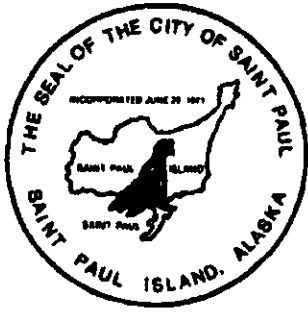


07-002150-e



**CITY OF SAINT PAUL**

P.O. BOX 901  
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.

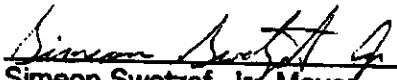
As discussed in our October 23, 2006 request, as supplemented in Sections I and II above, the elements necessary for a commercial fishery failure resource disaster are present in the continuing collapse of the Bering Sea snow crab resource. Significant efforts at national, regional, and community levels 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.

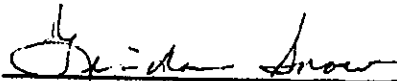
**IV. Conclusion.**

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  
 OPILO CRAB FISHERY COLLAPSE  
 1999, 2000, 2001, 2002 & 2003 ACTIVITY

|  | 1999       |              |            |            |            |              | 2005       |           |           |           |            |
|--|------------|--------------|------------|------------|------------|--------------|------------|-----------|-----------|-----------|------------|
|  | Jan-99     | Feb-99       | Mar-99     | Apr-99     | May-99     | Total        | Jan-05     | Feb-05    | Mar-05    | Apr-05    | Total      |
| <b>ONSHORE PROCESSORS</b>  |            |              |            |            |            |              |            |           |           |           |            |
| 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 | \$ -      | \$ -      | \$ 190,723 |
| <b>OFFSHORE PROCESSORS</b>   |            |              |            |            |            |              |            |           |           |           |            |
| Norquest   | 26,884     | 89,898       | 62,772     | -          | 19,942     | 199,296      |            |           |           |           |            |
| Yard Arm Knot  | 42,817     | 122,006      | 94,847     | -          | 31,844     | 291,514      |            |           |           |           |            |
| Yard Arm Knot 2006   |            |              |            |            |            |              |            |           |           |           |            |
| Royal Aleutian 2006  |            |              |            |            |            |              |            |           |           |           |            |
| ICICLE   | 32,912     | 160,467      | 134,856    | 97,327     | 135,647    | 561,209      |            |           |           |           |            |
| Stellar Seafoods   | -          | 366          | 3,628      |            |            | 3,994        |            |           |           |           |            |
| Peter Pan Seafoods   | -          | 67,022       | 78,389     | 10,829     | 15,588     | 171,828      | 95,958     |           |           |           | 95,968     |
| Sea Alaska   | -          | 56,890       | 44,660     | 6          | 9,720      | 111,276      | 76,286     | 56,826    | 490       | 76        | 133,681    |
| Independence   | -          | 134,053      | 77,577     | 22         | 21,534     | 233,186      |            |           |           |           |            |
| Sno 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 |            |           |           |           |            |
| <b>FUEL DISTRIBUTORS</b>   |            |              |            |            |            |              |            |           |           |           |            |
| Note: One vendor deals strictly with Marine Fuel Sales. The other vendor is a combination of marine fuel and home heating fuel |            |              |            |            |            |              |            |           |           |           |            |
|  | 2,219      | 12,772       | 13,802     | 3,778      | 2,055      | 34,626       | 4,628      | 3,382     | 3,126     | 4,428     | 15,564     |
|  | 4,255      | 36,349       | 4,195      | 3,767      | 1,850      | 50,416       | 790        | 782       | 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  |
| <b>HARBOR SERVICES</b>   |            |              |            |            |            |              |            |           |           |           |            |
| Dockage  | 12,488     | 16,852       | 26,229     | 3,962      | 2,604      | 62,135       | 5,360      | 3,428     | 5,412     | 1,935     | 16,134     |
| Wharfage   | 12,940     | 36,231       | 60,973     | 11,019     | 11,305     | 132,467      | 6,869      | 7,027     | 18,494    | 12,821    | 45,211     |
| Marine Fuel Sales  | 16,850     | 99,851       | 14,830     | 13,853     | 6,634      | 152,018      | 1,505      | 1,480     | 3,392     | 15,017    | 21,404     |
| Package Stock Sales  | 9,830      | 59,879       | 20,182     | 40         | 8,052      | 97,984       |            |           |           | 1,771     | 1,771      |
| Laborer Revenue  | 200        | 360          | 520        | -          | -          | 1,080        | 120        |           |           |           | 120        |
| Rental Revenues  | 20,329     | 69,865       | 87,464     | 37,928     | 24,322     | 239,906      |            |           |           |           |            |
| Fuel Profit Sharing  | -          | -            | 36,930     | -          | 36,930     | 73,860       | 9,207      |           |           |           | 9,207      |
|  | \$ 72,637  | \$ 283,038   | \$ 247,127 | \$ 66,802  | \$ 89,847  | \$ 759,451   | \$ 23,060  | \$ 11,945 | \$ 27,297 | \$ 31,544 | \$ 93,847  |
| <b>LOCAL BUSINESSES</b>  |            |              |            |            |            |              |            |           |           |           |            |
| TDX Corp   | 1,831      | 4,382        | 12,579     | 1,039      | 1,346      | 21,177       | 839        | 1,547     | 633       | 785       | 3,784      |
| LEASES TDX   | 1,808      | 8,165        | 12,351     | 13,923     | 1,808      | 38,055       | 5,704      | 6,233     | 7,406     | 7,046     | 26,389     |
| T & A  | 244        | 290          | 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  | \$ 23,096  | \$ 11,650  | \$ 109,523   | \$ 9,077   | \$ 14,377 | \$ 12,782 | \$ 10,718 | \$ 46,955  |

| 2006      |           |           |           |            | 2007   |        |           |           |            |
|-----------|-----------|-----------|-----------|------------|--------|--------|-----------|-----------|------------|
| Jan-06    | Feb-06    | Mar-06    | Apr-06    | Total      | Jan-07 | Feb-07 | Mar-07    | Apr-07    | Total      |
|           |           |           |           | -          |        |        |           |           | -          |
| 64,266    | 45,929    | 24,447    | 58,985    | 193,628    |        |        | 31,900    | 90,872    | 122,772    |
|           |           |           |           | -          |        |        |           |           | -          |
| \$ 64,266 | \$ 45,929 | \$ 24,447 | \$ 58,985 | \$ 193,628 | \$ -   | \$ -   | \$ 31,900 | \$ 90,872 | \$ 122,772 |

| 2006       |            |            |           |            | 2007   |           |            |            |            |
|------------|------------|------------|-----------|------------|--------|-----------|------------|------------|------------|
| Jan-06     | Feb-06     | Mar-06     | Apr-06    | Total      | Jan-07 | Feb-07    | Mar-07     | Apr-07     | Total      |
|            |            |            |           | -          |        |           |            |            | -          |
| 3,503      | 7,359      | 26,382     |           | 37,244     |        | 16,333    | 6,304      | 45,205     | 67,842     |
| 24,428     | 12,323     | 20,075     | 11,078    | 67,902     | -      | 15,576    | 13,352     | 4,362      | 33,290     |
| 23,279     | 15,934     | 64,852     | 5,480     |            |        |           | 41,547     | 24,532     | 66,078     |
|            |            |            |           | -          |        |           |            |            | -          |
| 11,362     | 19,878     | 11,613     | (12,966)  | 29,887     | -      | 7,586     | 43,149     |            | 50,735     |
|            |            |            |           | -          |        | 7,336     | 42,173     |            | 49,510     |
|            |            |            |           | -          |        |           |            |            | -          |
|            |            |            |           | -          |        |           | 26,835     | 36,085     | 64,920     |
|            |            |            |           | -          |        |           |            |            | -          |
| \$ 62,572  | \$ 55,494  | \$ 122,922 | \$ 3,590  | \$ 135,033 | \$ -   | \$ 46,831 | \$ 173,359 | \$ 112,185 | \$ 332,375 |
| \$ 126,838 | \$ 101,423 | \$ 147,370 | \$ 62,575 |            | \$ -   | \$ 46,831 | \$ 205,259 | \$ 203,057 | \$ 455,147 |

| 2006      |           |           |          |           | 2007     |          |          |          |           |
|-----------|-----------|-----------|----------|-----------|----------|----------|----------|----------|-----------|
| Jan-06    | Feb-06    | Mar-06    | Apr-06   | Total     | Jan-07   | Feb-07   | Mar-07   | Apr-07   | Total     |
| 7,293     | 9,600     | 7,082     | 5,875    | 29,851    | 4,298    | 5,714    | 6,132    | 6,978    | 23,122    |
| 2,707     | 2,912     | 5,367     | 1,628    | 12,614    | 4,539    | 1,416    | 324      | 1,620    | 7,899     |
|           |           |           |          | -         |          |          |          |          | -         |
| \$ 10,000 | \$ 12,512 | \$ 12,449 | \$ 7,504 | \$ 42,465 | \$ 8,836 | \$ 7,130 | \$ 6,457 | \$ 8,598 | \$ 31,021 |

| 2006      |           |           |          |           | 2007     |          |          |          |           |
|-----------|-----------|-----------|----------|-----------|----------|----------|----------|----------|-----------|
| Jan-06    | Feb-06    | Mar-06    | Apr-06   | Total     | Jan-07   | Feb-07   | Mar-07   | Apr-07   | Total     |
| 6,540     | 4,015     | 16,148    | 3,317    | 30,020    | 1,994    | 1,752    | 1,639    | 150      | 5,535     |
| 5,077     | 5,747     | 15,365    | 1,460    | 27,649    | 452      | 411      | 434      |          | 1,297     |
| 3,972     | 4,411     | 7,563     | 3,180    | 19,127    | 6,972    | 2,040    | 480      | 2,400    | 11,892    |
| 5,938     | 3,437     | 4,037     | 719      | 14,131    | 355      | 4,160    | 362      | 77       | 4,953     |
| 80        |           | 40        |          | 120       |          |          |          |          | -         |
|           |           |           |          | -         |          |          |          |          | -         |
|           |           |           |          | -         |          |          |          |          | -         |
| \$ 21,607 | \$ 17,610 | \$ 43,153 | \$ 8,676 | \$ 91,047 | \$ 9,773 | \$ 8,363 | \$ 2,915 | \$ 2,627 | \$ 23,677 |

| 2006     |          |           |           |           | 2007     |          |          |          |           |
|----------|----------|-----------|-----------|-----------|----------|----------|----------|----------|-----------|
| Jan-06   | Feb-06   | Mar-06    | Apr-06    | Total     | Jan-07   | Feb-07   | Mar-07   | Apr-07   | Total     |
| 546      | 1,661    | 1,383     | 926       | 4,516     | 512      | 1,152    | 509      |          | 2,172     |
| 1,801    |          | 3,706     | 2,834     | 8,341     | 1,801    |          | 1,801    |          | 3,603     |
|          |          |           |           | -         |          |          |          |          | -         |
| 1,638    | 1,389    | 1,147     | 1,102     | 5,277     | 1,308    | 1,263    | 1,063    | 1,186    | 4,819     |
| 5,926    | 5,944    | 8,225     | 6,396     | 26,490    | 6,048    | 5,684    | 6,247    |          | 17,979    |
|          |          |           |           | -         |          |          |          |          | -         |
| \$ 9,911 | \$ 8,994 | \$ 14,461 | \$ 11,258 | \$ 44,623 | \$ 9,669 | \$ 8,099 | \$ 9,620 | \$ 1,186 | \$ 28,573 |