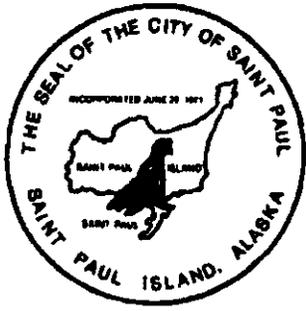


07-002150-2



**CITY OF SAINT PAUL**

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SAINT PAUL ISLAND, ALASKA  
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OS EXECUTIVE SECRETARIAT  
2007 JUN 11 AM 9:49

June 7, 2007

The Honorable Carlos M. Gutierrez  
Secretary of Commerce  
U.S. Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Re: Continuing Fishery Resource Disaster in the Bering Sea Snow Crab  
Fishery – Status of 2006 Request and Request for 2007 Determination

Dear Mr. Secretary:

On October 23, 2006, the City of Saint Paul of the Pribilof Island Community of Saint Paul, Alaska, ("the City") submitted to you a petition for a determination, pursuant to Section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. 1861a(a) (2005) (hereafter "the Magnuson-Stevens Act"), that a commercial fishery failure in the Bering Sea snow crab fishery had occurred in the 2005 and 2006 fisheries due to a fishery resource disaster. The determination that we requested would be a continuation of the Department's Section 312 determinations made on May 11, 2000, November 29, 2001, November 13, 2002 (announced January 17, 2003), and February 10, 2005.

We are concerned that the Secretary has not responded to our petition in more than seven months. In light of the time that has passed, we ask that the Secretary permit the City to amend its October 23, 2006 request to include the data presented in this letter relating to the 2007 Bering Sea snow crab fishery. Further, we ask that you consider our pending petition as a request for Section 312 determinations regarding the 2005, 2006 and 2007 Bering Sea snow crab fisheries. We believe these are reasonable requests, and we will appreciate your consideration of and action on the City's amended petition.

As the Secretary is considering our requests for Section 312 regarding fisheries in three additional years, the City has researched the question of whether any factors would limit the number of such declarations that the Secretary can issue with respect to a particular fishery. Our research has not identified any limitations of this type, or any basis on which the Secretary could deny the City's requests other than the facts particular to each year's fishery. As we discussed in our October 2006 request and as reiterated in this letter, we believe that the facts regarding the health of the crab stocks

and the City's economy support additional Section 312 determinations with respect to the 2005, 2006 and 2007 Bering sea snow crab fisheries.

The Secretary's prior determinations have been extremely valuable to the City as it pursues Federal funding and other ventures aimed at developing and diversifying its economy. Specifically, the Section 312 determinations represent an objective assessment of the depressed state of the Bering Sea snow crab resource and the harm that the City has experienced as a crab-dependent economy. As we believe the facts support additional determinations, and in light of the importance of such declarations to the City's development efforts, we request that the Secretary consider our requests based solely on the facts at issue for each year's fishery.

**I. A Fishery Resource Disaster In the Bering Sea Snow Crab Resource Continued to Manifest Itself in the 2007 Fishery.**

The Bering Sea snow crab fishery has continued in a state of severe decline. One reflection of this condition is the pattern of guideline harvest level ("GHL")/total allowable catch ("TAC") for the period 1999 through 2007. Based on their analysis of National Marine Fisheries Service ("NMFS") trawl survey data and of stock abundance and biomass indices, the Alaska Department of Fish and Game and NMFS set the 2006/2007 Bering sea snow crab total fishery allowable catch at a level below the level for the 2005/2006 fishery:

	<u>GHL (million lbs.)</u>
1999	196
2000	28.6
2001	27.3
2002	30.82
2003	25.61
2004	20.8
2005	20.92
2006	37.18 (TAC for 2005/2006 fishery)
2007	36.57 (TAC for 2006/2007 fishery) <sup>1</sup>

As is evident from this table, the 2007 TAC remains substantially below the 1999 GHL – 81 percent below, to be precise.

<sup>1</sup> Includes CDQ. Alaska Department of Fish and Game Commercial Fisheries News Release (September 29, 2006), <http://www.cf.adfg.state.ak.us/region4/news/2006/nr0929a06.pdf>. The TACs for 2005/006 and 2006/007 excluding CDQ, that is, the IFQ fishery only, were 33.5 and 32.9 million pounds, respectively.

**II. Saint Paul Continues to Experience Significant Economic Losses Due to the Depressed Condition of the Snow Crab Commercial Fishery**

As presented above, the snow crab harvest levels in 2005, 2006 and 2007 were set well below the 1999 harvest level of 196 million pounds, and Saint Paul continues to struggle with the substantial loss in revenues that result from the reduction in the snow crab resource.

Specifically, the total loss in revenues to the city, based on the fisheries collapse in 2005, 2006 and 2007 as compared to 1999, was 84%, 86% and 85%.<sup>2</sup> These losses were reflected in continued depressed revenues in several major areas of City revenues – onshore processor revenues, offshore processing, fuel distributors, harbor services, and local businesses – which have not risen to any significant degree from the first year of the fishery collapse in 2000. Those losses (rounded to the nearest thousandth dollar and percentage point) are summarized in the following chart, which is an updated version of the chart we presented in our October 23, 2006 request:<sup>3</sup>

Revenue Source	1999	2000	2005	2006	2007	Revenue Decline 1999 to 2000	Revenue Decline 1999 to 2005	Revenue Decline 1999 to 2006	Revenue Decline 1999 to 2007
Onshore Processors	782	113	191	194	123	86%	76%	75%	84%
Offshore Processors	1,935	298	230	135	332	85%	88%	93%	83%
Fuel Distributors	85	11	28	42	31	87%	67%	51%	64%
Harbor Services	759	78	94	91	23	90%	88%	88%	97%
Local Businesses	110	60	47	45	29	45%	57%	59%	74%
<b>TOTAL</b>	<b>3,671</b>	<b>560</b>	<b>590</b>	<b>507</b>	<b>538</b>	<b>85%</b>	<b>84%</b>	<b>86%</b>	<b>85%</b>

<sup>2</sup> The percentage figures cited in this paragraph and the accompanying chart are rounded to the nearest percentage point, and value data is rounded to the nearest \$1,000.

<sup>3</sup> Chart updated using data provided in Exhibit 1 to this letter. These figures do not include other revenue sources which are not dependent on the condition of the Opilio crab harvests.

**III. A Determination of a Commercial Fishery Resource Disaster in 2007, in addition to 2005 and 2006, is Needed to Provide Assistance under the Guidelines of Section 312(a) of the Magnuson-Stevens Act**

Section 312(a) of the Magnuson-Stevens Act authorizes the Secretary to exercise discretion in determining whether there is a commercial fishery failure due to a fishery resource disaster as a result of:

- a. Natural causes;
- b. Man-made causes beyond the control of fishery managers to mitigate through conservation and management measures; or
- c. Undetermined causes.

Such a determination would authorize the Secretary to provide funds appropriated for the purpose,

for assessing the economic and social effects of the commercial fishery failure, or any activity that the Secretary determines is appropriate to restore the fishery or prevent a similar failure in the future and to assist a fishing community affected by such failure.

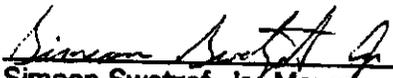
As discussed in our October 23, 2006 request, as supplemented in Sections I and II above, the elements necessary for a commercial fishery failure resource disaster are present in the continuing collapse of the Bering Sea snow crab resource. Significant efforts at national, regional, and community levels currently underway to address the fisheries resource disaster in the crab fisheries need to be continued into the future. A determination that the snow crab fishery resource disaster continued in 2005, 2006 and 2007 will make this possible.

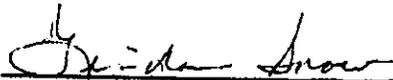
**IV. Conclusion.**

The City of Saint Paul requests that, as in past years, it be recognized as an affected fishing community under Section 312(a) of the Magnuson-Stevens Act and that the Secretary make the determination that (1) the fishery resource disaster that has been recognized as having occurred in the Bering Sea snow crab stocks due to natural conditions persists; and (2) the continued collapse of the Bering Sea snow crab resource in 2005, 2006 and 2007 resulted in a commercial fishery failure in both of these years.

Thank you for your attention to this matter.

Sincerely,

  
Simeon Swetzof, Jr., Mayor

  
Linda Snow  
City Manager

Enclosures

cc: William T. Hogarth, Assistant Administrator, National Marine Fisheries Service  
Senator Ted Stevens  
Senator Lisa Murkowski  
Congressman Don Young  
Governor Sarah Palin  
Office of the Governor of the State of Alaska, Washington, D.C.

**EXHIBIT 1**

CITY OF SAINT PAUL  
REVENUE IMPACTS  
OPILLO CRAB FISHERY COLLAPSE  
1999, 2000, 2001, 2002 & 2003 ACTIVITY

	1999				2000						
	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Total	Jan-05	Feb-05	Mar-05	Apr-05	Total
Trident	127,738	327,141	258,765	12	68,380	782,036	173,852	16,872			190,723
	\$ 127,738	\$ 327,141	\$ 258,765	\$ 12	\$ 68,380	\$ 782,036	\$ 173,852	\$ 16,872	\$ -	\$ -	\$ 180,723

	1999				2000						
	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Total	Jan-05	Feb-05	Mar-05	Apr-05	Total
Notquest	26,884	89,898	62,772	-	19,942	199,296					
Yard Arm Knit 2006	42,817	122,006	94,847	-	31,844	291,514					
Yard Arm Knit 2006											
Royal Aleutian 2006											
ICICLE	32,912	160,467	134,856	97,327	135,647	561,209					
Stellar Seafoods	-	368	3,628	-	-	3,994					
Peter Pan Seafoods	-	67,022	78,388	10,828	15,588	171,828	95,968				95,968
Sea Alaska	-	56,880	44,660	6	9,720	111,276	76,286	56,828	490	76	133,681
Independence	-	134,053	77,577	22	21,534	233,186					
Sino Pac	-	-	-	-	-	-					
UNISEA	41,164	147,831	97,155	44,716	32,007	362,873					
	\$ 143,577	\$ 778,533	\$ 593,884	\$ 152,900	\$ 266,282	\$ 1,935,176	\$ 172,254	\$ 56,828	\$ 490	\$ 76	\$ 229,648
	\$ 271,315	\$ 1,105,674	\$ 852,649	\$ 152,912	\$ 334,662	\$ 2,717,212					

	1999				2000						
	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Total	Jan-05	Feb-05	Mar-05	Apr-05	Total
Fuel Distributors	2,219	12,772	13,802	3,778	2,055	34,028	4,628	3,362	3,126	4,428	15,564
Note: One vendor deals strictly with Marine Fuel Sales. The other vendor is a combination of marine fuel and home heating fuel	4,255	36,349	4,195	3,767	1,850	50,416	790	762	1,865	8,548	11,986
	\$ 6,474	\$ 49,121	\$ 17,997	\$ 7,545	\$ 3,905	\$ 85,042	\$ 5,418	\$ 4,164	\$ 4,992	\$ 12,976	\$ 27,550

	1999				2000						
	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Total	Jan-05	Feb-05	Mar-05	Apr-05	Total
Dockage	12,488	18,852	26,229	3,962	2,804	62,135	5,360	3,428	5,412	1,935	16,134
Wharfage	12,940	36,231	60,873	11,019	11,305	132,467	6,869	7,027	18,494	12,821	45,211
Marine Fuel Sales	16,850	99,851	14,850	13,853	6,634	152,018	1,505	1,480	3,392	15,017	21,404
Package Stock Sales	9,830	59,879	20,162	40	8,052	97,984	120			1,771	1,771
Laborer Revenue	200	360	520	-	-	1,080					120
Rental Revenues	20,329	69,865	87,464	37,928	24,322	239,906	9,207				9,207
Fuel Profit Sharing	-	-	36,930	-	36,930	73,860					
	\$ 72,637	\$ 283,038	\$ 247,127	\$ 66,802	\$ 89,847	\$ 759,451	\$ 23,060	\$ 11,945	\$ 27,297	\$ 31,544	\$ 93,847

	1999				2000						
	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Total	Jan-05	Feb-05	Mar-05	Apr-05	Total
TDX Corp	1,831	4,382	12,579	1,039	1,346	21,177	639	1,547	633	765	3,784
LEASES TDX	1,808	6,165	12,351	13,923	1,808	38,095	5,704	6,233	7,406	7,046	26,389
T & A	244	280	245	180	460	1,419					
Tribal Gov't	-	-	1,615	1,291	1,748	4,654	830	432	1,033	1,204	3,500
AC Store	6,429	13,286	13,553	6,663	6,288	46,218	1,704	6,165	3,710	1,704	13,282
	\$ 10,311	\$ 24,123	\$ 40,343	\$ 23,066	\$ 11,650	\$ 109,523	\$ 9,077	\$ 14,377	\$ 12,782	\$ 10,718	\$ 46,955

	1999				2000						
	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Total	Jan-05	Feb-05	Mar-05	Apr-05	Total
LOCAL BUSINESSES	1,831	4,382	12,579	1,039	1,346	21,177	639	1,547	633	765	3,784
LEASES TDX	1,808	6,165	12,351	13,923	1,808	38,095	5,704	6,233	7,406	7,046	26,389
T & A	244	280	245	180	460	1,419					
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	\$ 10,311	\$ 24,123	\$ 40,343	\$ 23,066	\$ 11,650	\$ 109,523	\$ 9,077	\$ 14,377	\$ 12,782	\$ 10,718	\$ 46,955

2006				2007			
Jan-06	Feb-06	Mar-06	Apr-06	Jan-07	Feb-07	Mar-07	Apr-07
64,286	45,929	24,447	58,985			31,900	90,872
\$ 64,286	\$ 45,929	\$ 24,447	\$ 58,985	\$ -	\$ -	\$ 31,900	\$ 90,872
Total				Total			
193,628				122,772			

2006				2007			
Jan-06	Feb-06	Mar-06	Apr-06	Jan-07	Feb-07	Mar-07	Apr-07
3,503	7,359	26,382					
24,428	12,323	20,075	11,076		16,333	8,304	45,205
23,278	15,934	64,852	5,480		15,576	13,352	4,382
						41,547	24,532
11,362	19,878	11,613	(12,986)		7,586	43,149	50,735
					7,338	42,173	49,510
						26,835	38,085
\$ 62,572	\$ 55,494	\$ 122,922	\$ 3,590	\$ -	\$ 46,831	\$ 173,359	\$ 112,185
\$ 128,838	\$ 101,423	\$ 147,370	\$ 62,575	\$ -	\$ 46,831	\$ 205,259	\$ 203,057
Total				Total			
332,375				455,147			

2006				2007			
Jan-06	Feb-06	Mar-06	Apr-06	Jan-07	Feb-07	Mar-07	Apr-07
7,283	9,600	7,082	5,875	4,298	5,714	6,132	6,978
2,707	2,912	5,367	1,628	4,539	1,416	324	1,620
\$ 10,000	\$ 12,512	\$ 12,449	\$ 7,504	\$ 8,836	\$ 7,130	\$ 6,457	\$ 8,598
Total				Total			
29,851				23,122			

2006				2007			
Jan-06	Feb-06	Mar-06	Apr-06	Jan-07	Feb-07	Mar-07	Apr-07
6,540	4,015	16,148	3,317	1,984	1,752	1,639	150
5,077	5,747	15,365	1,460	452	411	434	1,297
3,972	4,411	7,563	3,180	6,972	2,040	480	2,400
5,338	3,437	4,037	719	355	4,180	362	77
80		40					
\$ 21,607	\$ 17,610	\$ 43,153	\$ 8,676	\$ 9,773	\$ 8,363	\$ 2,915	\$ 2,627
Total				Total			
91,047				23,877			

2006				2007			
Jan-06	Feb-06	Mar-06	Apr-06	Jan-07	Feb-07	Mar-07	Apr-07
546	1,661	1,383	926	512	1,152	509	2,172
1,801		3,706	2,634	1,801		1,801	3,603
1,638	1,389	1,147	1,102	1,308	1,263	1,063	1,186
5,928	5,944	8,225	6,396	6,048	5,684	6,247	4,819
\$ 9,911	\$ 8,994	\$ 14,461	\$ 11,258	\$ 9,669	\$ 8,099	\$ 9,620	\$ 1,186
Total				Total			
44,623				28,573			