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March 10, 2000

The Honorable William M. Daley
Secretary of Commerce
U.S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, DC 20230

Dear Mr. Secretary:

I formally request you declare a commercial fishery failure pursuant to Section 312 of the Magnuson-Stevens Fishery Conservation and Management Act (Act) so assistance can be provided to the adversely impacted communities, fishers, small business owners, and their employees in St. George, St. Paul, and other coastal communities in the eastern Bering Sea. I am hopeful you will be able to visit the affected communities to assess the situation firsthand.

The Alaska Department of Fish and Game (ADF&G) manages the snow (opilio) crab fisheries by delegation under the auspices of a federal fishery management plan. In September 1999, ADF&G announced an 86 percent reduction in the snow crab harvest following trawl surveys conducted by the National Marine Fisheries Service (NMFS) which showed a significant decline in biomass recruitment of snow crab in the Bering Sea. Current estimates predict the fishery will probably be closed entirely in 2001, and remain at low levels through 2004.

Unfortunately, due to a lack of adequate research and stock assessment information, the cause of the snow crab decline is unclear. The NMFS trawl surveys showed dramatic declines in crab recruitment and harvestable male crab numbers were down 63 percent from 1998.

In addition to the low harvest levels, the situation was further exacerbated by extensive sea ice coverage on the Bering Sea fishing grounds. The unique ice event, which closed the St. Paul harbor in early January, was cited as the most extensive since 1975. On January 7, 2000, ADF&G postponed the snow crab fishery until after April 1, 2000, due to concerns over the safety of the fishermen, gear conflict between vessels in a derby style fishery, and increased crab handling mortality.

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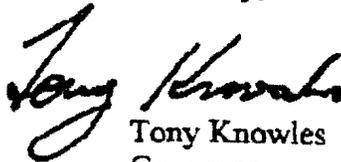
The impacts of the snow crab decline and the early sea ice advance on the communities in the region are dramatic. St. Paul processes over 40 percent of the snow crab harvest, generating \$8 million in municipal taxes in 1999. This year, crab tax revenues are projected to be 66 to 90 percent below recent averages. St. George projects a revenue shortfall of \$900,000 and inability to make bond payments for harbor completion. Reduced revenues for both communities have already resulted in reduced plane service, reduced municipal and health care services, increased food costs, and inability to continue capital projects. These types of impacts are especially devastating to small isolated communities.

As described in the enclosed documents, the state is engaged in efforts to provide assistance and services to those affected by the fisheries failure. However, this assistance has limited scope and cannot fully provide the services and resources required to adequately support the communities.

A declaration under Section 312 is needed to expand the types of assistance we have been and are able to provide. Specifically, financial assistance is needed to assist the affected communities and to improve fisheries research, management, and coordination to help restore the fisheries and prevent similar failures in the future. As the stewards of the resource, there are things government can do to restore fisheries and anticipate changes in production, so that similar dramatic changes do not lead to economic failures. It also prepares those dependent upon the resource for the impacts. We will be discussing funding under the Act with our Congressional Delegation.

I appreciate your attention to this matter. If I may be of further assistance, please contact me or have a member of your staff call John Katz of my Washington, D.C., office at (202) 524-5858.

Sincerely,


Tony Knowles
Governor

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Enclosures: Stock Assessment and Fishery Report
ADF&G Emergency Closure Order
Preliminary Community Impact Descriptions
Current Projects in Opilio Harvest Impacted Communities
Health and Social Services Response to the Impact of the Bering Sea Opilio
Crab Failure
ADF&G Research Proposal
Community Descriptions

cc: The Honorable Ted Stevens, U.S. Senator
The Honorable Frank Murkowski, U.S. Senator
The Honorable Don Young, U.S. Representative
John Katz, Special Counsel to the Governor, Washington, D.C., office
Steve Penoyer, Regional Administrator, National Marine Fisheries Service
William Hines, Policy Coordinator, National Marine Fisheries Service
Frank Rue, Commissioner, Alaska Department of Fish and Game
Deborah Sedwick, Commissioner, Alaska Department of Community and
Economic Development