
A. F. D. C. NEWSLETTER

ALASKA FISHERIES DEVELOPMENT CORPORATION

Vol. 1, No. 2

May 20, 1978

BOTTOMFISH PROPOSAL FUNDING REPORT

S-K Funds

Last February AFDC submitted a proposal to the National Marine Fisheries Service for funding for a statewide bottomfish project designed to provide American fishermen and processors with the necessary information to successfully enter and participate in the bottomfish industry.

The proposal submitted to NMFS requested funds from the Saltonstall-Kennedy Fund. The 1954 S-K Act set aside funds for fishery research and development.

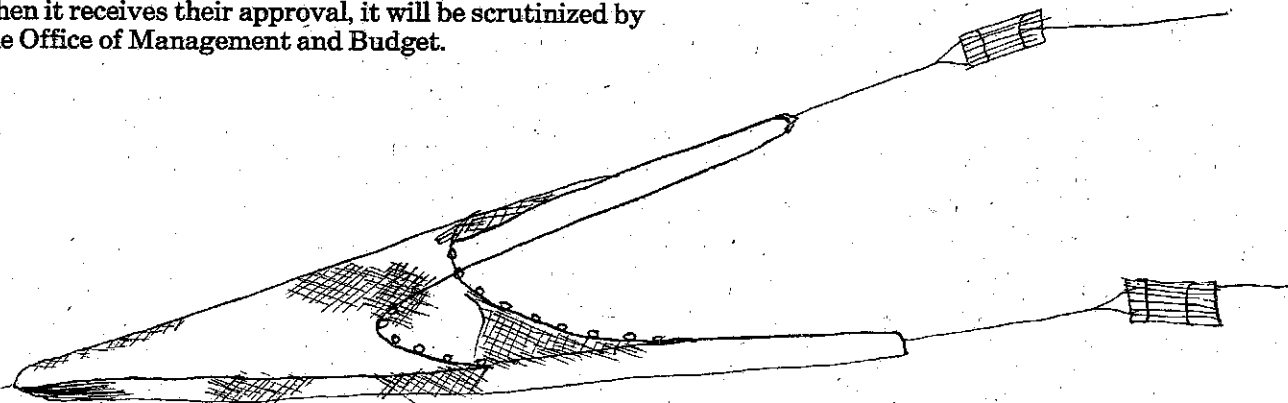
On two occasions AFDC board members have traveled to Washington, D.C. to answer questions about the proposal for National Oceanic and Atmospheric Administration officials. Sara Hemphill, acting executive director of AFDC, returned from Washington in late April with the news that the proposal had been approved by the National Marine Fisheries Service and the NMFS was recommending that the proposal receive funding in the amount of \$1.45 million for the remainder of the first year of operation.

The proposal is now being examined by NOAA and when it receives their approval, it will be scrutinized by the Office of Management and Budget.

State of Alaska

The State of Alaska has provided financial assistance to AFDC to assist the corporation in meeting the formation costs. AFDC received \$10,000 in April which was appropriated by the Legislature for establishing a non-profit corporation to direct the development of a bottomfish industry to benefit Alaskans.

Currently there is a bill before the Legislature to provide additional funding for the corporation. House Bill No. 898 is an act "making a special appropriation to the Department of Commerce and Economic Development for allocation to the Alaska Fisheries Development Corporation . . . for the purpose of establishing an office in Alaska and hiring an executive director." House Bill No. 898 will provide AFDC with \$100,000 when it passes. It has been passed out of the House Finance Committee and is now being examined by the Rules Committee.



AFDC NEWSLETTER

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Published By: Alaska Fisheries Development Corporation

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Jon Rowley

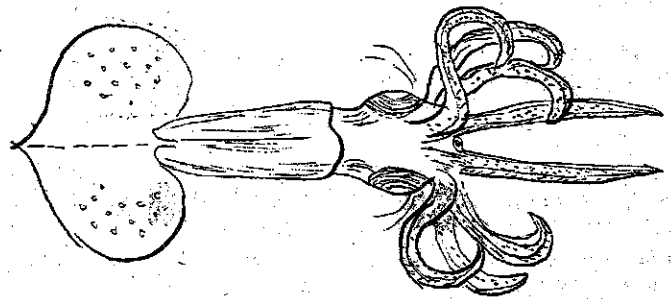
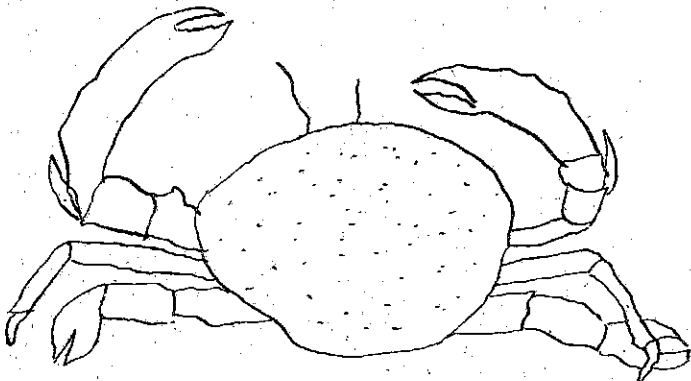
Editor's Corner

The Alaska Fisheries Development Corporation is four months old now. They have been months of growth and gaining strength. These months have seen the idea of the corporation become the reality of fishermen and processors working together for mutual benefit.

AFDC needs to continue to grow, to gain new members, to learn the ways to best serve the fishing industry's interests. To succeed, AFDC requires your support; more than financial support, AFDC needs your expertise, your advice and your constructive criticism.

We urge you to join forces with us. Consider active participation in the corporation. Take time to serve on the regional board in your area. It's the only way to help us find the research projects that will answer your questions, that will find solutions to the problems you experience in harvesting, processing or marketing.

Remember: "It's your corporation!"



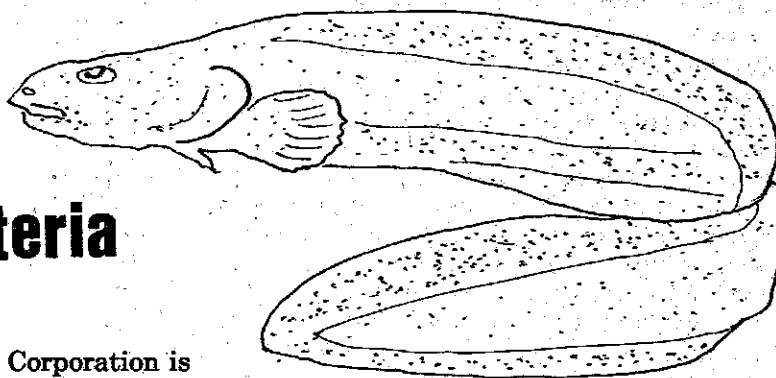
A F D C MEMBERSHIP VOTING MEMBERS

Icicle Seafoods
North Pacific Processors
Pan Alaska Fisheries/Bumble Bee
St. Elias Ocean Products
Prospector, Inc.
B & B Fisheries
Morpac
Commercial Fishermen of Cook Inlet
Ketchikan Alaska Trollers Association
Southern Southeast Seine Boat Owners & Operators
Alaska Shrimp Trawlers
Pelican Cold Storage Company
New England Fish Company
Cordova Aquatic Marketing Association
Lower Yukon Fishermen's Association/
United Fishermen of Kuskokwim
Cook Inlet Fishermen's Fund
Aleutian Fisheries Cooperative

ASSOCIATE MEMBERS

Alaska Longline Fishermen's Association
Alaska Far East Corporation
Aleutian Fisheries Cooperative
Aquabionics, Inc., Fairbanks
Alaska Native Foundation, Anchorage
Port Ashton, Cordova
Briston Bay Borough, Naknek
CH2M Hill, Anchorage
Foss Alaska Line, Inc., Seattle, Washington
Hillstrom Shipbuilding Company, Coos Bay, Oregon
Tor Holmboe, Gakona
Nickum & Spaulding Association, Inc., Seattle, Wa.
Tacoma Marine Supply, Inc., Tacoma, Washington
Wesmar (Western Marine Electronics), Seattle, Wa.

Proposal Criteria



The Alaska Fisheries Development Corporation is looking for ways to strengthen the Alaska fishing industry. AFDC is soliciting proposals for research that will provide lasting benefits for the fishing industry, local Alaska communities, the State of Alaska and the nation.

AFDC will evaluate proposals to determine if one or more of the following criteria will be fulfilled:

- 1) Improve quality of Alaska seafood products.
- 2) Increase harvesting and processing efficiency.
- 3) Expand existing fisheries.
- 4) Develop new fisheries.
- 5) Promote marketing of Alaska seafood products.

S-K Act

The Saltonstall-Kennedy (S-K) fund is one of the sources that AFDC looks to for financing of research projects. Any proposal that is submitted to AFDC for possible S-K funding must fall inside the guidelines of the S-K Act.

Funds for fishery research are made available by the 1954 Saltonstall-Kennedy Act which provides that 30 percent of the gross receipts from duties collected under the customs laws on fishery products (including fish, shellfish, mollusks, crustacea, aquatic plants and animals) shall be set aside in a separate fund to be used by the Secretary of the Interior.

S-K Purposes

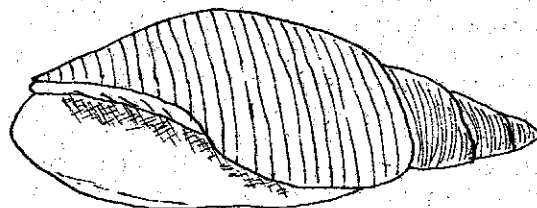
The purposes as set forth in the act are:

- 1) To promote the free flow of domestically produced fishery products in commerce by conducting a fishery educational service and fishery technological, biological and related research programs, the monies so transferred to be also available for the purchase or other acquisition, construction, equipment, operation, and maintenance of vessels or other facilities necessary for conducting research as provided for in this section.
- 2) To develop and increase markets for fishery products of domestic origin.
- 3) To conduct any biological, technological, or other research pertaining to American fisheries.

NMFS Criteria

Projects that are submitted to AFDC for funding from the Saltonstall-Kennedy funds will be required to meet the criteria that has been set out by the National Marine Fisheries Service.

- a. Project short term.
- b. Project not contingent on hiring government employees.
- c. Project meets one or more purposes of the Saltonstall-Kennedy Act.
- d. Does not duplicate ongoing or past work.
- e. Provides important information for management, development and/or utilization.
- f. Is realistically politically responsive.
- g. Provides positive impact on employment.
- h. Shows favorable benefit-cost ratio.
- i. Promotes and encourages exports to help produce positive effects on U.S. balance of trade.
- j. Is in consumers' interest (lower prices, or greater choice in market place, or increases quality).
- k. Assists industry to take advantage of resources formerly or currently harvested by foreign fisheries.
- m. Encourages optimum use of resources.



ANNUAL MEETING & ELECTION

The Alaska Fisheries Development Corporation annual meeting will be held in Anchorage on June 1, 1978 in the Portage Room of the Anchorage Westward Hotel. The meeting will open at 1:30 PM with a report from Sara Hemphill, board member and acting executive director of AFDC. Connie Taylor, interim secretary-treasurer, will present a report on the financial condition of the corporation and on the membership.

When the reports are completed, the board will request comments from the members present on the proposed by-laws, the proposed evaluation criteria for acceptance of proposals and for vessel selection. The question of regional affiliation will be open for discussion.

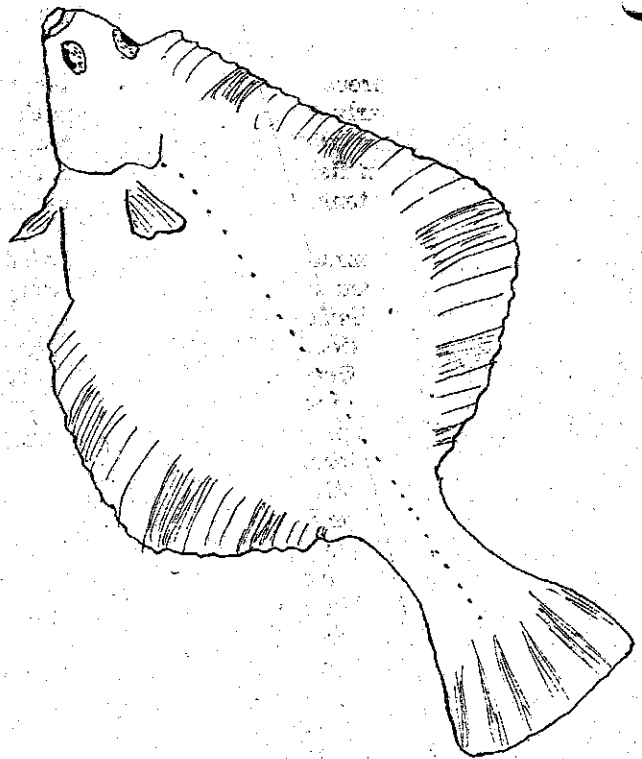
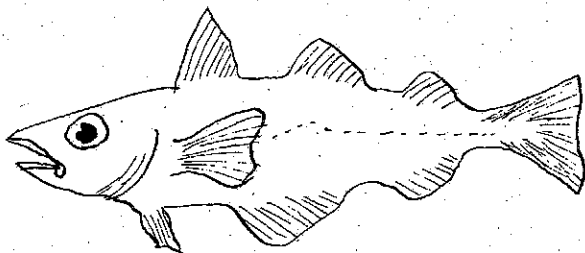
Nominations

The nominations for the first elected board of directors will open with a report from the secretary on the nominations received to date. Then the floor will be opened for further nominations from the membership. Voting will take place by mail ballot as soon as ballots can be printed up and mailed out following the meeting. Ballots will be mailed to each member of the corporation as of May 15, 1978.

Elections

Ten members of the board will be elected; five processor representatives on a statewide basis with no regional considerations and five fishery organization or harvester representatives, one from each of the five regions recognized by the corporation. The election is held on a statewide basis; every member may vote for each position on the board.

Members of the board of directors will be elected for a term of two years. To encourage continuity in the board and create staggered terms of office, five members of the first board will be chosen by lot to serve for a one-year term. Hereafter, only five members of the board will be elected yearly.



Vessel Selection

At the last meeting of the AFDC board of directors the selection of vessels and skippers to participate in the research projects was considered. When the bottomfish proposal is funded, one of the first tasks of the board will be advertising for vessels and choosing the vessels. The board will request the advice of the regional boards or committee but will make the final decision.

The advertisement for vessels will be placed statewide and all boat owners are encouraged to apply for any project that their vessel is suited for. Selection will not be made with any regional consideration.

The board developed this draft list of vessel criteria that will be used when it is approved to rank the vessels that apply for the projects:

1. Skipper's demonstrated interest as indicated by, but not limited to, personal time or money investment in the fishery;

2. Skipper's demonstrated fishing ability—participation in the particular or related fishery preferable;

3. Adequate vessel for the particular project—marine survey required;

4. Availability of vessel and skippers for project duration.

5. Skipper's knowledge of local waters desirable.

If you are interested in participating in the research work of the corporation, please contact the AFDC office and ask to be put on the mailing list so that you will be notified when the selections are being made.

Thoughts on Fisheries Development

By SIG JAEGER

I would like to express some thoughts on fisheries development particularly in respect to a systematic responsible approach to the conception and realistic application of ideas in fishing, the development of a higher order of competence for both old and new fisheries.

The number of accumulated details of knowledge are the margin between mediocrity and superiority. The details are the realistic result of development and application of a conception, an idea, a dream, a chance remark. Details are the fine-tuning of a fishing system, and they grow from an increasingly thorough familiarity with the physical properties of the fishing gear, the vessel, the behavioral patterns of the species sought, and a host of others. Not the least of which are long working hours on deck.

The attainment of that familiarity through experience and experiment has a cost in dollars, injuries, lost time, even bankruptcy in extreme instances. Increasing competence can slowly evolve or be systematically stimulated with a developmentally focused effort accelerating the process, with the factual results displayed in terms of increased income potential. Such a potential is enhanced by refining an existing system, diversifying by using presently wasted operating time, even developing a new fishing system for an existing commercially desirable species. The options are many, the potential for success is limited.

None of the above are worth a damn without demonstrated application; experience and competence are not achieved with daydreams. Daydreams far outnumber their successful realization.

The foregoing monologue has the stamp of a stereotyped blurb for fisheries development, which in a sense it is. But I am a confirmed experimenter, possibly more cautious now than formerly, with a still unsatisfied curiosity, but a better grasp of the applied discipline needed to convert starry-eyed ideas into practical realities. It is not easily done, not with just money stirred into a potful of ideas.

It requires focus: focus on details, on accurate and detailed records, noting minute distinctions evidenced by the gear, minute distinctions made graphically visible by an accumulation of painfully gathered data. The vision of a revolutionary new idea bursting like a starshell over the industry is the product of genius, but that possibility is almost statistically invisible. The emphasis should be in thinking of the whole or its parts being a system, composed of sub-systems. The workings of a system are dependent on interrelating dynamics; a change in one part affects the other.

Like a three-legged stool, the trio of fishermen, scientist, and gear specialist appears to me after two years of rather intensive work on the Black Cod pot project, to be the irreducible and continuously productive minimum for self-sustained productive effort.

That was the nucleus for an evolving task force which alternately grew and receded in numbers as we sought answers or analysis by reaching into specialized areas of knowledge like gear engineering, hydraulics, statistics, oceanography, research engineering, scuba diving, fish biology, product technology, and just plain errand-running, to name some.

The evolving of the task force system was the most important result of the development, and its potential for future productivity in developing or refining fishing systems is in my mind more important than the fishing system produced. It was a focused but flexible arrangement, and produced ideas and hardware that should be but have not been catalogued comprehensively.

The triad had common and complementary interests and expertise. The basic interest in common was essentially the project itself, and this interest intensified as each data bit added to the growing body of raw and analyzed information, both visible and inferred.

An at-times critical function of the basic trio and selected individuals from the clusters was their "think tank" function, the skull sessions on a particularly tough problem, several of which seemed insoluble at first. The facets of competence examined the problem from their specialized perspective, and sparked ideas from the others. Without resorting to a narrative of events, respective solutions came from a scuba diver, another fisherman, the gear specialist, the "third-leg" participating fisherman, and from the scientist with a strong assist from the bio-statistician.

But in the long run it is less important who stated the solution, it was the product of the team interaction. Many small details simply evolved without seeming effort, just from the mix of personalities. At times there were spin-offs made visible that were applicable to other fisheries as well as the project under scrutiny; the so-called serendipity quotient, the unlooked-for and unpredictable new ideas that almost predictably flow from a complementary mix of idea people.

The end product of the development efforts must eventually distill down to an expression in terms of numbers: dollars, pounds, gallons. These are tools, and they can range from credible to incredible. The executive-director will be no better than his tools; the board of directors will be no better than these tools. Virtually everything said and done will be on the record, and the group will be held accountable. Unrealistic, loose values, expressed as fact discredits the effort. Real-world people whose living and productivity are dependent on real facts may not have time to take issue with overstatements or substantial understatements.

RECENT BOARD MEETINGS

APRIL 3-4, 1978

The Alaska Fisheries Development Corporation board of directors has met twice since the last newsletter. The board met in Anchorage on April 3-4, 1978 and discussed the formation of the corporation and possible revisions in the articles of incorporation. The by-laws were considered and it was decided to review a draft at the next board meeting.

Alternates to the board of directors were debated and on a roll-call vote it was decided that "the elected board of directors as individuals may appoint alternates to represent them at board meetings." It was then decided that the elected board of directors may give another elected board member a proxy to vote at the board meetings rather than sending an alternate.

Policy and administration were considered and it was decided to appoint an executive committee and empower that committee to decide on administrative matters. Matters of major policy will be referred to the full board. The president, vice president, secretary-treasurer, and acting executive director will serve on the executive committee. Patrick Pletnikoff was elected to fill the vacant vice president seat.

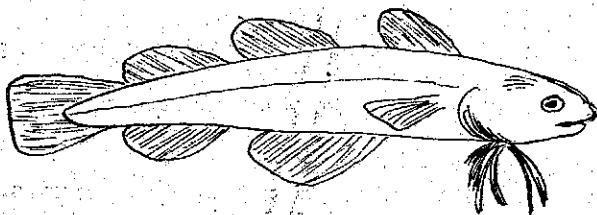
Advertising the corporation and soliciting membership was discussed and it was determined that the secretary should place ads in the Alaska Fisherman, the Alaska Fishermen's Journal and Fishermen's News.

Gerald Eidem and other Cook Inlet fishermen and processors came to the board of directors to present their proposal for funding bottomfish research in Cook Inlet. Doug Blossom, a member of the group, presented a detailed review of his proposal for a bottom gill net fishery for cod. Trawl and catcher-processor ship proposals were also presented.

Harold Pomeroy from the governor's Growth Policy Council spoke to the board concerning the need for a good permanent executive director with office and staff.

Charles Torkko of CH2M Hill, an engineering and consulting firm, made a presentation to the board concerning the services that his firm could offer.

It was decided to hold monthly board meetings on the second Tuesday. Jon Rowley was appointed to form a review committee and report to the board on the Cook Inlet proposal at the next meeting.



MAY 9, 1978

The next board meeting was held on Tuesday, May 9, 1978 in Juneau. The meeting opened with a report from the secretary-treasurer on the financial condition of the corporation and on the membership applications that have been received.

The regional requirements for harvester members was considered by the board and by harvester members present at the meeting. It was decided to present the regional question to the membership at the annual meeting.

Acting executive director Sara Hemphill reported on her recent trip to Washington, D.C. She participated in proposal revision writing and brought back the news that the National Marine Fisheries Service had approved the proposal and were recommending that it be funded with \$1.45 million from the Saltonstall-Kennedy fund for the first year ending December 31, 1978. It will be necessary for AFDC to prepare its budget requests for 1979 by August. Hemphill also attended fish marketing meetings and quality control meetings on her trip.

Jon Rowley reported the proposal review committee's recommendation that AFDC should encourage Cook Inlet fishermen and processors who have an interest in developing new fisheries, that the proposal should be cut down in magnitude, that the bottom gill net portion is the most complete and ready-to-go and that the catcher-processor portion does not contain enough specifics to be considered at this time. The Cook Inlet vessels that are interested in trawling should apply for the survey work positions that will be available in other areas. The board determined to send Mr. Eidem a letter with these recommendations.

The annual meeting was debated and possible alternatives to holding the meeting on June 1 were considered. It was a concern of the board that not all of the members would be able to attend. It was decided to hold the meeting as scheduled but to provide for mail voting for the board of directors to insure that each member is able to vote. The ballots will be mailed out as soon as possible following the meeting and will be opened and counted no later than July 3, 1978.

The need to get an executive director on line was considered and it was decided that the interim board would review all of the resumes and make recommendations to the elected board. It was decided that in the event the board does not find a suitable applicant for the position, a consulting firm would be hired on a temporary basis to fill the position.

Drafts of the proposed by-laws, executive director job description and evaluation criteria were approved and will be presented to the membership for comment at the annual meeting.

A SALUTE TO THE INTERIM BOARD OF DIRECTORS

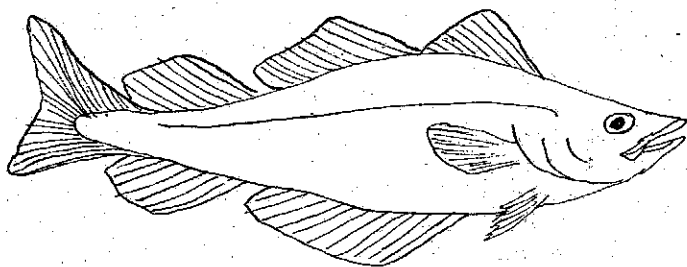
At the January 24, 1978, bottomfish meetings held in Anchorage, eight people were selected and charged with the responsibility of the formation of the Alaska Fisheries Development Corporation. After incorporation, the original eight plus two others have held the position of interim board member. With the June 1 election the interim board will be replaced, so we take this opportunity to tell you a bit about each of the people who worked to get this corporation started.

Sara S. Hemphill

Sara Hemphill was born and raised on the East Coast. She then moved to Colorado and lived there for eight years. Upon graduation from Denver University Law School and admission to the Colorado Bar, Sara worked as assistant general counsel for an oil company in Denver that was primarily involved in onshore oil and gas exploration and development. Her duties involved all aspects of the business from corporate business problems to speculation discussions on drilling sites.

In 1976 Sara moved to Seattle to enroll in the graduate marine law program at the University of Washington. During the school year she was also employed part-time by the National Oceanic and Atmospheric Administration as a member of the Northwest General Council's office. Leaving NOAA in May of 1977, Sara formed a law partnership with Scott Stafne. The firm is based in Seattle and is affiliated with a law firm in Anchorage. Stafne and Hemphill have been primarily involved with counseling and representing participants in the Alaska fishing industry before the North Pacific Fisheries Management Council.

On behalf of the Alaska Fishermen's Longline Association, the firm became involved with the bottomfish development program for Alaska and thus with the Alaska Fisheries Development Corporation. Sara was chosen by the fishing industry representatives present at the January 24th meetings to be chairman of the committee that was charged with the formation of AFDC.



Alvin R. Burch

Al Burch is perhaps best known as half of the Burch Brothers Team. Coming to Alaska from Deerlodge, Montana, when he was 10, he and his family settled in Cordova first and then moved to Seward, where Al graduated from high school in 1955. Following graduation he worked for the Alaska Railroad for six months before he got a job on the water.

After working as a deck hand on the harbor tug Kernel Korn for two and a half years, Al skippered the log tug Polaris for six months before being drafted. "I sold two airplanes and a new car when I was drafted," Al told me. "This money was used to finance the first boat Burch Bros. Inc. bought." The partnership has owned the Marigold, the Vita, the Celtic, the Endeavor, the I-Leak, and the P.J., and has been part of the shrimp, scallop, salmon, herring, and king and tanner crab fisheries.

The Burch Brothers presently own the M/V Dawn and M/V Dusk and trawl for shrimp. The bottomfishery is just getting started in Kodiak and the Burch brothers are already out fishing and have delivered nearly a million tons.

On shore duty now for the Alaska Shrimp Trawlers Association, Al has been working as office manager. He has been present at all of the AFDC formation and workshop meetings, and his quiet participation has been good for the board.

J. B. "Pete" Harris

John Black Harris, better known as "Pete," has been active in the work of the Alaska Fisheries Development Corporation from the start. Pete's broad experience in management and planning make him a valued man on the board.

After graduating from Bard College, Pete did post-graduate work in economics at Columbia. Pete's experience includes:

Chase National Bank, financial research staff.

W.R. Grace & Company, assistant to president, assistant project manager—chemical development, vice president, management organization and planning.

United Fruit and Food Corporation, vice president.

Frozen Foods Division of W.R. Grace & Company, vice president.

Pete is presently a development officer for New England Fish Company in Seattle. He has worked extensively to promote under-utilized fish species and recently has been promoting the bottomfisheries. Along with other members of the Alaska fishing industry, Pete worked hard on the preparation of the proposal for funding research of the bottomfish potential off Alaska.

Salute continued

Sig Jaeger

Sig Jaeger was born in Norway, but raised and educated in the United States. He completed graduate study in comparative literature and, creative writing. Sid has been a fisherman and vessel owner all his life. In 1971 he switched from active participation in the commercial fisheries to research and development in experimental fishing. He worked with National Marine Fisheries Service for two years designing Black Cod pots. He did research in hook spacing on halibut long lines for the halibut fishery and the results of his work served to correct the method used by the International Halibut Commission to determine population estimates. The previous method resulted in halibut numbers being overestimated.

Sig worked with the University of Washington Sea Grant program for one year as a fisherman's technologist with the faculty on campus. Then he moved to Alaska for a year as director for the fish technology program at the Kodiak Community College. While there he developed the internal curriculum for the program.

As a charter member of the Alaska Fishermen's Safety Advisory Council, Sig has devoted time and effort to encouraging safety in Alaska's fisheries. Sig is presently manager of the North Pacific Fishing Vessel Owners Association.

Rick Lauber

Rick Lauber was born and educated in California. He served in the United States Navy in 1945-46 and then attended and graduated from Southwest University School of Law.

When Rick came to Alaska, he was appointed a District Court Judge for the first judicial district at Ketchikan, where he served from 1959 to 1967. For the next three years Rick was appointed to a series of jobs including Director of the Youth and Adult Authority, Deputy Commissioner of the Department of Health and Welfare, Executive Director of the Crime Commission and Chairman of the Alaska Board of Parole.

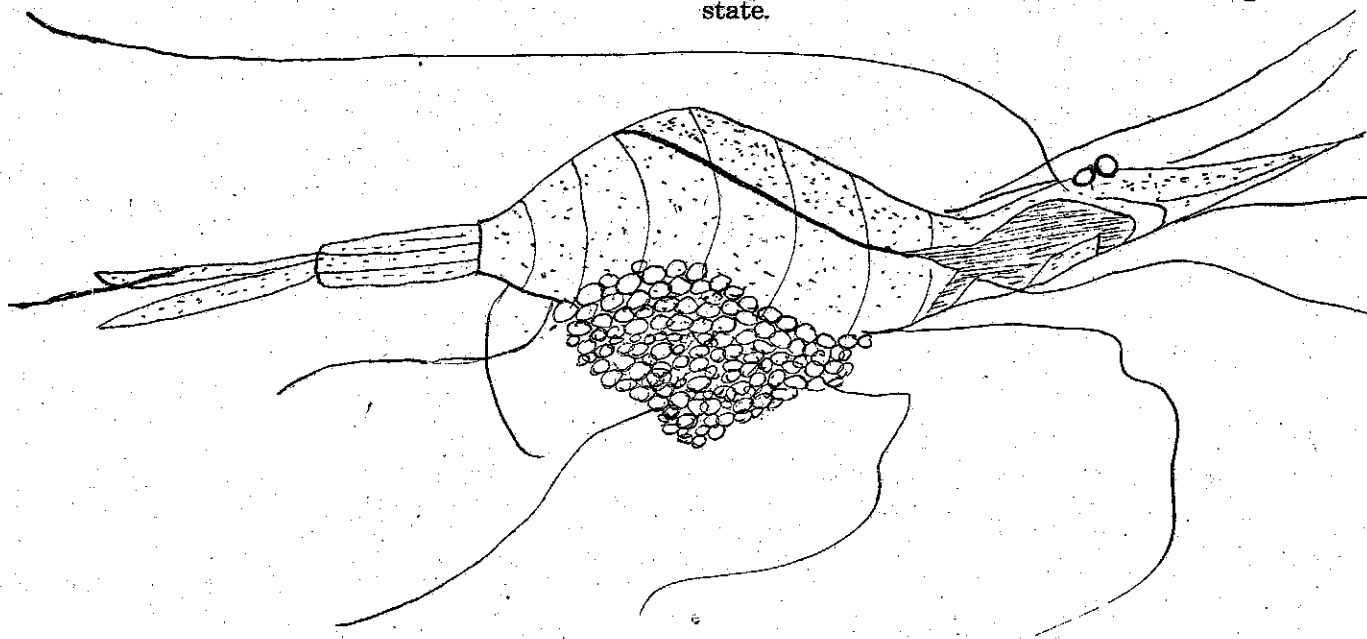
In late 1969 Rick became the Alaska Manager and Vice President of the Associated Pacific Fisheries, now called Pacific Seafood Processors Association. In this capacity he has served on the North Pacific Fisheries Management Council, participated in bilateral treaty negotiations with Japan and the Soviet Union and has been a member of International North Pacific Fisheries Commission Advisory Team.

Hank Pennington

Hank Pennington was born in New Mexico and moved to California when he was young. Hank attended Humboldt University in California and graduated with a Masters in fisheries biology.

After graduation he moved to Alaska and started work for the University of Alaska as Sea Grant Marine Advisor based in Kodiak. Hank has been stationed in Kodiak for three years.

As editor of Alaska Seas and Coasts, the Alaska Sea Grant publication, Hank is known throughout the state.



Patrick Pletnikoff

Patrick Pletnikoff was born on St. George Island in 1948. He attended high school at Sheldon Jackson in Southeast Alaska and then studied two years at the University of Colorado. Pat completed his education at the University of Washington, where he received a B.S. in Political Science.

After graduation Pat worked in the Contract Compliance Office of the Office of the Secretary, U.S. Department of the Interior. Returning to Alaska, he was involved in the construction of the Adak/Aleutian Processors Inc. plant.

The many things that Pat is now doing include being president of the St. George Village Corporation, the executive director of the Aleutian/Pribiloff Islands Association, president of the Association of Alaska Housing Authorities and the executive director of the Aleutian Housing Authority. In the fisheries line, he is serving as executive director of the Aleutian Fisheries Co-op.

Pat says that he is involved in fisheries because it is "the only real source of income for the people in the Aleutian/Pribiloff area." He is presently working on starting a fishery training program in the Pribiloffs.

Jon Rowley

Jon Rowley is known to many for his activities in environmental affairs, especially the preservation of fisheries habitat. Jon attended Reed College in Portland, Oregon, before moving to Paris to continue his studies at L'Insitut d'Etudes Europeannes and the Sorbonne. While overseas Jon participated and observed fisheries in Norway, France, and Portugal. He studied marketing and transportation techniques for seafood products while in Europe.

Some of Jon's recent activities follow:

1976—Co-founder and vice president, southern Southeast Regional Aquaculture Association.

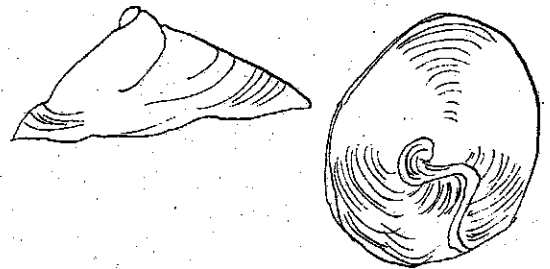
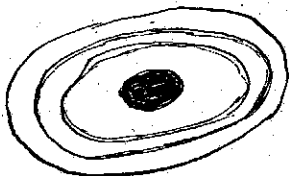
1976-77—Developed and served as director for the Alaska Trollers Association Logbook Program.

1977—Alaska Sea Grant program, Fisheries Institute coordinator.

1977-78—Editorial Board, Alaska Seas and Coasts.

1978—President, Aquatic Resources, consultant on fisheries.

1978—Southeast representative, "Alaska Fisherman's Journal."



Connie Taylor

Connie Taylor was born and grew up in California. She graduated from Heald Busines College and attended Napa Junior College in the California Bay area before she moved to Alaska. Connie was employed by the Retail Clerks' Union in Anchorage before she moved to Cordova and became involved in fishing in 1966. After working as a deck hand on a small dungeness crab boat for a season, she got an open skiff and started doing some crab fishing on her own. The following year Connie put a small cabin on her open skiff and started drift gillnetting salmon.

Connie purchased a new ferro-cement 34-foot purse seine vessel in 1969. She branched into the trawl fishery in 1971 when she started dragging for shrimp, and into the bottomfishery a few years later when she started selling scrap fish to tanner crab fishermen for bait.

Besides her fishing activities, Connie has been elected to serve a three-year term on the Cordova City Council. She serves on Prince William Sound Aquaculture board of directors and is third vice president of the Cordova Aquatic Marketing Association.

John L. Young

John L. Young is typical of many Alaska fishermen. He was born in Everett, Washington, in 1940 and moved to Alaska when he was 7 and has lived in the state ever since. John has been involved in fisheries for 15 years. After living in most Alaska fishing ports, John settled in Yakutat five years ago, where he picked up the nickname "Halibut John" from local fishermen.

John presently owns the 94-ton crab boat, Tina. He participates in the tanner crab and halibut fisheries and he plans to purchase salmon on the Copper River Delta this season.

John was present at most of the formation meetings of AFDC, and after the corporation was formed he was elected interim president. He traveled to Washington, D.C., with Sara Hemphill and Pete Harris to speak to government officials in behalf of AFDC and the bottomfish proposal.

FISHERIES DEVELOPMENT IN THE SOUTHEAST UNITED STATES

By **ROGER D. ANDERSON**

Executive Director

Gulf and South Atlantic Fisheries
Development Foundation, Inc.

Since 1960, the world catch of seafood has nearly doubled, while domestic production has remained essentially static. Though American fishery production has been constant, the nation's appetite for seafood has sharply expanded. Through home and institutional routes, consumers purchased more than five million metric tons of seafood last year, with a retail value near nine billion dollars. The inability of domestic firms to meet this demand has led to increased importation of fishery products, resulting in a balance of trade deficit approaching two billion dollars. At present, domestic production represents 37 percent of the edible seafood market, as compared to a 59 percent market-share in 1960.

With the passage of the Fishery Conservation and Management Act, the domestic industry has shown great interest in reasserting itself.

The shrimp industry, the most important fishery in the Gulf and South Atlantic, has been beset by a series of problems over the past several years. Shrimpers have been faced with increased competition from imported product, resulting in a decline of dockside prices. Concurrent with this has been the escalation in operating costs, primarily due to increased fuel prices. Uncertain market conditions, combined with higher operating costs, have continued to squeeze vessel profitability, escalating costs in an already inflated marketplace. While fishing effort has continued to increase, both through a greater number of boats and more efficient gear, catch per unit of effort continues to decline. Treaties with foreign governments continue to phase out American shrimping in distant waters. Displaced vessels will return to territorial waters, thus increasing effort on domestic stocks.

The industry trade associations of the Southeast, working through the cooperation of the National Marine Fisheries Service, formed the Gulf and South Atlantic Fisheries Development Foundation, Inc. While the foundation is a new concept, its mandate for wise and careful fisheries development is clear. With direction from industry, and ongoing input from government, the foundation has set out to serve as:

1. A means through which the commercial fishing industry can determine its research and development needs, then implement projects and programs to meet them.
2. A mechanism through which fishery-related funds can be channelled to meet mutually desired objectives.
3. A conduit through which public sector organizations can effectively coordinate their efforts via a single organization, representing both the Gulf of Mexico and South Atlantic Fishery Management Councils.

The foundation is directed by a board of trustees composed of one or two representatives from the coastal states stretching from Texas to Virginia. The trustees represent statewide organizations or, in the absence of such organizations, fishery cooperatives and/or individuals closely identified with a wide spectrum of statewide fishing activities. To date, 15 trustees represent the region.

Current support for the foundation's activities comes primarily from the Coastal Plains Regional Commission and Economic Development Administration. In addition, member organizations contribute time and support, as do cooperating agencies and institutions. The Foundation aims to cooperatively establish research and development plans for those fishery resources that the board believes have commercial potential. Thus, while the Foundation is a private, non-profit corporation, it works closely with state, federal and other organizations that share similar goals and objectives. This working relationship includes the identification of problems that require limited commercial development; the development of problems and projects that attempt to solve these problems; and the responsibilities of each organization's role in such efforts. As a result, the Foundation seeks out the research and development expertise existing in the National Marine Fisheries Service, Sea Grant, state agencies and other institutions and agencies, endeavoring to communicate industry's concerns and interests. As appropriate, industry assistance and contracts are awarded to qualified individuals and organizations.

The foundation, per se, does not intend to compete with state and academic institutions for existing monies, nor does it conduct research itself. Rather, the foundation cooperatively administers development programs through the commitment of its trustees, executive committee, and executive director. The executive director handles day-to-day activities including contract administration, information dissemination, and general staff support. He, in turn, relies on an executive committee composed of the president, Robert P. Jones (Southeastern Fisheries Association), vice president, Robert G. Mauermann (Texas Shrimp Association), and secretary-treasurer, Norman P. Angel (North Carolina Fisheries Association), for ongoing guidance. Additionally, the board meets quarterly, as well as being regularly apprised of important business and activity, particularly that which is within immediate purview of respective trustees.

Central to the foundation's goals and objectives is an effort to assist the states in developing more fisheries interest and support. Where endeavors are not cur-

(Continued on page 11)

Southeast Fisheries

Development continued

rently available, the foundation endeavors to bring resources forward. With the expertise already available, the foundation endeavors to enhance both the conservation and better use of the marine stocks in the Gulf and South Atlantic.

On a national scale, it has been estimated that for each one million dollars in additional fleet landings, 113 jobs, 33 directly in fishing and 80 in support industries, can be established. Consequently, if American production could offset one-half of the two-billion dollar trade deficit in fisheries, well over 50,000 new jobs could be created. While this is not expected as an overnight turn-about, the potential unquestionably exists. Research, development, and additional legislation are needed to stimulate this situation.

Through joint action of industry and government, fisheries development can thus mean the establishment of:

1. Solid economic bases for analyzing growth opportunities.
2. Basic information and training for industry diversification and growth.
3. Financial incentives, i.e. loans, loan guarantees, and tax incentives, to reduce risk and encourage expansion.
4. Mechanisms whereby industry can act collectively to solve its own problems.

Though little industry expansion has been noted in recent years, the future of fisheries development to the nation offers:

1. Potential for greater cash flow and capital accumulation.
2. Increased interest by the investment community.
3. Greater opportunity for export market development.
4. Improved quality control and consumer protection.
5. Greater availability and variety of product selection.

While this development poses major challenges to industry and government, the opportunities and rewards are great, offering both public and private benefits. With the renewed interest in this nation's fishing heritage and potential, the challenge will not go unnoticed.



Gulf and South Atlantic Fisheries Foundation, Inc. Project Report

By **ROGER D. ANDERSON**

Executive Director
Gulf and South Atlantic Fisheries
Development Foundation, Inc.

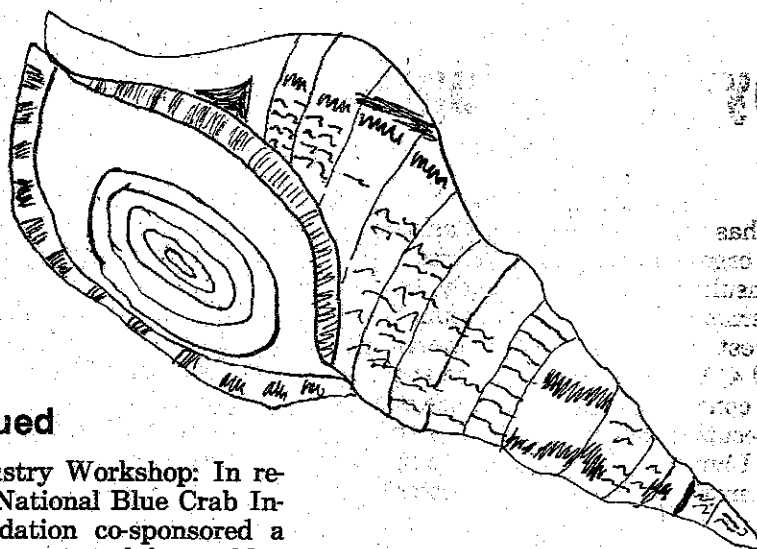
The Gulf and South Atlantic Fisheries Development Foundation Inc. was chartered in September 1976. By early April 1977 several projects were formally contracted to appropriate public agencies, academic institutions and individuals. These projects amounted to over \$150,000, generating over \$750,000 in matching funds. The following first-year projects were developed and are now underway:

1. **Midwest Marketing Promotion:** This project is aimed at introducing finfish of the Gulf and South Atlantic into Midwest marketing channels. Direct support includes \$100,000 from the Coastal Plains Regional Commission, with over \$400,000 in matching funds committed by the cooperating agencies/institutions. Well over one million dollars in complimentary media attention has been provided by Midwest television, radio and newspaper firms.

2. **Underutilized Species Cookbook:** In an effort to teach consumers about underutilized seafood products, an 88-page cookbook is being developed to "sell" Southeastern finfish and shellfish. Funding for the effort comes through industry contributions and discretionary funds from the Coastal Plains Regional Commission and Economic Development Administration. The lead agency in producing the manuscript is the National Marine Fisheries Service. In-kind contributions exceed \$50,000, with almost \$100,000 in previously prepared media materials donated to the project.

3. **Spanish Mackerel Development:** Two exploratory fishing programs have been developed. In the western Gulf of Mexico, an 18-month demonstration has been planned in conjunction with the Texas Parks & Wildlife Department and National Marine Fisheries Service. A similar effort, conducted along the South Atlantic, is being coordinated through the South Carolina Marine Advisory Service. Exploratory fishing for Spanish mackerel will focus on various gear types and harvesting strategies and the stocks, as well as potential for a commercial fishery. This project is supported by the Economic Development Administration (\$50,000), with matching support coming from the participating state and federal agencies, as well as industry participants, particularly Organized Fishermen of Florida and Southeastern Fisheries Association.

4. **Underwater Obstruction Mapping/Removal:** Working with the Louisiana Shrimp Association and Gulf States Marine Fisheries Commission, the foundation has provided/coordinated input as to the severity of oil- and gas-related bottom obstructions in Gulf coastal waters. (This problem requires prompt attention because of its growing threat to gear and vessel safety.)

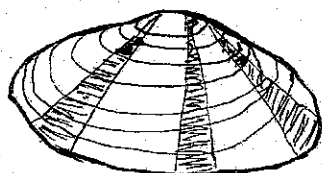
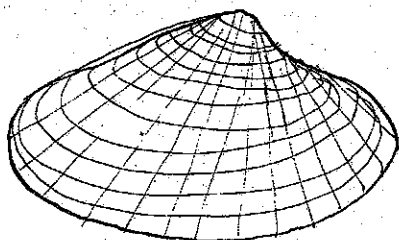


Project Report continued

5. National Blue Crab Industry Workshop: In response to a request from the National Blue Crab Industry Association, the foundation co-sponsored a national workshop to define current and future blue crab industry needs and problems.

6. Seafood Industrial Parks: The Coastal Plains Regional Commission, through its Marine Resources Advisory Committee, has recognized the need to advance the region's fisheries development via modern, centralized onshore facilities. Under a grant from the commission, the foundation is coordinating work to identify future sites for construction of Florida facilities.

7. Marine Education and Training Development: At the request of the board of commissioners (Monroe County, Florida), the foundation is assisting in the establishment of a deck-hand training program for the shrimp fleet. The training program is supported by Comprehensive Education and Training Act funds, administered by the Monroe County School District.



Fishermen Receive Some Good News

The following article appeared in Senator Ted Stevens' April 1978 Newsletter:

"The first anniversary of the implementation of the United States 200-mile fishery conservation and management zone was noted earlier this month with recognition of its positive results for Alaskan fishermen.

"Senator Stevens marked the anniversary with a statement on the Senate floor and said the new law has meant more to Alaska than to any other state. "The 200-mile limit appears to be successful in protecting U.S. fish stocks from the onslaught of foreign fishermen."

"The statement was supported by notification from the U.S. Fisheries Attache in Japan that in 1977 the United States experienced a dramatic turn-around in balance of trade with Japan in fisheries. Whereas in previous years the United States has experienced a pronounced trade deficit, in 1977 the U.S. would have about a \$100 million surplus, the attache said.

"Other good news for the fisheries industry included notification from the National Oceanic and Atmospheric Administration that the University of Alaska had been awarded a \$910,000 grant to help develop unique marine resources in the state, and to assist in such activities as marine education, marine safety and seafood processing. The grant was matched by another \$850,000 from the university, various state agencies, and private industry.

"The research projects to be funded by the money include a study to determine the best timing to release salmon fry from hatcheries, and a study to determine the impact of the 200-mile fisheries jurisdiction upon industries that process Alaska's seafood. The North Pacific Regional Fisheries Management Council will use this data to project the present and expected demand for a number of marine species, including salmon, halibut, crab and shrimp."

Pomeroy Urges Support for Alaska Fisheries

Editor's Note:

Harold Pomeroy has been a resident of Alaska since 1949. Mr. Pomeroy organized and was the first mayor of the Kenai Peninsula Borough. Presently he is a member of the governor's Growth Policy Council. Mr. Pomeroy was a guest at AFDC's board meeting in Anchorage on April 4, 1978. At that time he spoke to the board members concerning the importance of finding a top-notch executive director. As editor of the AFDC Newsletter, I am pleased to be able to include this article Mr. Pomeroy wrote for the Newsletter:

By HAROLD POMEROY

The potential for profitable development, production and marketing of bottomfish is a formidable challenge. If bottomfish were a resource where the development could be purchased as for oil and gas, and the prospects for profits seemed a good gamble, some big corporation would be prepared to spend millions for investigation, experimentation and testing to prove the viability of the expectation. This is a fair statement as the potential volume of the product is so large. The corporation would be integrated and in complete control of everything to be done. However, in the bottomfish situation there will be scores—or hundreds—of independent or semi-independent elements who will be working together and in a sense dependent on each other for the overall success.

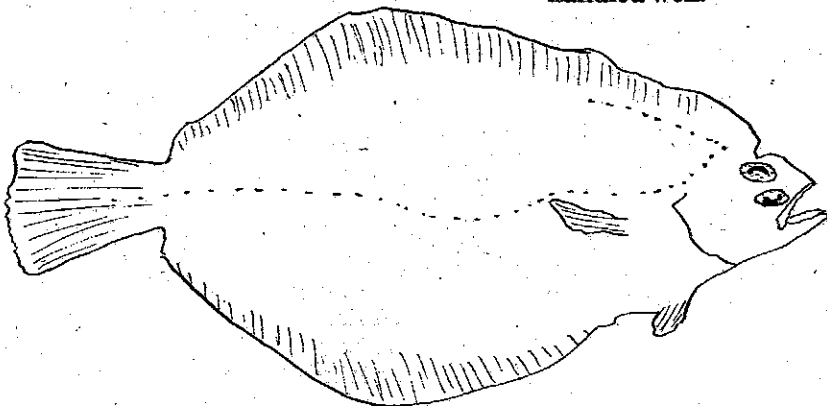
At issue in the bottomfish industry is the extent to which methods of production, procession, handling and marketing can be made successful in producing attractive profits for all who are involved. Bottomfish production is a big-league potential which will not be realized by timid efforts. Creation of the Alaska Fisheries Development Corporation proposal is a modest start of the organized continuing efforts which seems to me essential to effective realization of the bottomfish potential of Alaska.

It seems to me that the projected financing for AFDC is lean and the initial efforts spread thin. This is not to criticize a conservative start. It is to suggest that all concerned should be prepared to support financing that may be necessary to ensure a fully effective development effort for the most successful bottomfish exploitation that can be achieved.

Top quality management is as indispensable as financing. The most important qualifications are to be able to see clearly all features of the undertaking and grasp their relative importance and relation to each other, to be able to evaluate and judge objectively, to reach conclusions without temporizing so that necessary decisions can be reached by the board and put into effect promptly. Essential is a thorough understanding of the sound working relationship between management and a corporation board.

The manager should not be confused with the individual functions subordinate to management. The services of accountants and technicians can be secured without difficulty. The essential of pure management requires proven experience; it can't be bought at a bargain price. I speak in some detail on this as anything but the best you can secure will be a handicap you cannot afford on this promising prospect.

Selling bottomfish in bulk in foreign markets may loom large as a profitable potential. Even so, I suppose high priority attention will be given to testing and, within funds available, promoting an American market for high-quality products. This is a very demanding assignment that can't be carried out on a shoestring. Of course, at the outset very valuable information can be secured from retail sources of vast experience as to how much market can likely be developed at what premium price for premium quality—and what sort of promotion and advertising is economically feasible. Tight quality control will of course be absolutely essential. Superior performance in small selective tests of the market will be preferable to a splurge that can't be handled well.



Upcoming Meetings

Seafood Merchandising

The Food Marketing Institute, the National Marine Fisheries Service and the Office of Sea Grant are sponsoring six regional meetings throughout the United States to present the basics of seafood merchandising. These seminars will offer sessions of Selling the Seafood Concept, Product Assortment and Product Display, Merchandising and Promoting Seafood, and Seafood Operations including sanitation, facilities and design. Dr. Samuel M. Gillespie, Head of the Department of Marketing at Texas A & M University, will conduct the seminar.

The schedule calls for the meetings on the West Coast to be held in Los Angeles on July 18th and in Seattle on July 20th. For more information write to FMI Registrar, 303 East Ohio Street, Chicago, Illinois 60611 or phone Maggie Finch at 312/467-7150.

Alaska Fisheries

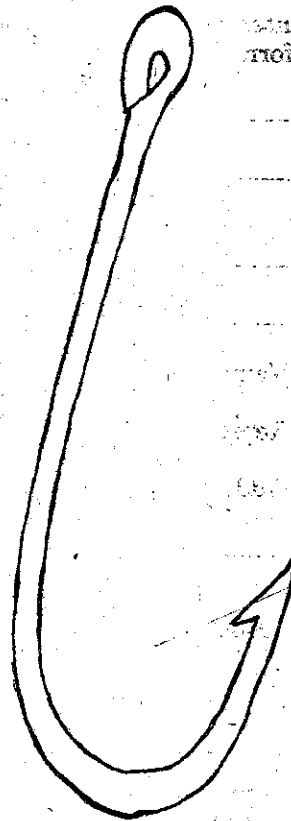
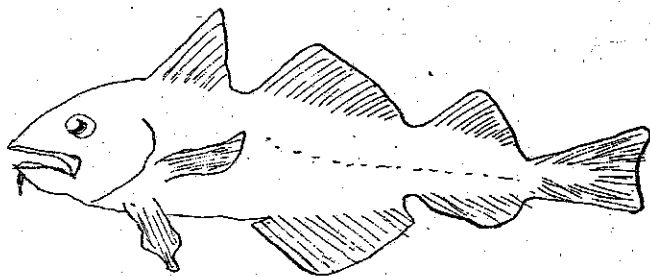
The American Association for the Advancement of Science will hold the 29th Alaska Science Conference at the University of Alaska Campus in Fairbanks August 15-17, 1978. This year's AAAS conference will focus its attention on the utilization of Alaska's renewable marine resources: Alaska Fisheries: 200 Years and 200 Miles of Change. The selected topics for the meeting are:

August 15 — Alaska Fisheries: 200 Years and 200 Miles.

August 16 — Fisheries of the Future.

August 17 — Marine Mammals: A Traditional Resource. A Future "?"

For more information write to Donald Rosenburg, Conference Chairman, Alaska Sea Grant Program, University of Alaska, Fairbanks, Alaska 99701.



A F D C Regions

For organizational and membership purposes the Alaska Fisheries Development Corporation has divided the state of Alaska into five regions as follows:

Region 1. Petersburg and South

Region 2. Yakutat and South to Sitka

Region 3. Cook Inlet and Prince William Sound

Region 4. Kodiak to Chignik

Region 5. Aleutian/Pribilof and Bering Sea

Alaska Fisheries Development Corporation
Box 969
Cordova, Alaska 99574

I am interested in learning more about your work. Please send me the following additional information:

- _____ Copy of Articles of Incorporation and by-laws
- _____ Abstract of proposal for Saltonstall-Kennedy funds to promote bottom-fishing off Alaska
- _____ Applications for membership
- _____ Additional Copies of AFDC Newsletter

Name _____

Representing _____

Address _____

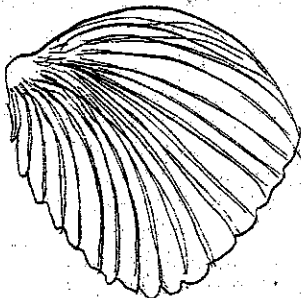
MEMBERSHIP INFORMATION

Voting membership in the Alaska Fisheries Development Corporation is open to bona fide fishery organizations representing Alaska fishermen and to processors who are licensed in the state of Alaska.

To become a member you need only fill out an application and send it to the corporation office. Fishery groups should designate their regional affiliation. Processors will not be bound to regions for the purpose of membership.

Fishery groups should include with their application a copy of their articles of incorporation or by-laws or other evidence of their purpose and objectives. Processors should include a copy of their Alaska Processor's License.

Associate memberships and supporting memberships are open to any individual or company that is interested in promoting the Alaska fishing industry.



Voting membership	\$200
Associate membership	\$100
Supporting membership	\$500

