicts of interest, the question seems to be not whether it is possible to find conflict free council members, but rather when do conflicts rise to a level that should preclude participation in a vote? We believe that financial conflicts are the only measurable conflicts. Therefore, AEB has submitted proposed language to be considered in addressing financial conflicts and recusal of council members. The substance of this proposal is that Council members shall disclose on the record at each meeting or hearing the nature of all financial interests in fishing. If a Council member or an immediate family member has a significant financial interest in a fishery, that council member shall not participate in the debate or vote on any proposal that allocates fishing privileges for that fishery.

We did not attempt to define all of the terms, but we believe that this language addresses most if not all of the conflict issues raised in the recent past.

Thank you for your consideration of these comments.

PROPOSED CONFLICT OF INTEREST LANGUAGE

(1) Participation by a voting member of a Council in any Council action involving an allocation of fishing privileges shall be prohibited when such action would result in a direct financial benefit to such member or a member of his or her immediate family, except that participation shall not be prohibited if, as to a specific matter, the financial interest in the matter is of a type that is possessed generally by the public or a large class of persons to which the Council member belongs.

(2)(a) Two weeks prior to any meeting of a Council for which final action on an FMP or amendment to such FMP involving an allocation of fishing privileges has been scheduled, each Council member shall disclose on the record any financial interest, even if insignificant or of a type generally possessed by the public or a large class of persons to which the Council member or a member of his or her immediate family belongs (such disclosure will also be made orally during the beginning of each council meeting or hearing).

(b) Within one week of the scheduled meeting, the Chairman of such Council shall, in consultation with NOAA General Counsel, make a determination about whether the financial interest as disclosed is significant or of a type not generally possessed by the public or a large class of persons to which the Council member or a member of his or her immediate family belongs. If the Chairman determines that such financial interest is not of a type possessed generally by the public or a large class of persons to which the Council member or a member of his or her immediate family belongs, the Council member subject to the determination shall be barred from participation as a voting member.

PREPARED STATEMENT OF VINCENT A. CURRY, PRESIDENT, PACIFIC SEAFOOD PROCESSORS ASSOCIATION

Mr. Chairman and members of the Committee: My name is Vincent Curry. I am the President of the Pacific Seafood Processors Association (PSPA).

PSPA is a trade group representing companies involved in the commercial processing of various seafood products throughout the Northwest and Alaska. The member firms that comprise the association handle a wide variety of species and product forms, including salmon (fresh, frozen, canned, smoked), crab, halibut, and numerous species of groundfish such as pollock and cod. The association is now in its 79th year, and some of the member companies have been in existence even longer than that.

The main function of the association is to provide a forum for communication and action by the members on issues of common concern. These issues, which are both regulatory and legislative, occur on the local, state, and federal levels. The association provides the membership with an opportunity to debate these issues, to form opinions, to craft action plans, and to deliver the association's message to the relevant decision makers.

We are pleased to once again have the opportunity to participate in a reauthorization of the Magnuson Act. PSPA was actively involved at the time of the Act's inception and we have continued to offer our thoughts each time it has been amended.

It is our view that the Act, now in its 17th year, has been a great success, particularly in the North Pacific. The management councils of the west coast and Alaska had an advantage upon implementation of the Magnuson Act as they were given management authority over stocks of marine life that were mostly in good health. Unfortunately, the same cannot be said for all regions. In some cases fisheries managers have been struggling since the late 1970's to develop plans balancing the need to rebuild stocks with the need to maintain the economic health of coastal communities. We are glad that we did not have to face this difficult task for most of the species under management in the North Pacific, although the problem of endangered species of salmon promises to continue to be an extremely thorny issue.

Maintaining healthy stocks in the face of ecological changes, growing fishing power, and uncertain scientific data is a complicated management task demanding commitment to the resource and intimate knowledge of regional fishing practices. The North Pacific's uniquely blessed resources have generally been well cared for by the North Pacific Fishery Management Council. It seems the members of the North Pacific Council at appropriate times have viewed available biological data regarding stock biomass and—commended harvest levels with healthy skepticism. For example, the North Pacific council has chosen to set annual allowable harvest levels for the North Pacific biomass well below the combined allowable catch levels which NMFS mathematical models have recommended. This fundamental decision is often cited as the basic management strategy which maintains the health of the overall North Pacific fisheries biomass. In the North Pacific the continuing effort to husband the resource pragmatically demonstrates one of the major advantages of having the resource users on the Councils. The people who participate in the fishery and whose livelihoods depend on it are often in a good position to interpret the scientific data through the lens of real world experience. Given that the foremost duty of the Councils is to protect the resource, and fisheries data is not 100 percent accurate, this conservatism has probably been wise.

One of the major challenges facing the Act and the members of Congress who must reauthorize it is to balance the very different needs and circumstances found throughout the coastal areas of the United States. The wide variety of fisheries resources between regions offer distinct management challenges adapted for the particular resource in question since the size of target stocks in some fisheries fluctuate wildly, while others are relative stable season to season. Some species are slow growing and slow to produce while others are prolific. The eclectic mix of those who conduct the fishing and processing also require local knowledge and specialized consideration. Some fisheries are prosecuted by small day boats with only a single crew member. Other fisheries involve what is termed industrial fishing; operations that use hundreds of crew aboard vessels hundreds of feet long. In some areas the fishermen are all from the communities adjacent to the waters where the fishery is conducted. Other fisheries are carried out by people who are thousands of miles from home and have very little contact with the local populace.

The challenge faced by Congress is to craft a piece of federal legislation that is flexible enough to cover the amazing variety found throughout the fisheries of the United States. The original Act, and most of the amendments to date, have followed this course of providing flexibility to the managers. In many areas the management results have been laudable. In those areas where a Council has fallen short, we would suggest that the problem did not arise as an institutional problem with the Act itself.

We believe that the worst mistake Congress could make in amending the Act would be to move toward a regimented, centralized decision making authority based in Washington, D.C. The members of Congress who crafted the Act in the mid-1970's understood that the fishing industry of this nation is an extremely diverse and complicated structure. The only hope for effective management was to give primary authority to the citizens of the region who were knowledgeable about the fisheries and who had a stake in them. A careful balance was struck in the original Act between the Councils and their federal overseers in Washington, D.C. The system intentionally created a bias toward regional management as opposed to centralized authority in Washington, D.C. This was done on the assumption that the citizens of the region would ultimately make the best decisions, while federal oversight and implementation grounded in the national standards for decision making would help ensure balance. Although the ultimate oversight rests with the Secretary of Commerce, the Act and its implementing regulations make it clear that the lead role and the benefit of the doubt are to be given to the Councils.

It should also be remembered that there was a political component to the structure of the original Act. Members of Congress knew very well how politically explosive fishery issues can become. They also rightly foresaw that this situation was not likely to change over time. Congress fully understood that there would be a political component to the decisions being made by the Councils—just as there would if the decision making authority was completely vested in the Secretary. Congress intentionally chose to deal with the political aspects of fishery management by making the affected groups a part of the decision making process. The Magnuson Act procedures for developing fishery management plans are among the most open and democratic of any regulatory body in the federal bureaucracy.

I'm sure many people are wondering how the current system could possibly get any more contentious from a political point of view. However, simply imagine a management system that is run beginning to end from Washington, D.C. Under this scenario it is likely that virtually every discernible fishery group in the nation which could afford it, would be represented by several lobbyists in Washington, D.C. These lobbyists, along with members of Congress and their staffs, would be involved in the process of writing fishery management plans on an ongoing basis. It is also likely that we would see far more legislative amendments targeted at controlling this process or at undoing management plans once they were implemented. Fishermen without the means to hire lobbyists would lose much of their present ability to participate. From a political point of view, perhaps the worst part of a centralized decision making scenario is that after plan implementation, it is virtually certain fishermen governed by the plan would severely chastise their Congressional representatives for having "sold them out."

The current Council system and Commerce Department oversight have served both the nation and the industry well over the long term. We feel that making wholesale changes to the system at this time would be an error. Not surprisingly, the positions and Magnuson Act amendment proposals offered by various industry groups have changed dramatically over time. To be blunt about it, the seafood industry has never been known for stability or consistency on many issues. For example, during the mid-1980's PSPA was actively lobbying for a statutory phase out of foreign fishing in the US. Exclusive Economic Zone. Under one of our proposals, the

end of directed foreign fishing would not have occurred until last year several years after it actually ceased. I suppose this falls into the category of "be careful what you wish for, it might come true." In any event a review of industry proposals offered since 1976 suggests both industry and national interests have been well served when Congress chose to ignore calls for radical change in the Act. Given the great diversity in this nation's fisheries, we need maximum flexibility in our regional management system and not a centralized federal bureaucracy.

Having covered our general philosophy, I will now turn to some of the specific proposals that have been offered for consideration during this year's reauthorization process.

A number of groups have suggested that the Act mandate the selection by Councils of "risk-averse" management strategies. The rationale is that since the data and underlying science supporting fisheries management is subject to interpretation, Councils should always err on the side of caution so as to avoid overfishing. We agree that fishery science, especially stock assessments, have limitations and that caution is warranted. In fact, this has long been the philosophy of the North Pacific Council in setting harvest quotas. Therefore, we support the general idea of requiring Councils to be more cautious depending on the quality of the available data. However, we also believe that as part of any such amendment there should also be a directive that the Councils require an accurate assessment of the amount of fish being harvested in each particular fishery. It may sound odd, but there are still some fisheries where the report of total catch is really a loose estimate. For instance, it is likely that harvest estimates for our nation's biggest fishery, the pollock fishery off Alaska, are being understated by the lack of accurate data from some sectors. While onshore processors are required to weigh every pound of fish and report the catch by species, other participants use a system of product recovery rates (PRR) to estimate the harvest. PRRs are a reverse calculation where you estimate the catch based upon the amount of finished product retained after processing. There are numerous problems with this system. The actual product recovery rates themselves vary greatly during the year depending upon the condition of the resource, and from company to company depending upon the skill, care and machinery being utilized. To compound the problem, discarded catch is not accurately factored into the equation. This is important since large amounts of fish can be discarded both prior to and during processing operations.

In addition, even small errors in PRR calculations can result in a gross undercounting of harvest. For instance, the National Marine Fisheries Service used a PRR of 18 percent for surimi for the at-sea sector at one time. This was later revised to a more accurate 15 percent. To illustrate the effect of this 3 percent difference, let's say that the at-sea fleet reported total production of 150,000 tons of surimi. At a recovery rate of 18 percent, this would mean that the fleet had caught about 830,000 tons of fish. However, if the recovery rate were actually 15 percent, that would mean that the true harvest had been 1,000,000 tons. And if, as some calculate the actual recovery rate for the at-sea fleet is closer to 12 percent, the total harvest would have been 1,250,000 tons of fish. It is our opinion that when we are dealing with one of the most valuable fisheries in the nation we should not risk using a system with such potentially huge margins of error. A uniform system requiring weighing of catch is resource responsible and should be required from both an allocative and management standpoint.

The National Marine Fisheries Service has recently decided to require accurate measurement (by weight or volume) of all fish caught by those participating in the Community Development Quota fisheries of Alaska. We must ask why it is important to have an accurate assessment for this 7½ percent of the fishery, but not for the other 92½ percent?

A second issue which Congress should confront is waste and bycatch. A number of commercial fisheries across the nation are under attack because of high discards of both target and non-target species. Bycatch and discard of non-target species is a very thorny issue but should be addressed if we are to stem the criticism our industry faces. Proposals were recently discussed by the North Pacific Council that would require processors to retain non-target species bycatch, process it, and donate it to charity. Although this plan has encountered resistance in some quarters, we feel that it, or something like it, needs to be explored. The owners of these resources, the American public, will not continue to tolerate high levels of waste of valuable fish stocks.

A related problem has to do with high discards of target species as well as inefficient processing. The public will not tolerate fisheries in which 10 percent, 20 percent, or more of the target species catch is thrown overboard or wasted due to inefficient processing methods and high grading practices. We suggest that Congress at least look at giving the Councils some type of directive in this area. A step was

taken in this direction several years ago when Congress statutorily outlawed the practice of roe stripping. The Magnuson Act does speak about maximizing food production, but we are concerned that this goal has been given short shrift in some instances in favor of management plans that seek to maximize short-term profitability. A requirement to ensure fuller utilization of commercially marketable species, such as those enforced in some state fisheries, would certainly help.

A third issue, somewhat related to the second, has to do with a recent change in the way the Commerce Department reviews the economic impacts of fishery management plans. Several years ago, the Commerce Department began requiring that allocative plans to be accompanied by a full, quantitative cost/benefit analysis. Not only was this new standard imposed without any change in the statute, but it has been given preeminent status during the federal review process. Under the system as it evolved during the past few years, allocative plans will only be approved if accompanied by a quantitative cost/benefit analysis demonstrating that overall net national benefits from the plan are positive. This sounds fine until you realize that the government has been defining net national benefits as profits made by industry participants. Not only is this not a standard in the Magnuson Act, it is a practice which should not form the major basis for making decisions regarding a public resource.

Under the Magnuson Act, net national benefits are comprised of not only the economics of the fishery, but the social and biological impacts as well. The Commerce Department, however, has recently decided to review allocation decisions based primarily upon the predicted economic effects. This system has had one profound effect—it gives the Commerce Department great latitude in deciding whether or not a plan is acceptable. Since it is the Commerce Department economists who ultimately decide what is a proper cost/benefit analysis, it is now possible for the Commerce Department hierarchy to accept or reject Council plans based upon the views of a group of government economists whose views may or may not be made public. For instance, when the Pacific Fishery Management Council submitted its proposed Pacific whiting allocation, it was accompanied by a quantitative cost/benefit analysis that showed a net gain from the Council plan. In rejecting the plan, the Commerce Department said that it felt the data used in the Council's cost/benefit was suspect. The lesson from this was that even if a plan showed a net economic gain it may not be approved since the Commerce Department has the final say over what is an acceptable cost/benefit analysis.

We feel it would be wise for Congress to remind the agency, through amendment or report language, that the net economic effect of a management plan is only one of several standards of review by which management plans are to be judged.

A fourth issue we are very concerned about centers upon a new interpretation the Commerce Department is giving to the Act, under the guise of "partial approval" or "partial disapproval". Specifically, the Department appears to have decided that it can make wholesale changes in the recommendations of a fishery management council, implement that modified plan, and do so under the rationale that these actions are a "partial approval" or a "partial disapproval" of the plan. The well-established historical notion that the Secretary shall not substitute his judgment for that of the Councils from a policy perspective is becoming lost under this practice. We recommend that Congress once again make it clear that the primary responsibility for formulating fishery management plans rests with the Councils. We fear that if this new "partial approval" strategy by the Commerce Department is allowed to stand it will effectively eliminate any substantive role for the Councils in crafting fishery management policies.

Finally, some fisheries managers and industry participants favor individual transferable quota (ITQ) management systems as a solution for various fishery problems, including overcapitalization in the nation's fisheries. Yet there is no uniform ITQ system, and little predictability regarding the impacts these systems will have on current fishery participants. Every ITQ system must be uniquely fashioned for an individual fishery, and this process may or may not fit the current participants unless a focused standard of fairness is applied. A major concern for those currently participating in fisheries is the potential uncertainty, disruption and cost which ITQ/resource privatization may bring to the status quo. There is a particular equity problem when some sectors of a fishery are vertically integrated in harvesting and processing capacity, while other sectors remain separated. Underutilized domestic fishery resources have been developed by fishermen and processors under the Magnuson Act through open access conditions. The existing industry sectors who participated in that development are formed by groups of fishermen identified by fishing gear, and groups of processors identified by onshore and offshore locations. These classifications among fishermen and processors constitute the major competing sectors of the U.S. industry. Creation of an entirely new "privatized resource" manage-

ment structure not only fashions a new system of access to the resource, it creates a new business climate and threatens to artificially alter capital flow. ITQ systems which fail to initially include all existing sectors of a fishery will fundamentally and unfairly choose the winners and losers. Unless every sector of a fishery participates in the initial granting of quota shares—the ability to compete and produce quality seafood products will have little to do with who remains in the long run. All currently competing industry sectors should be treated equally through initial access to quota shares, or the changes brought on by implementation of ITQs will be the result of unfair discrimination between competing sectors. Selective awarding of rights to the resource will promote extreme resistance to the system which could be avoided through a fair system of initial allocations.

Although there will be winners and losers between the members of any industry actor, entire groups of processors or fishermen should not be artificially disadvantaged through selective grants of initial ITQ/privatized shares in the resource. Congress would be wise to ensure that fairness remains paramount where Councils move to implement ITQ/resource privatization systems. A new National Standard added to 16 U.S.C. 1852, section 301(a)(5), and applicable to implementation of ITQ/resource privatization management systems, should require “that no existing sector of a fishery, including competing fishermen or competing processors, shall be disadvantaged by initial implementation of an ITQ/resource privatization system”. In this way artificially created economic advantages between competing sectors will be avoided. This will reduce controversy in the process while promoting the fundamental fairness and equal protection Congress sought when crafting the Magnuson Act. Current sectors of any liable domestic fishery should have an equal and fair opportunity to continue participating in their fishery.

This concludes my prepared testimony. I appreciate having had the opportunity to appear before you today, and I would be pleased to answer any questions.

PREPARED STATEMENT OF KATE GRAHAM, EXECUTIVE DIRECTOR, AMERICAN HIGH SEAS FISHERIES ASSOCIATION

Mr. Chair and Members of the Committee, I am Kate Graham, executive director of American High Seas Fisheries Association. Ours is an association of trawl catcher vessels, all of which are U.S. owned, built and crewed. Our members are homeported in all four West Coast states and take part in a variety of groundfish fisheries in the Bering Sea, the Gulf of Alaska and along the Pacific Coast. We were part of the joint venture fleet that pioneered the harvesting of groundfish in these waters. We are proud of the contribution we made toward realizing the original goal of the Magnuson Act—the Americanization of our nation’s fisheries. We sell our catch to both shorebased and floating processors and are equally proud of the part we play in providing food for people both in the U.S and around the world.

We have been able to accomplish these things because of the Magnuson Fishery Conservation and Management Act. The existence of a strong commercial fishing industry along our Pacific coast is a direct result of this farsighted legislation, and we are grateful to have the opportunity today to offer you our ideas regarding reauthorization of the Act.

In general, we believe the fishery management system that is outlined in the Act is a good one. When it functions properly it is probably the best system in the world. Some interest groups have suggested that the Act requires major changes if our nation’s fisheries are to survive into the future. This view seems to be held most often by newcomers to the process. Those of us who were pioneers in the industry have developed confidence in the Act. Having watched this system operate for many years, we have come to see that most problems stem from the frailties of human nature, rather than flaws in the legislation. Nonetheless, the structure isn’t perfect, and we have some suggestions to offer that we believe would improve fisheries management.

BALANCE OF AUTHORITY

One of the aspects of the Act we like best is the regional fishery management council system. We think the current balance of authority between the Secretary of Commerce and the councils is appropriate and should not be changed. Because the councils are composed of human beings, they are not infallible and do not invariably make decisions that are in the overall best interest of the resource or the nation. For this reason we want the Secretary to continue to have the ability to reject or partially reject council actions. On the other hand, we think local concerns can usually be resolved best where they occur, so we would not want the Secretary to be

allowed to substitute his or her judgment for that of the councils. This check-and-balance system can work well, and we support retaining its present form.

CONFLICTS OF INTEREST

Despite the fact that the Act assumes council members will have conflicts of interest, there is a growing public perception that these conflicts are interfering with adequate fishery management. We think the problem is largely one of perception rather than reality. We have several proposals to offer that may correct this problem.

Broader Disclosure Requirements: One suggestion is to expand the section of the Act relating to financial disclosure. Currently the law requires disclosure only of financial interests in harvesting, processing and marketing activities. We propose that all interests in the fishery be disclosed—personal as well as financial. As an illustration, many councils include sportfishing representatives who have no financial interest in the fisheries, but may have an intense personal interest in an allocation between sport and commercial fishermen. As another example, an environmental representative on a council could argue that membership campaigns by his or her organization, although based on fisheries issues, don't constitute a financial interest in harvesting, marketing or processing activities.

Expanded Access to Disclosures: Very few people actually ask to see council members' financial disclosure forms, even though they are available in the council offices. This lack of knowledge contributes to the perception of conflicts where none may exist. There are several ways to resolve the problem. One is to require council members to state on the record, prior to each meeting, any interest they might have in the outcome of each agenda item, and make these statements available to the public as an attachment to the agenda. Another is to provide copies of the disclosure statements at each council meeting along with the other public documents available. Still another is to require the disclosures to include the percentage that the listed activity contributes toward the total income of the member or the organization s/he represents.

Retain Current Voting Privileges: We do not believe that the problem of conflicts of interest should be solved by requiring abstention from voting. We know of numerous council members—both past and present—who consistently put the health of the resource above personal gain. There are also those who search for solutions that are fair to all parties, rather than those that will be of greatest personal benefit to them. We think council members that are knowledgeable about a fishery should continue to be allowed to vote on actions that affect it.

Two-thirds Majority Votes: A related problem occurs when all the council members from one state vote as a group to further the interests of their state. Because no more than a simple majority is needed to take an action, it often happens that two states will form an alliance against a third, which can result in a disproportionate distribution of benefits. In the unique case of the North Pacific Council, the Act mandates a majority of the seats for Alaskan residents so they have the statutory ability to outvote the other two states represented. This situation exacerbates the growing concern about conflicts of interest. We think a reasonable solution is to require a two-thirds majority for actions that result in significant reallocations between sectors of the fishery. This would restore the public's confidence that councils will act as conflict resolution bodies, because there would then be more compromises and less likelihood for extreme or controversial decisions.

COUNCIL COMPOSITION

Retain Fishing Representation: We have heard it suggested that councils should have fewer active participants in the fishing industry because their vested interest makes it difficult for them to choose the long-term health of the resource over short-term personal gain; there should instead be people who are knowledgeable about fisheries but have no financial interest at stake—scientists and environmentalists are proposed as examples. It is our view that financial interests come in many forms, not all of which are immediately apparent. For instance, fishery scientists frequently work for entities, such as universities, that depend on funding from the industry to carry out research programs. Environmental groups have based their fundraising campaigns on fisheries issues. Even state government representatives can be said to have a financial interest if an action will affect the revenue their states receive, either from taxes or from jobs and personal income for residents. The Magnuson Act wisely recognizes that our nation's fisheries deserve to be managed by the most knowledgeable people available, without regard to their source of income, and we think this standard should continue.

Screen Candidates Carefully: Appointees to the councils carry a very important responsibility, and should be of the highest caliber. The Secretary has the authority to reject recommended appointees, and a screening process to judge the ability of the candidates to meet this responsibility. We suggest Congress encourage the Secretary to use these tools more vigorously.

Ensure Qualified Nominees: While the Secretary has the ultimate responsibility to ensure that the appointees are qualified for the job, the state governors should also be encouraged to exercise good judgment in the nominees they submit. Council membership should be regarded as something more than a political plum for campaign contributors. In addition, over the years an informal quota system has developed and now some council seats are viewed as "belonging" to a certain gear type or geographic area. Because governors have been reluctant to deviate from this, some council nominees have been completely unsuited to the job. Unless the Secretary rejects the list, s/he must choose the best of a bad lot. Our fisheries deserve better than this.

MANAGEMENT TOOLS

The commercial fishing industry is one of the largest private employers in the nation, not only providing food but also contributing to our country's balance of trade. Our fisheries, when managed properly, are a renewable resource that will provide benefits to the country for generations to come. This cannot be achieved, however, without adequate management tools. We have several suggestions to offer that we believe will enhance our fishery management ability.

Time Limit For Regulatory Amendments: As a result of a previous reauthorization, the Act now includes a time limit for agency action on amendments to fishery management plans. There has, however, been an unfortunate byproduct of this requirement: council decisions other than plan amendments receive secondary attention by NMFS because there is no mandated deadline. Because of the need to allocate scarce staff time and resources NMFS has been forced to delay implementation of regulatory amendments even though they would further the conservation and management goals of the Act. We would like the Act modified to place regulatory amendments on the same schedule as plan amendments.

Extend Emergency Rules: Under current statute an emergency rule can be in effect for no more than ninety days, with an extension of no more than an additional ninety days. While in theory this appears to be enough time for a council to determine a permanent solution and for NMFS to implement it, in actual practice the period is too brief. We support a time limit for emergency rules of one hundred eighty days, and an extension of the same length if the council and NMFS are making substantial progress in achieving a settlement of the problem.

Fishing Fees: The most obvious tool that the fishery management process lacks is funding. Without adequate funds it is difficult to know whether we are being conservative or profligate in our management of fish stocks. Good ideas or important council decisions may languish until additional money can be located. We realize that public funding is becoming increasingly scarce, so we are willing to support the assessment of fees under certain conditions. One is that the money must be spent on federal fisheries programs in the region in which the fees are collected. Another is that these revenues be used to supplement, not replace, existing funds. A third is that guidelines be imposed on the use of this income to be sure that immediate research and management needs will receive priority.

Designate A Separate Fund Collection Entity: It is important to keep in mind that, due to our federal budgeting process, NMFS has some degree of financial control over the councils. Although this control is not obvious, it does exist and has tended to distract NMFS from the work it was created to do—that of research and enforcement. We therefore see it as especially important that NMFS not be the agency that collects any fishing fees that are assessed. We suggest that the councils be allowed to designate some other authority for this purpose.

CONSERVATION MEASURES

Of course the whole point of having this—or in fact any—management system is to assure the health of the fish stocks, which in turn leads to the health of the fishing industry. One of the keys to this is adequate data, which is unfortunately sorely lacking for many fisheries.

The North Pacific Council now has in place the most comprehensive observer program in the country, and it is generating enormous quantities of data—so much, in fact, that NMFS hasn't yet had the staff time to analyze much of it. The industry has volunteered to assess ourselves a mandatory fee to pay for the costs of this program, including data analysis. Last year Congress amended the Magnuson Act to

allow a levy of up to two percent of ex-vessel value to fund the program. We agreed to this in hopes that the information obtained will ensure better fisheries management. This is an extremely expensive program, however, and one should not underestimate the impact these self-imposed costs have on the small businesses that make up the bulk of the fishing industry.

This is a significant dilemma we face in resolving conservation concerns: all management measures impose a cost on fishermen that can be the final straw for many of the operations that are already struggling to get by. All around the coast the fishing industry is overcapitalized. New technology has given fishermen the ability to catch more fish than they used to, and the size of the fleet has expanded to the point where it's difficult for any fisherman to catch enough to earn a profit—even when fish stocks are abundant. The industry is now in a precarious position; imposition of further taxes and fees increases the burden; poorly planned conservation measures could cost this country its fishing industry.

Most of the proposals that purport to be incentives are actually penalties. Some urge an allocation away from trawlers because it supposedly isn't a "clean" gear type. Others advocate further reducing the amount of prohibited species, such as salmon and halibut, we are allowed to catch. We are already subject to extensive closures of fishing grounds to protect prohibited species and more have been proposed. Each of these measures makes it more difficult for us to break even, thus increasing the proportionate financial burden. In addition, bycatch has often become an emotional issue, and the facts have sometimes been ignored when searching for a resolution. Under these circumstances, the real root of the problem becomes obscured: it is simply not possible to protect our resources effectively as long as we continue to use the Olympic system as the basis for our commercial fisheries.

The Olympic system spawns a race for fish—a contest to see who can catch the most the fastest. The result is our industry's dismal safety record and overcapitalization in both harvesting and processing capacity nationwide. It is also the root of our conservation problems: the Olympic system actually discourages the reduction of bycatch of non-target species, and at times even provides an incentive to discard target species. There is little inducement to fish responsibly other than one's own sense of what is right.

American High Seas Fisheries Association has always been a strong advocate for conservative management of our fisheries. For us, fishing isn't just a business venture—it's a way of life, and we want our children to have the same opportunities we have had. We have consistently been strong proponents of adequate observer coverage. We are responsible for a new gear definition that should greatly reduce halibut bycatch in the pollock fishery. We convinced the fleet to institute a voluntary herring avoidance program that has been far more effective than the one that is in regulation. We have been experimenting with different net configurations to reduce bycatch.

One of our biggest frustrations is that the system penalizes us for doing these things. Developing each of these measures cost us money in lost catch and lost fishing time and, because we operate under the Olympic system, it put us at a competitive disadvantage with the fishermen who chose not to take these actions.

People continually cite the ability of the foreign fishing fleets to reduce bycatch, and conclude that we are wasteful and irresponsible for not doing the same. They overlook a critical difference between the two situations. The foreign fleets were essentially operating on individual fishing quotas—when each country had used up its share of bycatch it had to stop fishing. The domestic fleet, on the other hand, is treated as one huge entity. The bycatch reduction efforts by one boat penalize that boat while allowing more fishing time for the fleet as a whole.

Until each fisherman is made accountable for his actions, our efforts to achieve effective conservation of our resources will be stymied, and the "dirty" fishermen can continue to hide behind the rest of the fleet. We have worked hard to create procedures to emulate the foreign program, and the North Pacific Council has agreed to both a penalty box system and a vessel incentive program. Neither have worked because of NMFS's interpretation of individual rights under the U.S. Constitution.

This situation is one of the major reasons we are strong proponents of an individual transferable quota system. We believe that a carefully constructed program will reward the "clean" fishermen and penalize the "dirty" ones. The North Pacific Council has made great strides toward instituting an ITQ program, but much work still remains.

We believe the most effective action Congress can take to promote the long-term health of our fishery resources is to encourage the councils to establish systems that promote individual accountability, and discourage those that require the whole fleet to shoulder the burden created by a few irresponsible fishermen.

CONCLUSION

We believe that the Magnuson Act provides a good blueprint for management of our nation's fisheries and that major changes are unnecessary. The system isn't perfect—it's slow and cumbersome and makes timely responses to rapidly changing conditions difficult—but it works. The suggestions for changes we have made here are simply intended to make the system work better. Our proposals can be summarized as follows:

- Balance of Authority
 - Retain the current balance of authority between the Secretary and the councils.
- Conflicts of Interest
 - Broaden the disclosure provisions to include interests that are not strictly financial.
 - Require council members to state applicable conflicts on the record prior to each meeting.
 - Make current disclosures available at council meetings.
 - Require the disclosures to include the percentage of total income each activity represents.
 - Require a two-thirds majority for actions that result in significant allocations between fishery sectors.
- Council Composition
 - Retain the current preference for active participants in the fishery for council appointment.
 - Request more vigorous use of the Secretary's authority and the governors' discretion to ensure appointees of the highest caliber.
- Management Tools
 - Establish a time limit for agency action on regulatory amendments.
 - Extend duration of emergency rules to one hundred eighty days, with a possible extension of equal length.
 - Use money obtained by fisheries fees for programs in the region in which it was collected, for the purpose of supplementing existing funding after developing guidelines for its disbursement.
- Conservation Measures
 - Encourage programs that establish individual accountability for bycatch reduction efforts.
 - Discourage programs that make all fishermen bear the burden of the irresponsible acts of a few.

We appreciate this opportunity to express our views on the Act that is the cornerstone of our industry. We will be glad to work with you further during the reauthorization process to ensure that our fisheries resources and the industry that depends on them are strong and healthy.

PREPARED STATEMENT OF ARNI THOMSON, EXECUTIVE DIRECTOR, ALASKA CRAB
COALITION

I would like to express the appreciation of the Alaska Crab Coalition ("ACC") for the opportunity to present testimony before the Committee at this important hearing. The ACC played a significant role in the development of the 1990 amendments to the Magnuson Fishery Conservation and Management Act. The ACC also took the initiative to craft proposed amendments for the current reauthorization. It is gratifying that major sectors of the Washington State-based fishing industry have agreed to incorporate a number of those proposals into a joint position paper. I am providing a copy of the industry paper for the record, and I will discuss several of the more important proposals in the course of my testimony.

The ACC believes that the enactment of the 1990 amendments, including particularly the North Pacific Fisheries Research Plan, led to improvements in our system of fisheries management. However, as reflected by the recommendation for further amendments, the ACC and many other industry groups believe that the nation is remains some distance from achieving the goal of ensuring that our valuable fishery resources are utilized in a responsible manner.

The Alaska Crab Coalition, a trade association comprised of the owners of more than sixty-five crab fishing vessels which operate in the waters off Alaska, has a record of strong support for responsible fishing. Our members experienced the costs of declining Alaskan crab resources in the early 1980's and the benefits of restored crab fisheries in the years that followed. The Members of the ACC are also acutely conscious of the economic losses that are associated with the excessive levels of crab bycatch in certain groundfish trawl fisheries of the Bering Sea and Gulf of Alaska.

We are aware, as well, of the economic waste resulting from the massive discards of target species in those and other fisheries. Although we are compelled to accept the fact that there are forces at work in the marine ecosystem that are beyond the reach of human intervention, there is much that can and should be done to ensure that fishing gear and practices are employed in responsible ways.

Americanization of the groundfish fisheries of the Bering Sea, although a laudable goal and a great achievement, was not without risk, and did not come without cost. For example, the Bering Sea crab pot sanctuary, long closed to foreign trawlers by international agreement, was opened to American trawl vessels with the aim of stimulating the growth of our groundfish fishing industry. Unfortunately, the protection of that most critical nursery ground was sacrificed. The American groundfish fishermen took full advantage of the opportunity to increase their harvests, but at the same time, non-selective trawl gear inflicted substantial damage on incidentally taken crab resources. In this context, it should be noted that Russia has long maintained bottom trawl closures in critical habitats of the Sea of Okhotsk, and has been rewarded with a rich abundance of valuable king crab.

Thus, the ACC feels that, in the United States, the pendulum has swung too far in the direction of development. Federal managers must no longer permit, much less encourage, fishing activities that significantly contribute to the depletion of bycatch species, many of which are in such poor condition that directed fishing is either prohibited or severely restricted, as is the case for king crab. This is not primarily an issue of allocation, as some in the would have the public, the Congress, and the Administration believe. Rather, this is first and foremost a matter of conservation.

Federal managers must also face up to the fact that certain fleets long nurtured by our government, engage in fishing activities that are not only destructive of bycatch species, but also wasteful of target species. For example, the use of very large trawl nets, for which there are no mesh size restrictions, results in high volume discards of target, as well as non-target, species. In 1991, according to the National Marine Fisheries Service, total pollock discards in the Bering Sea directed fishery for that species were 245,400,640 pounds. Of that amount, large industrial factory trawlers accounted for 85 percent—approximately 209,000,000 pounds. These total discards were equivalent in weight to about six times the entire commercial harvest of salmon in Washington State, or to the entire combined commercial harvest of herring, halibut, and shellfish in Alaska, during 1990.

Furthermore, it is reasonably estimated that, in bottom trawling operations, the "unobserved" bycatch of crab is ten-to-fifteen times the bycatch found in the nets. It is assumed that the mortality of crabs crushed beneath the non-capture parts of the trawl gear is very high. That mortality likely exceeds the levels experienced in the nets.

Underwater camera observations of the operation of bottom trawl gear leads many experienced fishermen, scientists, and other informed observers to conclude logically that slow-moving bottom dwellers, such as crabs, are unable to evade trawl gear moving at speeds of three-to-four knots. Gear damage to juvenile "pods"—as many as 10,000-20,000 juveniles will mass together for predator protection—can have a devastating impact. Trawl gear damage to king crab during the soft shell molting season is also recognized to be severe. It is, therefore, extremely disturbing that the federal government is failing to manage adequately for these impacts. Notably, the crab industry has committed more funding to the study of these problems than has the federal government.

The effect of bottom trawling on the benthic environment is also believed to be quite significant. Crab in the first instar stage of development find refuge from predators by crawling into the subsurface layer of the seabed. As the ACC pointed out in its 1989 congressional testimony on reauthorization of the Magnuson Act, bottom trawling in crab nursery areas may have a very detrimental effect on crab survival rates. The damage is a matter of particular concern, where the large nets and heavy doors and chains of industrial factory trawlers are used.

It is easy to understand why habitat studies are particularly important. The NOAA Outer Continental Shelf Environmental Assessment Program ("OCSEAP") has yielded useful data on the sensitivity of crab nursery areas. OCSEAP considers the North Aleutian shelf to be the primary habitat for king crab and is concerned about bottom trawling impacts. The Chairman of the North Pacific Fishery Management Council, in a letter to former President Bush concerning Lease Sale 92, also acknowledged that the habitat in that area is critical to crab, and to halibut, as well. The ACC finds it difficult to understand why federal fisheries management does not adequately reflect the singular importance of that habitat. The ACC believes that the NOAA Undersea Research Program should attach a high priority to habitat studies in this and other critical habitat areas.

Before leaving the subject of trawl impacts, a few clarifications are in order. Some in the the trawl industry maintain that all fishing groups, no matter what gear they employ, inflict bycatch mortality. What those people do not care to point out is the fact that the impacts vary greatly among the gear types. Trawlers, by the nature of their non-selective gear inflict mortality not only on their target species, but also on the target species of most other gear groups. Thus, trawlers impose direct costs on other sectors of the industry by reducing the immediate and future harvests of the other gear groups.

Fixed gear fishermen, employing pots or longlines, have little impact on non-target species. The bycatch of this gear, principally juveniles and females of the target species, represent foregone future harvests for responsible fishermen. Consequently, these gear groups have a vested interest in minimizing bycatch mortality through gear design and fish handling techniques, as well as through strict quotas and time and area closures. In sum, fixed gear does not impose direct costs on the trawlers' target species. Moreover, the bycatch mortality in the pot and longline fisheries is far below that experienced in trawling operations. As for the crab industry, we have taken the initiative to propose gear design requirements that greatly increase selectivity. In addition, when confronted with data suggesting declines in crab stocks, the ACC has been in the forefront of efforts to secure the needed time and area closures, reduced quotas, and other conservation measures.

Of course, these are not the only problems facing the fisheries off the coast of Alaska. It is an unfortunate fact that rapid overcapitalization of major fisheries in the Bering Sea and Gulf of Alaska, as well as elsewhere in our Exclusive Economic Zone, has given rise to severe pressures on fisheries managers to permit levels of exploitation that cannot be reconciled with basic conservation principles. Furthermore, the National Marine Fisheries Service and the Regional Fishery Management Councils have felt compelled to dedicate their meager fiscal and administrative resources principally to the development of systems for the allocation of limited—and all-too-often declining—fisheries resources among competing sectors of our industry. In addition, special interest groups have succeeded in engineering the appropriation of scarce federal dollars to dubious purposes.

The Committee should find it interesting that, in the international context, when our federal fisheries managers have been freed of the intense pressures of certain sectors of our fishing industry, conservation properly has been the center of attention. At the United Nations Conference on Environment and Development (“UNCED”) in Rio, the United States Government played a highly constructive, leadership role in the articulation of conservation guidelines, principles, and commitments under the new rubric of “sustainable use”. At a 1992 conference in Cancun, Mexico, the U.S. contributed importantly to the development of international standards of “responsible fishing”. A report issued by the ACC and published by the American Fisheries Society on the landmark achievements of the Cancun conference is attached to this statement.

Also attached is a document from a 1993 meeting of nations in Mexico to prepare the way for the development by the United Nations Food and Agriculture Organization (“FAO”) of an international code of conduct for fishing in 1994. The FAO has recognized, among other significant factors affecting the sustainable utilization of fisheries resources, that overcapacity contributes to overfishing. In fact, a paper prepared by FAO for the 1992 Cancun Conference stated, “The excessive level of fishing effort now existing in the world should be the primary concern in terms of sustainability of the fisheries resources.”

The ACC closely followed the work of UNCED on sustainable development of living marine resources, and participated actively in the Cancun conference on responsible fishing practices. Our organization applauded the results of those conferences. Several developments are worthy of particular note.

UNCED proclaimed that, “States commit themselves to the conservation and sustainable use of living marine resources under national jurisdiction”. The Conference recognized “mounting problems” in the world’s fisheries, including “overcapitalization and excessive fleet sizes * * * insufficiently selective gear, [and] unreliable data bases”.

UNCED declared that, “[I]t is necessary to * * * promote the development and use of selective fishing gear and practices that minimize waste of catch of target species and minimize by-catch of non-target species * * * [and] preserve rare or fragile ecosystems as well as habitats and other ecologically sensitive areas * * *” UNCED further declared that nations should “* * * [t]ake measures to increase the availability of marine living resources as human food by reducing wastage, post-harvest losses and discards, and improving techniques of processing, distribution and transportation * * * [and] [d]evelop and promote the use of environmentally sound technology under criteria compatible with the sustainable use of marine living re-

sources, including assessment of environmental impact of major new fishery practices. * * * In designating protected areas, "priority should be accorded, as appropriate" to specific kinds of areas, including "spawning and nursery areas".

The 1992 Cancun International Conference on Responsible Fishing declared that "States should promote the development and use of selective fishing gear and practices that minimize waste of catch of target species and minimize by-catch of non-target species." The Conference further declared, "States, in the design and subsequent introduction of new fishing gear and practices, should take into account qualified assessments of impacts on the sustainability of fisheries, giving due consideration to the specific characteristics and biodiversity of different fishing areas. " "States should promote and enhance collection of data necessary for the conservation and sustainable utilization of fisheries resources." "States should take necessary measures to protect coastal wetlands and other areas of critical fisheries habitat from all kinds of degradation." And, "States should take steps to improve management systems as part of the practice of responsible fishing."

The Cancun Conference proclaimed that nations "recognize the principle of sustainable utilization of marine living resources as the basis for sound fisheries management policies. In this regard, they consider as one of the most important objectives the application of policies and measures which result in a level of fishing effort commensurate with the sustainable utilization of fisheries resources, taking into account the specific characteristics of particular fisheries."

The July 29, 1993 Communique of the Inter-American Conference on Responsible Fishing, Mexico City, stated that the International Code of Conduct for Responsible Fishing should provide for sustainable utilization of resources. Improved gear selectivity was a key focus of the Communique.

The ACC believes that the Congress and our fisheries managers should provide for legislative and regulatory implementation of the key elements of the international consensus reflected in the Rio and Cancun declarations. The ACC notes the decision of the Clinton Administration to establish the Presidential Council on Sustainable Development. This, we hope, will contribute to the improvement of our fisheries management system.

It is true that general provisions of the Magnuson Act relating to conservation reasonably may be interpreted to be consistent with the new international guidelines, principles, and commitments. From that standpoint, an elaboration in the Magnuson Act of the central points accepted by the international community would not represent a departure from the basic framework of the prevailing domestic management system. However, experience has shown that the Magnuson Act could usefully be strengthened to provide our fisheries managers with greater leverage to achieve conservation objectives in the public interest.

Certain industry groups in the United States will not welcome the express inclusion in the Act of provisions reflecting the international consensus that was achieved under U.S. leadership. The ACC would like the Committee to recall that some industry groups were strongly opposed to the North Pacific Fisheries Research Plan enacted in the 1990 amendments, a plan that is now almost universally recognized as indispensable to the achievement of basic conservation and management objectives in the multi-billion dollar fisheries of the Bering Sea and Gulf of Alaska. It is a credit to the Congress that such opposition did not prevent the enactment of a highly worthy program.

I would like to take a few minutes to address the new industry position paper to which I referred at the outset of my testimony. Washington-based industry groups, including the ACC, the American Factory Trawler Association, the American High Seas Fisheries Association, the Fishing Vessel Owners Association, the Mid-Water Trawlers Cooperative, and the North Pacific Longline Association agree that the Act should be amended to provide expressly for the minimization of bycatch and discard waste. In addition, the groups agree that the Secretary of Commerce should be directed to establish a concrete mechanism to achieve that goal. A "vessel incentive program" should be established to hold individual fishing vessels accountable for their bycatch, so that entire fleets are not penalized for the irresponsible fishing practices of the worst offenders. Coupled with overall bycatch limits, as recommended by the industry groups, this "VIP" program would contribute significantly to control of wasteful bycatch. It is important to recognize that the need for this kind of program is acknowledged by major trawl fishing organizations.

Following the lead of the ACC, the Washington-based industry group proposes amendment of the Act to include a National Standard requiring that fisheries management measures promote safety of life at sea. This is a vitally needed provision. Fishing is, in many contexts, a dangerous occupation. Lives are lost in the federally managed "Olympic" style fisheries each year. Sadly, some of our management measures actually contribute to the dangers encountered by our fishermen. Overall, in

1991, the Bering Sea crab fisheries accounted for 51 percent of all fishing-related fatalities in the waters off Alaska—32 of the 63 lives that were lost. In the sablefish and halibut fisheries off the coast of Alaska, lives are lost each year in a mad scramble by thousands of vessels to harvest the available resource in a matter of hours or a few days. The prevailing system of “fishing derbies” requires that, if fishermen are to earn their livelihoods, they must do so regardless of severe weather and sea-state conditions. Other fisheries, many of which are seriously overcapitalized, are experiencing varying degrees of the same problem.

Unfortunately, more humane systems of management are politically difficult to devise, as they involve some element of allocation of finite, and sometimes declining, resources. In the public debates and policy deliberations, safety issues tend to be lost, as the focus all-too-often falls on purely economic considerations. The Act must be amended to ensure that the priorities of our fisheries management system accord with the fundamental values of our society. The protection of human life must come first.

The ACC is joined by other industry groups in proposing amendments that would address overcapitalization in our fisheries, by providing in the Act that there should be avoidance or reduction and elimination of excess fishing capacity. We feel that the problem of overcapitalization is so serious and so widespread that it should be addressed explicitly and decisively in the National Standards of the Act. There may be proposals aimed at restricting the authority of fisheries managers to limit access. However, the ACC believes that the full array of limited entry options should be preserved, including those of individual fishing quotas and license limitation schemes.

There are further ways in which the Act can and should be improved. Controversy over allocation decisions cannot be avoided. However, industry and public acceptance can be strengthened. A means of achieving this, in the context of the fisheries off the coast of Alaska, would be to provide for a higher-than-usual level of concurrence among the members of the North Pacific Fishery Management Council. Requiring a two-thirds vote for allocations that would depart from historical shares in a given fishery would certainly contribute to the confidence of the affected industry and the interested public in the fairness of the management system.

Fees are currently being addressed by some public interest organizations and industry groups solely in the context of limited entry. However, it must be pointed out that any fish taken from the Exclusive Economic Zone by any fishermen represents a private gain for which a reasonable fee might well be charged. It must also be recognized that, in a fishery successfully managed for sustainable utilization, the public loses nothing when a private company or individual gains. Fisheries resources are renewable, and fees should reflect that nothing is being taken from the public that cannot soon be restored. In that regard, the ACC recommended to Congresswoman Unsoeld that she ask the Congressional Research Service to prepare a study of resource-related fees. We are delighted that the Congresswoman saw fit to make the request. We hope that the study will contribute constructively to the development of a fair and reasonable fee system. In any case, the ACC and others in the Washington-based industry will argue strongly for dedication of fees from a particular region to the management of fish there, for authorization to use fees for the administration of limited access programs, and for the continuation of federal funding from general revenues for general fisheries management.

The ACC joins other Washington-based groups in proposing that a two-thirds vote be required of a council for the delegation of management authority to any state or other non-federal authority. This requirement would improve fairness in the system, by reducing the likelihood of politically-motivated decisions to delegate authority in a manner that would disadvantage non-residents of any particular state.

Finally, the ACC and the other identified groups propose that the Congress place concrete limits on allocations to local communities. So-called “community development quotas” can serve legitimate social and economic purposes. However, in the absence of explicit limitations, abuses can prove to be very costly to those who are not the recipients of the special quotas. We must remember that our fisheries are, for the most part, seriously overcapitalized. To provide special quotas to one group, it is necessary to reduce the harvests of others. There must be a balance between providing for development of truly disadvantaged local communities and allowing the economic survival of the historical participants in the fisheries. It is interesting that the earlier-referenced FAO paper prepared for the 1992 Cancun Conference stated, “Further development of the fisheries sector cannot be achieved without an overall reduction of the [global] fleet size to a level where fishing effort, at the most, matches the maximum sustainable yield of the resources being exploited or, better, to an even lower level to ensure long-term profitability and sustainability of fish-

eries." This statement may be aptly applied to the case of the fisheries off the coast of Alaska.

The ACC recognizes that it will not be an easy task for this Committee, the Congress, and the Administration to build upon the conservation-related provisions of the 1990 amendments and to bring the Act into conformity with the newly emerged concept of "responsible fishing" and new international standards of fisheries conservation and management. Nor will it be a simple matter to amend the Act to ensure that fisheries management measures contribute to safety and do not threaten it. Nevertheless, the ACC believes that our government will rise to the challenge, as in 1990, and that our nation will be able to look forward to the sustainable—and safe—use of a national treasure, our still vast fisheries resources.

Thank you.

RECOMMENDATIONS OF THE ALASKA CRAB COALITION, AMERICAN FACTORY TRAWLER ASSOCIATION, AMERICAN HIGH SEAS FISHERIES ASSOCIATION, FISHING VESSEL OWNERS ASSOCIATION, MID WATERS TRAWLERS COOPERATIVE, AND NORTH PACIFIC LONGLINE ASSOCIATION

Members of the Washington State fishing industry, including harvesters and processors participating in the halibut, crab, groundfish and salmon fisheries of the North Pacific and the west coast, are seeking changes in the Magnuson Fishery Conservation and Management Act (Magnuson Act). The undersigned trade associations, which represent participants in the fisheries identified above, suggest four issue areas upon which Congress should focus during the reauthorization process.

The four issue areas are (1) the regional fishery management council regulatory process, (2) the development of a rational fishery management scheme for the North Pacific, (3) the composition of regional fishery management councils, and (4) ethics issues pertaining to council members. Within each of the four areas, we offer a variety of alternatives to address existing problems and to improve conservation and management of U.S. fishery resources.

We would also like to take this opportunity to encourage Congress to focus on the issues of bycatch and discards. Specifically, there should be a national policy regarding the impact of bycatch of nontarget species on fish populations and the marine ecosystem, and adequate support for research in the area of gear selectivity, including the development of bycatch reducing technologies. In addition, there should be an emphasis on management strategies that include incentives for fishermen to increase gear selectivity or use more selective methods of fishing. Finally, Congress should also examine practicable approaches for ensuring maximum utilization of commercially marketable species consistent with conservation goals.

1. FISHERY MANAGEMENT REGULATORY PROCESS

The following alternatives seek to make regional fishery management councils more accountable and to improve the fishery management regulatory process.

- Create a national Fishery Management Review Board as a factfinding panel empowered to review certain council actions. This recommendation echoes a proposal put forth by the National Academy of Sciences and seeks to reduce the politicization of fishery management actions. We recommend that the review board's actions occur concurrently with the existing 95-day review period for fishery management plans and plan amendments.

- Time limits should be applied to Department of Commerce review of regulatory amendments similar to the existing time limit placed on Secretarial consideration of fishery management plans and plan amendments.

- The Secretary and the councils should be required to choose the management alternative dictated by the weight of the evidence on the record. This provision should be part of section 303 of the act (required provisions of a fishery management plan) and should apply as a standard of judicial review.

- The Secretary and the councils should be required to consider a range of reasonable alternatives when addressing a perceived management problem. This proposed change is not meant to delay council action by requiring analysis of all conceivable management alternatives. This change is intended to require councils to analyze those alternatives that best address legitimate conservation and management concerns and not to dismiss viable management options.

- Individuals seeking to testify before a regional fishery management council should be required to sign a declaration that their testimony is being delivered under oath.

2. PROMOTING RATIONAL MANAGEMENT OF THE NORTH PACIFIC FISHERIES

Most U.S. fisheries are conducted under an open access system. Under open access, each fisherman seeks to catch as many fish as possible before the quota is reached. Crew safety is a concern for those engaged in this "race for the fish." Overcapitalization in the fisheries is another consequence of open access. Overcapitalization, which results in a lack of economic efficiency, exists when there is excess harvesting and/or processing capacity in the fisheries. Overcapitalization is a condition that is pervasive in U.S. fisheries.

Concerns about safety and overcapitalization alone ought to convince Congress of the need to promote more rational management systems, but there are other benefits, as well. Although fishery resources within the U.S. 200-mile zone in the Pacific Ocean are healthy, we can do more to ensure a sustainable yield in the fisheries. There are demonstrated conservation benefits from adopting a more rational management system. For example, open access rewards those who fish fastest, creating a disincentive to reduce bycatch of nontarget species. Also, an open access regulatory system provides an economic incentive to discard target species under certain conditions. To reduce waste in the fisheries and to avoid social and economic disruptions, the following alternatives are suggested to promote rational management.

- Add a Magnuson Act national standard stating that, "Conservation and management measures shall promote safety of life and property at sea."
- Fishing industry support for amending the Magnuson Act to allow the Secretary of Commerce to assess fishing fees is conditional. Fishing fees—
 - must be spent on federal fishery programs in the region in which the fees were collected,
 - can be used to administer limited access programs,
 - shall supplement, not replace, existing funding levels.

Also, there should be a sunset date for any provision allowing for the collection of fees to ensure a full opportunity to review the effects of a fee program, and Congress should require annual reports from the Commerce Department to ensure that fees are being spent for the purposes set out above.

- Amend Magnuson Act National Standard No. 5 to state that management measures should, "include the avoidance, or reduction and elimination, of excess fishing capacity," and should "minimize waste, including the bycatch of nontarget species and discards of target species."
- Congress should direct the Secretary of Commerce to establish an effective vessel incentive program (VIP) for purposes of managing and reducing bycatch in the North Pacific fisheries, subject to overall bycatch limits. A VIP program should be required to be in place within six months of the date of enactment of the reauthorization bill.
- The act should include a provision specifying the percentage or dollar value (by species) of federal resources transferred to the Community Development Quota (CDQ) program and state the duration of the program.

3. COMPOSITION OF THE REGIONAL FISHERY MANAGEMENT COUNCILS

Congress has often amended the Magnuson Act to address concerns that the act has not achieved its goal of attaining "a fair and balanced apportionment" of participants in the fisheries on the councils. With respect to achieving balanced representation on the North Pacific Fishery Management Council, the task is complicated by a provision in the act limiting Washington State residents to two of the seven seats on the North Pacific council reserved for industry participants and others knowledgeable about fisheries.

Since Washington State fishermen account for 70 percent of the harvest in federal waters managed by the North Pacific council, there is an inherent contradiction in the statute that precluded balanced representation on the North Pacific council for Washington State fishermen.

The following range of alternatives is suggested to broaden participation of affected users on the fishery management councils, and to encourage councils to act as conflict resolution bodies.

- Require a two-thirds majority vote on council actions that result in significant reallocations between industry sectors.
- Require a two-thirds majority vote on North Pacific and Pacific council actions that delegate to any entity, other than a council, primary management of a fishery predominantly occurring in the U.S. 200-mile zone.
- Require that the chairperson of the North Pacific council be elected by council members from among the individuals serving as nonvoting members of the council.

- Designate one voting seat on the Pacific Fishery Management Council for a Native American representative, the existing seat occupied by a tribal fishing representative would revert to an at-large seat as currently designated in the act.

4. ETHICS ISSUES AND THE REGIONAL FISHERY MANAGEMENT COUNCILS

One purpose of the Magnuson Act is to involve participants in the fisheries in the decisionmaking process as federal appointees to the regional fishery management councils. Council members, however, are exempt from federal statutes that govern the conduct of federal officials faced with conflicts of interest during performance of their duties. Serious and legitimate questions have been raised about whether the existing federal requirements and standards are sufficient to maintain propriety in the management process.

- Council members, prior to a council vote, should be required to state on the record any interests, financial or otherwise, affected by the council action under consideration.

- Also, council members should be required to provide more detailed disclosure of interests. Interests should be defined to include direct and indirect financial involvement. For example, fishing industry members should be required to disclose what species they harvest/process/market, and what gear type is employed (or involved). Trade association representatives, those representing views of sport fishing, consumer and environmental organizations, and those working for individual companies should disclose similar information about their employers or clients.

- A report detailing the interests, financial and otherwise, of council members supporting a proposed rule should be a part of the internal decisionmaking memoranda prepared for consideration of Commerce Department officials.

The Washington State-based organizations have achieved a consensus view on a number of critical issues that Congress needs to address during the Magnuson Act reauthorization process. This is not a comprehensive list of issues of concern to the parties listed below; during the reauthorization process, each organization will likely provide additional views to Congress.

ALASKA CRAB COALITION STATEMENT ON THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

On April 3, a Preparatory Committee comprised of delegations from the nations of the world concluded its historic task of paving the way for the United Nations Conference on Environment and Development, which will take place this June in Rio de Janeiro. Among the landmark accomplishments of the Preparatory Committee was a universally agreed set of principles, guidelines, and commitments for the conservation and sustainable use of living-marine resources.

The Alaska Crab Coalition, an organization focussed on the conservation of the valuable fisheries of the North Pacific, closely followed the developments of the five-week preparatory meeting. We were very impressed with the outcome.

The UN Committee agreed that, "States commit themselves to the conservation and sustainable use of living marine resources" both in the Exclusive Economic Zones and on the high seas. It was recognized that, "overcapitalization and excessive fleet sizes * * * insufficiently selective gear, [and] unreliable data bases" are among the problems plaguing the world's fisheries.

The UN Committee further agreed that, "it is necessary to * * * promote the development and use of selective fishing gear and practices that minimize waste of catch of target species and minimize by-catch of non-target species * * * preserve rare or fragile ecosystems as well as habitats and other ecologically sensitive areas * * * take measures to increase the availability of marine living resources as human food by reducing wastage, post-harvest losses and discards, and improving techniques of processing, distribution, and transportation * * * [and] develop and promote the use of environmentally sound technology under criteria compatible with the sustainable use of marine living resources including assessment of environmental impact of major new fishery practices. * * *"

There was a consensus achieved, as well, on the principle that, "States should identify marine ecosystems exhibiting high levels of biodiversity and productivity and other critical habitat areas and provide necessary limitations on use in these areas, through, inter alia, designation of protected areas." "Priority should be accorded" to specific kinds of areas, including "spawning and nursery areas".

The Committee did not neglect the central issue of data collection and analysis. It was agreed that States should "promote enhanced collection and exchange of data necessary for the conservation and sustainable use of the marine living resources under national jurisdiction."

It is truly remarkable that consensus eluded the UN Committee on only two among the multitude of complex, substantive fisheries issues—straddling stocks and highly migratory species. (The question of financial assistance to developing countries across a wide spectrum of environmental matters also remains open.) The resolution of those matters must await the Rio meeting.

Many other important points of consensus arose in the UN Committee. However, the overarching principle, which reflected the most fundamental and universal commitment, was that living marine resources must be conserved.

The United States Delegation played a leading role in the negotiations on living marine resources. By joining in the consensus, the US Government signalled to the international community that America would respect the principles and adhere to the commitments adopted by the United Nations Committee.

The ACC believes that the Department of Commerce and the North Pacific Fishery Management Council are under a solemn obligation to implement the principles and commitments made by the United States at the United Nations. This means a renewed commitment to conservation, first and foremost, and a closer focus on measures to minimize the wasteful incidental catches of crab, halibut, salmon, and herring, and the massive discards of target species, in the groundfish trawl fisheries. This also means the implementation of the comprehensive data collection program, including adequate start-up funding for observers.

The fisheries for which the Council and Commerce Department are responsible are among the most productive on the face of the planet. With the Preparatory Committee having done its work, and the UN Conference about to meet in Rio, it now can truly be said that the world is watching.

PREPARED STATEMENT OF ARNI THOMSON, EXECUTIVE DIRECTOR, ALASKA CRAB COALITION

Mr. Chairman and members of the NPFMC I am here today to speak on the subject of Bering Sea/Aleutian Islands crab fisheries management. Management of the king and tanner crab species in this area is classified as interjurisdictional, under a federal fisheries management plan (FNP), which delegates certain day-to-day management to the State of Alaska. However, with the exception of the actual landings, these fisheries occur almost entirely in the Exclusive Economic Zone, (EEZ) from three to 200 miles offshore.

As the public comments, industry petitions and Congressional letters contained in the administrative record indicate, the shellfish fisheries, particularly, the Bering Sea crab fisheries, (1992 U.S. export value, \$350 million; U.S. Dept. of Agric.) rank amongst the most valuable and the most controversial interjurisdictional fisheries in the United States.

The history of State of Alaska management of EEZ king and tanner crab fisheries is replete with controversies over allocative management actions which have been regarded as violative of the Constitutional rights of non-Alaskan U.S. citizens, particularly from the State of Washington. It is within the context of these controversies, I make my comments today. I note at the outset that there have been two federal appeals in the last calendar year, one a successful challenge to pot (or trap) gear limits, and the other a pending challenge of State authority to impose superexclusive registration areas.

The administrative record surrounding the twenty years of controversy is summarized in a letter from Mr. Clarence Pautzke to Mr. Steve Pennoyer. That letter, dated June 17, 1993, was prepared for the NPFMC Crab Interim Action Committee meeting of June 18, 1993, to review the State of Alaska decision on a "superexclusive registration area" for Norton Sound.

A revised Bering sea/Aleutian Islands King and Tanner Crab Fishery Management Plan, which took three years to develop, was approved in 1989. In response to industry complaints, the plan attempted to redefine jurisdictional authority between the State of Alaska and the federal government. Unfortunately, it remains a fact today that today the State is overreaching its management authority in some areas, while at the same time, is not fulfilling its proper and essential research and conservation responsibilities.

I. History of ACC support for State of Alaska management under a federal oversight fisheries management plan.

1. In 1985-86, development of Bering Sea EEZ flatfish fisheries threatened king and tanner crab stocks.

2. ACC sought help from State of Alaska on bycatch problems with the developing bottomfish fisheries and with conservation and stock rebuilding in the directed king crab fisheries.

3. ACC proposed joint State, federal, and industry cooperation on research and management during and after the development of the Bering Sea/Aleutian Islands King and Tanner Crab FMP, 1987-1990.

II. Description of crab management problems with the State of Alaska.

1. Criticisms are focused on the State system, which is overwhelmingly concerned with management of salmon fisheries.

2. Recent problems with the Alaska Board of Fisheries actions regarding consistency with the Crab FMP and the MFCMA.

a. Repeal of the pot gear limits in 1992.

b. 1993 designation of the Norton Sound "superexclusive registration area" which is inconsistent with the FMP and is, therefore, illegal. Only exclusive and non-exclusive areas were included in the final FMP.

1. Industry associations vehemently opposed superexclusive designation in the formulation of the FMP, 1986—1989. (Administrative record, NPFNC.)

2. ACC appeal has requested expedited federal review from NMFS and Crab interim Action Committee, and Federal Court.

3. Board of Fisheries changed season opening date from August 1 to July 1, without proper notice or record.

c. Board members are lay persons. Although most have good intentions, these individuals have little-to-no experience with crab management and EEZ fisheries. They also have an apparent objective to make decisions for the benefit of the State of Alaska.

III. Description of management problems with the Alaska Dept. of Fish and Game.

1. Regional autonomy system within ADF&G has resulted in Kodiak Westward Office being in charge of Bering Sea crab management. Reduced cooperation with industry has been a serious problem.

a. Refused ACC good faith offers for developing long term industry-funded applied research on life history and mortality issues, after completion of a successful project in 1990.

b. Refused ACC assistance with implementation of voluntary logbook program to aid in bio-mass estimates.

c. Discontinued an ACC led voluntary catch reporting program that encouraged an orderly fishery and aided in-season management.

2. Kodiak Office has been ineffective and counter-productive.

a. Kodiak Island and Bering Sea pot limits imposed to facilitate orderly fisheries.

b. Total collapse of Kodiak EEZ tanner crab, since State of Alaska assumed management after 1987. However, pot limits were ostensibly implemented for conservation.

c. Bristol Bay king crab fishery, 11 years after the collapse, still at record low depressed stock levels.

d. Little-to-no new applied research on mortality problems, early life history.

e. Reluctant lowering of a record snow crab quota for 1992, after pressure from the ACC, despite declining stock forecasts.

f. Recent opening of scallop dredging in the Bering Sea, with no crab bycatch restrictions and no observer coverage.

3. The State has taken in much more from the fisheries than it has put into them.

a. State of Alaska has been collecting over \$15 million in raw fish and fuel taxes and permit fees from Bering Sea crab fisheries per year, in the last 3 years.

b. Industry-funded observer program has been paying \$2.5 million for observers producing in-season catch and bycatch data.

c. State of Alaska has only been investing approximately \$1 million in crab management, (excluding resource-based self-funding crab surveys), a part of the State's massive budget reduction for fish and game resource management that could jeopardize long-term sustainable use.

d. ACC recognizes that ADF&G has exceptional staff persons in Juneau, dealing with the interjurisdictional fisheries, Mr. Carl Rosier, Ken Griffin, Dr. Gordon Kruse, Earl Krygier, David Benton, and the new Commercial Fisheries Director, Dr. Jeff Koenigs.

e. Need for reorganization of Bering Sea crab management with direct line of authority between Juneau Headquarters, NMFS Alaska Region and the NPFMC in Anchorage.

IV. Problems with the State of Alaska Crab Observer program.

1. Alaska Crab Coalition and the Pacific Northwest Crab Industry Advisory Committee have requested a review of recent changes to the Crab Observer Program by the NPFMC Observer Oversight Committee.

2. Alaska Dept. of Fish & Game is refusing to submit the program to timely review before the NPFMC.

3. The Board of Fisheries has recently made substantial changes to the program, that raise questions of consistency with the PMP, MFCMA, and the Council-approved future observer program.

4. The Crab FMP and the Council-approved North Pacific Fisheries Research Plan call for coordinated development of the crab observer program with the future federal observer program.

5. The State of Alaska is ignoring the intent of the FMP and the North Pacific Fisheries Research Plan.

6. Examples of problem areas in the Crab Observer Program are cited below from "ADF&G Observer Manual for Alaskan Crab Processors," Edition: February 1993.

a. Page 2, observers have access to inspect not only catch, but also equipment, gear, and operations of vessels.

b. Page 17, para 1; unacceptable language concerning confidentiality of observer information.

c. Page 12, State has discretionary authority on final certification.

d. A long standing requirement that catcher processors transporting processed product to a non Alaskan port, must carry an onboard observer to the destination.

RECOMMENDATIONS FOR IMPROVING CRAB FISHERIES MANAGEMENT IN THE EEZ OF THE BERING SEA/ALEUTIAN ISLANDS

The ACC recommends that the NPFMC initiate Crab FMP amendments to cover major allocative issues and the Crab Observer Program.

The ACC recommends that management measures regarding pot limits, trip limits, vessel size classes, registration areas and fishing seasons be placed in category one, subject to change only by plan amendment within the NPFMC.

These measures, under the jurisdiction of the Board of Fisheries are starting to preempt the comprehensive rationalization process (limited access, which is a management function reserved to the jurisdiction of the NPFMC). Further use of such measures by the State will severely alter catch histories of the crab fleet and impact the allocation scheme to the disadvantage of the larger non resident boats.

The ACC also recommends that the State Observer Program be moved into Category One of the FMP and that the NPPMC take the necessary steps to assimilate the crab observer program into a federal observer program.

[Miscellaneous articles and reports from the Alaska Crab Coalition may be found in the committee's files.]

PREPARED STATEMENT OF CAPT. MICHAEL L. DORSEY, COMMANDER, COAST GUARD GROUP KETCHIKAN

Mr. Chairman, members of the Committee, it is a pleasure to appear before you today representing the Commander, Seventeenth Coast Guard District, Rear Admiral Roger T. Rufe, Jr. I appreciate the opportunity to report on the Coast Guard's fisheries law enforcement program in Southeast Alaska from the perspective of a local Coast Guard operational commander and to express our views on the reauthorization of the Magnuson Fishery Conservation and Management Act (MFCMA).

Coast Guard Group Ketchikan, a subordinate unit of the Seventeenth Coast Guard District, is tasked with maritime law enforcement and search and rescue, as well as other Coast Guard missions, in Southeast Alaska. Group Ketchikan's 33,000 square miles of geographical area of responsibility, including 10,000 miles of coastline, is the largest of any Group in the Coast Guard. Our area of responsibility stretches from the U.S. maritime boundary with Canada at Dixon Entrance north to Skagway on the Inside Passage and to Icy Bay on the Gulf of Alaska. Approximately 5,000 U.S. fishing vessels are homeported or conduct fishing activities within our area of responsibility at some time during each year.

To accomplish our missions in this vast maritime area, Group Ketchikan has operational and administrative control of three 110' patrol boats (WPBs), two shore stations with a total of three 41' utility boats (UTBs), a 65' inland buoy tender, and an aids to navigation team. The patrol boats and shore stations are primarily in-

volved in law enforcement and search and rescue. The buoy tender and aids to navigation team service many of the fixed and floating navigation aids which facilitate safe navigation throughout Southeast Alaska.

To assist us in performing our various missions, the Seventeenth District makes available to us on virtually a daily basis the HH-60J Jayhawk helicopters assigned to Coast Guard Air Station Sitka. For large and complex law enforcement operations such as halibut and black cod fisheries openings, we are also given temporary operational control of one or more seagoing buoy tenders (WLBs) and, occasionally, HC-130 Hercules aircraft from Coast Guard Air Station Kodiak or HU-25 Guardian aircraft from Coast Guard Air Station Astoria, Oregon.

As Rear Admiral Rufe has told you, the Seventeenth Coast Guard District is firmly committed to providing the law enforcement presence necessary to enforce regulations designed to conserve and manage living marine resources in Alaskan waters. As subordinate units of the Seventeenth Coast Guard District, Coast Guard Group Ketchikan and its units are responsible for the day-to-day enforcement of the MFCMA and other Federal laws in Southeast Alaska. We are the frontline units which translate the District Commander's two areas of focus—providing enforcement to support fishery management goals and the safety of our fishermen—into a continuous program of public education, voluntary dockside examinations, inport and at-sea boardings, and when necessary, appropriate enforcement action.

Group Ketchikan's principal MFCMA-related law enforcement activities can be divided into three general areas: (1) enforcement of the international maritime boundary with Canada in Dixon Entrance; (2) enforcement of Federal halibut and black cod fisheries openings; and (3) general boardings of fishing vessels to ensure compliance with applicable Federal laws, such as the Commercial Fishing Industry Vessel Safety Act (CFIVSA). In support of the District Commander's focus on the safety of fishermen, Group units also participate in the voluntary dockside fishing vessel safety examination program, both directly and by providing transportation and logistics support to Coast Guard Marine Safety Office Juneau, which has primary responsibility for CFIVSA programs in Southeast Alaska.

Group Ketchikan's operations to prevent foreign fishing vessel incursions into U.S. waters north of the A-B Line in Dixon Entrance are notable exceptions to our otherwise exclusively domestic fisheries enforcement activities. Approximately 500 Canadian fishing vessels fish in the Dixon Entrance area at one time or another between mid-June and mid-August. In the recent past, a number of Canadian vessels have ventured across the A-B Line to fish in undisputed U.S. waters, prompting us to establish an annual Dixon Entrance fisheries enforcement patrol.

The maritime boundary between the United States and Canada in Dixon Entrance has long been the subject of a complex and often bitter dispute. In accordance with generally accepted principles of international law, the United States claims a line equidistant between the base lines of the two countries as the proper maritime boundary for fisheries purposes. Canada claims the A-B Line, a line which was drawn by the International Arbitration Panel of 1903. Canada claims that the A-B Line was intended to establish the maritime boundary between the two countries, not simply to apportion land territory as the United States asserts. With one small exception, the A-B Line is considerably north of the equidistant line, creating an area between the two lines which is claimed by both nations and which is known as the "disputed area."

The United States and Canada have exchanged letters in which they have agreed to flag state enforcement within the disputed area. This, in theory, would allow each country's fishermen to fish the disputed area without interference from the enforcement agencies of the other country. However, Canada has subsequently asserted that flag state enforcement applies only to traditional fisheries within the disputed area. Since Canada does not recognize any of the current U.S. fisheries in the disputed area as traditional, Canadian Department of Fisheries and Oceans (DFO) enforcement personnel assert that U.S. vessels fishing in the disputed area are fishing in the "internal waters of Canada" in violation of Canadian law. DFO enforcement vessels routinely direct U.S. vessels to cease fishing in the disputed area and to proceed north of the A-B Line, threatening enforcement action in the event of non-compliance. Thus far, their "enforcement" efforts have been limited to verbal warnings. Some U.S. fishermen, wanting to avoid the indeterminate consequences of disobeying the Canadian enforcement personnel, have complied with their demands.

In view of the unique situation created by the ongoing boundary dispute, Group Ketchikan's current fisheries enforcement effort in Dixon Entrance consists of three major elements: (1) ensuring that Canadian vessels do not fish in undisputed U.S. waters north of the A-B Line in violation of the MFCMA; (2) asserting and protecting the right of U.S. fishermen to fish in the disputed area free from interference

by Canadian authorities or fishermen; and (3) boarding U.S. fishing vessels to ensure compliance with all U.S. laws with emphasis on fishing vessel safety regulations.

I am pleased to report that over the past five fishing seasons, including the one just concluded, Coast Guard enforcement efforts have produced a continuous and substantial improvement in all three elements, with significant benefits to both our living marine resources and U.S. fishermen.

With respect to preventing fishing incursions by Canadian fishing vessels into undisputed U.S. waters, several years ago we began a covert, seizure-based enforcement program which resulted in five seizures of Canadian fishing vessels from 1989 through 1991. We believe that the firm seizure posture of several years ago convinced the Canadian fishermen that the economic losses potentially resulting from being caught fishing in U.S. waters far outweighed any possible gains. In 1992, we instituted a high-visibility, multi-vessel enforcement presence along the A-B Line. This approach has been successful in deterring poaching; for example, we seized only one Canadian vessel in 1992 and none this year. This current approach employs two 110' patrol boats during the height of the Dixon Entrance fishing season versus the one patrol boat used previously and adds additional helicopter surveillance support. During the Dixon Entrance Patrol, all three of Group Ketchikan's 110' patrol boats stage out of Coast Guard Base Ketchikan, with two boats patrolling the A-B Line at any given time. The constant presence of Coast Guard patrol boats along the A-B Line and in the disputed area seems to have convinced the Canadian fishermen that there is a very high probability of our detecting any fishing incursions into U.S. waters. Where they previously pressed up against, if not across, the line, they now typically leave a mile or more of "buffer" between their fishing activity and the line.

Over the past several years, we have continually improved our interagency rapport with our Canadian enforcement counterparts. In 1991, the U.S./Canada Fisheries Enforcement Agreement entered into force. Undertaken to resolve fisheries problems along the Gulf of Maine maritime boundary, this agreement facilitates enforcement in other boundary areas and promotes both compliance by fishermen and coordination among fisheries law enforcement authorities from both countries. We have conducted highly informative annual preseason meetings among all the U.S. and Canadian agencies having an interest in the Dixon Entrance fisheries, including the State Department, National Marine Fisheries Service, DFO, and the Royal Canadian Mounted Police (RCMP). Our positive rapport with the Canadian agencies has allowed us periodic access to updated Canadian assessments of pressures on the A-B Line likely to result from the various Canadian fisheries in Dixon Entrance. This has allowed us to better position our patrol boats for maximum effectiveness. In addition, DFO and the RCMP have increased their patrols in the disputed area in an effort both to warn their own fishermen not to fish north of the A-B Line and to discourage U.S. fishermen from fishing in the disputed area. This has contributed to Canadian compliance while presenting a challenge of a different sort to U.S. fishermen and to our patrol boats.

Despite a generally cooperative and friendly attitude on the part of the Canadian DFO personnel, the unyielding position of their government and the attendant political and public pressures on their agency apparently constrain them to continue their efforts to discourage U.S. fishermen from fishing in the disputed area. Several times a season they manage to persuade a U.S. fisherman to cease fishing and to proceed north of the A-B Line. Two such incidents this year were the only negatives in a virtually "perfect" season in which we detected no Canadian fishing north of the A-B Line and in which relations among fishermen and enforcement agencies on both sides of the boundary were the best in recent memory. In order to counter the efforts of the Canadian DFO to discourage our fisherman from exercising their right to fish in the disputed area, our Coast Guard patrol boats patrol in the disputed area, lending confidence to U.S. fishermen by our presence. In response to questions from U.S. fishermen or reports of adverse DFO activity, both our patrol boats and our Group operations center issue VHF-FM radio broadcasts apprising U.S. fishermen of their right to fish in the disputed area. We make it clear that we will dispatch a patrol boat to assist any U.S. vessel which is being harassed by Canadian fishermen or pressured by Canadian enforcement authorities to cease fishing in the disputed area. We also remind local U.S. fishermen's organizations of their members' rights in the disputed area, both at the beginning of the fishing season and whenever acquiescence with the Canadian demands suggests that some fishermen may still be uninformed. Although we would like to see these incidents totally eliminated, we are pleased that their numbers have been diminishing.

The increased respect for the A-B Line among Canadian fishermen in recent years has enabled our patrol boats to spend additional time boarding U.S. fishing vessels

in the vicinity of Dixon Entrance. The result has been improved compliance with U.S. fisheries and safety regulations.

Another major fisheries law enforcement activity for Group Ketchikan involves the periodic fisheries openings for the taking of black cod and halibut. Using a task unit concept (i.e., a number of units under the command of the senior unit commander) and augmented by Seventeenth District buoy tenders and aviation resources, Group Ketchikan enforces two or three halibut openings and one black cod opening each year. Using aircraft to spot fishermen setting gear before the opening or retrieving gear after the opening and to locate large concentrations of vessels, our Group directs its floating resources to check illegally set gear; to ensure fishermen are not using prohibited gear or procedures which mutilate halibut; and to board vessels after the openings to determine if undersized halibut were retained, to check for required permits and logkeeping, and to look for compliance with the fishing vessel safety regulations. We are careful not to board vessels actively engaged in longline fishing during an opening unless an obvious violation is observed. We realize that fishing time is valuable during an opening and we make every effort not to interfere with fishing activities.

In addition to our at-sea boardings, we frequently use station personnel to observe fishing vessels off-loading halibut at shoreside processing plants. This maximizes vessel coverage using minimal numbers of personnel.

As our fisheries enforcement efforts have taken us to more remote ports and fishing grounds, we have increased awareness of fishing vessel safety requirements, both through public education and through enforcement action. As our cutters have begun to terminate the voyages of fishing vessels found operating unsafely, fishermen have come to realize serious safety infractions can result in lost fishing days with substantial lost income. As a consequence, we have noted a significant increase in fishing vessel safety compliance.

An ancillary benefit of our at-sea boardings for fishing vessel safety compliance is the increased interest such boardings generate in the Coast Guard voluntary dockside examination program. A successful voluntary dockside examination by a Coast Guard examiner not only ensures that the examined vessel meets the requirements of the fishing vessel safety regulations, it also provides the vessel with a decal evidencing compliance. At-sea boardings of these vessels can be expedited, since we know the vessel has successfully passed an extensive dockside examination. The Emergency Position Indicating Radio Beacons (EPIRBs), immersion suits, life rafts, and other equipment required by the fishing vessel safety regulations have already saved the lives of numerous fishermen in Alaska's unforgiving waters. We in Coast Guard Group Ketchikan are proud of the part we are playing in ensuring that all fishermen in Southeast Alaska will be properly equipped to survive an emergency.

With respect to the MFCMA, I echo Rear Admiral Rufe's view that no changes to the MFCMA itself are necessary to support Coast Guard responsibilities in Southeast Alaska. While there are some issues regarding regulatory enforceability which need to be addressed, they are narrow in scope and are limited to particular elements of specific fishery management plans. These issues are best addressed through the management council process and do not warrant statutory changes. Group Ketchikan will continue to refine our enforcement procedures to provide maximum protection to our fisheries resources north of the A-B Line in Dixon Entrance while fostering harmonious U.S. and Canadian fisheries in the disputed area pending ultimate resolution of the international boundary. We will continue to conduct a comprehensive boarding program on the entire fishing fleet operating in Southeast Alaska waters, seeking compliance with all U.S. laws with special emphasis on the requirements of the Magnuson Fishery Conservation and Management Act and the Commercial Fishing Industry Vessel Safety Act.

I would be pleased to answer any questions.

PREPARED STATEMENT OF DAVID BENTON, DIRECTOR, OFFICE OF EXTERNAL AND INTERNATIONAL FISHERIES AFFAIRS, ALASKA DEPARTMENT OF FISH AND GAME

Mr. Chairman and members of the Committee, thank you for this opportunity to come before you today to discuss one of the Nation's most important pieces of oceans legislation, the Magnuson Fishery Conservation and Management Act. I am David Benton, Director of the Office of External and International Fisheries Affairs, Alaska Department of Fish and Game.

The Magnuson Fishery Conservation and Management Act (the Act) is perhaps the most important piece of fisheries legislation passed by Congress. The Act provides the framework for conservation, management, and allocation of the fisheries

off our shores. It established the regime under which the United States gained control of its fisheries, which led to the Americanization of the immense groundfish fisheries off Alaska.

But these same successes, and the rapid development of the domestic offshore fleet in response to the policy of Americanization, have led to many of the management and allocation issues which will be the subject of this next reauthorization of the Act. Interestingly enough, there are striking similarities between the issues which were facing the Nation when the Act was first passed and those facing us now.

Once again, national concern about the environment and the health of our fisheries resources, coupled with a growing awareness about the problems of bycatch, discards, and waste are front-page issues. Once again, competition between a mobile at-sea factory trawler fleet and a local shorebased industry are the subject of national debate; and escalating concerns about fishing rights, jobs, and the economic health and stability of our coastal communities are hot topics on the waterfront. And once again, the question of who owns our nation's fisheries resources, tied to the age-old problem of too few fish and too much harvesting capacity, is again a major source of contention. Only this time, it's not a matter of the U.S. fleet versus the foreign fleets; this time the issues are more difficult because we are fighting amongst ourselves.

My comments today regarding the Act will focus on three major issues: 1) the need to strengthen the conservation standards of the Act to further promote the long term health of our nation's fisheries resources and address the problems of discard waste and bycatch; 2) the importance of fisheries in the economies of our coastal communities and the need to reaffirm our national goals to protect and enhance those local fisheries economies; and 3) the importance of maintaining and strengthening the regional council process.

THE IMPORTANCE OF FISHERIES TO ALASKA

In order for you to understand the significance of these issues to Alaska, let me first provide you some information about the importance of our fisheries to Alaska and the nation.

If Alaska were a separate nation, it would rank among the world's top ten in total fish harvest. In 1992, the catch off Alaska totaled over 5.2 billion pounds of seafood. This was about half the national harvest and over three times greater than the amount landed by fishermen in the Gulf of Mexico, the nation's second ranking region. Alaska's 1992 catch was up about six percent from the year before.

The exvessel value of Alaska's commercial fisheries has grown from an estimated \$565 million in 1985, to a record \$1.8 billion in 1988. The first wholesale level was estimated at \$3 billion in 1988. Preliminary figures indicate the 1992 exvessel value was roughly \$1.5 billion.

In a state with little or no manufacturing-based economy, the seafood industry is the largest private, basic industry employer, providing more than 77,000 seasonal jobs, which equal 33,000 year round direct and indirect jobs. Total investment is estimated at roughly \$4 billion, and the payroll is the largest in the state among private industries: approximately \$600 million. Dutch Harbor-Unalaska ranked number one in the nation for seafood landings in 1992, with total landings in excess of 736 million pounds, nearly three times greater than the next largest non-Alaska port. Seafood landed at Dutch Harbor-Unalaska was worth about \$194 million to commercial fishermen, about 25 percent greater than seafood landed in New Bedford, Massachusetts, the highest ranking non-Alaska port in the country. Two Alaska communities were among the top ten volume ports in the United States in 1992. In one region of the state, the seafood industry accounts for almost 90 percent of the private sector income, and many of our coastal communities are almost entirely dependent on commercial fisheries for cash income.

The economic and social significance of fisheries to Alaskans underscores the importance the state places on the effectiveness of the Act to govern domestic fisheries. While the Act has been a remarkable success since originally passed in 1976, the transfer from a foreign dominated fishery to a fishery which is almost wholly domestic created new issues and management problems not foreseen at the time of passage.

THE NEED TO CONSERVE OUR FISH STOCKS AND FULLY UTILIZE HARVESTED RESOURCES

The State of Alaska does not condone the waste of fish. In fact, state law makes it a criminal offense for any individual to engage in the wanton waste of seafood or seafood products. Similarly, the nation has an overriding interest in seeing that

public resources are properly utilized. This includes controlling and reducing bycatch, and eliminating the waste associated with economic discards.

Economic discards are fish which are harvested in a target fishery but not processed because they are the wrong size, the quality is poor, or for some other economic reason. These fish could be processed into ancillary products such as meal and oil, and some of their value retained. Instead, they are simply thrown away. An example would be undersized pollock which are taken in a directed fishery for pollock but discarded due to their size.

Economic discards, and the biological and economic losses resulting from this practice, are a major concern to the State. In 1991, pollock discards totaled 111,313 metric tons (mt) in the directed pollock fishery in the Bering Sea. This was approximately 245,400,000 pounds of discarded fish, which was roughly equivalent to approximately six times the entire commercial harvest of salmon in Washington State, or the entire combined commercial harvest of herring, halibut, and shellfish in Alaska in 1990. These economic discards represented approximately \$35 million in lost value to the Nation for this one fishery.

Bycatch differs from economic discards. Bycatch is a term for fish or shellfish taken in a directed fishery which is targeting on a different species. The use of nonselective harvesting methods such as trawls, longlines, and pots often yield catch composed of a variety of species including both target and incidental (bycatch) species. Conflicts arise when bycatch in one target fishery reduces the amount of resource available to a different directed fishery. In extreme cases, bycatch of species or stocks with low or declining populations can lead to conservation problems for those species or stocks. Incidental catch of halibut, Tanner crab, king crab, herring, and salmon have been of particular concern in the groundfish fisheries off Alaska.

Out of our growing concern regarding the increasing problems of bycatch control and discard waste, the State of Alaska commissioned a report to document the 1992 levels of bycatch and economic discards in the Gulf of Alaska and Bering Sea/Aleutian Island groundfish fisheries. The report relies entirely on NMFS data taken from vessel operator/processor reports. It does not look at data from the federal observer program. This is an important distinction. Generally it means that the data presented in the report are very conservative, because in most instances bycatch and discard data are higher in observer reports. For comparison, the pollock discard level in the Bering Sea reported by operators was 47,772 mt, while federal observers reported 113,000 mt (249,000,000 pounds), a 237 percent difference.

The findings in this report are startling:

- Over 507 million pounds of groundfish were thrown away as bycatch or as economic discards, 462 million pounds came out of the Bering Sea/Aleutian Islands (BSAI) alone.
- In one fishery, the BSAI Rocksole trawl fishery, 61 percent of the harvest was discarded, as well as two million crab.
- In BSAI trawl fisheries, 47 percent of the discards consisted of the species being targeted. In fixed gear, 2 percent of the discards consisted of the species being targeted.
- The mortality of halibut taken as incidental bycatch totaled over 20 million pounds, 14 million pounds were taken in the BSAI.
- The average size of halibut taken as bycatch in the BSAI trawl fisheries was 0.94 pounds per halibut; in the pot fisheries the average size was 2.16 pounds per halibut; and, in the hook and line fishery the average size was 11.94 pounds per halibut.
- 20.4 million crab, almost 100,000 salmon, and over one million pounds of herring were discarded.

What these data show is that the losses due to economic discards and bycatch clearly constitute enormous waste and are a major loss to the Nation. Although there are many reasons why bycatch and discards occur, losses of this magnitude must not be condoned. The general public in Alaska understands this very clearly since in Alaska the state will fine and imprison individuals who engage in the wanton waste of harvested fish and game resources. The wanton waste of our fisheries resources should not be tolerated as a matter of national public policy, and would not be tolerated if the activity was occurring in state waters.

The State of Alaska and the North Pacific Fishery Management Council have often been frustrated by Secretarial interpretations of the Act which emphasize harvest efficiency and economic return over conservation. Economic discards and bycatch are treated more as a cost of doing business than as a form of waste. By focusing on economic efficiency the Secretary has made it difficult for regional councils to effectively address the problems of discard waste and bycatch.

During the next reauthorization of the Act, Congress can provide the leadership to address this problem by strengthening the conservation provisions in the Act, and

providing a priority for use of the "cleanest" gear and fishing practices which are available for harvesting a particular fishery resource. In addition, the Act should be amended to discourage economic discards and provide NMFS and the Councils the necessary legal and technical tools to design a comprehensive approach to bycatch management.

THE NEED TO PROTECT OUR COASTAL COMMUNITIES AND BUILD A STABLE SHORESIDE ECONOMY

The purpose of creating 200-mile fishery management zones worldwide was to provide nations, people, and communities immediately adjacent to fishery resources the ability to protect and benefit from those resources. Protecting our coastal fisheries from the impacts of a large distant water fleet of foreign vessels operating off our shore was the driving force behind the passage of the Magnuson Act. Concern for the economies of the Nation's coastal fishing towns is once again on the front burner of the national fishery management agenda.

On the west coast, overcapitalization in the offshore segment of the U.S. fleet is threatening the very industry and coastal communities the Congress was trying to protect at the time of original passage of the Act. This rapid overcapitalization, and the resulting preemption of coastal fisheries, has come about because construction of the fleet was subsidized and encouraged through a combination of foreign financing subsidies, federal loan guarantees, and liberal interpretations of the anti-reflagging act by the Coast Guard.

The problem is further amplified because the offshore component of the industry is operating outside the requirements that other segments of the industry must comply with. The offshore fleet is exempt from paying minimum wage, and pays virtually no tax on the fish caught. They are operating under a more lenient regulatory environment, with less stringent requirements for air and water quality, and virtually no worker health and safety enforcement. No other nation in the world has constructed a distant water fleet to harvest its own resources to the detriment of its existing shorebased fleet and dependent coastal communities.

The State of Alaska has been supportive of allocations to prevent preemption of the fishery by one segment of the industry over another, and is supportive of implementation of limited access systems for Alaska offshore fisheries if the nature of the fleet can be maintained and the economies of coastal communities can be protected. The State of Alaska believes that the goal of achieving economic efficiency in the harvest of our fishery resources is important, but should be balanced along with the need to conserve stocks and achieve full utilization of harvested resources, the need for balance among the various segments of the industry, the desirability of maintaining diversity in the fishery and the industry, and the economic and social needs of coastal communities. The goals, purposes, and national standards should be amended to require this balance, minimize preemption of one sector of the industry over another, and reinforce the national intent to protect and enhance the economies of our coastal fishing communities.

A recent innovative program initiated by the North Pacific Fishery Management Council to enhance local fisheries economies in rural Alaska is the Western Alaska Community Development Quota (CDQ) program. This is a joint program between the State of Alaska, the NPFMC, and the Secretary which sets aside relatively modest amounts of quota (7.5 percent of the Bering Sea pollock quota) to promote fishery based economic development. Over fifty Bering Sea communities, most with a mixed economy based largely on subsistence, are participating in the program. The communities involved in this program have some of the highest rates of unemployment in the country, some of the lowest average per-capita incomes in the country, and some of the highest costs of living in the country. These communities are immediately adjacent to one of the Nation's largest fisheries, and have benefited least from that fishery. The CDQ program holds the first true opportunity for many of these communities to develop a stable, long-term economy. By successfully implementing the CDQ program we hope to reduce dependence on government transfer payments and services in these communities, and provide a solid benefit to the Nation by promoting new economic growth and reducing the drain on both the State and federal treasuries.

To date, six CDQ corporations have formed, representing all of the eligible Bering Sea communities. These corporations, which are composed of fishers from eligible communities, have entered into joint venture partnerships with major U.S. seafood companies and have successfully harvested their 1992 pollock allocation of roughly 100,000 mt, and the first half of their 1993 allocation. This has resulted in a significant increase in direct local employment, in the creation of several fisheries training and educational programs for local residents, and in capitalizing numerous fisheries

development projects in the region. Under the present plan, the pollock program will last through 1995.

STRENGTHENING THE REGIONAL COUNCIL PROCESS

Section 302 of the Act establishes the eight Regional Fishery Management Councils (the Councils). Recently, the Councils have come under increasing criticism. These complaints range from concerns over the makeup of the individual Councils, to real or perceived conflicts of interest on the part of Council members, to the inability of some Councils to address important management and conservation issues. Some of these criticisms are particular to one or two Councils, others are more general and are aimed at the Council system as a whole.

The North Pacific Fishery Management Council (NPFMC) is the regional council managing fisheries off Alaska. As a consequence, the status of the NPFMC is of paramount importance to the state. However, because criticisms leveled at the council system as a whole can affect the management of fisheries off our shores, the State of Alaska places a high premium on the effective operation of the entire regional fishery management system.

One of the most serious complaints about the Councils is the quality of representation and perceived conflicts of interest on the part of individual Council members. Presently, the Act calls for the participation of persons who are knowledgeable and experienced in fisheries managed by the Councils. This will, by definition, result in some perceived level of conflict of interest. However, the State believes that the expertise brought to the fishery management system by such individuals is an important and critical component of fishery management. These are people who understand, in a very practical sense, how the fishery operates and whether or not management measures will succeed on the grounds. Unless the Congress decides to place fishery management and allocation in the hands of faceless bureaucrats, ivory tower academicians, or persons who know nothing about the fisheries, there will be at least the perception of conflict of interest on the Councils.

It is important to remember that Congress has addressed this matter in a number of amendments to Section 302 by strengthening the financial disclosure provisions of the Act and requiring the Secretary to ensure a fair and balanced apportionment of interests when making Council appointments. Implementation has been poor. The performance of the Councils is determined by the quality of the individuals involved. Appointees to the Councils carry a very important responsibility, and should be of the highest caliber. The Secretary has the authority to reject recommended appointees, and a screening process to judge the ability of the candidates. It is ultimately the responsibility of the secretary to ensure that the Council appointees are qualified for the job and that there is balanced representation. The provisions already in the Act provide the means to help address the conflict of interest issue, but ineffective implementation by the Secretary has kept this issue alive.

The Councils are also coming under criticism for not resolving important conservation and management issues. In much of the United States fish stocks are severely depressed, fisheries are overcapitalized, and management programs are ineffective. Critics are calling for a major overhaul in the Nation's fishery management system to correct these problems. We believe that these criticisms are more appropriately directed at the Secretary and NMFS.

In the North Pacific region, the overall record of the NPFMC is one of strong support for fishery conservation, often at the expense of the economic self-interest of the individual members. Most importantly, the actions taken by the NPFMC to conserve the resource have consistently had the overwhelming support of the Alaska members on the Council.

For example, it was the North Pacific Fishery Management Council which led the fight to prohibit roe stripping and instituted the Nation's first comprehensive domestic observer program. It is the NPFMC which has placed a moratorium on new vessels and entrants into the fishery to address the overcapitalization problem, and begin the painful process to rationalize the Nation's largest fishery. It is the NPFMC which is trying, despite resistance from NMFS, to implement a rebuilding program for depressed stocks of Pacific Ocean Perch and other rockfish. And, it is the NPFMC which is presently trying to institute real-time fishery data gathering programs to enhance inseason management, implement further measures to reduce bycatch, and improve fishery enforcement, while at the same time trying to reach a fair allocation balance among the various sectors of the fishing industry—trawlers, longliners, pot fishermen, shorebased or offshore processors, small boats, and big boats.

Perhaps most importantly, it is the NPFMC which, out of concern for the long-term health of the resource, has maintained the two million ton cap on Bering Sea

harvests. The Council has remained steadfast on this issue despite repeated attempts by some segments of the fishing industry, supported by advice from some elements within NMFS, to raise the cap beyond this level. Similarly, when confronted with the dramatic overfishing in the Bering Sea donut hole by foreign fleets, it was the NPFMC which closed the Bogoslof pollock fishery inside our 200-mile zone, moved to prohibit U.S. vessels from fishing in the donut hole, and called for a moratorium on all fishing in the Central Bering Sea to protect the stocks. If it had not been for the action of the NPFMC to maintain the two million ton cap Bering Sea stocks would be in poor shape today, and the damage done by the donut fisheries would have had even greater effects on fisheries in the U.S. zone.

The other criticism which is leveled specifically at the NPFMC is that the Alaska majority controls the Council process, and works in concert to disadvantage those participants in the fishery which come from outside the state. The example most often cited is the inshore/offshore allocation issue.

An analysis of the record shows otherwise. Of 905 recorded votes on motions and amendments during the 24 NPFMC meetings from January 1988-September 1992, only 14 votes found the six Alaska appointees in unanimity. For the other 891 times, the votes of Alaska appointees were not unanimous (98.6 percent of the votes). On eleven of the fourteen occasions when the Alaska appointees voted together, the Secretary's representative, the Regional Director of the National Marine Fisheries Service for Alaska, also concurred. Thus, only three votes out of 905 (0.3 percent) were decided on by a six to five majority consisting solely of Council members recommended by the Governor of Alaska. In the case of the inshore/offshore recommendation, the final vote was a very nearly unanimous 10-1 decision.

A related issue pertains to the role of the Secretary. Presently, the Councils act in an advisory capacity. They may recommend fishery conservation and management measures, which in turn must be approved by the Secretary and adopted by regulation promulgated by NMFS. This advisory role is strengthened in that the Secretary, in most instances, must either accept, reject, or reject in part a Council's recommendation. In theory, this effectively provides the Councils with a more substantive role than they would have if they were simply an advisory body.

Certain segments of the commercial fishing industry, sport fishing interests, and the conservation community have called for changes to the Act to strengthen the hand of the Secretary and to reduce the powers of the Councils. One proposal would limit the role of the Councils to addressing allocation issues only, and leave the setting of allowable harvest levels to NMFS. Other proposals would have the Councils act in a simple advisory role, with all substantive decisions resting with the Secretary.

In the North Pacific this could result in a serious weakening of fishery conservation measures. For example, the NPFMC adopted a ban on roe stripping over the objections of the NMFS. The NPFMC has reduced harvest on depressed stocks of POP and other rockfish in the Gulf of Alaska to initiate rebuilding over the objection of the NMFS. The NPFMC has also maintained the two million ton cap on Bering Sea harvest despite efforts from some segments of industry and NMFS to raise the cap. If the ability of the NPFMC to implement these fishery conservation measures is curtailed, then it is likely that these efforts to conserve our nation's fishery resources will cease as well.

Recently the Secretary has overturned a number of carefully crafted conservation and management measures recommended by different Councils. In several cases, the Secretary has substituted his own management plan for that of the Council plan, often with little or no justification provided to explain the action taken. In many of these instances, the Secretary has acted contrary to section 304 by substituting Secretarial amendments for Council recommendations without providing the Council an opportunity to correct or modify the plan to meet the national standards. In one particular case in the North Pacific, the Secretary overturned conservation measures to protect and rebuild depressed stocks of rockfish despite clear evidence of their depleted condition.

In order to reaffirm the Council's primary regulatory role, the Congress needs to provide stricter controls on the Secretary's ability to arbitrarily override a Council recommendation, and to require detailed findings on the part of the Secretary explaining the reasons for the decision. Section 304 could be amended to provide that Council proposals are automatically endorsed unless the Secretary is able to specify the reasons the Council recommendation is substantially at odds with the ecological, biological, social, or economic evidence reviewed by the Council, is arbitrary or capricious, or lacks a rational connection with the national standards. The Secretary should be prohibited from substituting his management plan for a Council recommendation unless such findings are made and the Council is provided an opportunity to address any deficiencies identified by the Secretary and fails to do so.

One additional area which obviously needs some attention is the relationship of fishery management measures adopted pursuant to the Act and other federal environmental statutes and regulations. For example, the statutory and regulatory requirements for timelines and analyses under the Act and NEPA are not consistent, and sometimes cause serious bureaucratic delays. Congress should look to reconcile the requirements for analyses and schedules under the Act with other appropriate federal statutes to streamline the process and make it more consistent.

SUMMARY

1. Strengthen the Conservation Standards in the Act

Congress should strengthen the hand of the Councils and give a clear signal to fishery managers regarding conservation of our nation's fishery resources. Because of the way NMFS is interpreting the Act and the national standards, bycatch and discards are treated more as a cost of doing business than as a form of waste. Conservation and management of our common property fisheries resources must address the broader issues of discards and waste, and embrace the concept of wise use.

The State of Alaska urges the Congress to:

- Strengthen the conservation provisions in the Act to address waste and conservation issues. The purposes and national standards of the MFCMA set the standard for fisheries management and utilization. Conservation of our fisheries resources should be the primary purpose of the Act, and there should be a new national standard setting conservation as the first priority for fishery management plans.

- Adopt provisions in the Act setting the goal of eliminating "economic discards" to achieve full utilization harvested fishery resources, and require fishery management plans be modified to set out programs for reaching this goal in a specified timeframe.

- Adopt provisions in the Act to control, reduce, and minimize bycatch in our nation's fisheries, and include measures to give priority to the use of fishing gear, or fishing practices which result in the lowest bycatch for the given harvest of a particular target species.

2. Support the Nation's Coastal Communities and the Shoreside Economy

Fisheries play a significant role in the economy and way of life in many of the Nation's coastal communities. In Alaska, fisheries are the lifeblood of many of our coastal towns and villages. It is important that we, as a nation, maintain and enhance these economic opportunities in our communities. The North Pacific Fishery Management Council's CDQ program offers a new and innovative approach to developing local, fisheries based economies.

The State of Alaska believes that the goal of achieving economic efficiency in the harvest of our fishery resources is important, but should be balanced along with the factors of full utilization and wise use of the resource, the need for balance among the various segments of the industry, the desirability of maintaining diversity in the fishery and the industry, and the economic and social needs of our coastal communities. The Act should be amended to require this balance, minimize preemption of one sector of the industry over another, and reinforce the national intent to protect and enhance the economies of our coastal fishing communities.

3. Strengthen the Council Process

In promulgating a comprehensive national fishery policy in 1976, the Congress had the wisdom to keep the day-to-day management of EEZ fisheries in the regions where the fisheries occur. The system of eight Fishery Management Councils puts decision-making where it belongs—where the decision-makers are accountable to the fishermen and communities affected.

Rigorous implementation of existing law regarding financial disclosure and Council appointments will address the issues raised regarding conflict of interest on the Councils. We urge you to reaffirm this system. In addition, Sec. 304 should be amended to restrict the Secretary's ability to arbitrarily override a Council recommendation without making detailed findings that the recommendation is substantially at odds with the ecological, biological, social, or economic evidence reviewed by the Council; is arbitrary or capricious; or lacks a rational connection to the national standards. The Secretary should also be prohibited from substituting his management plan for a Council recommendation unless such findings are made, and the Council has been afforded an opportunity to address any deficiencies identified by the Secretary and has failed to do so.

The statutory and regulatory requirements of the MFCMA and other federal statutes and regulations need to be brought into consistency with each other. For example, the statutory and regulatory requirements for timelines and analyses under the

MFCMA and NEPA are not-consistent, and sometimes cause serious bureaucratic delays. The already painful process of making difficult management decisions is further compounded by an apparent lack of standard procedures on the part of NMFS for analysis of important issues. Congress should look to reconcile the requirements for analyses and schedules under the MFCMA with other appropriate federal statutes to streamline the process and make it more consistent. Procedures should be standardized, streamlined, and simplified as appropriate, and applied with consistency throughout the Nation.

As a final comment, the State of Alaska has a firm commitment to the process of managing and conserving our nation's fisheries resources. We work through the Council process and with our counterparts in the federal management agencies to ensure that the process goes well and the resource managed properly. The importance of this partnership between the states, the Councils, and the federal agencies must not be overlooked in this time of declining revenues and tight budgets. This partnership should be strengthened both in the Magnuson Act and in our day to day working relationships.

Thank you for this opportunity to come before you today to discuss these important fishery management issues.

PREPARED STATEMENT OF NANCY L. LANDE, SPOKESPERSON, ALLIANCE AGAINST IFQ'S

The Alliance Against IFQ's is a grassroots organization that was founded for the sole purpose of fighting the implementation of the individual Fishery Quota for Halibut and Sablefish in the Bering Sea/Aleutian islands and Gulf of Alaska. Our membership is diverse as far as ethnics, gender, geographical location, economics, and education. Our one common denominator is IFQ's.

We feel that the Magnuson Act should be amended to disallow any allocative fishery management plans. Sec. 303(b)(6) of the Magnuson Act states that any fishery management plan may establish a system for limiting access to the fishery in order to achieve optimum yield. Under the current fishery management plan using TAC (total allowable catch) we have achieved the optimum yield for our fisheries. A straight forward reading of this provision would leave an ordinary person with the impression that the phrase "in order to achieve optimum yield" had some meaning. It would be reasonable to take this phrase in the context of the Magnuson Acts Conservation purpose to mean that the application of such a draconian measure as depriving U.S. citizens of their rightful access to a fishery resource would be necessary for the future' safety of the resource, ie. "In order to achieve optimum yield." However, a court has determined that these words do not mean what they appear to say: "SeaWatch international vs. Mosbacher, 762F. SUPP.370(379):" * * * the Act does not mandate any finding of necessity before fishery access can be limited: If it is the intent of Congress that its laws mean what they say and that this measure allows limited access as a last resort to protect a resource then the requirement of a finding of necessity for limiting access "in order to achieve optimum yield" should be included in the reauthorized Act.

Sec. 303(a)(1)(C) REQUIRED PROVISION: Any fishery management plan, with respect to any fishery, shall be consistent with the National Standards, the other provisions of this Act, regulations implementing recommendations by international Organizations in which the United States participates * * * On June 14, 1992 the President of the United States signed the United Nations Conference on Environment and Development (UNCED) Agenda 21, which included the following language: "Promote the development and use of selective gear and practices that minimizes waste of catch of target species and minimizes bycatch of and effect of law put back into the Magnuson Act. This would give the Regional Fishery Councils a more concise idea of what the National Standards mean without having to solely rely upon each individual council members interpretation. If Congress has a problem with allowing the Secretary to mandate these guidelines than it should be up to Congress to establish them.

Safety concerns have been a major factor in the IFQ fishery management plan. The race for fish, regardless of weather, loss of life and/or vessel, have been highly publicized. Sec. 303(a)(6) REQUIRED PROVISIONS.—Any fishery management plan shall—Consider and provide for temporary adjustments, after consultation with the Coast Guard and persons utilizing the fishery, regarding access to the fishery for vessels otherwise prevented from harvesting because of weather or other ocean conditions affecting the safe conduct of the fishery; except that the adjustment shall not adversely affect conservation efforts in other fisheries or discriminate among

participants-in the affected fishery. We believe that this section needs to be fine tuned and amended to ensure that minimum loss of life, limb, and vessel occurs.

Sec. 304(a)(1) ACTION BY THE SECRETARY AFTER RECEIPT OF PLAN the secretary shall * * * Hereinafter is a very precise timeline that the Secretary of Commerce shall follow, but very seldom does, shows that there is a great need for and amendment to nail down this timeline. When the Congress of the United States passes a law the citizens of the United States are expected and required to obey these laws, and yet when the Congress passes a law that another branch of the government is expected and required to obey and that branch does not comply shows the need for this amendment. The cliché of "Don't do as I do, do as I say" should not apply to the Government.

Conservation should be put back into the Magnuson Act as the first priority. Economic allocation needs to be put back on the shelf, and selective gear needs to be pursued more aggressively.

PREPARED STATEMENT OF CAPT. RONALD LEIGHTON, F/V EL SOL

I feel fortunate to be able to testify before this panel and voice my concerns concerning the Magnuson Act and its affect on the Alaska fish economy.

Firstly: Even though Canada is a Signator to the Magnuson Act of 1978, she is not following it as it was intended. Canada believes that her border runs 1½ miles south of Cape Chacon to and across the tip of Cape Muzon. Canada has seized two U.S. fishing boats to my knowledge and towed them to Prince Rupert for Court processing. These boats were seized about two miles off of our coastline between Cape Chacon and Cape Muzon.

The U.S. Dept. of Commerce chart No. 17420 shows two zones near the middle of Dixon Entrance, one called the Contiguous Zone and the other the Exclusive Economic Zone, or Fishery Conservation Zone. The latter located approximately 19 miles south of Cape Chacon and 14 miles south of Cape Muzon. The Exclusive Economic Zone was brought forth through the Magnuson Act which Canada became signator to.

I found quoted in the nineteenth edition to the United States Coast Pilot Dixon Entrance to Cape Spencer, page 25. The U.S. Fishery Conservation Zone which gives the United States exclusive fishery management authority over all species of fish except tuna. According to Canada, I cannot fish without risk of seizure by them any further than 1½ miles south of Cape Chacon and no further south than Cape Muzon. This is in direct conflict with Federal Laws 50 CFR 611 and 16 USC 1801-1888.

According to these laws, no foreign vessel other than U.S. vessels may fish, aid, or assist vessels at sea in the performance of any activity relating to fishing, preparation, supply, storage, refrigeration, transportation or processing within the Fishery Conservation Zone or fish for anadromous species at the U.S. Canada is ignoring it's obligation to the Act by seizing our vessels while fishing within our Fishery Zone and by allowing and having their Coast Guard protect 100 of their troll fleet while they fish 18 miles inside our line.

To my knowledge, none of the 100 or so Canadian trollers have sought or obtained a permit to fish this area. At any given day during June, July or August, I have observed approximately 50 boats fishing 1½ miles off of Cape Chacon and about 50 more fishing just off of Cape Muzon.

To show the impact of the Canadian troll fleet upon the U.S. Fisheries, two of us, the *F/V High C* and myself the *F/V El Sol*, spent a day fishing outside of Nunez Rocks in the disputed zone. Our catch per boat is as follows: 50 Cohos; 8 Kings which were released; 3 sockeye; 4 dogs; and 300 pinks which were released.

This totals 365 salmon at a very low conservative estimate as we only fish 10 hours and use 4 tag lines. The Canadian fleet can use up to 8 tag lines and fish about 13 hours. Assuming this and their abilities to target species, I believe I can conservatively double our catch to 700 fish per boat per day times 100 equals 70,000 salmon per day. In one month 2,100,000 salmon.

While we are closed down from King retention and are on our Coho closure, this fleet is still fishing. The fleet also is allowed to use our harbors, Meloud Bay and Nicholas Bay, while fishing this area. The Canadian Coast Guard 20 years ago made our U.S. troll fleet leave their Canadian harbors because the wind was blowing less than 20 knots. This was during the time of the 12 mile limit.

I was informed at the Snake River Salmon Meeting held at the American Legion Hall in May of this year by the Department of Fish and Game that Canada does not supply tagged fish information to the U.S. or State on how much tagged fish they intercept or where or when they are caught or the origin of the tagged fish.

When my Government tells me I can fish to the Fishery Zone but at my own risk of seizure of my vessel by Canada, what am I to do. Am I to arm myself with LAWS rockets to prevent pirating of my vessel.

Because of this, I feel' that the Magnuson Act is hindering our States ability to manage our fisheries resources in the most economical way to benefit our citizens. If the Magnuson Act was formed to conserve Alaska fisheries, then I agree but at our fishermen's expense while our fishery has dwindled since the Act, Canada, Washington, Oregon and California has increased. Since Statehood, I have seen our fisheries decline, especially our troll and halibut fisheries. Our halibut fleet used to remain open most of the year and our troll fleet could retain the halibut they caught while fishing King Salmon year round.

I would like to see a time set aside to take testimony from Alaska fishermen when it would not interfere with our limited openings.

My questions to you are:

1. Why do we cater to violators of the Magnuson Act by allowing them to anchor in our harbors.

2. Is the Magnuson Act one way. Does Canada follow it.

3. If it is not followed by Canada and not enforced then why keep it.

4. Can I fish without being seized to our fishery zone.

Thank you.

PREPARED STATEMENT OF PENNY PAGELS, FISHERIES CAMPAIGNER, GREENPEACE

On behalf of Greenpeace and its approximately 1.8 million supporters here in the United States, I am pleased to present our organization's views regarding the Magnuson Fishery Conservation and Management Act. My name is Penny Pagels and I am the Northwest Fisheries Campaigner for Greenpeace. I work specifically on North Pacific fisheries Issues, advocating for the conservation of living marine resources. I am also serving my second term on the Advisory Panel to the North Pacific Fishery Management Council. It is with great pleasure that I present this testimony to you today.

As an environmental organization dedicated to protecting the marine environment, Greenpeace is concerned with several issues that will be under review during this reauthorization process. We are steering committee members of the Marine Fish Conservation Network and are currently working on a national outreach program to empower citizens of the United States to become involved in ocean issues.

IMPROVING THE MAGNUSON FISHERY CONSERVATION AND MANAGEMENT ACT

The Magnuson Act has ample room for strengthening and improvement. More emphasis should be placed on the long-term sustainability of the living marine resources and the marine ecosystems that support them both inside the United States Exclusive Economic Zone (EEZ) and outside of our national jurisdiction. As we are well aware, marine species do not respect international boundaries and it is therefore in our interest to include ocean policies that extend beyond 200 nautical miles.

Almost 17 years after the passage of the Magnuson Act, the state of our nation's fisheries has not improved. We have not halted overfishing and for the most part, we have not allowed for the conservation or prudent management of fish stocks. The National Marine Fisheries Service (NMFS) reports that 42 percent of the managed fish stocks in this nation are overutilized. Some of this startling statistic can be attributed to those fish stocks which were overfished before the passage of the Magnuson Act, but this does not address the issue of why these stocks, in light of their depleted condition, were allowed continued exploitation.

Today, in fact, the manner in which our fisheries are prosecuted begs the question as to why we have allowed and even encouraged the U.S. fishing capacity to surpass that of the foreign fisheries that once operated in what is now the U.S. EEZ.

In this testimony, I will point out some of the egregious problems facing the status of our nations fisheries and recommend specific changes that should be addressed during the reauthorization process.

UNSUSTAINABLE FISHING

Many of our nation's fisheries are allowed to continue irrespective of the manner in which they are prosecuted. In the North Pacific, wanton waste is in excess of 500 million pounds per year. The waste and discard issue is easily highlighted in the fishery for rock sole in the Bering Sea/Aleutian Islands area. In 1993, this fishery, which is conducted by the use of bottom trawls, reported catch figures as follows: total catch 73,804 metric tons (mt), retained catch 23,411 mt and discarded catch of 50,393 mt. In more familiar terms, the discards amounted an excess of 110 mil-

lion pounds of fish. The composition of the discards was: Pacific cod, pollock, flounders, rock sole, and other species.

This fishery is conducted during the spawning period for rock sole, and the target is females with roe or eggs. Because this product fetches a high market price, the fishery is economically important. But the question is, is this type of fishery sustainable? In actuality, we know little about the impacts of targeting on spawning aggregations. We do know that it is much easier to catch the fish because of their grouped formation during spawning. But what of the impacts on the population? And what of the impact of the other species which are considered bycatch and are subsequently discarded? And what of the impact on the benthic environment? Because there are no scientific answers to these questions, we give the benefit of the doubt to the lucrative fishery. NMFS justifies its response by explaining that, since we cannot prove that this fishery impacts the rock sole population or other species that are caught, we have no reason to disallow the fishery.

Yet, it can be argued that the foregone opportunity of other fishers who are targeting Pacific cod or pollock is in fact worthy of economic consideration. And furthermore, disrupting the benthos and the productivity of the ecosystem may cause irreparable damage to the health of the rock sole fisheries and other marine species that are interdependent in this food web.

We propose that fisheries be conducted in a more sustainable and selective manner. Gear selectivity is an area where numerous wasteful fisheries could be eliminated simply by allowing cleaner gear to prosecute those fisheries. Gear technology has gone through few improvements because NMFS has not moved forward with research to experiment with gear types that can target specific fish while minimizing the bycatch of other marine species. There are numerous gear technicians that are developing "better mouse traps" for catching the desired fish of marketable size, but these innovative people are making little headway because of the agency's reluctance to promote clean fishing. And as NMFS stands idly by, fishing efficiency has improved in the forms of: increased catching capacity, more powerful engines to haul in gear, larger refrigeration units and huge vessels capable of sailing to distant waters in search of exploitable fish stocks. We now have a distant water fishing fleet in the North Pacific that has emulated the foreign fleets that this nation once loathed. And the unethical destruction and waste continues.

We are concerned that economic efficiency has outweighed environmental considerations in improving the way in which fisheries develop. Fishers that use different gear types and compete for the same target species need not compete against the same quota. Instead, preferential allocation should be the reward of clean fishing practices. Specifically, we recommend that the Act be amended to provide broader authority to manage bycatch problems through fishery management plans (FMPs). The Act should contain a directive to reduce the problems caused by bycatch and provide the tools to reach that goal. Additionally, incentives must be created for conservation engineering so that low-impact types of fishing gear can be developed.

We are aware that some sectors of the fishing industry are attempting to oppose gear selectivity and instead move forward with what is termed "full utilization." This is not a solution to the bycatch and discard problem. In fact, full utilization actually legitimizes bycatch and does nothing to address the issue of lessening the amount of those marine species not intended to be caught.

ECOSYSTEMS AT RISK

Another issue that is receiving increased attention is the declining numbers of marine mammals, seabirds and fish species that are part of the North Pacific ecosystem. Probably of greatest concern is the fact that these species now compete with the commercial fishing industry in their pursuit of prey. Most notably, is the important role of walleye pollock in the North Pacific ecosystem. It is known that pollock constitute the largest biomass in the Bering Sea, and are critical to the survival of numerous marine species that interact within that marine ecosystem. However, the commercial importance of pollock has outweighed its ecological importance in the food web. Pollock is a fish that is shared by nations around the North Pacific. Pollock is caught during all phases of its life cycle. And it is particularly favored during the roe season. It is fished on both the western and eastern sides of the Bering Sea, and until recently, it was fished in the international waters of the "Donut Hole."

The economic importance of the pollock fishery is fairly recent. It wasn't until the late 1970s that pollock was the fish of choice to use for surimi paste, fish sticks and fillets. And it wasn't until the late 1980s that the U.S. fishing industry learned how to metamorphose this otherwise "trash" fish into a marketable product. Now walleye pollock boasts the status of the largest single-species fishery in the world.

Amazingly, the pattern of boom and bust style fisheries precedes that of the pollock fishery. In the North Pacific, many fish species have experienced periods of high abundance, increased fishing pressure and subsequent decline, only to be replaced with another fish species deemed commercially important. In the 1950s, foreign fishers exploited herring, yellowfin sole and Pacific ocean perch to near collapse. Pollock are yet another fish species that have become economically important because of their high abundance. But, we may be in another downturn. The biomass estimates for pollock reveal a declining trend over the past seven years, while commercial fishery quotas for the species have remained the same and in recent years, have increased. Simultaneously, species that depend on pollock as a prey source, such as Steller sea lions, harbor seals and seabirds such as black-legged and red-legged kittiwakes, common murre and thick billed murre are declining, showing signs of an ecosystem out of sync.

Over the past 30 years in the North Pacific, the catch composition of commercial fish species has changed and fishery removals have increased concomitant to marine mammal and seabird declines. We are concerned that NMFS is not addressing the important issue ecosystem considerations. We recommend that the Magnuson Act address the need to improve fisheries management to include multi-species modeling that addresses the existence of interspecific relationships in the marine environment.

It is abundantly clear that an unhealthy ecosystem cannot support a sustainable fishery. There are other fisheries in the United States that are currently suffering the ecological and economic woes of poor stewardship. In the case of the New England fisheries, the tragedy of the commons is clearly illustrated by the short-sighted economic goals that prevailed the decisions of fisheries managers. History has already taught us that when left to a free for all, we will take more than can be naturally replaced. Allowing increased unnatural removal of fish from an otherwise natural system will eventually offset the system. Underestimating the impacts of those removals has long-term effects on the sustainability of that natural system.

We propose that the Magnuson Act address the concept of maximum sustainable yield (MSY) of fisheries from an ecological perspective. This would mean that the single species are no longer to be managed in a vacuum and instead that the interaction of these species is considered when determining what level of removal is to be permitted. Simply, we do not know what the MSY of many fish stocks are and furthermore, we do not know at what level other species in the ecosystem interact with the commercially important fish stocks. The widely accepted second-guessing approach has not improved the economic yield—of fisheries.—In attempting to—find out how far we could go, we have pushed the concept of MSY too far. We must include risk-averse types of management that are precautionary. The edict of the precautionary approach is simple: if the impact of the activity is unknown, then err on the side of conservation.

THE REVOLVING DOOR OF THE NATIONAL MARINE FISHERIES SERVICE

Conflicts of interest on the regional fisheries management councils is a belabored term. But the conflicts in fisheries management is more pervasive than the regional councils. For example, the goal of the Department of Commerce is to improve fisheries exploitation for the betterment of the U.S. economy. In this vein, it is an arduous task for NMFS to have the role of ensuring the conservation of living marine resources. Additionally, there is an increasing number of ex-federal and state fisheries scientists who shepherded the U.S. fishing industry through the domestication process only later to turn to the fishing industry for employment. We view this as a problem in that it only exemplifies the difficulty in removing industry influence from science.

The numerous loan guarantee programs that were authorized under the Merchant Marine Act have effectively set up a symbiotic relationship between the industry and NNFS. NMFS provides the funding for vessel construction and operation only to have the fishing industry indebted to the agency, which in turn must maintain fishing quotas so that vessels can continue operating in order that their loans can be paid off. Currently, the overcapitalization of the U.S. fishing fleet in the North Pacific alone has caused federally funded vessels to go bankrupt. And all the while, NMFS has knowingly approved loan guarantees that allowed for excess capacity. Subsidy programs to the U.S. fishing industry should be scrutinized with the U.S. taxpayer in mind.

In addition to subsidy programs, the U.S. fishing industry is the only extractor of natural resources that does not pay to utilize the resource. And the costs of management are borne by the U.S. citizen. The fisheries of the United States are a common property resource which belong to everyone, or which belong to no one. It is

high time that the users of this resource pay a fee because fishing is not a right, it is a privilege.

The Magnuson Act must be amended to allow for a user-fee mechanism that will offset the costs of management. This is not a tax, but a user-fee that is earmarked for fisheries conservation, research and maintenance. In order that this user-fee plan can be implemented, we recommend a standard national registration program for all vessels that fish in federal waters. This would serve to provide a standard data base in order that resource user-fees could be assessed.

Unfortunately, in the North Pacific, the user-fee plan that was amended to the Magnuson Act in 1990 has yet to be implemented. This plan is critical to provide a funding mechanism to maintain the federal observer program. The North Pacific Fishery Management Council approved the plan in June, 1992. Yet, at this time NOAA general counsel is reluctant to approve the plan based on legal concerns. There must be an equitable user-fee plan that will serve to offset the costs of conservation and management.

Interestingly, a time not too long ago, the State Department successfully collected access fees from nations wishing to fish in U.S. federal waters. Failure to pay the fee resulted in the denial of a fishing permit. Later, as joint-venture fisheries developed, the access fee and the price for the fish was paid by foreign vessels that worked with U.S. catcher vessels. When the fisheries became "Americanized", we dropped the user-fee concept altogether. And now, oddly, we have no method of collecting a fee to fish, nor do we have total consensus from the fishing industry to help pay the costs.

CONCLUSION

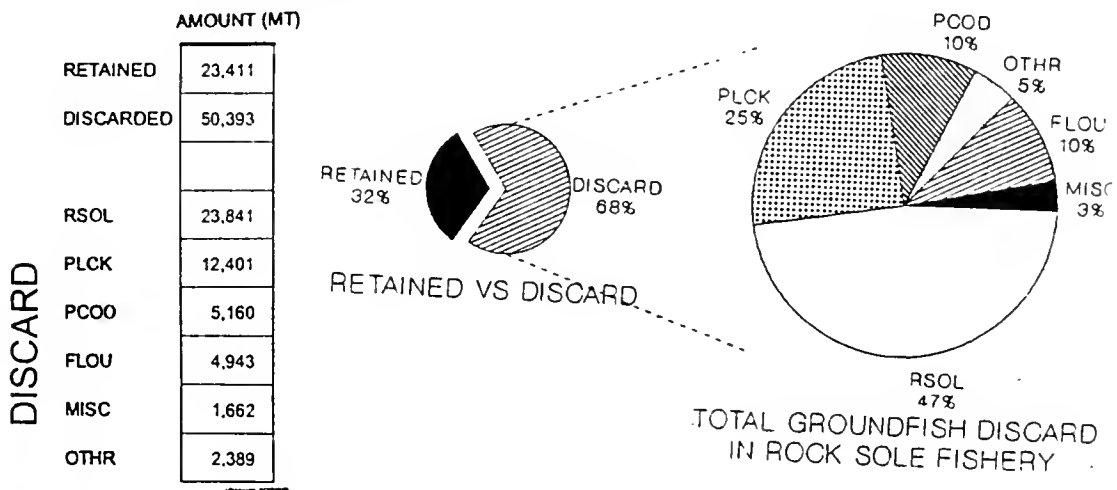
The Magnuson Act has the framework to become an effective conservation oriented law. Adjustments will need to be made in order that the Act adequately address conservation concerns. By updating the law to keep pace with the present status of U.S. fisheries, the health of the marine environment may be restored and the economic stability of coastal communities from Alaska to Maine could be maintained.

As a nation that boasts the largest EEZ in the world, and as a region that boasts the largest fishery in the nation, we have reason to be concerned about the future of fish. We also have learned from our antiquated management practices of the past and we are poised to reform our ocean policies. Alaska's fisheries are not an inexhaustible resource, but they can be renewable and sustainable if we take immediate steps to include ecological concerns at all levels of living marine resource management.

The fishing industry and the environmental community are working together to ensure that our compatible goals of sustainable ecosystems and the fisheries that depend on them are maintained for the long-term. We are committed to advocate sustainable fishing practices and we welcome more comprehensive science to improve our understanding of the oceans.

Thank you for considering our views. We will look forward to working with you throughout this reauthorization process.

1993 BSAI GROUND FISH DISCARD, ROCK SOLE FISHERY



GOALS AND PRIORITIES OF THE MARINE FISH CONSERVATION NETWORK

- Eliminate overfishing and rebuild depleted fish populations
- Adopt a precautionary, risk averse approach to fisheries management
- Reduce the conflicts of Interest on the fishery management councils
- Improve conservation of large pelagic fishes
- Minimize bycatch problems
- Protect marine habitats
- Enhance monitoring and enforcement
- provide adequate funding for fisheries research and enforcement.

PREPARED STATEMENT OF ANDY RAUWOLF, ALASKA MARINE CONSERVATION COUNCIL

The Alaska Marine Conservation Council is a broad-based community organization comprised of Alaskans, many of whom live and work in small remote communities along the Alaska coast.

Our members come from diverse cultural and economic backgrounds and many of us depend on marine resources for sustenance, culture and livelihoods. From Ketchikan in Southeast Alaska to Unalaska in the Aleutian Islands to Tununak in the Bering Sea, our members are, or have been, gillnetters, seiners, crabbers, trollers, long-liners, trawlers, jiggers and other commercial fishers and fish workers.

Some of us come from Native communities where we still subsist on marine resources as our ancestors did before us. When marine ecosystems are at risk, not only are our livelihoods as fishermen threatened, so is our subsistence way of life. If declines in the health of marine ecosystems are allowed to continue our very future is at risk.

Our membership also includes conservationists and scientists who track the health and decline of marine resources. The Alaska Marine Conservation Council is a diverse group. Although our personal interests in marine resources are very different, we share a dependence on, and commitment to, healthy marine ecosystems.

As coastal residents, we have seen alarming regional declines in Steller sea lions, harbor seals, fur seals, certain bird species including murre and kittiwakes, herring, king crab, dungeness, shrimp and rockfish. These declines concern us not only because of the adverse impact they may have on many of our livelihoods, but as indicator species they warn us of distressing changes.

Although we do not fully understand the complex interactions which occur in the oceans, we must expand our vision to include food chain interactions as well as human harvest when exploiting marine resources. We must be conservative and we must proceed with caution.

We take this opportunity to let you know our priorities and recommendations regarding needed changes to the Magnuson Fishery Conservation and Management Act (Magnuson Act). Although generated from Alaskan fishing and conservation experiences, we believe they can be beneficially applied to all areas of the United States EEZ.

SUMMARY

Our specific recommendations are outlined in full on page eleven. To summarize however we propose you amend the Magnuson Fishery Conservation Act to:

- 1) Clearly establish conservation as the top priority;
- 2) Mandate clean fishing;
- 3) Institute a precautionary multi-species ecosystem approach to management and research;
- 4) Make fisheries and marine habitat protection a priority.

MANDATE CLEAN FISHING

A guiding principle of the Alaska Marine Conservation Council is that our living marine resources have intrinsic value in and of themselves within the ecosystem. Among the most flagrant problems of abuse associated with commercial fisheries in the North Pacific and Bering Sea is bycatch and economic discards (wrong size or color, quality, etc.). In 1992 alone over 507 million pounds of groundfish were thrown back over the side according to a State of Alaska report.¹ This unnecessary and inappropriate waste and disregard of marine life is a public disgrace. It points

¹Alaska Department of Fish and Game, Commissioner Carl Rosier's Testimony before the House Merchant Marine and Fisheries Committee, June 1993.

to the need to ensure the Magnuson Act makes conservation the number one priority in fishery management and successfully promotes clean fishing.

Lessons Learned—Alaska's Future

The continuing practice of targeting spawning aggregations of pollock and cod, compounds waste problems and in some areas of the world has been blamed for the collapse of the fishery. The cod fishery on the Grand Banks of the North Atlantic is often cited as an example.

In human terms, the consequence of allowing wasteful, destructive fishing practices to continue is vividly portrayed in Newfoundland and Nova Scotia, where entire communities have been placed on welfare rolls and relocation programs are being examined. All this due to poor fishery practices and gear types, resulting in 30,000 men and women losing their livelihoods in just three years.

In ecological terms the northern districts of that area are considered marine deserts unlikely to recover due to intense bottom dragging and destruction of fishery habitat. Alaska and the United States cannot afford to make these same mistakes, nonetheless, we have and continue to do so.

In the Bering Sea/Aleutian Islands, a moratorium is in place on the Aleutian Basin Pollock Stock in the Bering Sea due to its collapse, which was caused by rampant overfishing on the high seas as well as within the U.S. EEZ, including federally sanctioned fisheries on spawning pollock stocks.

In the Alaska EEZ destructive and disruptive fishing practices continue on other stocks and hard on bottom trawling is permitted on spawning cod stocks, yellowfin sole, rock sole and a roe fishery continues on pollock stocks assumed dissociated from the Aleutian Basin Stock.

Surely history tells us how imprudent these practices are and guides us to precautionary approaches mandating sever restriction or perhaps banning of these and similarly destructive and disruptive practices? Does it not also indicate the necessity for ecosystem management? Don't we need to recognize the importance of selective gear use and the need to account for the destruction of associated and dependent species, their habitats and ecosystems if we are to realize the long term benefits from these common resources?

Commitments of the United States to Other Countries to Reduce Bycatch and Waste: Support for Clean fishing by Citizen Organizations.

The government of the United States has committed itself within the international community to the goal of minimizing bycatch waste. Specifically, the President of the United States signed, on June 14, 1992, the United Nations Conference on Environment and Development (UNCED) Agenda 21, which included the following commitment:

"Promote the development and use of selective gear and practices that minimize waste of catch of target species and minimizes bycatch of non-target species." Chapter 17 Program Area D, Sec. 79(d).

This same principle was previously affirmed at the International Conference on Responsible Fishing at Cancun, Mexico in May, 1992.

On June 1, 1993 the United Nations released the U.S. position statement on Straddling and Highly Migratory Fish Stocks which states:

"Regional organizations or bodies should promote environmentally safe technologies, including minimizing pollution, bycatch, and other forms of waste, as part of any conservation programme for the area." General Assembly document A/CONF.164/L.3, Item 9.

Thus both Republican and Democratic Presidents and Congress have pledged the United States to reducing bycatch. Unfortunately these International commitments have not been Implemented at the Council level because they are not yet written Into United States law. It is therefore imperative that these same principles to promote "clean fishing" be incorporated as legally binding and enforceable provisions in the current reauthorization of the Magnuson Act.

The State of Alaska in its testimony before this Subcommittee in June stated:

"* * * Congress can provide the leadership to address this problem by strengthening the conservation provisions in the Act, and providing a priority for the use of 'cleanest' gear and fishing practices which are available for harvesting a particular fishery resource."

The recent international Pacific Northwest Roundtable on Straddling and Highly Migratory Fish Stocks held in Vancouver, British Columbia stated a non-negotiable principle of fishing as follows:

"No fishing technique shall be allowed where more selective techniques 4 protecting weak or threatened target or non-target species exists."

The Marine Fish Conservation Network testimony to the Senate Committee on Commerce, Science and Transportation recommendations included:

“Explicitly define bycatch and establish a national policy to minimize its negative impacts on fish populations and the marine ecosystem by reducing bycatch and economic discards in all commercial fisheries to insignificant levels approaching zero; Require all fishery management plans to establish a program for reducing bycatch of all gear within the plan’s jurisdiction * * **”

Alaska Marine Conservation Council Proposal to Implement Clean Fishing

Although there is consensus both within and outside governments that bycatch is a major problem, little has been done to minimize it because proposed incentives and disincentives are complex, expensive, difficult to enforce, or disruptive to the fisheries. We recognize that in these times of tight budgets and attempts to reduce bureaucracy, mechanisms must be used that are simple, cost effective, easily enforceable, as unobtrusive as possible to current fishing operations. They must also allow for individual choices and responsibility.

History shows us that the U.S. fishing industry, is highly inventive and flexible when there is an economic incentive or advantage to be exploited. Therefore the way to promote the development and use of selective gear is simply to give priority of harvest to selective gears and practices. Thus fishing operations would not be forced to change, but the economic incentive of priority harvest would lead to rapid, voluntary change to cleaner fishing now and into the future.

This is not a new idea and in fact was the most successful technique ever used under the Magnuson Act. Priority harvest was the centerpiece of Magnuson Act Americanization of the EEZ Alaskan waters. Each year it was determined how much the American segment of the industry could utilize through the fishing year, and that portion of the Total Allowable Catch (TAC) was reserved for the American fishers to harvest. The remainder of the TAC was allocated to the other segments of the industry. The rapidity with which the fishing industry responded and expanded its TAC requirements astounded all observers.

Somehow this most successful mechanism got lost in the shuffle and pressures of ongoing fishery management. Today utilizing this technique to promote clean fishing would require classification of fishing practices and gears into groups by relative selectivity. Most of that data is already available from federal on-board observer data.

Determining the amount of TAC those selective segments could utilize projected throughout the coming year would be a straightforward Council process. Reservation of the priority allocation of the TAC would reduce the level available for less selective gears. Seasons for harvest would still be set using the same current Council process. As switching to selective gears and practices continues, the proportion available for nonselective gears will decrease and be eliminated. The goal of reducing bycatch and economic discard wastage can be accomplished by allowing individuals and industry make these economic choices. There will be a real, ongoing incentive for industry to develop and use further selective practices.

Other management tools can also be used to help expedite this procedure and alleviate ongoing problems. These tools can and should include vessel incentive programs (VIPs) for vessels carrying 100 percent observer coverage, variable seasons, closed fishing areas and overall increased observer coverage. (Conflicts of interests within observer programs must be addressed to prevent trans-corporate or ownership conflicts.)

In summary, in order for the United States to meet our international commitment to promote “clean fishing” we urge you amend the act to:

1. Insert the following specific language from Agenda 21 in both the body and purpose of the Act—“promote the development and use of selective gear and practices that minimize the waste of catch of target species and minimizes bycatch of non-target species.”

2. Include the following language in National Standard Five: “Conservation and management measures shall assign harvest priority to use of selective gear and practices that minimize waste of catch of target species, minimizes bycatch of non-target species and minimizes disruption to habitat.”

3. Establish conservation as the top priority of the Act, not solely efficiency or optimum yield and set a goal of eliminating economic discards in the Alaska EEZ.

Finally, Some councils including our own are proceeding to limited access fisheries. We recommend any limited access systems which do not effectively promote the reduction of bycatch and the elimination of economic discards be curtailed or modified in order to fulfill our national goal of promoting clean fisheries.

INSTITUTE A MULTI-SPECIES ECOSYSTEM ORIENTED APPROACH TO FISHERY
MANAGEMENT AND RESEARCH

The Magnuson Act mandates that conservation and management measures prevent overfishing. Unfortunately the implementation of this mandate may not be effective in protecting the overall health of our marine resources. This is especially true in Alaska where we are experiencing alarming declines in regional populations of marine mammals and birds that depend on Commercially important fish for food.

For instance, Steller sea lions have declined 50-80 percent in the last 15-20 years² and are now classified as threatened under the Endangered Species Act. There has been a 50 percent decline of the red-legged kittiwake population in the Pribilof Islands and the production of northern fur seal pups has declined 30 percent in the last ten years.³ Harbor seals in the Bering Sea may be only 15 percent of their 1970's population and black-legged kittiwakes and common and thick-billed murre are also declining.⁴ In Prince William Sound and outlying areas, populations of black-legged kittiwakes, pigeon guillemots, marbled murrelets, and arctic terns have declined 60-80 percent since 1972.⁵

We recognize and commend the North Pacific Council and its staff for the conservation measures it has taken over the years. Unfortunately even their own Groundfish planning team admits that the effect of annually harvesting large amounts of fish (targeted and untargeted) on ecosystem productivity is not understood.⁶ Nor do we know the biological consequences of fishing a group of species at or near Maximum Sustained Yield values on community structure and predator-prey relationships.⁷ As Alaskans whose way of life and livelihoods depend on marine resources, a precautionary approach is warranted. We can not afford to have any additional species become listed as threatened or endangered.

On July 16, 1993 the U.S. submitted its Principles paper to the United Nations that restated the need for reducing bycatch and further emphasized the need for multi-species, ecosystem oriented management, recognizing the necessity for precautionary approaches that "take into account uncertainties concerning the size and productivity of the resources and it inter-relationships with other resources."

For these reasons, we believe the Magnuson Act should be amended specifically—and forcefully—to develop a precautionary approach to fisheries management that considers the entire ecosystem of a region or species: The Alaska Marine Conservation Council recommends the Act be amended to:

1) Clearly establish conservation of marine resources, including habitat, as the top priority in the Purpose and National Standards of the Act;

2) Define and prohibit overfishing of target, non-target, associated and dependent species including non-fish species such as sea cucumbers, kelps, seaweeds and grasses, etc.;

3) Include a common and appropriate definition of long-term Maximum Sustained Yield that considers the entire ecosystem of a region or species and includes a margin of safety as a buffer against overfishing or impacts on other species;

4) Require that conservation and management measures and the "fishery models" on which they are based take into account predator-prey interactions and include alternatives that provide for moratoria;

5) Allow councils to act quickly to establish minimum size limits and other necessary conservation measures in a particular fishery even if no fishery management plan exists or when scientific evidence is unavailable.

6) Mandate that research focus on multispecies and ecosystem interactions and provide the councils with the tools to assess industry fees to help pay for it.

The complex web of life which exists beneath the surface of the oceans remains in large part, a mystery. In what way is the harvest of over a billion pounds of pollock in the Bering Sea affecting marine mammals, birds and other species? What is the impact of dragging nets across the sea floor? Are we clearcutting the habitat of many species.

²National Academy of Sciences—National Research Council, Commission on Geosciences, Environment, and Resources. Polar Research Board. Proposal No. 92-CGER-237 Scientific and Technical Understanding of the Bering Sea Ecosystem, July 1992 quoting Lowery et al., 1991.

³Ibid.

⁴U.S. Fish and Wildlife Service, Alaska Seabird Management Plan, Region 7, 1991.

⁵Ibid.

⁶Alaska Groundfish Planning Team, North Pacific Fishery Management Council, Stock Assessment and Fishery Evaluation Report For the 1993 Gulf of Alaska Groundfish Fishery, November 1992.

⁷Ibid.

We must aggressively step up our efforts at understanding the marine ecosystem. Focussing and funding research to accomplish this would be a solid investment in the future of many of our coastal communities.

MARINE HABITAT PROTECTION MUST BECOME A PRIORITY

Alaska's marine environment continues to suffer from irresponsible development practices and both local and regional pollution. Oil and gas development alone contributes significantly to this problem. Yet in Alaska our waters are denied even the minimal protection from oil and gas related pollution accorded the rest of the nation. Where oil and gas facilities in the Lower 48 are generally held to a zero discharge requirement under the Clean Water Act, they are free to dump their pollutants directly into Alaskan waters.

Habitat degradation is not limited outside the fishing industry. Closer regard needs to be given to fishing practices that destroy ecologically sensitive and critical marine habitats and their associated ecosystems. By disrupting sea floor habitat, sea mounts, and coral communities and disturbing spawning, nursery and forage areas, we are compounding the difficulties of establishing meaningful stock rebuilding programs or for providing plausible stock assessments.

The Magnuson Act provides no meaningful basis for controlling such detrimental and short-sighted practices. Fishery Management efforts will fail without habitat protection. Among other needs, the Act should reflect the United State's commitment to: "Preserve rare or fragile ecosystems as well as habitats and other ecologically sensitive areas." Agenda 21, Chapter 17, Program Area D, Sec. 79(f) 1992. The Act should be amended to:

- 1) Include habitat conservation in the National Standards on which conservation and management measures are based;
- 2) Require the Council to describe essential habitat in fishery management plans and mandate the consideration of effects on habitat and other dependent marine life in those plans.
- 3) Implement a strong national habitat protection program to preserve the productive capacity of fish habitats. Give the National Marine Fisheries Service the authority to modify, restrict or deny development projects which will adversely impact important fish habitats.

CONCLUSION

Good management and a better understanding of the complex nature of our marine environment will help sustain our coastal communities over time. If managed carefully, fisheries offers one of the best hopes for sustaining both our subsistence and cash economies. While conserving and protecting commercial fish populations is crucial for our economic well being, the overall health of our marine resources and habitat is equally important. For many of us its why we chose to live here, for others of us its a matter of cultural survival.

It is important now, more than ever, to make conservation the number one priority in the Magnuson Fishery and Management Act. Our summary of recommendations follow.

ALASKA MARINE CONSERVATION COUNCIL RECOMMENDATIONS

Mandate Clean Fishing

- Insert the following specific language from Agenda 21 in both the body and purpose of the Act—"promote the development and use of selective gear and practices that minimize the waste of catch of target species and minimizes bycatch of non-target species."
- Include the following language in National Standard Five: "Conservation and management measures shall assign harvest priority to use of selective gear and practices that minimize waste of catch of target species, minimizes bycatch of non-target species and minimizes disruption to habitat."
- Clearly establish conservation of marine resources, including habitat, not solely efficiency or optimum yield as the primary purpose of the Act. Include in the purpose and national standards sections. (Applies to our recommendations regarding Multi-species considerations and Marine Habitat as well.)
- Set a goal of eliminating economic discards in the Alaska EEZ.
- Refrain from implementing limited access programs that do not effectively result in the reduction of bycatch and economic discards.

Institute a Precautionary, Multi-Species Approach to Fisheries Management and Research

- Require that conservation and management measures and the "fishery models" on which they are based take into account predator-prey interactions and include alternatives that provide for moratoria.
- Define and prohibit overfishing of target, nontarget, associated and dependent species including non-fish species such as sea cucumbers, kelps, seaweeds and grasses, etc.
- Include a common and appropriate definition of long term Maximum Sustained Yield that considers the entire ecosystem of a region or species and includes a margin of safety as a buffer against overfishing and impacts on other species.
- Allow councils to act quickly to establish minimum size limits and other necessary conservation measures in a particular fishery even if no fishery management plan exists or when scientific evidence is unavailable.
- Mandate that research focus on multispecies and ecosystem interactions and provide the councils with the tools to assess industry fees to help pay for it.

Make Habitat Conservation a Priority

- Require the Council to describe essential habitat in fishery management plans and mandate the consideration of the effects on habitat to other dependent marine life in those plans (not just targeted fish stocks).
- Implement a strong national habitat protection program to preserve the productive capacity of fish habitats. Give the National Marine Fisheries Service meaningful authority regarding development projects which will adversely impact important fish habitats.

LETTER FROM JIM GILMORE, DIRECTOR, CONGRESSIONAL AFFAIRS, AMERICAN
FACTORY TRAWLER ASSOCIATION

SEPTEMBER 3, 1993.

PENNY DALTON,
U.S. Senate,
Washington, DC 20510

DEAR PENNY: I understand that Senator Hollings expressed concern at the Senate Commerce Committee field hearing in Dillingham, Alaska about the "shoreside preference" plan implemented by the Bush administration. Shoreside preference is a fisheries regulatory regime that grants preferential access in America's largest volume fishery to two Japanese companies operating shoreside processing facilities. The preferential allocation comes at the expense of the U.S.-flag at-sea processing fleet.

Enclosed is a follow-up response to the questions posed by Senator Hollings at the hearing. Also, enclosed is a recent article appearing in the Seattle Times which discusses the impact of the Commerce Department's allocation decisions.

If there is any additional information that the Senator needs on this issue, please don't hesitate to call me.

Sincerely,

JIM GILMORE,
Director, Congressional Affairs.

LETTER FROM HARVEY SAMUELSEN

AUGUST 26, 1993.

The Honorable ERNEST F. HOLLINGS,
U.S. Senate,
Washington, DC 20510

DEAR SENATOR HOLLINGS: Thank you for taking the time to visit Western Alaska to conduct a Senate Commerce Committee field hearing on re-authorization of the Magnuson Act. This letter follows up on your request at the hearing for further information regarding the inshore/offshore scheme that guarantees Japanese-owned shore plants in Dutch Harbor, Alaska a substantial share of U.S. pollock production.

Pollock is the largest U.S. fishery by volume; 3.0 billion pounds of pollock were harvested last year. In 1992, then-Commerce Secretary Barbara Franklin approved a rule requiring fishermen to land 35 percent of the Bering Sea pollock for onshore processing. This is significant because pollock processing, which is capital intensive, is dominated by three companies operating shoreside facilities. The two largest Jap-

anese fishing companies, Nippon Suisan and Taiyo, own 80 percent of the shoreside pollock processing capacity in Alaska. (see Attachment 1).

Therefore, the "shoreside preferences" allocation approved by the Commerce Department guarantees access to more than one-third of the largest U.S. fishery to these two Japanese companies at the expense of two dozen companies, mostly small businesses, operating 65 U.S.-flag at-sea processing vessels.

The Commerce Department approved this rule even though the department's own cost/benefit analysis indicated net national losses greater than \$100.0 million. Also, the Justice Department commented that the proposed rule violated the Magnuson Act, and the Commerce Department's Office of the Inspector General (IG) found the North Pacific Fishery Management Council's analysis of the rule to be inadequate and recommended against approval of the allocation scheme.

The Commerce Inspector General even conducted a criminal investigation of members and staff of the North Pacific fishery Management Council because of the conflicts of interest among council members. For example, the chairman of the North Pacific fishery Management Council is the paid lobbyist of the Japanese shoreside processing interests. (You might remember that the shoreside processors' association hired political consultant and Bush campaign official, Charles Black, to push for the adoption of this rule).

Surimi, a fish paste, is the primary product form for pollock and Japan is the principal market for U.S. surimi products. Since the advent of the shoreside allocation, surimi prices have sharply declined. Japanese surimi prices were over \$2.00/lb. prior to the adoption of the rule. Currently, U.S. producers are receiving less than \$1.00/lb. Furthermore, the shoreside allocation has robbed fishermen of the opportunity to sell their catch to the highest bidder. Fishermen forced to sell to a handful of on-shore processors are receiving less than half the price they received before the shoreside allocation went into effect.

As I pointed out in my testimony, Western Alaskans participate in the pollock fishery through the Community Development Quota (CDQ) program and the Bering Sea Commercial fisheries Development foundation. Low pollock prices mean lost revenues to the Native communities as well as the Nation as a whole.

We appreciate your interest in this matter and urge you to direct the Commerce Department to review the shoreside preference policy. Please let me know what additional information I can provide to assist in your study of this issue. Thank you again for visiting with us and listening to the concerns of Western Alaskans.

Sincerely yours,

HARVEY SAMUELSEN.

Ownership of Principal Shoreside Pollock Processing Plants in the Bering Sea/Aleutian Islands Area

[Japanese shoreside plants are set up almost exclusively to produce surimi for export to Japan.]

| Parent company | Operating subsidy | Percent owned by parent company | Annual pollock processing capacity |
|--------------------------------|----------------------------|---------------------------------|------------------------------------|
| ConAgra | Trident Seafoods | 45 | 187,500 MT |
| Nippon Suisan | UniSea/Greatlands I | 100 | 125,000 MT |
| | UniSea/Greatlands II | 100 | 212,500 MT |
| Taiyo Fisheries/Marubeni | Alyeska Seafoods | 65 | 175,000 MT |
| Taiyo Fisheries | Westward Seafoods | 100 | 250,000 MT |
| Total | | | 950,000 MT |

Source: Legislative Research Agency

[The Seattle Times, Section D, Aug. 31, 1993]

TOO MANY FISHERMEN, NOT ENOUGH FISH

(By Leah Harrison, Seattle Times Business Reporter)

While most of Seattle's fleet of 65 Dory trawlers are in the Bering Sea, hauling in 100-ton nets teeming with Walleye pollock, diners at the restaurants at Lee Union's south end this summer have a good view of two boats sidelined from the frantic fishing season.

Creditors seized Pacific Orion's 275-foot flagship trawler in June, and the company's blue-hulled *Royal Prince* has filed for bankruptcy.

The two hulking vessels at Lake Union Drydock await a buyer, and 185 crew members who would have earned a total of \$5 million this year are out of work.

The grounding of the two boats could signal the start of a long-predicted shakeout of the overbuilt factory trawler fleet. There simply aren't enough pollock and other fish with commercial value in Alaskan waters to support the mammoth high-tech boats, which exploded in number in the 1980s.

To make matters worse, the price of surimi, the fish paste that is the raw material for processed seafood products such as imitation crab legs, has collapsed. In addition, environmentalists are up in arms over a decline in the pollock stock and crashing populations of sea mammals and birds in Alaskan waters. The government has a plan to bring the size of the fleet to a more manageable level by privatizing fishing rights, but it may not come soon enough to prevent a tidal wave of bankruptcies.

"People have been saying this is coming, but nobody seems to believe it," said Wally Pereyra, a member of the North Pacific Fisheries Management Council and the owner of Pro-Fish, a Seattle-based seafood marketing company. "It's here now."

More than half of the boats might teeter on the edge of bankruptcy or leave the Seattle area in the next year, taking as many as 4,000 jobs, Pereyra said. That's equivalent to roughly a quarter of all the Boeing layoffs expected this year. Many of the lost jobs will be those of trawler crew members who earn an average salary around \$30,000. Others will be from local companies that make marine electronics, cardboard boxes, nets and other supplies—and those that provide travel services for the industry.

"Each (boat) that goes bankrupt is the equivalent of a \$20 million business shutting down," Pereyra said. Many of the boats that go under will be sold and re-enter the fleet, but industry sources said as many as 20 boats will need to leave the fishery altogether before it can be profitable.

The North Pacific Fisheries Management Council, an 11-member, government-appointed body that oversees the Northwest and Alaska fisheries, has seen this day coming. In 1976, the Magnuson Act threw foreign boats out of a 200-mile off-shore zone, reserving the rich Alaskan waters for the fledgling U.S. fleet. The government dished out \$90 million in loan guarantees in the 1980s to help fishing companies build state-of-the-art boats that used hydraulic cranes to pull in the heavy nets and could process the fish on board. More loan guarantees were extended to onshore processors.

Unlike grazing permits, oil leases or timber sales, the rights to the bounty of the ocean have always been free for the taking, and the processors built and reconfigured boats at a furious pace. "Nobody threw their body in front of the train to try to stop it," said Joe Blum, the executive director of the American Factory Trawlers Association. "Open-access fisheries lend themselves to that kind of investment."

Now the 65-boat fleet, capitalized at \$1.6 billion, fights over a total allowable catch of 1.3 million tons of pollock in the Bering Sea. The pollock, harvest, which accounts for roughly one-third of all the fish caught in U.S. waters, had a dockside value of about \$1 billion last year.

In order to protect the stock, the government drastically cut back the number of days open for fishing, sending many of the boats into the red.

"These boats were mortgaged on a 10-month fishery and now we're down to five," said Chris Lyden, operations manager of Pacific Orion Seafoods. Pacific Orion's boats did not have government loan guarantees, but \$25 million in taxpayer funds are still tied up in the fleet.

The trawlers blame many of their financial problems on the allocative gymnastics of the council, which awarded 35 percent of the pollock catch to the huge shore-based processing plants along the Alaska coast last year. The decision came after a bitter two-year dispute that pitted Alaskan processors financed by the Japanese against the struggling fleet.

Last year, the council finally put a moratorium on new boats in the pollock fishery, and about that same time the price of surimi went into a dive. A worldwide glut has brought the price of high-grade surimi down from \$2.40 per pound last year to less than \$1 today.

"At these levels, nobody is making money in the surimi business," said Ronald Jensen, a director of Tyson Foods, which owns Arctic Alaska Seafoods.

Since more than two-thirds of the pollock harvest is processed into surimi, this could be the end of the line for some struggling trawlers. "It will exacerbate an already difficult situation," Blum said. "There's been speculation all year on how many (boats) are going to go."

Some conservationists who track the Pacific fish stocks worry that the political muscle of all those floundering businesses will put pressure on the council to recommend catch levels higher than the sea can sustain. Many of the members of the



council, such as Pereyra, also work for fishing companies, and some conservationists said that's a conflict of interest that compromises the council's judgment.

In the 1980s, political pressures were blamed for the overfishing of many of the North Atlantic region's lucrative fishing stocks, such as cod and haddock.

A recent decline in Alaskan pollock may be an early warning sign that the Pacific is heading toward the same fate, conservationists said. Throughout the 1980s, the stock in the eastern Bering Sea enjoyed strong growth, reaching a record 15.8 million tons in 1985. This year, that same stock is projected to drop to 5.9 million tons, its lowest level since 1966.

Despite the decline, the scientists who advise the council said the stock is in good shape and has not been overfished. Fluctuations of this type are normal, and there are several strong year-classes of young fish in the pipeline, said Bill Aron, science director of the government's Alaska Fisheries Science Center. "I don't think anyone here sees this in any alarming way," he said.

But conservation groups point to a precipitous decline in some animals that rely on pollock for food—including Steller sea lions, harbor seals and some sea birds—as evidence that something is amiss.

The Steller sea lion in Alaska was considered "threatened" under the Endangered Species Act in 1990. Its population has dropped more than 60 percent in the last five years.

Greenpeace filed a lawsuit to slow pollock fishing in the Gulf of Alaska to give scientists time to study the effects of the harvest on birds and sea mammals. They lost the suit, but continue to lobby for lower pollock quotas. "They really don't have a good handle on how much pollock is needed to maintain the ecosystem," said Penny Pagels, Northwest fisheries campaigner for Greenpeace.

Concerns over marine mammal populations have led to closures of small areas of the fishery around sea lion rookeries. Lee Alverson, president of Natural Resources Consultants, a Seattle-based firm that advises the industry, said there is "almost a 100 percent chance" that more restrictions will follow, a move that would further erode the economic condition of the fleet.

While the council has kept fishing quotas well within guidelines set by government scientists, Pereyra said the fleet is unmanageable at its current size. "When you have a lot of people out of work, there's always pressure to push the upper end of the envelope," he said. "I don't think that's healthy."

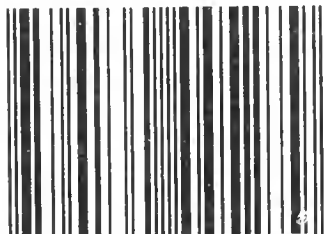
To reduce the fleet to a more manageable level, the council had come up with a proposal to privatize the pollock stock. Under this plan, boats that have already been fishing for pollock would be awarded Individual Transferable Quotas, or ITQs—shares of the catch that would permit them to fish at any time and sell or trade the shares. Stronger players would buy up the ITQs, leading to an orderly consolidation of the fleet. Systems similar to the one proposed for the pollock fleet are already in place or planned for other troubled fisheries.

"A market-driven system like an ITQ will allow some of those who were honest participants in the fishery some options," Blum said. "Right now all they can do is wait for the bank to come and put a sticker on them."

While there is no significant opposition to the council's ITQ plan, some boat owners are so disgusted with the way the fishery has been managed that they are lobbying Congress to replace the council altogether. Congress has an opportunity to take another look at the state of the fleet when the Magnuson Act comes up for reauthorization this year.

If the council goes ahead with the ITQ plan, its provisions won't go into effect before 1996. Pereyra and other industry observers said that may be too late for many troubled boats. "I think we will have a major shakeout by then, probably within the next year," Pereyra said. "The whole thing could melt down."

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