DATE

Mr. Rolland Schmitten

Assistant Administrator

for Fisheries, NOAA, NMFS

1335 East-West Highway

Silver Springs, Maryland 20910

Dear Mr. Schmitten,

The Alaska salmon industry is in a state of crisis. In 1985, Alaskan salmon comprised 88% of Japanese imports; in 1992, our market share fell to 57%. In Europe, Alaskan fresh and frozen salmon commanded 80% of the import market; today, our share has fallen to 10% and our products have been replaced with Norwegian, Scottish and other European farmed salmon. Even in the United States, Alaska salmon's market share has declined from 87% in 1985 to 59% in 1992.

The cause of this decline is simply - supply. In the last twenty years, worldwide production of salmon has tripled, due to increased production of wild salmon from Alaska and Russia, success of aquaculture in Japan, and skyrocketing worldwide production of farmed salmon.

Loss of market share is translating into financial disaster for the thousands of people in Alaska, the Northwest and throughout the United States that depend on this industry for their livelihoods. In many coastal communities, economic contributions from the salmon industry constitute the vast majority of income to the community and its residents. Over 35,000 people are employed annually in the Alaska salmon industry. In 1991, the direct and indirect economic impact of the salmon industry on the nation was over one billion dollars. However, between 1988 and 1992, the average wholesale price for salmon products fell by $.98 per pound. The average harvester caught 33% more fish in 1991 as compared to 1988, yet earned 56% less.

The Alaska Fisheries Development Foundation has recognized the severity of this crisis by seeking Saltonstall/Kennedy funds to address the problem. Their proposal is to designed to catalyze the industry into cooperatively working to develop new products and markets for Alaska salmon. All levels of the industry - harvesters, processors, secondary processors and end-users, Alaskans and non-Alaskans will play a part in the project.

AFDF has a track record of success from their orchestration of the development of the US surimi industry. The time is now to mirror that effort with the nation's salmon industry. We need it, all of the players in the industry want it and are ready for it. I urge you to support this project and assist us in addressing the most serious economic challenge the **U.S.** salmon industry has ever faced.

Sincerely,

Paul Fuhs

Commissioner

CC: S. Pennoyer, NMFS Regional Director, Juneau

DATE

Mr. Rolland Schmitten

Assistant Administrator

for Fisheries, NOAA, NMFS

1335 East-West Highway

Silver Springs, Maryland 20910

Dear Mr. Schmitten,

I am writing on behalf of the state of Alaska to alert you to the economic crisis facing the Alaska salmon industry. Thousands of Americans in my state, the Northwest and across the country have depended on the salmon industry for their bread and butter for over a hundred years. Now, huge increases in salmon production across the world have sounded a wake up call to this industry to develop new markets and products for wild Alaska salmon or face total industry collapse.

The salmon industry needs your help. We have been harvesting and processing salmon the same way for a hundred years. Old ways die hard and we need a cooperative development effort by all sectors before forward progress can occur.

The Alaska Fishery Development Foundation catalyzed the US seafood industry into producing surimi in the mid 80's. They are proposing to do it again with the salmon industry via Saltonstall/ Kennedy funds through your agency.

I realize that the National Marine Fisheries Service does not often work with the salmon industry. However, **this** is the problem that needs to be addressed by Alaska and the **nation** **right now**. I urge you to use your resources to help us attack it.

Sincerely,

Governor Hickel

CC: S. Pennoyer, NMFS Regional Director, Juneau