

**CITY OF SAINT PAUL**

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January 9, 2016

Re: BOF Proposal 278

Dear Board Members:

We are writing this letter in support of the Proposal 278 concerning the Bairdi fishery.

The recent trends in the crab fisheries have not been good for Saint Paul. For 2015-16, snow crab landings from both the IFQ and CDQ fisheries were 40.61 million pounds, a 40% cut from 67.9 million lbs in 2014-15. This season the snow crab TAC was cut by almost 50% to 21.5 million lbs. For bairdi the 2015-16 quota was 19.64 million pounds, which helped make up for the reduction in snow crab last year. This year the bairdi fishery is closed. Other crab fisheries such as the Pribilof red and blue king crab fisheries have remained closed for several years, or remained at very low levels such as the St. Matthew blue king crab fishery (closed this year).

As you may be aware, Saint Paul's economy is highly dependent on the crab fisheries, in particular the snow crab fishery. From 2000 to 2007, the City of Saint Paul experienced a commercial fishery failure under Section 312 of the Magnuson-Stevens Act (MSA) as determined by the National Marine Fisheries Service (NMFS). On average the fishery failure resulted in an 85% drop in City revenues on a yearly basis since the crab stocks collapsed in late 1999. This local economic depression has resulted in job losses and a significant decrease in the resident population over the past decade and a half.

Due to the 40% cut in the snow crab TAC from 2014-15 to 2015-16, the City experienced a corresponding loss in revenues which required budget cuts and laying off personnel. This occurred on top of reduced halibut quotas which are vital to the local fishermen, their crews, and their families. Given the additional cut in the snow crab TAC by almost 50% this year, the City will be forced to make further painful adjustments to its budget.

The City on average derives \$500,000 to \$1,000,000 in fish tax revenues each season. These revenues as well as fees derived from use of water, sewer, fuel, and other utilities, and harbor facilities, are the City's single largest source of revenues, and are critical to continued infrastructure investments in the community, and the salaries of local employees. In addition, the local village corporation benefits from the lease of space for container/crab pot storage. During the snow crab season, the harbor is busy with harvesters off-loading crab to the Trident Seafoods St. Paul plant. Services and supplies purchased by crewmembers generate increased business activity of up to 25% in the local store. Between 300 and 400 non-residents work at the shore-based processing facility during the crab season, thereby contributing greatly to local

economic demand. Air travel and cargo benefit from the activity on Saint Paul during the snow crab season. All of these direct and indirect activities are threatened due to low TACs and shutdowns in the crab fisheries.

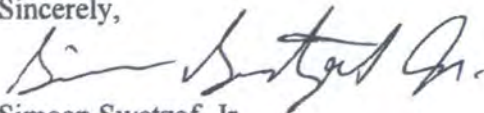
For its part, the Central Bering Sea Fishermen's Association (CBSFA), the local CDQ group, holds important percentages of crab quota including bairdi. CBSFA is an important driver of economic activity, job creation, social programs, and investment in fisheries related infrastructure on Saint Paul Island. It is important to the health of this key community organization that bairdi be harvested.

The City has worked closely with CBSFA, the crab harvesters, other communities, and Trident Seafoods which owns the only shore-side processing plant on Saint Paul, in order to maximize the value of the Bering Sea's crab fishery resources to the community through the Crab Rationalization Program and other initiatives.

While a favorable disposition of Proposal 278 may only result in a limited commercial bairdi fishery, even a small bairdi fishery would be helpful to preserving some of the economic benefits to Saint Paul that we have outlined above. It would also provide an incidental catch buffer as the snow crab fishery is pursued in the coming months. Going forward, we have valued the collaborative approach with ADF&G Westward staff, and look forward to continued interactions with ADF&G and the rest of the crab industry.

To conclude, we ask that you support Proposal 278 and allow for a bairdi fishery.

Sincerely,

A handwritten signature in black ink, appearing to read "Simeon Swetzof, Jr.", written in a cursive style.

Simeon Swetzof, Jr.
Mayor, City of Saint Paul, Alaska