BRIEFING PAPERS

PACIFIC BASIN DEVELOPMENT COUNCIL

ANNUAL MEETING
September 16-18, 1989

BRIEFING PAPERS

PACIFIC BASIN DEVELOPMENT COUNCIL

ANNUAL MEETING
SEPTEMBER 16-18, 1989

Prepared by: Bureau of Planning
September, 1989

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DRAFT

DRAFT (9/13/89)

1989 ANNUAL MEETING
Board of Directors
Honolulu, Hawaii
September 18, 1989

PRELIMINARY DRAFT AGENDA

Saturday, September 16, 1989

2:00 p.m. TECHNICAL ADVISORY COMMITTEE
at PBDC Office, Suite 325, 567 S. King Street (by invitation only)

Sunday, September 17, 1989

6:30 p.m. GOVERNORS' PRIVATE DINNER
at Washington Place (by invitation only)

Monday, September 18, 1989
Governor's Conference Room, State Capitol, 5th Floor (ph. 548-5420)

9:00 a.m. CALL TO ORDER

o Governor John Waihee, President

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APPROVAL OF 1989 WINTER MEETING
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o State of Hawaii

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o Carolyn Imamura

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o Edward Y. Hirata, State of Hawaii

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o Raymond Lett

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o William Paty, State of Hawaii,
Western Pacific Regional Fishery Management Council &
Pacific Fisheries Development Foundation

TUNA: THE AMERICAN TUNA ASSOCIATION

o August Felando, American Tuna Association

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o Jerry B. Norris

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OTHER BUSINESS

Closing Remarks

GOVERNORS' LUNCHEON AND EXECUTIVE SESSION
at Washington Place (by invitation only)

ADJOURNMENT

5:00 p.m. **RECEPTION**

at Washington Place (by invitation only)

JBN/cki
9//89

REGIONAL DRUG INTERDICTION PROPOSAL

* Outline of Four Area Proposal

* List of Other PBDC Drug Control Issues

REGIONAL DRUG INTERDICTION PROPOSAL

The Regional Drug Interdiction Proposal consists of four areas:

A. Drug Conference from which representatives from education, treatment and law enforcement would get together and develop an integrated regional strategy.

1. CNMI will take the lead and will submit a proposal on the conference to PBDC by October 31.

2. We will be collecting data & developing format.

3. Conference tentatively scheduled for next spring

B. Canine Drug Detection.

1. Want to train two dog handlers & dogs from each political jurisdiction.

2. Look into a "train the trainer" program for Guam and CNMI.

3. Hawaii and Guam to develop the proposal & submit to PBDC by October 31.

C. Intelligence Networking.

1. Intelligence Data Base. We want to focus upon our role as transshipment points. Seems Guam and the region is more of a transshipment point than we realized. There are intelligence networks we could link into.

2. AFIS. Cost of equipment to link into AFIS is unknown. CNMI thinks it will cost $500,000 per jurisdiction in will give info it has on it to American Samoa.

3. Proposal due to PBDC by October 31.

4. American Samoa is looking at its SPICIN and Project Cook (Customs project on ship movement)

D. Technical Assistance.

1. No particular types have been identified so far.

2. Jerry Norris is to develop this by October 31.

<u>Other PBDC Drug Control Issues</u>

<u>on which the Governors should take a formal position:</u>

1. <u>Four year limitation</u> on projects that are funded. All PBDC members have projects that require continued funding beyond four years.

2. <u>50/50 Match.</u> While this does not impact the territories it will impact Hawaii. There are localities which conceivably receive funds that can't make the match and will lose funding.

3. <u>Mandatory pass through of funds</u> to localities having 150,000 population. Will not impact territories but would impact Hawaii. It would prevent it from developing and implementing a state wide strategy.

4. <u>New state strategy</u> is apparently required. States feel like they are continually writing new strategies and this is a problem when taken in relation to other grant requirements.

5. <u>Funding for law enforcement.</u> Proportionately speaking, the Western territories' funding cut was the same as the states. All agree that in the long term prevention and education is the key--but for the time being, law enforcement is on the front line. While the Bush proposal calls for increased law enforcement funding, it appears appropriate that the Governors echo the need for increased funding and support Bush.

While these issues have more direct impact for Hawaii, as a regional body, PBDC should also take up these issues.

PACIFIC AVIATION SECURITY TRAINING

* An Extract from the Minutes of the
1989 PBDC Winter Meeting

Extracted from

the

PBDC

MINUTES OF 1989 WINTER MEETING (March 1, 1989)

Aviation Security. Mr. Quinten Johnson, who made a closed session presentation last year, highlighting the Seoul Olympics needs and preparation, reviewed the civil aviation security progress made in the past year. During the 1988 Winter Meeting session, the Board encouraged FAA to work with OTIA in obtaining technical assistance funds to provide tailored aviation security training for the Territories; OTIA executed a memorandum of understanding in May for that purpose.

For the Western Pacific (Guam and CNMI), 2 seminars (over 3 consecutive days) will be held in late March. A similar program for American Samoa is planned for early summer in Honolulu in order to cover Pacific region airline corporate personnel as well as ASG officials; it is hoped to coincide this session with the regional law enforcement conference. These training seminars will be geared to Island situations, capabilities, and vulnerabilities and include non-FAA trainers from the FBI and State Department.

Informal training sessions have been held in conjunction with ongoing site inspections; these have yielded significant increases in communication and coordination, that have already resulted in several major incident breakthroughs.

In addition to the on-site support, FAA (Sfo CASFO) was able to obtain 6 training slots at regular Transportation Safety Institute seminars in Denver (July 1988) and TSI/Oklahoma City (August) for officials from CNMI (Public Safety), Guam (Airport Authority and Police Department), Hawaii (Police Department at airport), and PBDC.

Governor Tenorio raised a question about coordination during a recent bomb threat at Saipan. Mr. Johnson stated that he will have appropriate officials follow-up on the specific situation.

FUTURE FARMERS OF AMERICA

* Status of FFA on Guam

* Fact Sheet on FFA and
  High School Agriculture

FUTURE FARMERS OF AMERICA
HIGH SCHOOL PLACEMENT PROGRAM

According to Peter Melyan of the UOG Cooperative Extension Service 4-H Youth Development Program, FFA representatives visited Guam in late 1987 and toured local high schools.

Before their departure, they indicated that if Guam wants to participate in the FFA High School placement program, it must be able to identify students who are participating in a serious Agriculture program which teaches Agriculture on the same level as high school biology and chemistry.

Attached is a fact sheet on the FFA and High School Agriculture.

ational FFA Organization

FACTS
FFA & HIGH SCHOOL AGRICULTURE

FFA FOR AGRICULTURE STUDENTS

The FFA is a national organization of high school vocational agriculture students preparing for careers in agricultural production, processing, supply and service, mechanics, horticulture, forestry and natural resources. FFA chapters are established in public schools where it is an integral, intracurricular part of instruction in high school agriculture under provisions of the National Vocational Education Acts.

ORGANIZED IN 1928

FFA was organized nationally in 1928 in Kansas City by vocational agriculture students who had formed local and state organizations, some dating back to 1917. In 1950 Congress granted the FFA a Federal Charter. Today, there are 7,867 chapters in 50 states as well as Puerto Rico, District of Columbia and the Virgin Islands. Active membership is 416,663.

THREE STRANDED PROGRAM

The high school agriculture/FFA program has three strands interwoven like a rope. The total program is weakened if one of these strands is missing. High school agriculture is the first strand and is the course of study for students preparing for careers in agriculture. The second strand of the program's rope is the Supervised Occupational Experience (SOE) program which each high school agriculture student conducts. Whether it be agricultural enterprises at home or in a placement situation at an agricultural business, the students put into practice what they have learned in high school agriculture classes. FFA, the third strand, provides the incentive and awards to excel in high school agriculture and the FFA. It is a laboratory for the high school agriculture instructor to teach leadership and human relations skills.

FFA DEVELOPS AGRICULTURAL LEADERS

The primary purposes of the FFA are to develop agricultural leadership, cooperation and citizenship. Through participation in FFA activities, young men and women, ages 14-21, interested in all aspects of the agricultural industry, learn how to speak in public, conduct and take part in meetings, handle financial matters, solve their own problems and assume civic responsibility.

INCENTIVES TO EXCEL

FFA members elect their own officers and plan and carry out activities with a minimum of supervision from their high school agriculture instructor who serves as chapter advisor. FFA judging contests, public speaking contests and incentive awards programs for chapters and individual members complement the classroom instruction and challenge students to excel.

ELECTRONIC CLASSROOM

The FFA has developed an Ag Ed Network in cooperation with AgriData Resources, Inc. for use in high school agriculture departments. The network, an electronic information database, is accessible by any classroom computer and provides the high school agriculture instructor with up-to-date agriculture education news, lesson enhancement modules and a variety of other up-to-the-minute information to make learning exciting and current for the student. FFA news and information is included on the system.

DEGREES OF MEMBERSHIP

Degrees of membership are awarded on the basis of individual achievement in the organization. The member begins as a Greenhand and progresses to the Chapter FFA degree in the local chapter. The State FFA degree is presented by the State FFA Association and the American Farmer degree is awarded by the National FFA Organization.

HEADQUARTERS IN VIRGINIA

The National FFA Organization has offices near Alexandria, Virginia, where the organization owns and operates the National FFA Supply Service, *The National FUTURE FARMER* magazine, the Program Division and an FFA Alumni Association.

FFA FOUNDATION IN WISCONSIN

The National FFA Foundation, Inc., supports the high school agriculture/FFA program through incentive awards to FFA members and chapters. Foundation funds are provided by business, industry, organizations and individuals to recognize FFA achievements at local state and national levels. The Foundation's address is Box 5117, 310 North Midvale Boulevard, Madison, WI 53705-0117. StarGram FF200A, Telephone (608) 238-4222.

FFA ALUMNI ASSOCIATION

The FFA Alumni Association was founded in 1971 to give the more than 3 million former FFA members an opportunity to continue their support of the FFA organization. FFA alumni organizations at the local, state and national levels are making substantial contributions to assist in the continued growth and development of an active FFA program for youth preparing for careers in agriculture. The FFA Alumni Association has 1,100 affiliates and 28,000 alumni members nationwide.

FFA MOTTO

Learning to Do, Doing to Learn, Earning to Live, Living to Serve.

REGIONAL FLY ERADICATION PROGRAM

* Update on Rota/Hawaii Melon Fly Projects

* PBDC Resolution "Fly Eradication Program in the Pacific Basin"

U.S. Department of Agriculture (USDA)

USDA has several programs that impact the Government of Guam's Department of Agriculture (DOA). These programs are in the area of the Forest Service, the Animal Plant and Health Inspection Service (APHIS), and the Soil Conservation Service.

Under Forestry, while Guam is now participating under the Forestry Grant-in-Aid Program the funding level is not sufficient for the DOA's Forestry Division to undertake badly needed afforestation and reforestation work especially for rehabilitation of southern Guam. The Forestry Division has done 200 acres of afforestation in southern Guam. The Division has been averaging about 40-50 acres of planting per year. There are 10,000 acres of savannah land that require afforestation work [(both public and private lands) there are considerable acreage of private lands that are highly eroded that requires planting for soil and water conservation purposes].

As readily apparent from the above-mentioned figures, unless there is an increase in the funding level granted to Guam the task to afforest southern Guam will take quite a long time to accomplish. Therefore, it is recommended that in order for Guam to save its fragile, valuable soil and water resource it is necessary that Guam's funding level for Forestry Grant-in-Aid be increased.

Under APHIS, DOA performs certain functions that should be carried out by USDA. DOA through the Guam Department of Commerce's Customs and Quarantine Division enforces USDA's APHIS regulations for shipments from foreign countries. There have been numerous instances where shipments arriving on Guam are infested. It is recommended that an agricultural inspection station with a small fumigation chamber be provided by USDA.

USDA is undertaking fly eradication project for Hawaii and California. One (1) of the target species for eradication in Hawaii is the melon fly. The melon fly is also present on Guam.

USDA has tried an experimental eradication program for the melon fly on Rota in the CNMI using Cue-Lure. Had the project been successful, it was to have been extended to Guam. Unfortunately, the project did not succeed.

GovGuam should request that the melon fly project for Hawaii be extended to Guam. The fly can be hatched and reared in Hawaii and then shipped to Guam for aerial release.

There is a need for USDA to update its insect pests listing. The last entomological survey done by USDA for Guam and the former Trust Territory of the Pacific Islands was in the 50's. The development of Guam's agriculture is impacted by the out-dated list as there may be new pests present or pests from the 50's survey that are no longer present. Guam should recommend that USDA undertake a survey to update the insect pests for Guam and the surrounding Pacific Islands.

Under the USDA Soil Conservation Service, there exists a program called Resource Conservation and Development (RC&D) aimed at stimulating rural development and conservation projects. An application was submitted in December 1988 to USDA but due to budgetary constraints, this application has since been held pending. However, there are indications that additional funds may be available in FY 1990 so therefore, we should again pursue for the implementation of this program on Guam.

Pacific Basin Development Council
Suite 620 ∘ 567 South King Street ∘ Honolulu, Hawaii 96813
Telephone (808) 523-9325 ∘ Telex 743-0668

Coleman

Tenorio

Islands

Bordallo

Ariyoshi

FLY ERADICATION PROGRAM IN THE PACIFIC BASIN

Be it resolved by the Pacific Basin Development Council:

WHEREAS, the islands of Guam and Rota (Commonwealth of the Northern Mariana Islands) are infested with the melon fly (Dacus cucurbitae); and

WHEREAS, in 1963 the melon fly was eradicated from the Northern Mariana Islands but not from Guam, causing the infestation to reappear on Rota, which is about 40 miles north of Guam, and to threaten the other Mariana Islands; and

WHEREAS, as long as the infestations exist, the agricultural industry is crippled as exportation of certain fruits and vegetables outside the Marianas is prohibited; and

WHEREAS, representatives of the Territory of Guam and the Commonwealth of the Northern Mariana Islands have met to discuss methods of approach to eradicate the melon fly from Guam and Rota; and

WHEREAS, the Governments of Guam and the Commonwealth of the Northern Mariana joined to request the assistance of the U.S. Department of Agriculture in eradicating the melon fly from Guam and Rota; and

WHEREAS, the United States Department of Agriculture has sent a team of experts to review the melon fly infestations on Guam and Rota; and

WHEREAS, the team of experts has submitted its report and recommendations to both Guam and the Commonwealth of the Northern Mariana Islands Governments; and

WHEREAS, the local governments recognize the limitation on resources available to them to eradicate the melon fly; and

WHEREAS, eradication of the melon fly from Rota and Guam requires the joint efforts of the Governments of the Commonwealth of the Northern Mariana Islands, Guam and the United States; and

WHEREAS, the Pacific Basin Development Council is concerned about economic development and the well being of peoples in the Pacific Basin; and

WHEREAS, the Pacific Basin Development Council recognizes the limitations of resources in Guam and the Commonwealth of the Northern Mariana Islands; and

WHEREAS, the State of Hawaii has similar problems and has entered into an agreement with the United States Department of Agriculture and the University of Hawaii tropical agriculture program which may benefit a regional approach of the eradication problem;

NOW THEREFORE, BE IT RESOLVED, that the Pacific Basin Development Council supports the efforts and concept to eradicate the melon fly from Guam and Rota; and

BE IT FURTHER RESOLVED, that exploration of a unified approach, with participation of all the island governments, to include Hawaii, be launched immediately; and

BE IT FURTHER RESOLVED, that the Pacific Basin Development Council stands ready to provide assistance and ongoing support for the eradication program; and

BE IT FURTHER RESOLVED, that the President and Executive Director of the Pacific Basin Development Council attest to the adoption hereof and that copies of the same be thereafter transmitted to appropriate officials in the Islands and Federal Governments.

PEDRO P. TENORIO, Governor
Commonwealth of the Northern Mariana Islands
and President of the Pacific Basin
Development Council

JERRY B. NORRIS, Executive Director
Pacific Basin Development Council

Approved on November 4, 1983, in Saipan, CNMI by:

Governor Pedro P. Tenorio, Commonwealth of the Northern Mariana Islands;
Governor Ricardo J. Bordallo, Territory of Guam;
Governor Peter Tali Coleman, Territory of American Samoa
Governor George R. Ariyoshi, State of Hawaii

during the Annual Meeting of The Pacific Basin Development Council.

FISHERIES ISSUES

* Chronology of Hawaii's Longline Fishing Problem

* Western Pacific Regional fishery Management Council ltr

* Copies of Honolulu Advertiser Articles re: Vietnamese Longliners

* Guam Tribune article re Proposed Gillnet Ban

CHRONOLOGY OF
LONGLINE FISHING PROBLEM

On or about July 21-22, 1989	Longliners reported fishing among FADs off Waianae Coast. About four Vietnamese-operated longliners laid gear about 5 miles offshore. CB radio talk among trollers to stop Vietnamese and tell them not to fish in "their" waters and catch "their" fish.
July 25	Problem of Vietnamese longliners and Waianae trollers brought to attention at 66th meeting of Western Pacific Regional Fishery Management Council. Trollers complained of gear conflict at FADs and setting lines close to shore (2 miles). They reported that longline floats are being shot/cut and lines being cut.
August 1	DLNR arranged preliminary meeting to discuss concern and ask former State Senator Stanley Hara (representing Hawaiian Tuna Packers) to assist the State in communicating with the longline fishermen.
August 14	Met with representatives of Korean and Vietnamese longline vessels to discuss the "problem." The Korean fishers explained that they keep a distance of 20-25 miles from shore since fishing closer often results in damage to gear by other fishermen. The Korean longliners also have trouble with Vietnamese longliners--crossing of fishing lines (east-west direction set by Koreans as compared to north-south direction set by Vietnamese). It was agreed that a meeting should be held with the Vietnamese longline captains. The group discussed information to be provided to the Environmental Committee of the Waianae Neighborhood Board that was meeting that night in Waianae.
August 14	Waianae Neighborhood Board Committee meeting (7 pm, Waianae Intermediate School). Waianae trollers discussed problem. The primary concern was depletion of ahi and need to maintain fishery.
August 15	Hawaii Fishing Coalition meeting (at Keehi Lagoon Pavilion) to discuss "problem" with other fishers outside of Waianae area.
August 17	Met with captains and/or representatives of Vietnamese vessels at Pier 17, Honolulu Harbor, to discuss their concerns. They stated their gear is still being damaged when fishing 15-20 miles offshore of Waianae. An informal agreement was reached to set gear beyond 20 miles from shore off Waianae.

August 21	Meeting (7 pm, Hawaiian Tuna Packers) with "local" fishermen, fish dealers, etc. to discuss "problem." One Waianae commercial charter fishing trolling boat captain and a member of Waianae Neighborhood Board attended. Setting a limit on distance for longliners to fish from shore was not desirable for all areas. Waianae is traditionally an ahi ground - (sampan) longliners previously fished close to shore. A decision was made to send a letter to the Vietnamese fishermen asking them to fish away from shore to avoid incidents with other fishermen.
August 21-23	Vietnamese longliner reported fishing within 20 miles from Waianae coastline.
August 24	Radio transmission sent in English, Korean and Vietnamese to longline vessels at sea asking cooperation to do fishing well off shore, and to avoid conflict with other fishermen.
August 28	Met with representatives of Korean and Vietnamese longline vessels. Recapped actions and incidents to date. Learned that well over half of longline fleet are Korean-operated. Korean longliner representative indicated that like themselves, Vietnamese will find it more profitable to fish in deeper waters for "big-eye" tuna.
August 29	Mailed/delivered letters to fishermen asking longliners to remain 20 miles offshore and 10 miles from FADs. Hawaii Fishing Coalition meeting (6:30 pm, Waianae Intermediate School cafetorium) to discuss need for concensus on management of fishery resources. Discussed impact of longline fishing, foreign drift gillnet fishery beyond EEZ, gear conflicts and limited entry. Waianae fishermen suggested 75-mile buffer zone between longliners and shore but willingness to negotiate distance with longliners. Concluded that drift gillnets beyond EEZ is of greatest concern, all local fishermen need to band together to work on drift gillnet fishery concern which impacts nearshore fishery.

WESTERN
PACIFIC
REGIONAL
FISHERY
MANAGEMENT
COUNCIL

RECEIVED
SEP 12 1989
GOVERNOR'S
OFFICE

MEMORANDUM

September 6, 1989

TO: Peter R. Barcinas, Director

FROM: Kitty Simonds, Executive Director

Kitty Simonds

SUBJECT: VIETNAMESE LONGLINE FISHERMEN

This is in response to your request of 5 September regarding the current status of the gear conflicts between recently arrived longline vessels and small boat recreational and commercial fishermen in Hawaii.

Fourteen converted shrimp trawlers from the Gulf of Mexico arrived in Hawaii this February and began longlining for tuna around state-owned fishing buoys and in nearshore waters. Tensions mounted and disgruntled fishermen from Waianae cut a number of fishermen's buoys and lines.

Bill Paty met with both the local Waianae fishermen and the longline fishermen several times during August. At one meeting with Vietnamese fishermen an agreement was reached that they would try and stay at least 20 miles offshore. Some of the longliners did not honor this agreement. In order to improve communications, a letter requesting adherence to the agreement, in both English and Vietnamese was sent to all registered longliners in the state. A fact sheet on the longline fishery was also enclosed. (See attachments 1 and 2.)

The charter boat, recreational and troll fishermen have formed an ad hoc committee to develop proposals for further resolution. They plan to meet with longline representatives in an effort to negotiate an agreement to take to the state requesting some regulations. There is a concern that the Gulf fishermen now fishing in Hawaii are but a first wave of Gulf and East Coast longliners who may migrate to Hawaii. This ad hoc group wants to explore the possibility of limited entry for longliners. I have attached some the articles which have appeared in the papers related to this issue, along with a chronology of events prepared by the state (attachments 3 and 4).

The Gulf vessels average 65 feet in length and most are equipped with sophisticated electronic gear. I have enclosed a background paper on the fisheries previously fished by these vessels in the Gulf of Mexico (attachment 5). Some of the captains of these boats have stated that they are planning to move to Guam to fish since there are fewer regulations there. We share your concern that these technologically advanced vessels,

A COUNCIL AUTHORIZED BY THE FISHERY CONSERVATION AND MANAGEMENT ACT OF 1976 (P.L. 94-265)
1164 BISHOP STREET SUITE 1405 HONOLULU, HAWAII 96813 USA TELEPHONE (808) 523-1368 TELEX: 743-1871 FAX: (808) 526-0824

coupled with the approximate 150 longliners now fishing out of Guam, could seriously jeopardize Guam's fishery resources.

In your request for information, you asked how the current FMPs could address this concern of increased effort from new entrants. Without jurisdiction over tuna, we would have to show significant bycatch of other species such as swordfish covered under the pelagics plan. If these longliners either targeted on FMP species or have a significant bycatch then concerns could be addressed through regulations. The primary tools available are quota management, area closures, gear limitations and limited entry. Please see the attached memo (attachment 6) for examples of how gear conflicts have been addressed through regulation.

Speaking of threats to Guam's resources, let me bring you up to date on the implementation of Hawaii's gillnet legislation. I have enclosed the gillnet ban act (attachment 7) which makes all gillnets on board vessels in Hawaiian waters subject to seizure. The attorney general's office is still examining some of the legal ramifications. I will send you a copy of Bill Paty's statement on enforcement of this act as soon as these issues are cleared up. Meanwhile, I have asked Jay Johnson and Martin Hochman for advice on how we can make the Council's Pelagic regulations consistent with the state legislation by broadening the ban on the use of gillnets in the EEZ to also prohibit possession.

I think this should bring you up to date on the Vietnamese longline conflict and related issues. I will keep you informed as the situation changes.

KS:dl

Attachments

cc: Rufo Lujan
The Honorable Joseph F. Ada
The Honorable Pedro P. Tenorio

Fishermen worry about depletion

FROM PAGE B-1

miles and plucking up big and little fish alike.

"If you catch enough mother (fish) then there won't be any next year," said Tiffany. "And it's going to get worse. They're going to be shutting down 3,500 boats who fish the broad bill (swordfish) industry on the East Coast because they're regulating it starting next year. Where else would they go when they can come to Hawaii and fish with no rules, no limits? All it costs is $50 for an out-of-state license."

FISHERMAN Morgan Chung, too, fears an onslaught of long-liners from the East Coast, the Gulf, Alaska, as fishing grounds there are depleted and regulated.

"They could wipe out fishing in a year," he said. "Twenty or thirty more boats per island could wipe it out."

Even more frightening to many of the Waianae fishermen is the continuing growth of gillnetting just beyond the 200-mile economic zone. A fleet of 1,000 Japanese, Korean and Taiwanese boats is indiscriminately scooping up millions of pounds of fish, sharks, whales, dolphins, turtles.

"They're putting a big steel curtain around the islands," says outraged Waianae charter boat captain Dale Simmons. "Imagine a boat trailing behind it 75 miles of gill net 100 feet deep," adds fisherman Edward Tiffany. "It's a vacuum cleaner.

"A lot of the decline in the fisheries here that the long-liners are being blamed for is due to the gillnetters," said Tiffany. "And the state has allowed them to come in here to refuel and go out and do it again." That, said Tiffany, is what all the fishermen must unite against, petitioning the Legislature to stop those boats from docking.

As the sun pushes toward high noon over the boat harbor, 72-year-old "Uncle" Bobby Maikai retreats into the welcome shade of a rainbow shower tree. With his flowing white hair, white beard and chocolate skin, Maikai has been a fixture at the harbor for years.

With a walkie-talkie his harbor friends gave him, he relays messages from boats at sea to families at home.

"They call me on the CB and I call their home," he said, crossing one bare brown leg over the other. "And when they come in they give me a quarter back. And they give me fish."

Like everyone out here, he knows Leslie Cansibog is probably the most successful small-time commercial fisherman on this coast.

SIX days a week for years, Cansibog has risen in the dark of early morning to go fishing. The income helped his mother raise nine kids.

"Sometime I never went to school," Cansibog says. "Sometime we just went fishing."

His father first took him fishing at age 9; by 12, he was a pro. When his mother was divorced, she found a job, says Cansibog, "and I went fishing." Now, at 32, it's all he knows.

The tradition is strong on this coast as children learn from their parents, and the secrets of the ocean are passed on. George Purdy smiles behind his sunglasses and says one of these days he'll pass on his secrets to a nephew.

He squints over toward a kiawe tree in the distance. "When the beans are falling out of the kiawe trees," he says sagely, "certain fish are biting."

But he won't tell anyone which ones.

"I tell 'em 'Hey brah,'" he says with a laugh, "'it took 30 years to work this system out and you want me to just tell you!'"

Vietnamese consider Guam waters

FROM PAGE B-1

ahead of the competition. That was important to the shrimp fishermen in New Orleans where the first boat back got the best price.

But a year or so ago, Nguyen and the other fishermen decided to convert their shrimp operation to longline tuna boats, fitting them with winches and bigger engines, and chopping off the arms that raised the shrimp nets.

THE Independence came to Hawaii first and sent back good reports.

But now, less than five months after their mass arrival, the Vietnamese are considering moving on to Guam. This week, representatives of the fishermen expect to fly to Guam at the invitation of a fish dealer there, to look at the situation.

"If it better than here, move," said Minh Truong, first mate aboard the Jaime Lyn. "They guarantee us no trouble."

"They got no rules, a lot of fish, not so many boats," claims Dang.

Truong expects four or five boats will make the initial $15,000 apiece trip to Guam to fish for a time, and send back word to the others.

In their brief time in Hawaii, the Vietnamese have already become embroiled in one fishing controversy with Hawaiian fishermen and charter boats on the Waianae coast, and aren't thrilled at the other constraints they've found here.

The Waianae problem happened partly through misunderstanding, partly because of a culture gap. The Vietnamese deployed their lines close to shore in waters that have traditionally been left for local trollers.

IT raised a wave of fury in the Waianae fishing community, and stimulated several weeks of escalating violence. Vietnamese lines were cut and floats shot out of the water.

The Vietnamese protest that it was an unintentional mistake. They were only following what the Coast Guard had told them — that they could fish anywhere beyond a three-mile limit — and were only following runs that had moved in closer to shore.

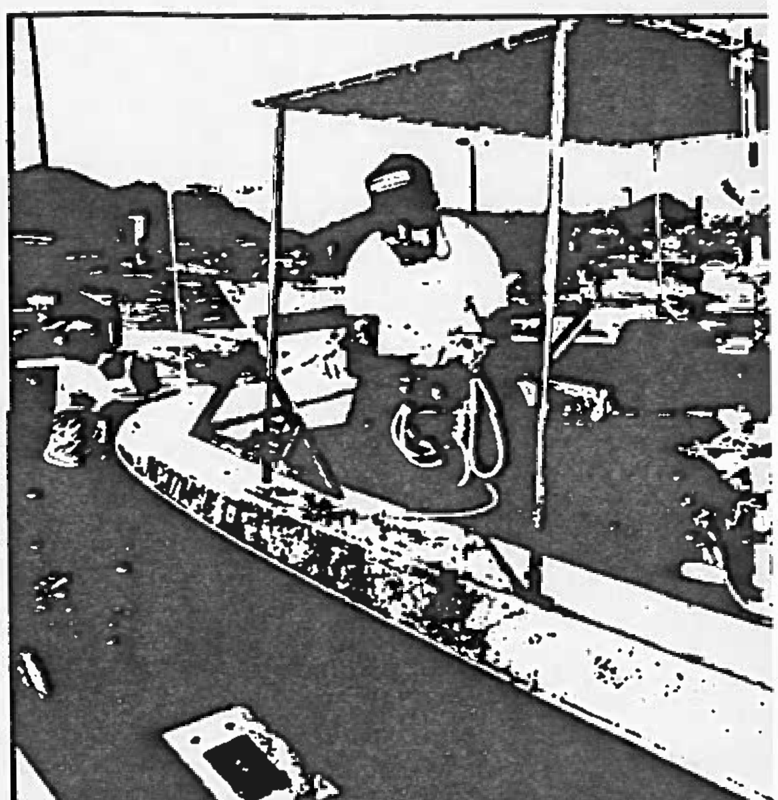
"In Vietnam you fish anywhere you want to," says Truong. "Big boat, small boat, we don't mind. If you have a boat you just go fishing."

The other burdensome constraints involve some other long-standing traditions in Hawaii, involving how fish are sold at auction.

"They thought over here good, but no good," said Truong. "When we come to dock, we cannot sell the fish by our own hand. The United Fishing Agency sell. In Louisiana, we sell direct by the dock. If one (fish dealer) is too cheap, we go to another. It's better than here."

The United Fishing Agency operates the daily Hawaii fish auction: fish sold to large buyers (restaurants, wholesale houses and such) pass through the auction.

THE Vietnamese are also chaffing under the 10 percent cut taken by the United Fishing Agency of everything sold at auction. "If we sell $20,000, they take $2,000. If we lose $2,000 every trip, think how much we lose a year," said Truong. "I asked the man from Guam if they take 10 percent. They say 'no.'"



Advertiser photo by Gregory Yamam

Morgan Chung (in boat) and Ivan Tomei (standing in water), who fish out of Waiana were lucky Sunday — they caught a 160-180 pound marlin.

Where are all the fish?

The big boats snatch them up, say Waianae's fishing families

By Beverly Creamer
Advertiser Staff Writer

WHEN Marlene Kahoonei packed up the sandwiches Saturday for an all-night Waianae coast fishing trip with her husband, she was hopeful.

Nine hours later, as they pulled the boat out of the water Sunday, they had neither sandwiches nor fish.

"We haven't caught for a long while," she said, her long dark hair fanning out behind her. "It seems there's no fish."

Ralph and Marlene Kahoonei live on a Hawaiian homestead in Nanakuli, not too far from where Marlene was raised, and although they both have regular jobs, weekend fishing helps pay the bills.

"Last year the kids needed school supplies and we were low," Marlene recalled. "And then we caught a big marlin, and that was it. They had their clothes and school supplies. It was just two days before school started. It really came in handy."

Now, even that option isn't readily available.

"If you have the long-liners hit the auction, forget about it," Ralph Kahoonei said. "It jacks your price down. Sometimes it doesn't even get sold."

Other fishermen on the Waianae coast are telling the same story. The fishing's been lousy and you can't always sell what you do catch.

"My feeling is they should regulate the long-liners," said Morgan Chung. "We catch three ahi and they come in with 30,000 pounds. Then our price is low because they flood the market."

Chung was lucky Sunday; he and his buddy Ivan Tomei pulled in a marlin that, at 160-180 pounds, might fetch more than $300 at the Hawaii fish auction — *if* the long-liners hadn't gotten there first. A fireman on disability leave, he needs the extra income to make ends meet, he said.

ALTHOUGH some, like Chung and the Kahooneis, blame the aggressive new Vietnamese long-liners for siphoning off many of the shallow-water fish, others consider this the tip of the iceberg.

They see a growing threat to Hawaii's ocean resources from all kinds of outsiders not familiar with long-established local conservation methods.

Years ago, says longtime fisherman Victor Rapoza, the local trollers and the local long-liners worked out a handshake agreement not to chase each other's fish. The trollers stay in shore and the long-liners work a few miles out. There's been no trouble since, he said.

"If they (the Vietnamese) had only spent time and talked to the local long-liners, then I don't think you'd have any problem," says Rapoza, a fireman who fishes to supplement his income and also runs the ice house at the Waianae boat harbor.

"There's always been a tradition that the local fishermen launch from Waianae and fish the Waianae side," said Edward Tiffany, a Kamehameha Schools teacher who also fishes weekends for added income.

"The long-liners have never come in and laid their lines like that, and I've been fishing 30 years."

A long-line boat, as every Waianae fisherman can tell you, boasts 5,000 hooks per line, and as many as six lines per boat stretching back 25

See Fishermen, Page B-2

Off to sea once again?

Vietnamese fleet may try Guam to avoid regulations, vandalism

By Beverly Creamer
Advertiser Staff Writer

ANTHONY Chau Nguyen leaned over the rail of the Caroline L. looking more like an accountant than a fisherman.

A pen in one hand, loafers on his feet, he squinted in the sun, talking about how he borrowed money from friends to buy his first old shrimp boat for $100,000 seven years ago in New Orleans.

He also talked about why he and about 75 other Vietnamese fishermen — all members of one extended family — decided to pack up their shrimping operation and their families more than six months ago and move to Hawaii, and how they may soon decide to leave here.

Like the explanations of the others in the fleet, his was concise and to the point.

"Over here good money," said Nguyen. "And the weather very good."

The Vietnamese fleet — 13 boats strong and all transplants from New Orleans — has been here just five months. While shrimping was good along the Gulf Coast, the competition was fierce, boats lay idle four to six months of the year because of weather, and the fishermen grew restless.

"EVERYBODY wanted to come here first," explained Hoai Viet Dang, a 21-year-old crewman who was taking a lunch-break aboard the Diamond Head, playing cards.

"If over here good, then stay here. If not good, go somewhere else. We just want to make money. That's why we change our style."

The converted shrimp boats rocked gently next to the dock at Pier 17 as the Vietnamese crews prepared for another week of longline tuna fishing.

They stalked the decks of the colorful little boats in shirt-sleeves and rubber boots, readying floats and buoys, dipping the fingers of old gloves in blue paint to mark identification numbers on the bright orange floats bundled up in nets.

On the keel of the Jaime Lyn, the stern-faced captain took down 12-foot bamboo poles strung with night lights. He leaned them carefully on the deck and began strapping heavy-duty batteries to each pole. At night, the poles mark the lines that stretch out 30 miles behind the boat.

AS the hands of the Aloha Tower clock inched toward high noon, a diesel tank truck moved slowly along the pier, fueling gas tanks for the big V-12 diesel engines.

They're built for speed but also have enough endurance for the trip across the Gulf of Mexico, through the Panama Canal and across the Pacific to Hawaii in February's winter weather. The fishermen faced swells up to 24-feet, but were relieved to escape hurricanes.

The Caroline L is Anthony Nguyen's second boat, and like the others in the Vietnamese fleet, it's almost brand new.

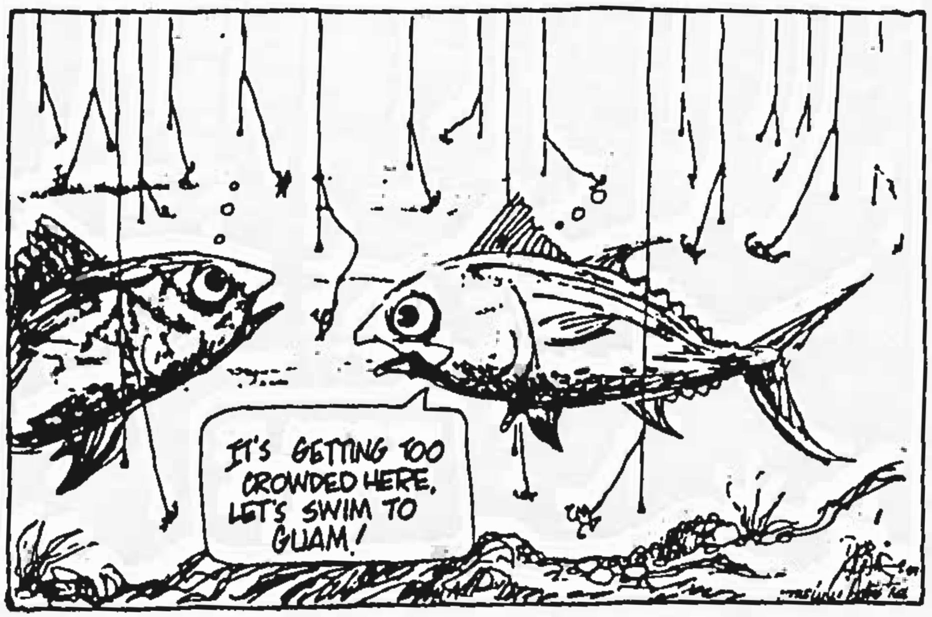
In 1987, the fishermen pooled their resources, bought their own sheet metal and had the vessels built to their specifications. The boats, equipped with radar, single side band radio/telephone receivers and LORAN-C navigators, cost anywhere from $250,000 to $450,000 and most are already paid off, said James Nguyen, a local Vietnamese who crewed on one of the longline boats over the summer.

They're built for speed, for running fast in good weather and getting back to the dock

See Vietnamese, Page B-2

THE HONOLULU ADVERTISER

8/30/89



Letters

Fishing, ins

Hawaii fishing rules

In the midst of the sympathy being accorded newly-arrived Vietnamese fishermen as victims of the open and active hostility of local fishermen, one fact has remained obscured: The Vietnamese are repeating the same behavior that made them unwelcome in some areas of the Mainland, notably Texas and Louisiana.

They did not bother to apprise themselves of local fishing laws and customs (for example, no night fishing, no taking of undersized specimens, no laying of lines across those of other fishermen), or willfully chose to ignore them. In his film "Alamo Bay," set in Texas, director Louis Malle depicted such transgressions as cute and impish; now we in Hawaii are being told that the Vietnamese were driven out of Texas and Louisiana by bigoted local "rednecks."

If a "redneck" is a person who expects newcomers to his community to conform to the established code of that community and who insists on protecting his own rights in the face of continued violations of the code, then the term can be applied to all law-abiding citizens. It is the Hawaii fishermen, not their Vietnamese counterparts, who should be threatening that "we won't forget a second time."

CHRISTINE FROECHTENIGT

The Guam Tribune Wednesday, Aug. 30, 1989

Gillnet ban proposed

Senator Pilar C. Lujan announced that western mainland legislators recently discussed at length Guam proposals to ban drift gillnets and adopt a policy on marine debris, during an Ocean Resources Committee meeting in Portland, Ore.

Introduced by Lujan and Senator John P. Aguon, the two marine related resolutions calling for the protection of ocean resources will be placed on the Western Legislative Conference (WLC) agenda for possible adoption this November, she said in a press release.

The resolution condemning the use of high seas drift gillnets notes a ban is necessary because the method is "indiscriminate and highly destructive." Called the "wall of death," these type of gillnets catch and kill sea birds, marine turtles, marine mammals, and various species of fish.

"Our mainland colleagues pointed out similar experiences and expressed grave concerns with fishing fleets utilizing these walls of death. It was very appalling to hear of fleets using 70-mile long gillnets of this type. This type of fishing cannot justify the wanton cost to the other species," Lujan said.

Additionally, the resolution seeks adoption of a national policy prohibiting importation of drift gillnet caught fish into the U.S.

The two Guam senators also presented a resolution urging adoption of a policy on marine debris.

Recognizing the adverse problems and impact such debris has on the environment, the resolution calls upon plastics and petrochemical manufacturers to make their products biodegradable and/or photogradable. Moreover, national leaders are urged to develop a policy dealing with the problem.

"Our oceans are too valuable to be screwed up. If we don't address the problems now, it will be irreversible and we'll end up destroying ourselves," Lujan said.

TUNA:

THE AMERICAN TUNA ASSOCIATION

* Summary of Tuna Inclusion into Magnuson Act

* PBDC Tuna Inclusion Resolution

* JBN Memo re Senate Bill (S.1531)

Tuna Inclusion of the Magnuson Fishery Conservation and Management Act (MFCMA)

When the Magnuson Fishery Conservation and Management Act was passed in 1976 it assumed that United States did not have extensive coastal tuna fishery resources, and defined tuna as non-fish by calling it "highly migratory" species. This effectively removed tuna from U.S. jurisdiction while leaving other highly migratory pelagic species under the fishery management. At that time it was accepted that the United States distant water tuna effort was the economically significant tuna fishery and that any action to include tuna in its jurisdiction would lead to reciprocal and retaliatory action by other coastal states.

Today, only the United States and a few other countries in the world do not include tuna in their 200-mile Exclusive Economic Zone. The tuna treaty between the United States and the Pacific island governments now implemented by the South Pacific Tuna Act of 1988 (PL 100-330) permit the U.S. Government and the tuna industry to pay the island nations $14 million a year for 7 years for tuna harvest in their EEZs. Distant nations fishing fleets, however, continue to exploit tuna in U.S. waters without restrictions, although they are subject to regulations as they also catch billfish. In light of the Tuna Treaty the fear of including tuna in the Magnuson Act for management purposes is unfounded. Revenues generated by these fishing activities is money that could flow to American fishermen if tuna were managed as other species are.

Foreign drift gillnet vessels from Japan, Taiwan, and South Korea target on squid, but also catch U.S. salmon and albacore tuna in the North Pacific. In the South Pacific, foreign drift gillnet vessels compete with commercial trawlers and sport fishermen for albacore tuna. These drift gillnets not only cause gear conflicts but are also non-selective as they also catch marine mammals, turtles, and sea birds. When lost or discarded at sea, drift gillnets continue to waste fish resource by ghost fishing.

Tuna fishery is one of the most important economic base for the Pacific Islanders and must be managed and develop wisely to sustain the island's economy. Reliable catch statistics are needed for effective management of the fishery. Foreign fishing fleets catch are not available and the Tuna Treaty places catch statistics in confidential category. So long as tuna is exempted from the Magnuson Act, catch statistics from both foreign and U.S. fishing efforts are not required. Obtaining voluntary catch statistics from either U.S. or foreign fishing fleet necessary for development of sound scientific policy decisions for conservation and management of tuna fisheries has not been successful. Inclusion of tuna is consistent with the regional treaty arrangement and will provide an opportunity to control negative impact of foreign fishing activities and enhance domestic tuna fisheries development. Guam joins other U.S. coastal states and flag territories in support of inclusion of tuna in the Magnuson Fishery Coservation and Management Act.

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TUNA INCLUSION RESOLUTION

WHEREAS, the Board of Directors of the Pacific Basin Development Council (PBDC) seeks to insure for its island members the maximum social and economic benefit from the harvest of tuna and other associated pelagic species surrounding our islands; and,

WHEREAS, the Board seeks to encourage the rational management and development of tuna and other associated pelagic fisheries for the long-term benefit of all Pacific island peoples; and,

WHEREAS, tuna and other associated pelagic fish are top carnivores within an extremely complex, and as yet poorly understood, Pacific Ocean Pelagic Ecosystem, and;

WHEREAS, tuna and other associated pelagic fish are resources shared among and valued by all Pacific island peoples; and,

WHEREAS, the Pacific Ocean Pelagic Ecosystem has in the past and continues to provide a major source of pure wholesome food upon which many island people depend for their daily sustenance; and,

WHEREAS, the American Flag Pacific Islands (AFPI) (American Samoa, Guam, Hawaii and the Northern Marianas) have an international reputation as a mecca for big-game sports fishing, and this reputation contributes to island economic development and self sufficientcy through enhancement of the visitor industry; and,

WHEREAS, commercial landings of tuna and other associated pelagic species contribute significantly to the domestic commerce and export revenue of the American Flag Pacific Islands; and, WHEREAS, tuna and other associated pelagic resources are the target of growing commercial, recreational, and subsistence fishing pressure, domestic as well as foreign; and,

WHEREAS, most of the currently used methods of commercial fishing for tuna are unable to target a single pelagic species without resulting in a significant incidental catch of other associated non-target species; and,

WHEREAS, gear specific catch and effort data on tuna and other associated pelagic species in the Pacific are either fragmented, incomplete, or unavailable for scientific analysis; and,

WHEREAS, there is considerable scientific uncertainty with respect to the potential size of long-term sustainable yields for many tuna and other associated pelagic species; and,

WHEREAS, existing U.S. law does not provide satisfactorily for the collection of data, monitoring, management, or scientific investigation of commercial tuna and other associated pelagic species harvested within the Western, Central and Southern Pacific Region; and,

WHEREAS, a growing number of industrialized nations including the Soviet Union (with seven purse seiners reported operating in 1986) are now engaged in the large scale commercial harvest of tuna and other associated pelagic species in the Region, and;

WHEREAS, both the independent and American Flag Pacific Island governments have in the past looked to the United States as a source of regional stability, leadership, and assistance; and,

WHEREAS, there is a high level of expectation on the part of Pacific island governments that the United States will set a mature and responsible example on all regional issues including fishery development and management; and,

WHEREAS, it is the belief of this Board that timely implementation of this Resolution will, for the first time, make possible the collection of reliable, scientifically useful data and foster a level of cooperative international scientific investigation which is needed to protect the tuna and associated pelagic resources for the welfare of future generations of Pacific Island Peoples; and, WHEREAS, it is the belief of this Board that timely implementation of this Resolution will extend to the American Flag Pacific Islands a similar degree of consideration, respect and control over fisheries resources as that which has already been accorded by the United States to other Pacific islanders under recently signed international fishery agreements; and,

WHEREAS, it is the belief of this Board that timely implementation of this Resolution will contribute greatly to the prestige, influence, and respect accorded the United States by all governments within the Pacific Region.

NOW THEREFORE, BE IT RESOLVED THAT:

A. The Board of Directors of the Pacific Basin Development Council support the inclusion of Tuna under the jurisdiction and authority of the Magnuson Fishery Conservation and Management Act so as to make it possible for the Western Pacific Regional Fishery Management Council to insure responsible data collection, scientific investigation, and planning on an ecologically sound basis for the entire group of pelagic fish resources within our Region; and,

B. Further, the Governors of the Pacific Basin Development Council support amendment of the Magnuson Fishery Conservation and Management Act so as to ensure that proceeds generated from foreign fishing fees within their respective exclusive economic zones accrue directly to the treasuries of American Flag Pacific Islands rather than the general fund of the United States; and,

C. Finally the Board of Directors of the Pacific Basin Development Council, both individually and collectively, support the sense of this resolution and direct PBDC staff to advise the appropriate members of both the Congress and Administration as deliberations are undertaken for the reauthorization and amendment of the Magnuson Fishery Conservation and Management Act.

WITNESSETH:

Jerry B. Norris
Executive Director

JOHN D. WAIHEE
Governor of Hawaii
and President

Carolyn K. Imamura
Director of Programs and
Planning

PETER TALI COLEMAN
Governor of American Samoa
and Vice President

JOSEPH F. ADA
Governor of Guam
and Treasurer

PEDRO P. TENORIO
Governor of the Northern Mariana
Islands and Secretary

AMERICAN SAMOA
ISLAS DE LAS MARIANAS

Pacific Basin Development Council

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RECEIVED
AUG 25 1989
GOVERNOR'S OFFICE

August 17, 1989

BRIEFING MEMORANDUM # 48-89

TO: The Honorable John Waihee, HI
The Honorable Peter Tali Coleman, AS
✓The Honorable Joseph F. Ada, GU
The Honorable Pedro P. Tenorio, CNMI

FROM: Jerry B. Norris

SUBJECT: S.1531 - Tuna Management Act of 1989 & OCRM Grant Award

On August 4, 1989 Senator Roth introduced S.1531 to amend the Magnuson Fishery Conservation and Management Act to bring tuna under the management aspects of Magnuson. A copy is provided for your information.

We will continue to monitor this effort and wish to thank Governor Coleman for his testimony before the Senate several weeks ago.

We also wish to advise that the Office of Coastal Resource Management has awarded PBDC $50,000 to continue the EEZ efforts. This award was the result of the final report presented to the Board earlier this spring and supported by each of your Coastal Zone Managers.

Many thanks for your continued support in both of these areas.

JBN3/
TUNA.ACT

Enclosure

Extracted from

August 4, 1989

CONGRESSIONAL RECORD — SENATE

By Mr. ROTH:

S. 1331. A bill to facilitate the effective management of fisheries resources in U.S. waters by including tuna in the regulatory structure under the Magnuson Fishery Conservation and Management Act; to the Committee on Commerce, Science, and Transportation.

TUNA MANAGEMENT ACT

Mr. ROTH. Mr. President, I rise today to introduce legislation to correct a serious problem in our marine fisheries. The conservation and management of our ocean heritage is very important to me, and without rapid action, we are in danger of depleting yet another vital fishing resource. My bill, the Tuna Management Act of 1989, will close a serious gap in the present enforcement of effective fishing management in our coastal waters.

The purpose of this bill is to discontinue the exception made in the Magnuson Fishery Conservation and Management Act that prevents the direct management of tuna fisheries in United States waters. When this act was first passed, it was argued that, given the highly migratory nature of tuna, the only way to effectively manage this resource was through international agreement. At that time, it was accepted that the United States distant water tuna effort was the only economically significant tuna fishery, and that any action to include the tunas within the jurisdiction of the United States would lead to reciprocal and retaliatory action by other coastal states. Since that time all other coastal states except Japan and Korea have adopted 200 mile economic zone laws which include the tunas as a part of their domestic resources. Today, the United States stands alone as the only Atlantic coastal state adhering to an open access policy for the tuna fishery.

In that same period, the market for American tuna, especially Atlantic tuna, as a fresh fish product, has expanded enormously. The Mid-Atlantic Fishery Management Council has estimated that the tuna taken from the Atlantic waters of the United States by the Japanese alone had a wholesale value of over $22 million. This is money that could flow to American fishermen if tuna were managed as other species are.

This bill will be of special interest to sports fishermen. Both charter fishing and individual sport fishing have become an important part of the coastal economy; spending on activities directly related to recreational tuna fishing amount to over $250 million a year in this country. This figure reflects only the value of the fish caught and the gear used; it does not include the invigorating recreational experience that comes from the fishing trips.

The commercial value of tuna and the extensive fishery for it that exists in our waters are due to the truly wonderful nature of this great fish. I would like to take a few moments to acquaint my colleagues with some facts about the tuna's lifecycle. Tuna are very prolific, spawning thousands of young in a single season. As they mature, they must swim constantly to force water over their gills, swimming that their sleek cigar-shaped streamlined bodies are well adapted for. Unique among true fishes, tunas maintain an internal body temperature as much as 20 degrees above that of the surrounding water. These characteristics combine to make the tuna a fish superbly adapted to life at sea.

The life of the bluefin is typical of most tunas. They spawn in the Gulf of Mexico, spend the winter and spring in warm, subtropical waters, and migrate in the summer up the Atlantic coast. They become capable of spawning after about 10 years, when they have reached a size of over 6 feet in length and better than 300 pounds in weight. Mature bluefin, 30-years-old or more, can weigh in at upwards of 1,500 pounds. They live together in large schools, which vary in size but can number 1,000, swimming about for very long distances. An adult bluefin can swim as fast as 45 miles an hour, making it as good to look at in the water as it is good to eat.

Sadly, for all its marvelous properties, the tuna has not been immune to the pressures of our modern world. The exclusion of tuna from management by American fishery management councils has led to the serious depletion of the stocks of such species as swordfish, billfish, and sharks. Tuna fishing as now practiced by large operations, such as longliners, inevitably results in the catching of related species like swordfish and sharks. Effective management of swordfish populations, an important resource for both sport and commercial fisherman, is impossible without the ability to regulate tuna. Action is urgently needed to prevent the total depletion of our large pelagic fisheries.

This bill will end the now outdated exclusion that prevents the effective management of tuna and other species. This measure is supported by the New England, Mid-Atlantic, South Atlantic, Gulf of Mexico, and Western Pacific Fishery Management Councils, the American Fishing Tackle Manufacturers Association, the Sport Fishing Institute, United Sport Fishermen, the Coastal Conservation Association, and the Atlantic Coast Conservation Association of Virginia. By allowing a more rational and systematic management of our fishery resources, we will benefit both our domestic fishing industry and the future generations who will be able to enjoy a continued bountiful harvest from our waters.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1331

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tuna Management Act of 1989".

SEC. 2. AMENDMENTS.

(a) Section 101(a) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1811(a)) is amended by deleting "Except as provided in section 102, the" and inserting in lieu thereof "The".

(b) Section 101(b)(1) of such Act (16 U.S.C. 1811(b)(1)) is amended by inserting immediately after "anadromous" the words "and pelagic".

(c) Section 102 of such Act is repealed.

(d) Paragraph (1) of section 4 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971b(1)) is amended to read as follows:

"(1) not less than five or more than twenty individuals appointed by the United States Commissioners, who shall select such individuals in a balanced representation from the various fishery groups concerned with and participating in the Western Atlantic fisheries covered by this Convention; and".

BUSINESS SESSION

* PBDC Budget Background/Options

* JBN Breakdown of PBDC Technical Assistance Projects

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PBDC BUDGET BACKGROUND INFORMATION

When PBDC was established in 1980, the U.S. Department of Commerce, Economic Development Administration offered a one time grant in the amount of $150,000. The Board of Directors established a dues schedule of $37,500 ($32,000 cash and $5,500 in-kind-match).

Following the success of the first year's activity, EDA continued to fund PBDC at $150,000 per year through the end of 1984. The Board, during the same period, voted modest increases in their contributions which increased Board contributions to $47,240 in cash. It should be noted that because of deliberate fiscal measures, PBDC was able to extend normal twelve month program years into fourteen or fifteen month program years -- i.e. we were able to stretch a year of EDA funding into fourteen or fifteen months of program activity.

In 1985 EDA reduced funding to $137,500 per year. The Board continued with its modest increases and raised dues to $51,018. In 1986 EDA reduced funding to $125,000 and continued that level of funding through the end of 1987. The Board froze its contribution at $51,018. In 1988 EDA again reduced funding, this time to $86,000 and the Board maintained its $51,018 level.

For 1989 EDA offered a grant of $71,000 for a ten (10) month grant (instead of the normal twelve (12) month grant. This was not a punitive reduction, but an attempt to get PBDC into a "July 1 to June 30" Program and Fiscal Year). The Board's contribution remains (for the fifth year) at $51,018.

In Program Year 1988/89, through budget reductions to include (1) reducing two full-time positions (Fiscal Officer/Special Projects and

Clerk/Typist) to part-time, moving some travel costs into new grants, contracts or Memorandums of Understanding (MOU), (2) attempting to gain more administrative over-head costs from grants and contracts and (3) by drawing down on Hawaii's contribution three months early, we will survive this year and will cover the shown deficit in the budget material enclosed in this section. The basic fact of life is that costs have increased for doing business in the Pacific. An enclosed chart indicates that per diem rates have almost doubled overall; postage costs have increased substantially; rent has gone up (because of leease expiration this year); telephone (and fax) costs have increased; medical insurance (with the same company, policy and coverage) has increased two hundred percent; and office supplies are increasing on a per unit basis. It should be noted that staff table of organization (t.o.) remains at the same level with no increases in staff positions since 1981.

Background materials are available in the agenda book and staff are prepared to provide as full a budget presentation as the Board desires.

BUDGET ALTERNATIVES

1. Attempt to have the EDA funding level of (a) $150,000 or (b) $125,000 reinstated.

2. Seek additional federal funds from other agencies.

3. Increase overhead and indirect costs from grant and contracts to PBDC.

4. Charge island governments full fees for services on all projects on a cost basis.

5. Increase Board contributions to cover the reduction of funding and increases in fixed cost items (such as rent).

JBN2/cki

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989 (estmt.)
EXPENSE ITEM:										
AIRFARE (ONE TRIP)										
GUAM	774	813				653				683
CNMI	0	819				728				683
SAMOA	0	498				604				493
PER DIEM RATES:										
GUAM	60	60								122
CNMI	62	62								115
SAMOA		65								81
EXPENSE ITEM:										
POSTAGE (MONTHLY)	260	1,211	1,717	1,746	1,703	2,097	2,287	2,404	5,021	5,523
EXPENSE ITEM:										
RENT (MONTHLY)	2,194	3,335	2,769	2,769	2,769	2,973	2,973	2,973	2,973	4,144
EXPENSE ITEM:										
TELEPHONE	0	8,673	9,531	13,159	11,265	11,327	15,098	12,412	18,014	19,815
EXPENSE ITEM:										
INSURANCE (ANNUALLY)	0	587	431	654	653	1,051	1,037	1,336	1,437	1,581
EXPENSE ITEM:										
SALARY (ANNUALLY)	8,998	106,558	113,678	114,280	124,270	183,817	188,421	166,693	169,517	186,469
FRINGE BENEFITS	301	20,281								
EXPENSE ITEM:										
OFFICE SUPPLIES	736	5,861	4,282	5,467	4,022	7,561	5,107	4,523	7,357	8,093
RECEIPTS:										
MEMBERSHIP PAYMENTS	0	37,500	40,500	43,740	47,240	51,018	51,018	51,018	51,018	51,018
EDA FUNDINGS		150,000	150,000	150,000	150,000	137,500	125,000	125,000	86,000	71,000

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June 22, 1989

MR. PETER LEON GUERRERO
Director
Bureau of Planning
Territory of Guam
Agana, Guam 96910

Dear Peter:

Enclosed please find the cost breakdowns for PBDC technical assistance projects that have had direct benefits to several (vs. all) members. The outlay columns generally represent cash expenditures for the project, except in the case of Hawaii where outlays include in-kind (personnel resource) contributions.

In addition to these technical assistance activities, PBDC has also completed other major projects with outside funding that have provided benefits to all members. The attachment identifies these regional projects, funding source, and reimbursed amounts as appropriate. As a rule, minimal amounts of PBDC's administrative costs have been charged to projects on the basis that:

1. Such grants should accrue maximum benefit to the member islands;

2. Such grants further the objectives of PBDC which was established to foster such activities; and

3. Member dues are intended to cover such administrative expenses.

We hope that this information is useful in your efforts. If you have any questions, please do not hesitate to contact us.

Sincerely,

JERRY B. NORRIS
Executive Director

JBN/5cki
ENCLOSURES

BREAKDOWN OF PROJECT COSTS/OUTLAYS
*indicates payment defaulted

				Outlay					
Area	Project	TOTAL	PBDC [hrs]	Am.Samoa	Guam	CNMI	Hawaii	Other	(Source)
Agri.	MAILE EXPORT MARKETING ASSESSMENT	$7,100	$6,350 [100]	$750	$0	$0	$0	$0	
	TARO EXPORT DEVELOPMENT	$62,333	$4,470 [40]	$0	$0	$0	$0	$57,863	(PBCP)
Aqua.	BAITFISH ECONOMIC FEASIBILITY	$11,000	$5,500 [200]	$0	$0	$0	$2,500	$3,000	
	MARKETING STUDY, AQUACULTURE	$9,300	$3,300 [100]	$0	$0	$0	$0	$6,000	(USDA)
ED Plg.	ECONOMIC INFORMATION SYSTEM	$26,976	$19,066 [160]	$0	$0	$0	$0	$7,910	(PCBP)
	(PBDC-other)	$31,934	$19,934 [800]	$0	$0	$0	$0	$12,000	(OTA+)
	HOUSING STANDARDS	$23,000	$3,000 [120]	$0	$0	$0	$0	$20,000	(HUD)
	IPA/RABIES FREE CERTIFICATION	$10,662	$8,357 [20]	$0	*	$305	$2,000	$0	
	IPA/WEIGHT & MEASURES [1984]	$23,658	$2,500 [100]	$0	$0	$0	$8,400	$12,758	(DOI)
	2nd Year [1985]	$29,658	$2,500 [100]	$0	$0	$0	$8,400	$18,758	(DOI)
	3rd Year [1988]	$12,981	$5,000 [200]	$0	*	$397	$6,000	$1,585	
	IPA/REAL PROPERTY TRAINING	$4,546	$500 [20]	$0	$4,046	$0	$0	$0	
	IPA/COSMETOLOGY LICENSING	$7,414	$7,414 [40]	$0	*	$0	$0	$0	
	IPA/AIRPORT OPERATIONS TRAINING	$5,277	$2,500 [100]	$0	$153	$225	$2,400	$0	
	REGIONAL (PLANNERS) TRAINING	$7,826	$7,826 [40]	$0	$0	$0	$0	$0	
	SUDDEN & SEVERE ECON. DISLOCATION	$109,750	$9,750 [350]	$25,000	$0	$0	$0	$75,000	(EDA)
	U.S. ARMY RESERVE PROJECTS	$66,000	$16,000 [640]	$0	$0	$0	$0	$50,000	(USAR)
Erg.	COAL TRANSPORTATION STUDY	$11,000	$2,500 [60]	$0	$0	$8,500	$0	$0	
Fish.	BILLFISH MERCURY	$1,300	$1.300 [20]	$0	$0	$0	$0	$0	
	CANNERY SUPPORT STUDY	$8,598	$500 [20]	$0	$0	$0	$0	$8,098	(PCBP)
	MISCELLANEOUS FISH	$11,098	$3,000 [120]	$0	$0	$0	$0	$8,098	(PCBP)
	SASHIMI EXPORT	$10,098	$2,000 [80]	$0	$0	$0	$0	$8,098	(PCBP)
Tour.	FACILITIES INVENTORY	$2,600	$1,600 [40]	$0	$0	$0	$0	$1,000	(WesPac)
	GUAM TOURISM T.A. (1986)	$16,007	$5,036 [80]	$0	$1,996	$0	$0	$8,975	
	2nd Year (1987)	$11,443	$5,686 [80]	$0	$3,000	$0	$0	$2,757	
	TOURISM TRAINING	$11,500	$6,150 [40]	$1,450	$1,450	$1,450	$0	$1,000	(TDM)
Tsp.	CO/TI CASE (4/81)	$6,000	$6,000 [240]	$0	$0	$0	$0	$0	
	PPG/CO CASE (12/81)	$2,000	$2,000 [80]	$0	$0	$0	$0	$0	
	ROP/ISLAND AIR (6/82)	$6,000	$6,000 [240]	$0	$0	$0	$0	$0	
	GUM/EAS AUTHORIZATION	$2,000	$2,000 [80]	$0	$0	$0	$0	$0	
	HUSH KIT/NOISE	$4,000	$4,000 [160]	$0	$0	$0	$0	$0	
	HI/ZH CASE (4/86)	$2,000	$2,000 [80]	$0	$0	$0	$0	$0	
	CONSUMER COMPLAINTS (5/86)	$7,375	$7,375 [80]	$0	$0	$0	$0	$0	
	PPG/CO SERVICE (8/86)	$1,000	$1,000 [40]	$0	$0	$0	$0	$0	
	MKK/EAS (10/86)	$4,313	$4,313 [160]	$0	$0	$0	$0	$0	
	CAS/GUM EXERCISE (6/88)	$5,556	$5,556 [80]	$0	$0	$0	$0	$0	
	CAS/TSI TRAINING (7/88)	$4,645	$3,197 [40]	$0	$0	$0	$0	$1,448	(TSI)
	CAS/GUM TRAINING (3/89)	$13,954	$7,454 [240]	$0	$0	$0	$0	$6,500	
	LUP/EAS (3/88)	$6,108	$6,108 [240]	$0	$0	$0	$0	$0	
	ROP/MAUI AIR (5/88)	$1,000	$1,000 [40]	$0	$0	$0	$0	$0	
	SAIPAN HARBOR (1982)	$24,000	$24,000 [960]	$0	$0	$0	$0	$0	
	TA'U HARBOR (1986)	$2,000	$2,000 [80]	$0	$0	$0	$0	$0	
	KAUNAKAKAI HARBOR (1986)	$9,242	$9,242 [360]	$0	$0	$0	$0	$0	
	KAUMALAPAU HARBOR (1986)	$4,207	$4,207 [160]	$0	$0	$0	$0	$0	
TOTAL PROJECT COSTS		$638,458	$249,191	$27,200	$10,645	$10,876	$29,700	$310,846	
	% of total costs	100.0%	39.0%	4.3%	1.7%	1.7%	4.7%		

PBDC/cki:pjt
6/20/89

PBDC MEMBERSHIP FOR ALASKA

* Guam Position Statement

* Possible Discussion with Alaska's Governor

PBDC MEMBERSHIP FOR ALASKA

PBDC membership for the State of Alaska is a scheduled agenda item and an important issue. Guam favors the inclusion of Alaska into the PBDC because Alaska, and its voting Congressmen, can be expected to support Guam's goals of achieving special treatment from the federal government related to its remoteness from the U.S. mainland. It can also be expected to support Guam's determination to upgrade its political relationship with the federal government. It is also seen as something of a counter weight to Hawaii's tendency to control the PBDC.

Attached are excerpts from a briefing paper entitled, "Possible Discussion with Alaska's Governor, Steve Cowper" which was not dated but included letters dated December, 1987. It delineates the various issues which Guam and Alaska have in common and provides a brief discussion of each issue.

Possible Discussion With Alaska's Governor, Steve Cowper

Alaska and Guam are both U.S. noncontiguous areas in the Pacific. While they are separated by the Pacific Ocean and are dissimilar in their land mass, terrain, and climate, they share similar problems because of their noncontiguity.

Governor Ada may want to seek out Governor Cowper at NGA and discuss common problems and concerns. While this is a perfect opportunity for our Governor to establish rapport with other Governors, it will be particularly advantageous for Governor Ada to establish rapport with Governor Cowper since Alaska and Guam share similar problems in their relationship with the federal government. Because Alaska was one of the last incorporated territories to become a state, it is familiar with the process that Guam is going through in its effort to change its political status. Moreover, Alaska has voting power in the House and Senate and will be able to assist in making the concerns and interests of the noncontiguous areas of the Pacific known in Congress. By establishing rapport with other Governors and particularly Governor Cowper, Guam may be able to gain additional suppport in the House and Senate.

Issues to Discuss

Air Service

Both Guam and Alaska are negatively impacted by the Cabotage Law and other FAA regulations which limit air routes and air service to and from noncontiguous areas in the Pacific. Bilateral aviation agreements between U.S. and foreign countries often restrict the number of carriers having landing rights on noncontiguous areas in the Pacific. These agreements fail to consider the positive impacts that additional air routes and air services with foreign countries have on the economies of noncontiguous areas.

- Maritime issues

Both Guam and Alaska are negatively impacted by the Shipping Act of 1916 and the Intercoastal Shipping Act of 1933 (Coastwise Laws). The laws which support the domestic maritime industry negatively impact on the economies of the noncontiguous areas. For instance, Alaska, Hawaii and the territories incur higher shipping costs for goods shipped from foreign countries. While the laws were intended to protect the U.S. shipping industry, the volume of trade between U.S. ports and particularly the territories is minimal. Allowing foreign vessels to enter U.S. trade in ports of noncontiguous Pacific areas would not be detrimental to the U.S. maritime industry. Hawaii, Alaska and the noncontiguous territories should be freed from restrictions imposed by the Coastwise Laws. They should be declared "Open Ports" so that all legitimate shipping companies can offer their services at the most reasonable cost and appropriate time schedules.

Ad Valorem Tax:
The intent of the Port User Fee or Ad Valorem Tax is to generate revenues for off-shore and on-shore infrastructure improvements by taxing cargo. While the law makes exemption for domestic cargo shipped from the U.S. Mainland to Hawaii, Alaska and the noncontiguous territories, the law does not make exemptions for intra-regional movements. Cargo shipped among the noncontiguous areas are still taxed. The tariff hinders trade/cargo movements among noncontiguous areas and has a negative impact on their economies.

Alaska, Hawaii and the noncontiguous territories should seek exemption from the law in order to promote regional trade and reduce shipping cost.

- Federal Lands

Presently, the federal government controls 88 percent of Alaska's land. While Alaska is a state rich in natural resources, these resources are usually on lands held by the federal government. Subsequently, the state does not have access to resources that can be used to further develop Alaska's economy and which may be needed by the State. Because the Departments of Interior and Defense usually control these lands, Alaska is faced with a long drawn out battle to obtain control of needed resources or surplus lands.

Alaska, Hawaii and the noncontiguous territories all share similar problems as the federal government owns large portions of land. These noncontiguous areas should join efforts to obtain some control over their resources. In addition, the noncontiguous areas should express their concern to Congress about the long drawn out process of transferring surplus federal lands to the local government and the barriers that DOD and DOI have erected in the process of transferring land.

Nuclear Plutonium Issue

The state of Alaska has filed suit against the federal government to stop a Reagan Administration plan permitting Japan to transport highly toxic nuclear waste by air through Alaska. The suit asks that the shipments be stopped until an environmental impact statement is made on the potentially hazardous activities.

Governor Ada can express his support for Alaska in its effort to prevent Japan from transporting nuclear waste through the State. Like Alaska, Guam is concerned about Japan's efforts to dispose of its nuclear waste. Japan has attempted to dump its nuclear waste in the Pacific Ocean; presently, however, there is a moratorium on nuclear dumping in the Pacific. Just as Alaska would like to stop the transshipment of nuclear waste through their State, Guam and the Pacific Rim nations would like to prevent Japan from dumping nuclear waste in the Pacific.

The noncontiguous areas should join efforts and express their concern to the federal government in keeping the area nuclear free.

Pacific Basin Development Council (PBDC) Membership

Alaska was asked to submit comments for the Pacific Policies Report as mandated by P.L. 99-239; however it is not a member of the Pacific Basin Development Council (PBDC). While Alaska is not an island nation, it is a noncontiguous area of the United States. The Governors should discuss the possibility of including Alaska in PBDC because it shares similar problems with the island nations. For example: many of the protectionist legislation that negatively impact

Alaska are the same ones that constrain the development of PBDC nations. In addition, the nations of PBDC and Alaska share similar problems in their relationship with the federal government with regard to indigenous rights and the role of the Department of Defense.

The noncontiguous areas of the Pacific need to work together in making their concerns, goals, and problems known to the federal government. All to often, little consideration is given to the negative impact that certain laws have. Thus, including Alaska in PBDC will improve rapport among the policy makers of the U.S. noncontiguous areas in the Pacific. In addition, Alaska can provide additional support in the House and Senate for issues impacting the territories.

Attached is Alaska's response for the Pacific Policies Report.

Ms. Kittie Baier
Principal Deputy Assistant Secretary
United States Department of the Interior
Washington, DC 20240

Dear Ms. Baier:

Thank you for your letter of 10 September regarding the Pacific Policy Report being prepared by the Secretary of the Interior in accordance with section 302 of Public Law 99-239.

It is appropriate that Alaska should play a substantive role in the development of federal policy toward this vast region. We share with other Pacific Basin jurisdictions unique problems of non-contiguity. We have populations dispersed in scattered clusters separated by great distances, dependent on maritime and air transportation. Far more than the rest of the nation, the non-contiguous Pacific jurisdictions -- including Alaska -- have come to increasingly gravitate toward economic and cultural interdependence with the nations on the eastern rim of the Pacific.

It is not at all surprising that these common differences and trends have sometimes created common frustrations with federal policy. My staff has prepared a provisional listing of these frustrations as seen from the Alaska perspective. I have enclosed a copy, and directed that it be circulated to other governments in the region. We anticipate that these issues will be discussed in the report prepared by the staff of the Pacific Basin Development Council under contract to the Department of the Interior. Although Alaska is not a member of the Council, I intend for Alaska to fully participate, as Congress intended, in the review of the Department's report. We look forward to the opportunity for consultation among the governments of the region, regarding federal policy generally and the section 302 report in particular.

Sincerely,

Steve Cowper
Governor

Enclosure

SC/GE/dmc/88A-57

Provisional Listing

— Federal Policy Issues Concerning Alaska Possibly Common To Other Non-contiguous Pacific Jurisdictions

1. Jones Act. The government of Alaska is required by law to work for elimination of cabotage laws that unfairly impose on Alaska the costs of achieving national objectives. Alaska consumers pay $50 million or more annually to support a "domestic" maritime industry, and Alaska's natural resource revenues are reduced by as much as $200 million annually for the same reason. If national defense requires subsidies to the maritime industry, the burden should be shared by the entire nation. Alaska notes that this unfairness is particularly onerous when it is imposed on an economically underdeveloped area such as Alaska or Guam, and especially egregious when -- like Guam -- the region has no voting representation in Congress. Alaska supports on principle the extension of Jones Act exemptions such as that granted the Virgin Islands to other offshore U.S. jurisdictions.

2. Export Limitations. Alaska believes federal law unfairly discriminates against Alaska with regard to the export of Alaska resources to other nations.

3. Domestic Aviation. Many Alaska communities depend entirely on air transportation. This fact has found federal recognition with respect to the Airports and Airway Improvement Program, but most of these small communities cannot compete adequately under the standard federal aviation formula.

4. International Aviation. Alaska believes that the goal of developing its commerce with other nations and its economy generally is not been adequately recognized in the process that governs negotiation of bilateral aviation agreements.

5. Domestic Mail Service. Alaska has sought and obtained its own bulk mailing rules and carrier routing systems that reflect its special circumstances. Alaska would support the provision of similar arrangements to other non-contiguous areas.

6. International Mail. Antiquated routings between Alaska and foreign destinations sometimes inhibit the development of the state's international commerce.

7. <u>Military Construction Contracts</u>. Hiring labor outside the state to work on federal projects has sometimes been a problem. Last year Alaska and Hawaii enjoyed special local hire provisions in the military construction appropriations bill.

8. <u>Military Food Contracts</u>. Military procurement is sometimes predicated on conditions that can only be met by out-of-state contractors.

9. <u>International Fisheries Issues</u>. In recent years the federal government has been more responsive to state concerns in the management of international Pacific fisheries. Alaska would be interested in joining with other non-contiguous U.S. governments to see that this progress continues.

10. <u>Technical Assistance</u>. Alaska and Alaskans have on occasion been able to provide specialized technical assistance to governments of the Pacific region, especially in the areas of education service delivery, law enforcement, and justice administration. Alaska encourages federal programs to facilitate this kind of regional "self-help."

11. <u>Foreign Trade</u>. Alaska, like most of the other jurisdictions in the Pacific Basin, is more dependent on foreign trade than most other states. And unlike most other states, or the U.S. generally, Alaska is a net exporter on the merchandise balance. This gives Alaska a substantially different perspective on foreign trade. Alaska believes that the U.S. should offer to negotiate bilateral free trade pacts with other Pacific Rim nations, much as it has with Canada. Alaska supports expansion, extension, and liberalization of current U.S. laws providing for free trade zones.

PBDC MEMBERSHIP FOR THE FREELY ASSOCIATED STATES

* Guam Position Statement

* U.S. Department of Commerce re EDA Funding of PBDC if FSM and/or RMI were to gain membership to PBDC

PBDC MEMBERSHIP FOR THE FREELY ASSOCIATED STATES

Guam does not favor the inclusion of the FSM or the RMI into the PBDC at this time. The additional funding which would be derived from their inclusion would be limited primarily from their membership dues. The underdeveloped economies of these areas would likely require a disproportionate amount of time and effort on the part of the present PBDC members relative to the benefit of their inclusion. Unlike Alaska, they have no representation in the U.S. Congress to lobby for projects and funding to advance the goals of the PBDC members.

Attached are copies of letters to Governors Ada and Waihee from Orson G. Swindle, III, Assistant Secretary for Economic Development (EDA), U.S. Department of Commerce, which address the economic implications of PBDC membership for the Freely Associated States. He emphasizes that his suggestion that the FSM and the RMI be considered for membership in the PBDC should <u>not</u> be construed to mean EDA will provide more funding should they be included. He further states that "EDA funding now being provided the PBDC is <u>as high as it can and ought to be. It can easily be argued that the current level is too high</u>" (Original underlining). Later, in reference to university center technical assistance, he says: "Even Guam, with its university, probably will not be able to qualify in the near future."

He disclaims, however, any truth to the rumor that EDA was threatening of cut off funding for the PBDC and encourages the PBDC to compete for individual grant assistance on special efforts or projects under a condition of "accountability". He says he finds it hard to believe that anyone knowledgeable in the efforts he has put forth could question his commitment to help "our Pacific friends" given the "disproportionate amount of funding that we have committed there since I became Assistant Secretary" and attaches a list of funding activities since he became Assistant Secretary.

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Economic Developme
Washington, D.C. 20230

24 March 1989

Honorable Joseph Ada
Governor of Guam
Agana, Guam 96910

Dear Governor Ada:

It was good to see you earlier this month here in Washington at the PBDC reception and meeting.

I received an inquiry from Jerry Norris recently concerning a request from you and Governor Waihee for a copy of my comments before the PBDC membership at your meeting. The enclosed letter is my response to the request. As I point out in the letter, I was speaking from some notes that I threw away afterwards. I hope I have elaborated on the two issues Jerry identified as being of specific interest you.

If you have further questions, please do not hesitate to call on me. I wish the Governor and Guam the very best.

Sincerely,

Orson G. Swindle, III
Assistant Secretary
for Economic Development

Enclosure

The Assistant Secretary for Economic Development
Washington, D.C. 20230

24 March 1989

Honorable John Waihee
Governor of Hawaii
Honolulu, Hawaii 96813

Dear Governor Waihee:

It was good to visit with you, Governor Ada and Governor Tenorio at the recent Pacific Basin Development Council (PBDC) meeting here in Washington earlier this month. I regret that Governor Coleman was unable to attend, but through Fred Radewagen's efforts, I was later able to discuss with the governor the meeting and some matters of interest to American Samoa. I appreciate the hospitality and friendship extended to me at your meeting and during meetings of the past.

I received a message from Jerry Norris of the PBDC asking for a copy of my remarks to the governors. Jerry indicated that two governors had asked for copies. Unfortunately, I was speaking from some notes and did not save them. However, I spoke with Jerry recently to identify just exactly which subjects were of interest. He said that you and Governor Ada were interested in my comments about the PBDC being a forum for the Freely Associated States (the FSM and the RMI) and, secondly, my comments about the PBDC and the University of Hawaii's Pacific Business Center Program (the Center) working together in a cooperative way. I do not recall the exact words I used, but will try to elaborate on the two topics.

As I have said on previous occasions, such as the PBDC meeting this past summer when representatives from The Federated States of Micronesia and the Republic of the Marshall Islands were present, I think there is a broad range of issues of common interest to all of the island states and territories. By including the FSM and the RMI in the PBDC organization, it would periodically bring all together for discussions of vital mutual interest. In addition, I speculated that the FSM and RMI could benefit greatly from the association and could learn from the years of experience of the current PBDC membership in its quest for economic and community development.

I am well aware that funding is a sensitive issue with Jerry and perhaps the PBDC in general regarding EDA participation. We had a good discussion of this last summer in the Governor's office as I recall. I would like to address the subject of funding in detail.

My suggestion that the FSM and the RMI be considered for membership in the PBDC should not be construed to mean EDA will provide more funding should they be included. First of all, I can not envision two additional members having a substantial effect on the costs of the PBDC operation. Secondly, EDA simply does not have the extra money in its Planning Programs budget line item allocation. You might find it interesting to know that in the Planning Program (301 Program), EDA provides funding to over 350 entities. Typically, the recipients are economic planning and development districts. With the exception of one state, a few regions within states, and Indian tribal recipients who receive aggregate sums for several (for example, 6 to 12) subordinate organizations which then receive funding through suballocation, only one grant recipient in the 301 Program receives more money from EDA than does the PBDC. Typically, the funding provided each planning district is between $40,000 and $60,000 annually. PBDC's current funding is $86,000 (copy of the Agreement is attached). The one grant of a larger amount ($96,000) is currently being considered as to whether it is appropriate and may be reduced in the near future. So, the PBDC is essentially number two out of about 340 similar recipients.

Add to this the fact that two (2) of those 340 similar recipients are Guam ($40,000) and American Samoa ($40,000), you can readily see my concerns for redundant or inappropriately excessive funding. To allow this situation to exist is in itself questionable and subject to future review. Would the governors of Guam and American Samoa give up their funding in order to increase the PBDC's funding?

I know little of the funding provided the PBDC by the four members. I seem to recall something on the order of $50,000 each. This, I assume, amounts to over $285,000 a year in annual funding provided the PBDC by the members and EDA to carry out its planning and development functions. (I admit to not being familiar with how the member funding is used. The use of EDA funding is specified in the attached Agreement.) This does not include the total of $80,000 provided to Guam and American Samoa for similar purposes by EDA.

We have had some difficulty identifying what the PBDC has been using EDA funding for in its past operations. I believe I mentioned this to the Governor earlier. EDA Regional Director John Woodward and his staff in Seattle worked with Jerry before the current funding was approved and arrived at an acceptable understanding of how EDA funds were to be used. That understanding is represented by the attached copy of the Special Terms and Conditions of the current grant. Based upon these facts and comparisons, I believe the EDA funding now being provided the PBDC is as high as it can and ought to be. It could easily be argued that the current level is too high.

I find it hard to believe that anyone knowledgeable in the efforts I have put forth could question my commitment to help our Pacific friends given the disproportionate amount of funding that we have committed there since I became Assistant

Secretary. EDA's activities in the Pacific under my tenure have increased enormously. I am attaching a list of our funding activities since I became Assistant Secretary for your information.

I have heard from a number of sources that the PBDC staff believes that the funds obtained by reductions in funding to the PBDC were given to the Pacific Business Center Program at the University of Hawaii. Such rumors really concern me. Let me assure the Governor that nothing could be further from the truth. The two programs are funded from different line items in our budget (the Center is funded from a line item specifically identified for university centers) and cannot be arbitrarily switched or intermingled.

Neither the FSM nor the RMI have a university; therefore, they are not eligible to receive university center technical assistance from EDA. Even Guam, with its university, probably will not be able to qualify in the near future. The only way these remote islands can receive low cost technical assistance is for your University of Hawaii to provide it.

I am pleased with the Governor's Pacific vision and the efforts of your staff to reach out to your island neighbors in the South Pacific and Micronesia. I enjoyed talking with Lee Afuvai in early February about your initiatives to fullfill your vision for Hawaii and the Pacific. I was most impressed.

It pleases me that so many highly qualified professors of the University are willing to work in the islands at reduced consulting rates, many I understand work weeks at a time free. You have indeed instilled in the faculty of the University a true spirit of aloha and sharing of resources. The Center and the increased support the State is going to provide it are indicative of your strong commitment to the "Pacific" part of the Asia-Pacific Region. I believe you recognize that I share with you a deep concern that no one forget the "Pacific" part of that scenario!!

Likewise, the island leaders appear to recognize their need for technical assistance and information from the University of Hawaii. They have embraced the Center by providing 100% matching funds to the EDA money I offered on my trip in the summer of 1987. I must admit I was surprised, as was our Regional Director, that all five governments accepted my offer so quickly and with such enthusiasm. Obviously, they feel strongly about the capabilities of the Center and the University of Hawaii to give them much needed assistance.

The additional money the Center receives in FY 88 and FY 89 from EDA for the FSM states and the RMI plus their equal matching share (a total of $150,000) is used to pay for the salaries, activities, travel and overhead for the services provided by the Center's newest field representatives, Jim Moikeha, Ray Cruz and Milton Staackman. The direct work they do demands extensive travel to the islands for extended periods several times a year. Their effort is a lot of people to people, person to person work. Those in governments and the private sector who use the services of University of Hawaii faculty and students often pay a fee for the work done. By the clients paying for these services, the Center is able to keep its costs to EDA and the islands quite low. EDA and all concerned are getting quite a lot for our investment, and I like that!

This effort is totally in keeping with the congressional mandate for EDA involvement in the Compact Agreements regarding the Freely Associated States. My decision and commitment to provide this assistance (if the individual governments wanted it and agreed to joint fund it) was made in July of 1987 while on my first visit to Micronesia. Again, I would emphasize it is totally unrelated to the PBDC, contrary to what the Governor might have heard.

Because I have detected a certain degree of discomfort and insecurity on the part of the director and staff of the PBDC with the expanded program and growing visability of the Center over the past two years, I encouraged greater cooperation. This discomfort is not only regrettable, but totally unnecessary for several reasons.

First, EDA funds both organizations and does not consider either to be in competition with the other nor a substitute for the other. Again, that would be the essence of duplication, and I have clearly stated that EDA does not want that. Secondly, EDA provides only partial funding for both organizations. It is highly unlikely that EDA could promote competition (even if it wanted to) between the two by using its funding as a lever of influence. Finally, it would seem to me that Jerry and his staff should be very proud of the development of the Center program and its successes. According to Angie Williams, Jerry was instrumental in its development and, over the years, has been most helpful to her and the Center's staff.

The Center, as with other university centers in the EDA program, has a rather broad scope of work. It is the intended and logical interface for state and local governments and the private sector business community with the University of Hawaii and the tremendous resources there. In fact, the Center seems to me to be the obvious interface for the PBDC with the University.

Other rumors apparently exist to the effect that EDA was threatening to cut off funding for the PBDC. This is absolutely untrue! I have emphatically stated to Jerry that, in addition to the current level of funding, the PBDC could compete for individual grant assistance on special efforts or projects that may develop from time to time. This is what other similar grant recipients are permitted to do. This competition is based on well identified needs, scope of work, and end results. I insist upon accountability. I want to know why the money is needed, how the money is used, and what did we get for the investment. If the concern is that this is not "assured funding" for PBDC, there is little help I can give to those concerned. We cannot favor one organization inordinately over others. Incidently, the Center could also compete for this type of assistance.

Governor Waihee, this letter is one I have personally written, and it is grossly too long. However, I wanted to clear up some apparent misconceptions. I hope you can take the time to read it in its entirety. Likely, it will be my last opportunity to convey some personal thoughts to you and the other governors. I appreciate your inquiry through Jerry which has given me this opportunity to pass my thoughts along to you.

Rumors and half-truths are divisive and destructive especially when so very misleading. We all need to work together to accomplish great things in the Pacific. Getting the job done in the Pacific is difficult enough due to geography, culture, past mistakes of the bureaucracy, tradition, etc. Having to cope with the seemingly never ending stream of misinformation holds us all back! I don't know how I could be more clear than I have tried to be with Jerry.

You, sir, are a real gentleman. I have truly enjoyed working with you and the other governors. It has been a pleasure knowing you all, and I look forward to future relationships. I had hoped that I might be directly involved as the Assistant Secretary for Territorial and International Affairs at Interior, however, that appears not to be. As I have proven, I could have made a lot of good and important things happen. Once again, thank you for your hospitality. If you have further questions, please let me know.

Sincerely,

Signed/Orson G. Swindle, III

Orson G. Swindle, III
Assistant Secretary
for Economic Development

Enclosures

cc Governors of the PBDC
Jerry Norris

EDA GRANT FUNDS TO TERRITORIES
(FY 1986 TO PRESENT)
MARCH 23, 1989

PRG	FY	APPLICANT NAME	PROJECT #	OBLGTD	PROJECT DESCRIPTION
AMERICAN SAMOA					
PW	86	AMERICAN SAMOA GOVERNM'T	070102965	650000	INDUSTRIAL PARK EXPANS'N
	88	GOVT OF AMERICAN SAMOA	070103073	400000	PAGO PAGO BAY SEWER IMPV
PL	86	GOVERNMENT OF AM SAMOA	07051500962	40607	AREA CONT PLANNING GRANT
	87	GOVERNMENT OF AM SAMOA	07051500965	40000	AREA CONT PLANNING GRANT
	88	GOVERNMENT OF AM SAMOA	07051500966	40000	AREA CONT PLANNING GRANT
	89	GOVERNMENT OF AM SAMOA	07051500968	40000	AREA CONT PLANNING GRANT
TA	86	AMERICAN SAMOA GOVT	07060294940	16000	MKT/S INDUSTRIAL MKT PRG
IX	87	PACIFIC BASIN DEV COUNCI	071903014	75000	NBR ONSITE T.A. & GUIDAN
FEDERATED STATES OF MICRONESIA					
IX	89	- U MUNICIPALITY	073903003	75000	DEV/S WATERPLAN
GUAM					
PL	86	GUAM, GOVERNMENT OF	07250166962	40000	STATE CONT PLNG GRANT
	88	GOVT OF GUAM	07051507566	40000	AREA PLANNING GRANT
	89	GOVT OF GUAM	07051507568	44000	AREA PLANNING GRANT
IX	89	GOVERNMENT OF GUAM	071903069	75000	NAT. DISASTER IMPLEMENT
HAWAII					
PL	86	PACIFIC BASIN DEV COUNCL	07051508262	125000	AREA CONT PLANNING GRT
	87	PACIFIC BASIN DEV COUNCL	07051508265	125000	AREA CONT PLANNING GRT
	88	PACIFIC BASIN DEV COUNCL	07051508266	86000	AREA CONT PLANNING GRT
	86	STATE OF HAWAII	07250165362	38715	STATE CONT PLNG GRANT
	87	STATE OF HAWAII	07250165365	50000	STATE CONT PLNG GRANT
	88	STATE OF HAWAII	07250165366	7000	STATE CONT PLNG GRANT
TA	86	UNIVERSITY OF HAWAII	070602907	100000	UV CTR HONOLULU
	86	UNIVERSITY OF HAWAII	070602959	43000	AFPI MANAGEMENT ASST
	87	UNIVERSITY OF HAWAII	07060290701	100000	UV CTR HONOLULU
	87	UNIVERSITY OF HAWAII	07060295901	48000	UV CTR HAWAII
	88	UNIVERSITY OF HAWAII	07060290702	100000	UV CTR HONOLULU
	88	UNIVERSITY OF HAWAII	07060295902	26250	MGT/S AFPI
	88	UNIVERSITY OF HAWAII	070603054	17000	MGT/S INCUBATOR
	88	UNIVERSITY OF HAWAII	070603058	75000	MGT/S COMPACT NATIONS.

SOUTH PACIFIC COMMISSION (U.S.) DUES

* JBN Memo re SPC U.S. Dues
* Embassy of Australia ltr to PBDC re SPC U.S. dues

Pacific Basin Development Council
Suite 325 • 567 South King Street • Honolulu, Hawaii 96813-3036
Telephone (808) 523-9325 Facsimile (808) 533-6336

March 20, 1989

MEMORANDUM

To: The Honorable John Waihee, HI

From: Jerry B. Norris

SUBJECT: SPC U.S. DUES

The enclosed letter from John McCarthy of the Embassy of Australia is well written and self explanatory. I am not sure why he sent it to me, but the issue of back dues payment for SPC has been a major point of contention for some time.

I would suggest that you consider penning a letter to the Hawaii Congressional delegation and asking them to make a push to get the $390,000 as soon as possible. Going to State Department would make some sense, but when they look at the priorities of back funding for other international organizations such as the United Nations, the SPC comes out low on the list of priorities. I think that the Congress mandating the immediate payment (and perhaps some language discouraging this happening again) could best be done by the Senators and Congress persons from Hawaii.

If I can be of further assistance, please so advise. May we have a copy of the correspondence and you might consider sending copies to Governors Coleman, Ada and Tenorio who are all members of SPC.

JBN1/ca
ENCLOSURE

TELEPHONE: (202) 797-3000
TELEGRAPHIC ADDRESS: AUSTEMBA
TELEX: W. U. 892621
TWX: 710-822-9295

1601 MASSACHUSETTS AVE.
WASHINGTON, D.C.

EMBASSY OF AUSTRALIA

IN REPLY QUOTE:

2 March, 1989

RECEIVED
MAR 06 1989
PACIFIC BASIN DEVELOPMENT COUNCIL

Mr. Jerry Norris
Executive Director,
Pacific Basin Development Council.
Suite 325
567 S. King Street,
Honolulu, HI 96813-3036

Dear Mr. Norris,

I refer to our conversation last night on United States' arrears in its contribution to the South Pacific Commission, and the degree to which the issue is impacting on United States' standing in the region.

The South Pacific Commission is an international organization which provides technical advice, training, assistance and dissemination of information in the social, economic and cultural fields to twenty-two governments and administrations in the region. A note outlining the function and history of the South Pacific Commission, together with its membership is attached. You will note that membership includes American Samoa, the Federated States of Micronesia, Guam, the Marshall Islands, the Northern Mariana Islands and Palau.

The crux of the problem is this. The United States is in arrears to the tune of $390,000 in its contributions to the South Pacific Commission, arising from short-falls in 1986 and 1987. These short-falls were occasioned by exchange rate fluctuations. Our understanding is that in the FY 1990 budget, it is proposed that the United States meet this shortfall according to the method which it will use to pay arrears to a number of other international organizations, i.e. to pay off the amount over six years. Ten percent of the amount is to be paid off in fiscal year 1990, twenty percent of the amount in each of the following four years, and ten percent of the amount in the sixth year.

/...

Australia's concern about the United States inability or unwillingness to pay arrears to the South Pacific Commission in one hit arises from the fact that the likelihood of the arrears problem continuing for some time could seriously impact on perceptions of the United States in the region. The amount involved is small and could be paid without undue difficulty. You might like to bear in mind the following points.

- Again taking into account that the amount in question is small, it nonetheless looms large in the South Pacific region. The issue is seen as a major one by the very small states of the region. Put simply, it is perceived as lack of concern on the part of the United States about Pacific Island interests.

- United States' standing in the South Pacific was seriously compromised by the activities of United States' tuna boat operators and related United States' policy some years ago. The United States/Forum Fisheries Agency Tuna Agreement, under which the United States will pay US$50 million over five years for access to fisheries in the South Pacific has gone a significant way towards mending fences. However, the non-payment of the outstanding contribution by the United States to the SPC is perceived as reflecting the earlier approach.

- The matter of the outstanding contribution was raised with the United States by representatives of many of the island governments attending the 1988 South Pacific Conference and associated officials meetings - in particular PNG, Fiji, Western Samoa, the Cook Islands and the Solomon Islands.

- The issue would have been a matter of considerable debate at the 1988 South Pacific Conference had not the United States' delegation intervened to advise that the situation was under close scrutiny by United States' authorities and that it was hoped the situation would be resolved early in the new year. While this response was made without a definite commitment, Island delegates construed it as indicating that the matter would be put right promptly. You will appreciate that Pacific Islanders do not have a detailed knowledge of the way the American political process works. Thus a United States' response at this time which is inconsistent with the perception that matters would in fact be corrected would, in our view, reflect adversely on United States' credibility in the South Pacific Commission and in the region.

/...

The outstanding United States' contribution to the SPC amounts to some ten percent of the SPC budget. We have been advised by senior officials that the work program of the organization in 1989 will be significantly affected, including in the key area of fisheries, if the United States' contribution is not forthcoming.

The long and the short of it is that we would see considerable advantage to the United States in terms of its dealings with the South Pacific, an area of strategic importance to both our countries, if steps were to be taken to ensure that the $390,000 was paid in one hit. We accept that this may not necessarily be easy to arrange, given the complexity of the budget process and the precedent factor as it applies to other international organizations. However as noted, the amount is small and we believe that it would be in your interests as well as in ours and those of the South Pacific states, if measures could be taken to rectify the problem. We have of course made representations to the Department of State on this matter.

Yours sincerely,

John McCarthy