The original documents are located in Box 6, folder "National Oceanic and Atmospheric Administration - Puget Sound" of the Norman Ross Files, 1974-75 at the Gerald R. Ford Presidential Library.

U.S. DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Washington, D.C. 20230

OFFICE OF THE ADMINISTRATOR

File
Puget
Sound
Fishing
NOAA

November 18, 1974

Mr. Norman Ross
Assistant Director
Domestic Council
Executive Office Building
Washington, D.C. 20500

Dear Norm:

In response to your query regarding the economic problems of the Puget Sound net fishermen resulting from the United States vs. Washington, I am enclosing an analysis which I believe will give you all the necessary background on the economic situation out there.

Sincerely,

Robert M. White
Administrator

Enclosure

11/20

Economic Problems of the Puget Sound Net Fishermen
resulting from *United States v. Washington*

Background:

The decision of the U.S. District Court in *United States v. Washington*, issued on February 12, 1974, requires that Indians who are parties to treaties with the U.S. must be given the opportunity to catch up to 50% of the harvestable fish that may be taken by all fishermen at the "usual and accustomed grounds and stations" of the Indians. In calculating the number of "harvestable fish" to be shared equally with non-treaty (non-Indian) fishermen, the decision requires subtraction from the fish catch not only the fish needed for spawning escapement, but also all fish taken by Indians on and off reservation for their subsistence and ceremonial needs. (These subtractions are to be made before determining the 50% split of the harvest).

In addition, the decision requires the State of Washington to make an "equitable adjustment" to compensate treaty tribes for the large numbers of fish, which might otherwise be available for harvest by treaty fishermen, caught by nontreaty fishermen in marine areas closely adjacent to, but beyond the territorial waters of the State (for example, the contiguous fisheries zone, 3-12 miles), or within Washington waters which are not under State control (for example, Convention waters regulated by the International Pacific Salmon Fisheries Commission). In practice, therefore, the percentage of fish to be made available to treaty Indian fishermen may significantly exceed 50% in Puget Sound. Two other factors add to the impact of the Boldt decision. There has been a recent proliferation or increased usage of gear by others than the Indians, thus increasing the competition for the reduced share of the resource. Finally, reduced runs of some species in some areas have further compounded the situation.

Dimensions of the Problem:

The Boldt decision and perhaps other on-going trends have resulted in a severe blow for Washington salmon net fishermen. Further evaluation is underway, but data available now provide a basis for a preliminary evaluation. The severe impact on this sector of the fishing industry during the 1974 season resulted largely from adjustments made necessary by *United States v. Washington* to provide additional fish for treaty Indians. The burden of the State's adjustments so far for salmon fell entirely on the net fisheries.

The Washington Department of Fisheries, responding to the Boldt decision, closed the salmon troll fishery in coastal waters under State control and reduced the daily sport limit from three salmon to two in order to spread the impact of increased treaty Indian landings. Both of these actions were reversed in State Courts. Judge Boldt subsequently ruled that the Department of Fisheries should then manage the seasons to replace fish landed in other areas that were destined to return to the Puget Sound areas where Indian fishermen were to receive the chance to get 50% of the catch.

The Purse Seine Vessel Owners Association states that each of the 250 Washington Purse Seine vessels has an average market value of $125,000 (with a much higher replacement cost at current prices). Including a net costing approximately $18,000, a seine skiff costing about $15,000, and mortgage insurance, the total investment amounts to about $160,000 per vessel. Annual operating expenses are about $18,000. During the 1974 fall season, the Purse Seine fleet was allowed by the Washington Department of Fisheries to fish only four days in September in the area affected by the Boldt decision and caught fish worth a total of only $180,000 for the entire fleet, and has not been permitted to fish in that area since that time. This compares to 18 days of fishing in this area during the fall of 1973 and a total catch worth $1,690,000. Similar data are not available for the smaller (usually single man) gillnetters, but the Puget Sound Gillnetters Association believes that their organization has been hurt most due to the larger number of vessels involved and limited alternatives for other uses. The Washington Reef Net Association (with fixed gear) also experienced severely reduced catches. Data on the number of fishermen being adversely affected are still being developed.

In terms of the number of fish caught, the impact on the Puget Sound fishermen is readily evident from the following comparison:

	Catch by licensed commercial fishermen	Catch by Indians
1974	110,182	403,294*
1973	479,104	167,000

* The Indian catch could go as high as 500,000 for 1974 since they are still permitted to fish, but the commercial catch will not increase for 1974 as the commercial fishermen are not allowed further fishing.

Since the entire impact of the required adjustments by the State in amount of catch fell on this relatively small sector of the fishing industry, the net fishermen feel that some type of assistance is justified. Furthermore, the Boldt decision impacts with longer term trends generally reflecting increases in troll fishing and gillnet gear and reductions in landings by net fisheries. The net fisheries usually have served as a final area of adjustment to assure adequate escapement to protect reproductive stocks. The industry emphasizes that the impact in 1974 results from a four-day fishing season in the fall and was sudden in character. They feel this single sector of the industry is required under this concept or approach to bear the entire burden of any adjustments due Indian people because of national treaties. They want others to share part of this burden through provision of some form of immediate relief, as well as longer term corrective actions.

Meeting with Fishermen in Puget Sound Area

In response to telegrams of October 25, from Senators Magnuson and Jackson and Congressman Meeds, the Director of the National Fisheries Service met on November 6, in Seattle, with Puget Sound fishermen to explore means to alleviate the economic hardships being experienced. Also in attendance were representatives of the federal agencies which the National Marine Fisheries Service had identified as possible sources of financial assistance, as well as representatives of the Governor's office, Washington Department of Fisheries, and the State's Department of Commerce and Economic Development.

Fishing industry representatives at the meeting commented on the type of assistance they would like. Some of these are: Immediate relief of economic strain such as meeting mortgage payments, grants for loss of income, greater share of the fishery resource, legislation providing for future fishing viability (which might include increased hatchery production and possible amendment of the Indian treaties), and a speedup of legal process which could modify the Boldt decision, or at least exhaust the appeal route so the final decision would be known thus permitting more permanent plans to be developed, as necessary.

The economic problems of the non-treaty fishermen appear to be both substantial in nature and incapable of being fully met through existing financial assistance programs administered by the federal government.

Short-Term Actions:

Through concerned fisheries associations, we have developed a mail questionnaire to be combined with a small sample of personal interviews of non-Indian commercial net fishermen. This will enable us to more accurately evaluate the economic impact. We want to stratify the industry more carefully (i.e. avoid using average data), to determine total fishing income from all areas and total income, if any, from non-fishing sources. This can then be related to factors such as investment, changes in net earnings, and similar variables. This will also be combined with information from other sources (e.g. trends in total fishing gear of all types, changes in total fish runs) in order to broaden our perspective of the issues and initiate procedures to monitor future developments.

The Washington Department of Commerce and Economic Development is contacting all lending institutions with loans to non-Indian net fishermen asking them to declare a moratorium on payments. Most lenders appear willing to cooperate for at least one year. Key federal agencies handling financial assistance programs have indicated that only very limited economic assistance, if any, would be available from on-going programs.

NMFS has two assistance programs of which the primary thrust is to construct or reconstruct new fishing vessels. The Fisheries Loan Fund is presently under moratorium; however, even if the moratorium were lifted, loans could be made only to those who could give assurance for repayment.

Small Business Administration has a guarantee program for 90 percent of a loan; however, considering that the State's Department of Commerce and Economic Development is contacting lending agencies asking for a temporary moratorium on mortgage payments of distressed fishermen, it is difficult to conceive that a lender would enter into a new loan under these conditions.

The Department of Health, Education, and Welfare has agencies which can provide subsistence and medical aid under welfare programs, but most fishermen would not qualify or desire this type assistance.

The Federal Disaster Assistance Administration can react only if there is a disaster declaration. However, the economic problems facing the Puget Sound fishermen affected by the Boldt decision may not be the type of injury which would likely support a natural disaster declaration.

However, we have made plans to provide some form of single agency "clearing house" (through a Federal Regional Council Task Force) to permit the industry to have a single point of contact and to coordinate all available assistance. Another function of the Task Force will be to compile a comprehensive report on the situation, which will be important to the Congress and to the agencies in determining needed short-range and long-term actions. This report will be completed as soon as possible, but will take at least 4 to 5 weeks inasmuch as completion of the report will be contingent on receipt of information from questionaire sent to all fishermen.

The Longer Term Outlook:

As a result of the meeting with the fishermen and representatives of ten federal and State agencies, it appears that little can be done now by these agencies to help the fishermen. The only basis for additional action would appear to be a determination that the economic disaster was naturally caused. This does not seem to be the case; the premise is that economic demise of the fishermen is the result of the Boldt decision and subsequent actions taken thereunder. The State of Washington and elements of the industry are appealing the Boldt decision. It therefore seems imperative to get the court process settled irrespective of the outcome. Once that is done, the need for legislative action can be assessed.

Depending on the outcome of the legal process, meaningful action in the longer run may be a more equitable reduction of all gear to permit the appropriate share to the Indian fishery and assure adequate protection of reproductive stocks. This might be supplemented with increased fish cultural production, in some cases, to reduce the magnitude of needed adjustments. Obviously, some changes in legislation with appropriate funding would be needed for these longer term adjustments.