

Admiral James D. Watkins
Chairman U.S. Commission on Ocean Policy

Dear Admiral Watkins,

In answer to your question: **Were overcapitalization issues discussed or included in the Alaska Fishery Management Plans?**

Overcapitalization has been the subject of discussion here in Alaska since well before the passage of the Magnuson Act. Unlimited access to common property fisheries when the only tool available to management was shorter seasons or built in inefficiency has been the curse of the open range. It always raise the cost of the product to the consuming public increase discard of lower value species and endanger life at sea by forcing the fleet to sea on fixed days that have no way of considering weather conditions.

After watching salmon buy back in British Columbia and a number of other failed schemes that fishermen always seemed to find away to circumvent. Alaska first embarked on salmon area licensing to stop the flood of gear from one area of the Territory to another and then in 1973 a limited entry program that has been expanded to other species with some success while prices went up or at least stayed stable. It is showing some strain now that the iron curtain has come down and competition first from Russia who now exports instead of consuming within the there own sphere plus farmed raised salmon have stressed a system that has worked for the last 25 years. As long as the market is allowed to function with out by back or government subsidy this like the stock market will work its way out.

With the passage of the Magnuson Act the tools to protect the resource while providing protection to the resource were made available to the North Pacific Council. In Alaska the protection of the living resource has never been in doubt though some ill conceived actions such as the Mammal Act. The Endangered Species Act and the paper work reduction act have slowed the council to a crawl.

Two things set Alaska apart from the other Councils first our willingness to endure any pain needed to keep the stocks strong and second to limit who can participate in the harvest. The North Pacific Fisheries Management Council was the first to understand that if the resource belonged to the public the goal of “a quality product to the consuming public at a reasonable cost” was the way to get there.

The American Fisheries Act that took a large industrial pollack industry with ever growing fleet and ever shorter seasons into an internationally competitive and profitable industry. The Halibut Sable Fish Individual Transferable Quota system that took an overcapitalized small boat fleet that had grown from 310 vessels to 6000 in a few short years and a season that had gone from months to hours back into a fleet that fishes 8 months a year and we hope soon will fish year round. It took no Federal money the overcapitalization went away no deaths at sea in the halibut fleet and they pay there own way.

The talk of who made windfall profits and what company lost out because the fish now go on the fresh market is of no import. The public with out a doubt are better served.

I believe our nation would be better served if road blocks were removed not added to the Council process. If making money was not a sin and as the original Magnuson Act allowed conflict of interest so long as publicly stated. We are a success in Alaska because the people who did this work were involved in the industry.

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