



CBJ Review Task Force: Basing NOAA Fisheries & Oceanographic Functions in Alaska

December 4, 2014

Honorable Merrill Sanford, Mayor
City and Borough of Juneau
155 South Seward Street
Juneau, AK 99801

Re: Report of Findings and Recommendations for Action

Dear Mayor Sanford,

On behalf of the five members of the Task Force I am pleased to transmit our findings to you and the Assembly in the form of the attached report. It took a little longer than we originally thought, but we hope it will be of value as you deliberate on how to move Juneau's economy forward.

It is well known that federal civilian employment in Juneau has declined sharply in recent years. Much less understood is that literally hundreds of high paying federal science jobs which – jobs that are dedicated entirely to Alaska science missions - remain located in the Lower 48. There are historical reasons – some going back to Statehood - why things developed this way, but it is no longer a tolerable situation in this day and age. Those jobs are sorely needed in Alaska, and ought to be here. Many can and should be in Juneau. But, this is more than just a case of righting historical wrongs, or addressing our immediate economic development concerns. The science is vitally important to Alaska and the nation, and it will be better science if performed in Alaska.

Our report documents the number of positions at stake in two parts of the National Oceanic and Atmospheric Administration – the Alaska Fisheries Science Center, and the Marine Operations Center – Pacific. It then outlines an action plan to actually move positions north.

The Task Force recommends that we concentrate efforts initially on the Alaska Fisheries Science Center. The AFSC already has a major unit here in Juneau. The Auke Bay Laboratories Division, with 64 positions, is housed at the Ted Stevens Marine Research Institute at Lena Point, and the office of the AFSC's Science Director is also here. But, there are still 225 AFSC positions in Seattle. Our "straw man" proposal for moving the AFSC to Alaska calls for 172 of those jobs to be located here in Juneau. Others could be in Kodiak and Seward.

To accomplish the proposed move the Task Force suggests that Juneau follow the precedent recently set by Newport, Oregon when it achieved the move of NOAA's Marine Operations Center – Pacific from Seattle to Newport. Newport built the required facilities with state backed bond funding, and secured the deal with a long-term facilities lease from NOAA / GSA. We can do much the same here using the available resources of the Alaska Industrial Development Authority.

We believe the same concepts can ultimately be used to achieve basing of some of the NOAA research vessels in Alaska, and recommend that the Assembly also pursue that opportunity in close consultation with other effected communities, including Ketchikan and Kodiak.

A third opportunity to explore is the International Pacific Halibut Commission. Like the AFSC, the IPHC would be a very good fit with Juneau's fisheries research community. The Commission has 34 employees in Seattle and is currently leasing space at Fishermen's Terminal.

The Task Force looks forward to meeting with you and the rest of the Assembly in Committee of the Whole at your earliest opportunity.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Fisk". The signature is fluid and cursive, with the first name "Greg" being more prominent than the last name "Fisk".

Greg Fisk, co-chair



CBJ Review Task Force

Basing NOAA Fisheries & Oceanographic Functions in Alaska

December, 2014

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Task Force Charge

There is created within the City and Borough of Juneau a Review Task Force on Federal National Oceanic and Atmospheric Administration (NOAA) fisheries and oceanographic functions in Alaska. The task force will be composed of at least five members appointed by the Mayor to serve for six months, unless extended by the Mayor

Background: The majority of the NOAA science infrastructure in support of Alaska fisheries and ocean science mandates remains based in Seattle. This includes primarily the Alaska Fisheries Science Center, and staff at the NOAA facilities in Seattle. A second major NOAA component is its Marine Operations Center – Pacific (MOP) which operates the NOAA research vessel fleet. Basing more of NOAA's Alaska dedicated functions in Alaska would bring hundreds of additional jobs and millions of dollars in payroll to Alaskan coastal communities

.Purpose: The purpose of the task force in particular is:

- A review of past efforts on this matter;
- To collect new data an information; and
- Create an action plan for the Assembly.

The task force will prepare and submit a report on its findings to the Assembly for its consideration by August 29, 2014 (extended to December 31st)

Executive Summary

In 2013 there were 761 federal government civilian employees in Juneau. That is roughly 4.2% of our workforce. But, with average wages of \$87,500 per worker these federal jobs are disproportionately important to our economy, where the average earnings for all government (federal, state and local) workers was \$59,387 and private sector average earnings were just \$41,880. Unfortunately, the number of highly paid federal positions in Juneau went down by over 60 jobs from 2012 to 2013 – a precipitous 8.2% decline. “Since, 2004 Juneau has suffered the loss of 193 federal positions, which is a 20 percent reduction in the federal workforce.”¹

One of the hardest hit federal agencies has been the National Oceanic and Atmospheric Administration (NOAA), which has seen its Juneau workforce decline by 13.7 percent just since 2011. This has occurred while literally hundreds of NOAA jobs *dedicated entirely to Alaska scientific missions* remain in the Lower 48, including

- Four of the five divisions and most of the support functions of NOAA’s Alaska Fisheries Science Center, totaling 255 (75%) of the AFSC’s 338 positions; and
- All of NOAA’s fisheries and oceanographic vessels that conduct research in Alaska waters, along with at least an additional 100+ crew and shoreside support positions that ought to be stationed in Alaska ports.

This is an intolerable situation born entirely of political decisions and agency inertia that harken back to pre-Statehood conditions. Fortunately, this is not an immutable condition. We can change the situation and bring literally tens of millions of dollars of additional payroll to our economy and that of other effected Alaska coastal communities.

It is only right that these jobs be based in Alaska. But, the issue is much greater than just what’s right for us in terms of federal spending. Having the scientists and facilities here in Alaska will actually improve the science, and will be a huge capacity building impetus to the Alaskan education, fisheries management and general scientific communities, with enormous State and national implications for the rest of the 21st century.

But, how do we actually get these jobs and facilities moved to Alaska? Won’t it be prohibitively costly? The answer to the latter question is emphatically “No”, particularly when weighed against the cost of doing nothing. Fortunately, we have a recent and excellent example of a community organizing to achieve a very substantial move of NOAA assets and personnel. This was done with bond funding,

¹ Juneau Economic Development Council, “2014 Juneau and Southeast Alaska Economic Indicators and Outlook”, pg. 12, August, 2014. Other figures in this paragraph also derived from the same publication.

backed by state government and secured with a long-term lease of the new facilities by NOAA.² This Task Force advocates using the same basic approach - leveraging strong State of Alaska financial facilities with a well developed plan of action, close cooperation with other coastal communities on areas of mutual interest, careful coordination with the new State administration and our legislative and Congressional delegations, and persistent hard work.

The Task Force recommends that Juneau concentrate first on the potentials represented by NOAA's Alaska Fisheries Science Center. We propose a dual strategy.

- First, incremental steps to ensure full utilization of the Ted Stevens Marine Research Institute as currently configured (these steps could bring some 30 new jobs to Juneau in the near term); and
- Second, fund and fully build-out the TSMRI to its full originally designed capacity, and firmly establish it as the genuine operating headquarters of the entire AFSC (adding 140 more jobs).

All totaled, the proposed actions with respect to the AFSC could add some 170 highly paid federal positions to our economy, with a total additional annual employment expenditure of more than \$20 million. That translates to roughly \$15 million in additional buying power in or local economy. We propose that funding for the construction of the TSMRI completion be sought through the Alaska Industrial Development and Export Authority (AIDEA), and that security for the bonds be a long-term lease agreement with the federal government.

Basing of NOAA fisheries and oceanographic vessels in Alaska also represents a very good possibility for Juneau. Difficulties with NOAA's fleet recapitalization plan actually present an opportunity to leverage Alaskan financial capabilities in a manner similar to the suggested TSMRI build-out. However, this effort will involve substantial coordination with other Alaska cities that are already involved with this issue, namely Ketchikan and Kodiak. For that reason the Task Force sees the basing of NOAA vessels as "second in line" after working on the AFSC opportunity.

Although it is not included in the Task Force's mandate to examine NOAA functions, we recommend that Juneau also further research the potential for housing the International Pacific Halibut Commission here. An independent Us / Canada bilateral commission, IPHC is in all practical respects quite analogous to federal fisheries science institutions. It would represent a very significant and desirable addition to Juneau's vital research cluster.

² The 2010 move of NOAA's Marine Operations Center – Pacific from Seattle to Newport, OR.

Historical Perspective

Alaska's fight to achieve Statehood was very largely about control of fisheries policy. Indeed, Ernest Gruening likened Alaska's pre-statehood condition regarding fisheries to that of the American colonies under King George III, and of our then principal industry he wrote:

“Here was Alaska's greatest natural resource. Here was the nation's greatest fishery resource...The result is written in figures that spell tragedy for Alaska's coastal communities whose economy has long depended on fisheries. The tragedy has deepened year after year. So grave has become the plight that the administration found it necessary to declare the fishing villages to be disaster areas. It is a disaster caused by colonialism...”³

Statehood was a momentous step, but did not prove to be a panacea for achieving full control and development of Alaska's fisheries. The hated, company-owned fish traps were banned, but the salmon industry remained largely controlled by Outside interests. Still, in 1959 management of *all* the principal commercial fisheries was finally in Alaskan hands. Salmon, crab, shrimp and herring were all managed by the Alaska Department of Fish and Game (ADF&G). The way forward to increasing Alaskan economic benefit from fisheries resources seemed assured. But, several historic events were to change that picture – the discovery of enormous petroleum reserves at Prudhoe Bay in 1968,⁴ the establishment of the 200-mile Exclusive Economic Zone (EEZ) in 1976⁵, and the ocean regime shift that began in 1977⁶. The combination of these events had major impacts on fisheries management, reversing the momentum toward greater and greater Alaska control established at Statehood, and resulting in the structural imbalances in federal management that are the subject of this Task Force. What happened?

The advent of “Big Oil” in Alaska utterly changed Alaska's economic focus – and not surprisingly. With some 85 percent of all State revenues coming from petroleum taxes and royalties lawmakers have understandably focused more on oil and gas issues. It is fair to say that Alaska “took its eye off the ball” regarding fisheries. Amid the frantic days of pipeline development in the mid-1970's passage of the Magnuson Act in 1976, which establishing the 200-mile limit, drew much less attention than it otherwise might have from Alaska policy makers. The following year, 1977, saw the beginning of a dramatic ocean regime shift. Gulf of Alaska and Bering Sea waters warmed, creating ideal conditions for finfish like Pollock, cod and yellowfin sole, but in a matter of a few years wiping out Alaska's once prolific northern shrimp fishery

³ Gruening, Ernest, *The Battle for Alaska Statehood*, University of Alaska Press, 1967, p.88

⁴ ARCO / Exxon discovery well announced on March 12, 1968.

⁵ Fishery Conservation and Management Act, P.L. 94-265, aka the “Magnuson Act”, April 13, 1976.

⁶ Generally recognized as the beginning of the current warm water cycle. Cyclic cold and warm periods have been documented as far back as the 1500's.

and dramatically reducing the valuable crab resource. This cyclic regime shift created enormous new US groundfish fisheries which – unlike salmon, shrimp, crab and herring – were not under management plans developed and run by the State. Rather than assert extended jurisdiction, Alaska largely acquiesced in the re-establishment of an enormous federal management infrastructure during the dramatic “Americanization” of fisheries in the EEZ from the mid-1980’s onward. Development of these fisheries was driven almost entirely by Seattle and other Lower 48 interests. Along with the fisheries themselves came the rapid growth of federal management including the North Pacific Fisheries Management Council (NPFMC)⁷, National Marine Fisheries Service – Alaska Region (NMFS- FAKR), and the Alaska Fisheries Science Center (AFSC).⁸ NMFS-Alaska Region headquarters and most of its staff are located in Juneau, and the Council is located in Anchorage, but the bulk of the NOAA’s very large Alaska fisheries science establishment ended up in Seattle, and remains there to this day.

The end result of these developments has meant that control over much of the fishery off Alaska’s shores has once again reverted to the federal government, and the bulk of the economic benefit from them has accrued to non-Alaskan interests. Successive Alaskan administrations, regardless of political party, have not acted decisively to correct this policy drift toward pre-Statehood conditions. It simply has not been a major priority and the existing situation has become the accepted norm.

This is not to say that Alaskans have not benefitted, or that there have been no efforts to effect change.

- In 1992, after a number of years of pressure, the NPFMC put into effect the Western Alaska Community Development Quota (CDQ) program, which allocated a portion of Bering Sea fish and crab quotas to six regional CDQ groups (now encompassing 65 communities). By 2010 annual CDQ earnings were exceeding \$200 million, mostly from royalty charter arrangements with existing operators and long-term CDQ group re-investments in those operators.⁹ One group is in the process of trying to relocate its

⁷ It is of interest to note that of the 8 regional councils established under the Magnuson Act, only the North Pacific Council has representation from outside its geographic area of jurisdiction. All of the NPFMC’s area of jurisdiction is in waters off Alaska, but 5 of the 11 voting members are not nominated by Alaska – two are nominees of the Governor of Washington, two are the heads of the Washington and Oregon state fisheries management agencies, and one is the head of the NMFS Alaska Region. None of the other regions (Pacific, Western Pacific, Gulf of Mexico, Caribbean, S. Atlantic, Mid-Atlantic, and New England) have representatives appointed by or representing States from outside their geographical area of jurisdiction.

⁸ NMFS-FAKR and AFSC are functional units of the National Oceanic and Atmospheric Administration (NOAA), and the NPFMC, while quasi-independent, is supported under the NOAA budget.

⁹ Andrew Jensen, Alaska Journal of Commerce, December-Issue-1 2011

Seattle-based fleet to a homeport in Alaska, but the bulk of the operations and most jobs remain in Seattle.

- When the NPFMC instituted Individual Fishing Quotas (IFQ) for halibut and sablefish provisions were included to protect small vessel owner operator participation, and prevent over-concentration in just a few hands. Although there has been some loss of IFQ holdings to non-residents, these provisions have proven vital to the protection of Alaskan individual and community interests.
- In 1998 NOAA opened its Kodiak Fisheries Research Center (KFRC) on Near Island, adjacent to the University of Alaska's Fisheries Industrial Technology Center (FITC). The lab, part of the Alaska Fisheries Science Center, conducts crab and groundfish research.
- Opened in May 2007, at a cost of \$51 million, the Ted Stevens Marine Research Institute (TSMRI) with 66,000 square feet of office and laboratory space at Lena Point is headquarters for the AFSC Auke Bay Laboratories (ABL) Division, and able to house up to 84 scientists and staff, with laboratories for chemistry, genetics, and biology.

The role of the late Senator Ted Stevens in each of these efforts cannot be understated. He championed each of these developments, and it is with good reason that the Magnuson Act was renamed the Magnuson-Stevens Fisheries Management and Conservation Act on its reauthorization in 2006. However, despite the Senator's best efforts much of the fight to move more of the Alaska-dedicated federal fisheries science establishment to Alaska over the past 20 years has actually been a holding action, and important goals were not met.

- Little more than a decade ago there were actually serious discussions about moving the Auke Bay Laboratory Division out of Juneau and consolidating it with most of the rest of the AFSC in Seattle.
- The construction of the TSMRI ended that, but Senator Steven's vision was for a \$125 million facility with offices for 225, and capable of housing most of the AFSC. What we got was much less.
- Even now, the scaled-down \$51 million version is home to only 75% of its designed capacity of 85 persons.
- There was much talk about a NOAA commitment to move 50 people out of Seattle to Alaska in the decade following TSMRI's commissioning, but that was apparently never explicit, and certainly has not occurred.
- Indeed, ABL / TSMRI is has lost positions after a spate of recent retirements.
- On the plus side, the AFSC Director is now located at TSMRI, even though the bulk of his support staff is still in Seattle.

Another key element of NOAA's research establishment with vital Alaska missions is its fleet of fishery research and oceanographic vessels. Run by a separate arm of NOAA, the Office of Marine and Aviation Operations (OMAO), the fleet conducting work on Alaska fisheries and marine charting missions, and

managed by the Marine Operations Center – Pacific (MOP), was for decades based at leased facilities on Seattle’s Lake Union. During that period, vessels with overwhelmingly Alaska duties included the 215’ fisheries vessel *Miller Freeman*, the 93’ *John N. Cobb*, a fixture of Southeast Alaska fisheries research, and the two 231’ sister-ships *Rainier* and *Fairweather*, which are oceanographic vessels. In 2005 the 209’ *Oscar Dyson*, the first of NOAA’s new class of advanced Fisheries Survey Vessels (FSV), was added to this group.

Recent years have seen major changes. In 2006 fire destroyed two piers and storage buildings at the leased Lake Union facility. Unable to reach a renewed lease agreement with the private owners, NOAA elected to move the MOP. Seattle, Bellingham, and Port Angeles, WA and Newport, OR all vied for the new facility. Despite the fact that the bulk of the research fleet operating out of the MOC-Pacific was dedicated to Alaska missions, the State of Alaska never intervened in the process to select a new site. In the end, Newport was chosen and the MOP moved to new facilities there in 2011. An August 4, 2009 Seattle Times article noted that “In making the decision, NOAA officials said they considered many factors, including cost, logistics and quality of life for employees. However, they refused to make public their analysis of the pros and cons of the sites.” “Newport is the home of an Oregon State University marine research lab. Jane Lubchenco, NOAA’s new chief, is a former Oregon State oceanographer (she has since returned there), but (NOAA Rear Admiral Jonathan W.) Bailey said she played no role in the site selection.” The relocation has been very important for Newport, with the addition of some 175 jobs, mostly very well paid federal positions, in a community of a little over 10,000 people.¹⁰

Other negative outcomes respecting the NOAA fleet in recent years include:

- The 2013 de-commissioning of the *Miller Freeman*, a vital Alaska fishery research vessel, with no replacement currently funded or scheduled.
- The 2008 de-commissioning of the *John N. Cobb*. A replacement vessel was designed, but never funded. The *Cobb*’s vital Southeast Alaska research role has been assumed by a chartered trawler out of Seattle.
- Despite the efforts of Senator Lisa Murkowski, and assurances given to Ketchikan, the promised basing of the *Fairweather* in Ketchikan has not really materialized. NOAA purchased a dock there, but then declared it unfit. The vessel is really based in Newport. There are no NOAA crew or shoreside support jobs in Ketchikan.
- The new (2005) FSV *Oscar Dyson*, though nominally based in Kodiak, is also really based in Newport, and like Ketchikan, Kodiak has no federal crew or support jobs.

¹⁰ Per Kevin Greenwood, General Manager, Port of Newport, pers. comm..

Current Status of NOAA Science Infrastructure Dedicated to Alaska Missions

The following are details of the disposition of the Alaska Fisheries Science Center and NOAA’s research vessel fleet.

Alaska Fisheries Science Center – The AFSC currently has 338 full-time Federal employees. This number is down from a peak of over 375 just a few years ago. Science Director Dr. Douglas DeMaster stated “We have lost about 10% of our positions over the last 4 years”. The 338 number does not reflect a number of contractors, which is a highly variable figure. The chart below illustrates the Alaska-based positions, and their location within the State. The greatest number of Alaska –based AFSC employees is in Juneau.

ALASKA FISHERIES SCIENCE CENTER – FTE Position Locations			%
Alaska-based AFSC positions	Anchorage	2	
	Dutch Harbor	2	
	Fairbanks	1	
	Juneau (63 ABL, 2 from other Divisions)	65	19.2%
	Kodiak	12	
	St. Paul (ABL Employee)	1	
	sub-total Alaska	83	24.5%
All Others	(95% in Seattle)	255	75.5
TOTAL		338	

The important statistic here is the heavy preponderance of federal *Alaska fisheries science jobs* that are located in Seattle. Fully 75% of the AFSC employees are in the Lower 48, and about 95% of them are in Seattle. This has been generally known, but seeing the exact numbers is nonetheless rather startling.

The AFSC is comprised of five functional Division units plus support staff. These are:

Auke Bay Laboratory – ABL conducts research on commercially important species such as rockfish, sablefish, and salmon, and on all aspects of marine ecosystems. Information is provided to the North Pacific Fishery Management Council, the NMFS Alaska Regional Office, fishing industries, state and federal regulators, and international treaty bodies. Headquartered at the Ted Stevens Marine Research Institute at Lena Point, ABL has 64 employees, all of whom are based in Alaska – by far the largest group of AFSC employees in the State.

Resource Assessment and Conservation Engineering - RACE Division’s chief function is quantitative fishery surveys and related research on the distribution and abundance of commercially important fish and crab stocks in Alaska waters. RACE has 100 federal employees. Next to the Auke Bay Laboratory, RACE has the most Alaska-based employees – 10 scientists in Kodiak doing mostly crab stock work.

Resource Ecology and Fishery Management - REFM develops 25+ groundfish and crab stock assessments annually that the NPFMC uses to set catch quotas. Economic and ecosystem assessments are provided

to the Council on an annual basis. REFM programs include: Status of Stocks & Multispecies Assessments, Resource Ecology & Ecosystem Modeling, Age & Growth Program, and the Socioeconomic Program. All of REFM’s 54 employees are in Seattle, including those charged with socio-economic and socio-cultural research on Alaskan communities.

National Marine Mammal Laboratory – NMML is the only AFSC Division not exclusively dedicated to Alaska work. Its mission is marine mammal issues off the coasts of Washington, Oregon, and California as well as Alaska. However, because of Alaska’s geographic extent and species diversity, the bulk of NMML’s work is Alaska-oriented. Nonetheless, almost all of its 59 employees are based in Seattle.

Fishery Monitoring and Analysis - FMA, aka the “Observer Program”, monitors fishing activities in the EEZ off Alaska and conducts research associated with sampling commercial fishery catches, estimation of catch and bycatch mortality, and analysis of fishery-dependent data. The Division is responsible for training, briefing, debriefing and oversight of observers who collect catch data onboard fishing vessels and at onshore processing plants. 31 of its 36 employees are in Seattle.

AFSC Support Staff – Includes the office of the Science Director (SD), administrative staff (OMI) and information technology staff (OFIS). Some 22 of 25 SD/OMI/OFIS employees are in Seattle, although Director, Dr. Douglas DeMaster is based at TSMRI in Juneau.

Marine Operations Center – Pacific – the MOP comprises some federal 140 shipboard and support personnel at its headquarters in Newport, Oregon.¹¹ The following table lists the 5 active vessels managed by the MOP. As previously mentioned, though “nominally” based in Kodiak and Ketchikan, the *Oscar Dyson* and *Fairweather* are “effectively” based in Newport. There are no NOAA fleet or civilian

MARINE OPERATIONS CENTER - PACIFIC					
<i>Active Vessels</i>	<i>Crew</i>	<i>Stated Homeport</i>	<i>Actually Based</i>	<i>Primary Mission</i>	<i>Main Area of Operation</i>
<i>FSV Oscar Dyson</i>	24	Kodiak, AK	Newport, OR	Fisheries	Alaska
<i>FSV Reuben Lasker</i>	24	San Diego, CA	San Diego, CA	Fisheries	West Coast & E. Tropic Pacific
<i>FSV Belle M. Shimada</i>	24	Newport, OR	Newport, OR	Fisheries	West Coast
<i>R/V Rainier</i>	55	Newport, OR	Newport, OR	Charting	Alaska
<i>R/V Fairweather</i>	51	Ketchikan, AK	Newport, OR	Charting	Alaska
Total Ship Crew	178				

support personnel in either Alaska port. However, the *Rueben Lasker* is really based in San Diego and its crew and support personnel are actually stationed there. MOP staff noted that this made it easier

¹¹ Per Lt. Cmdr. M. Levine, Chief of Operations, NOAA MOC -Pacific, pers. comm.

and more efficient to support the science missions the *Rueben Lasker* conducts on behalf of NOAA’s Southwest Fisheries Science Center.¹² Needless to say, the same rationale should be applied to Alaska science missions. The bottom line is that the NOAA MOP fleet effectively contributes very little to the Alaska economy despite the fact that 3 of its 5 active vessels are entirely or overwhelmingly devoted to Alaska missions.

NOAA’s Alaska Fisheries Science Budget

Respecting the Alaska Fisheries Science Center, Dr. DeMaster supplied the following overall AFSC and Auke Bay Laboratory budget numbers for FY14. The “Federal Labor Cost” figures are for actual expenditures, and don’t include amounts for unfilled positions. Also, they are for federal employees only and do not include costs for contractors, which are captured in the total “FY2014 Budget” figures. AFSC currently has a total of 338 federal employee positions, 64 of which are within the Auke Bay Laboratory division of the Center. Using the FY14 expenditure figures provided, we can calculate that the average total labor cost figure per federal employee at AFSC is \$123,310 and the corresponding figure for just the ABL is \$122,614.

Alaska Fisheries Science Center FY 2014 Budget Figures			
	FY2014 Budget	FY14 Federal Labor Cost	Proportion of Labor Costs
AFSC	\$59,934,843	\$41,678,841	70%
ABL Only	\$12,008,917	\$7,847,273	65%

How much of those expenditures could reasonably be expected to accrue to Juneau if the AFSC was wholly or largely moved to Alaska is impossible to say for sure, but the number would obviously be very substantial. Kodiak, with its existing, under-occupied NOAA facility should also receive a substantial boost. Some functions that are closely tied to North Pacific Fisheries Management Council support could also end up in Anchorage. But, certainly a large percentage of the ASFSC science functions now in Seattle could, and should be located in Juneau. A plausible scenario is laid out in the next section.

¹² NOAA dedicated an entirely new laboratory complex for the SWFSC in 2013. It houses 275 science and support personnel. Like the previous lab it is located on the campus of UC San Diego, Scripps Institute of Oceanography in La Jolla, California. The project was originally budgeted at \$102 million.

A “Strawman” Suggestion for Moving NOAA AFSC Positions to Alaska

The Ted Stevens Marine Research Institute (TSMRI) at Lena Point was originally designed to house 225 AFSC research personnel, and had a projected cost of \$125 million. TSMRI as eventually constructed ended up with space for 85 offices at a cost of \$51 million. It currently is home to 65 federal employees (63 from the ABL Division), and also supports a small, varying number of contact personnel.¹³

If we imagined that TSMRI was fully built out to its original designed capacity – a worthy and not unreasonable goal – it could accommodate 210 federal employee positions plus, say, 15 contract positions. So, is building out the TSMRI to its originally designed capacity a reasonable project concept for catalyzing the move of NOAA’s Alaska-dedicated fisheries science programs north? The answer is a qualified “yes”. As outlined in the “Costing and Financing” section (page 17), completion of the TSMRI to original specification, and funding the relocation of personnel to fill it, would be a large, but certainly achievable project. However, it would not be sufficient to house all the existing AFSC positions now in Seattle, let alone provide for any growth in numbers for new NOAA science program functions – as in areas like climate change, ocean acidification, Arctic Ocean research, etc. - which should certainly be part of long-term research goals in Alaska. Thus, we should actually be thinking about additional capacity beyond the original TSMRI design.

As earlier noted, the AFSC is a collection of five divisions plus support personnel: RACE (Resource Assessment & Conservation Engineering); REFM (Resource Ecology & Fisheries Management); FMA – (Fisheries Monitoring & Analysis aka observer program); Auke Bay Laboratory (now at Ted Stevens Marine Research Institute); and NMML (National Marine Mammal Laboratory). Of those divisions, only NMML has a role that is not exclusively Alaska resource driven. It represents roughly 20% of the agency. which divisions are the best candidates for relocation to Juneau, and which positions or functional units might well be located elsewhere in the State?

The TSMRI is NOAA’s premier oceans research facility in Alaska, and is quite proximate to other NOAA fisheries management functions (National Marine Fisheries Service – Alaska Region or NMFS FAKR) that are already headquartered at the Federal Building in downtown Juneau. It is therefore quite reasonable to posit the TSMRI as the future headquarters of the entire Alaska Fisheries Science Center. As noted, AFSC’s Science Director, Dr. Douglas DeMaster is already based at TSMRI. The RACE, REFM divisions contribute directly to the fisheries management functions of the NMFS FAKR. The same is true for FMA’s observer program, which Dr. De Master has already indicated might be a prime candidate for relocation back to Alaska. And, of course, much of the support staff contingent could and reasonably should be

¹³ In addition to the space at TSMRI, NOAA has ten refurbished, but unoccupied offices at its Sub-Port site in downtown Juneau.

based at the AFSC headquarters in Juneau. The following chart is a hypothetical relocation scenario for the 255 AFSC jobs currently located in the Lower 48.

“Strawman “ Alaska Fisheries Science Center Relocation Proposal				
Moving the 255 “Lower 48” Positions to Alaska				
Location	Juneau	Kodiak	Seward	Other
AFSC Division				
RACE	80	10		
REFM	54			
FMA	20	4		6
NMML			58	
Support	18	1	3	
Totals	172	15	62	6

By Division the proposal assumes that:

- All of REFM’s 54 Seattle employees would move to TSMRI in Juneau;
- 80 of the current 90 RACE Division employees now in Seattle would relocate to TSMRI, while 10 could join the current 10 person RACE contingent at NOAA’s facility in Kodiak;
- Most (20) of FMA’s 30 Seattle positions would relocate to Juneau, with perhaps 10 field positions going to Kodiak and Dutch Harbor;
- NMML Division would relocate to Seward, where their science presence would bolster the Seward Sea Life Center’s marine mammal research and public education functions;
- The bulk of the 22 support personnel now in Seattle (18) would move to the new AFSC headquarters at TSMRI in Juneau, with others in Seward and Kodiak to bolster those operations.

If this strategy was to be implemented, some 172 AFSC federal positions would move to Juneau, bringing the total number here to 237. This shows that a full build-out of the TSMRI facilities would have to be somewhat larger than the originally planned 225 personnel capacity in order to accommodate all the current AFSC personnel, space for some contractors, and possible future program growth at TSMRI.¹⁴ Also, substantial space would have to be constructed for relocation of the National Marine Mammal Laboratory (NMML) to Seward, and upgrades would likely be required to the Kodiak Fisheries Research Center. It is obviously somewhat speculative for this report – which aims to address Juneau opportunities – to posit developments in other communities. But, as the capital city, Juneau has a leadership role in the larger process of moving federal research programs and personnel to Alaska. Although a full-scale relocation of the AFSC would likely benefit Juneau the most, it will have important

¹⁴Careful analysis would have to be carried out on alternative locations for some staff. For example, if the observer program (FMA) was moved to Juneau as suggested, would they actually have to be at TSMRI? Could they utilize the renovated but unoccupied office space at the Sub-Port location, and/or available space in the Federal Building?

effects for Kodiak, and potentially major effects for Seward if the NMML was to relocate there. It is worth noting that Seward was seen as a locale of great interest when the State briefly looked at NOAA jobs relocation in 2003.¹⁵

Adding some 172 federal positions over and above the current 65 AFSC already stationed in Juneau would obviously have a major economic impact, and would more than reverse the loss of federal jobs in recent years. At an average of \$123,000 per position that is more than \$21 million in total employment expenditure per year, which equates to roughly \$15.5 million in additional payroll in Juneau. Further, those 172, would bring the total AFSC employment in Juneau to 237. That would represent 70% of the entire AFSC federal work force. If that percentage is applied to overall agency budget that would mean a total of some \$42 million in AFSC agency expenditure here, versus the current year ABL expenditure of \$12 million - a more than threefold increase.

Adding 172 new, highly paid jobs to our economy would also have secondary impacts. Assuming a multiplier effect of about 1.4 applied to \$15.5 million in payroll, those new jobs would generate a total payroll impact of about \$21.7 million annually in the Juneau economy. Further, the long-term impact on other vital and growing sectors of our economy – most notably the university and general research cluster - will be very important. These “capacity building” effects on our research and education sectors will have positive impacts for Juneau and Alaska generally reaching far into the future. Smaller, but similar effects would be seen if NOAA’s Kodiak facility was operated at capacity, and if a new facility for the National Marine Mammal Laboratory could be established in Seward.

Incremental versus Functional Unit Approach to Moving AFSC

At Task Force Meetings we have been unanimous about the value and historical importance moving NOAA’s Alaska driven fisheries management to Alaska. But, we have had spirited discussion about whether to push for large-scale unit moves or to incrementally move individual or small groups of positions as current incumbents retire or leave the agency, or as new positions are added. There was also discussion of advocating on NOAA’s behalf for new positions in areas including climate, Arctic and Habitat studies, ocean acidification and mariculture. These are certainly worthwhile and important fields of study, and Alaska should definitely advocate for funding and for location of those jobs in Alaska. However, the fact is that AFSC employment has shrunk by roughly 10% in recent years. So, to rely solely on that mechanism to increase federal employment related economic activity in Juneau is tenuous at

¹⁵ Greg Fisk and Glenn Haight, both then Fisheries Specialists with the Department of Commerce, Community and Economic Development raised the issue of relocating NOAA fisheries jobs to Alaska. A May 21, 2003 memo addressed to then Commissioner Edgar Blatchford (subject line: “Basing Federal NOAA Fisheries and Oceanographic functions in Alaska”) elicited a brief flurry of interest, but no follow-up or sustained interest was forthcoming from either the Department or the Governor’s Office. However, initial work did indicate Seward as a potential relocation point for NOAA jobs that would enhance the mission of the Alaska Sea Life Center.

best. Moreover, without an overall impetus to move the entire AFSC to Alaska, there is no assurance that any new jobs created and funded in those fields would not simply end up in Seattle.

This same concern must be voiced about incremental movement. Alaska has, in the past, received assurances that jobs would be moved here as they opened up. But, the exact opposite has happened. Jobs haven't moved to Alaska, and jobs that have become vacant here have frequently moved south or have been the last to get refilled. It was, after all, only a few years prior to Senator Stevens "ram rodding" the Lena Point facility through the Congressional appropriations process that there was active talk of closing the Auke Bay Lab and moving all those people to Seattle. Indeed, in just the past several months, those working under JEDC's auspices on fostering a "research cluster" in Juneau have been worried about retaining positions here that are threatened. It is also not operationally efficient to move except in functional increments. Dr. DeMaster raised this very point himself at a Task Force meeting.

Nonetheless, refilling vacant Alaska positions, perhaps getting some additional jobs here in new areas of AFSC emphasis, and stanching the outflow of Alaska positions are all doubtless very important. So, it is not an either / or situation. We actually risk losing jobs by not aggressively pursuing a large-scale relocation of the agency, but that relocation will not happen overnight. While that larger goal is being articulated and pursued, Juneau must also be diligent in:

- protecting the existing NOAA fisheries science establishment here;
- seeking all possible enhancements to it with new programs like ocean acidification, Arctic studies, mariculture, etc; and
- ensuring that the existing facilities are used to capacity by filling positions left vacant following retirements and by beginning now to move key personnel from Seattle to available vacant space here in Alaska.

This latter point is especially important. The *existing unused capacity* at the TSMRI and in the Sub-Port could house a substantial number of AFSC personnel now located in Seattle without requiring any new facilities construction. A couple of opportunities come immediately to mind. These are the Fisheries Monitoring and Assessment Division (aka the observer program), and AFSC support staff.

With 36 employees, FMA is the smallest divisional unit of the AFSC. It has about 30 employees in Seattle. If it moved to Alaska most of those employees (perhaps 20) could be located in Juneau, while the remainder joined existing Alaska-based employees in field stations in Kodiak and Dutch Harbor. It is a functional unit, so meets that "big picture" criterion. But, it can be accommodated without any new construction, so it also fits as an incremental step. Dr. DeMaster mentioned this unit as worthy of consideration, and it has also been a high priority for Senator Murkowski.

AFSC support staff is mostly in Seattle, because that's where the bulk of science staff is located. Moving a number of these key administrative people to TSMRI would represent a "gravitational shift" in the location of the overall agency and would bolster the TSMRI as *the headquarters* of the entire AFSC. The Science Director is already located here, so moving a number of key "directorship" positions would be an important move both practically and symbolically.

For arguments sake, let's say that this meant moving 10 of the 22 support position now in Seattle. Those 10, plus 20 from FMA would represent a move of 30 (12%) of the 255 AFSC positions still in the Lower 48. This could be accomplished in the short-term. It would require no new construction – there are some 20 office spaces available at TSMRI, another 10 at the Sub-Port, and reputedly surplus space in the Federal Building. *Very importantly, it would get the overall relocation process moving and would represent an important immediate economic gain for Juneau.*

Moving More AFSC Positions North - Impediments & Opportunities

“The essential fact is that having all of the Alaska-dedicated NOAA fisheries and oceans science jobs actually located in Alaska will improve the quality of the science.”

The Task Force heard from Dr. DeMaster that the agency's rough estimate for moving a position from Seattle to Alaska is \$50-\$60,000. If that figure is right then moving 255 AFSC personnel from Seattle to Alaska would carry a price tag of \$12.75 - \$15.3 million dollars.¹⁶ That is certainly a very daunting amount for an agency that is continually under attack in the federal budget process, and has actually seen overall personnel losses. However, in the larger scheme of things it is not a huge or insurmountable amount of money. It equals half or less of the average annual employment cost of about \$123,000 per position.

Of course, that figure does not include the new or upgraded facilities in Alaska needed for all those people. There is empty space now at TSMRI, downtown at NOAA's Sub-Port facility, and at the KFSC facility in Kodiak. But, an aggressive building program would be required, and the funds needed would be very substantial. To complete the TSMRI to its original design would likely cost at \$100 - \$125 million.¹⁷ A less expensive alternative for NOAA might be to rebuild the old Auke Bay Lab, which is currently under a five-year lease to the USCG. It could house perhaps a third of the Seattle positions which ought to be moved here. But, that would be at best a partial measure and would just shift facilities construction burden onto another cash strapped federal agency. Also, as earlier noted, we should allow for additional construction at Kodiak, and perhaps a new facility in Seward for the NMML.

However, the greatest impediments to moving the AFSC out of Seattle are not the various costs, but are politics, industry resistance, Alaskan Inertia, and the deep entrenchment of the agency into the Seattle culture, including its close ties with the University of Washington. As mentioned earlier, many of the AFSC employees in Seattle have spouses who are deeply integrated into the Seattle economy, including many in other parts of the research establishment there. There is no doubt that moving for them will be

¹⁶ This assumes moving all Race (90), REF (54), FMA (36), and 20 of 25 SD/OMI/OFIS support staff (total 200) to Alaska locations, while leaving NMML (59) and 5 support positions in Seattle.

¹⁷ The TSMRI we have today cost \$51 million and full build-out was originally projected at \$125 million. That \$75 million difference will certainly be \$100+ million now.

more difficult. But, it should be noted that proposals to move AFSC to Alaska hold a certain moral “high ground” and, in any case, would not gut the federal fisheries management presence in Seattle. After all, there is also the Northwest Fisheries Science Center (NWFSC) – the analog to AFSC for Washington / Oregon federal fisheries – with more than 300 positions, located in Seattle.

However, we should not focus solely on problematic issues. Nobody said this would be easy, but we must remember that we can make many positive arguments.

Let’s start with the essential fact that having all of the Alaska-dedicated NOAA fisheries and oceans science jobs located in Alaska will actually improve the quality of science performed. This is not an idle statement. Being closer to resources being investigated will give scientists more field time. It will give them a better appreciation of the needs and insights of the effected stakeholders and communities. It will improve interactions with the regulatory and enforcement arms of the federal fisheries establishment. It will improve interaction with non-federal scientists, regulators, educators and citizen groups. In this latter regard, the growing and fruitful relationship with the University of Alaska’s fisheries science programs will be particularly strengthened.¹⁸

Some of the individuals moved out of Seattle will doubtless be unhappy about the loss of big city amenities. But, we can justifiably tout the quality of life improvements relocating to Juneau will bring for many NOAA employees – not least of these is our incredible natural environment. Add to that our friendly, small town atmosphere and the fact that Juneau really is a great place to raise kids, with good schools, great and easy to access outdoor activity opportunities, and a vibrant arts scene. Our short and easy commutes will also be appreciated.

No doubt, the Washington Congressional delegation will be concerned about efforts to relocate large numbers of AFSC positions to Alaska.¹⁹ To counter arguments about the loss of jobs in Seattle we must stress the fact that the jobs in question only exist because Alaska is part of the United States and by right should have been located here in the first place. Furthermore, this is not a “zero sum game”. History has amply demonstrated that strengthening and diversifying the Alaska economy actually strengthens the Puget Sound economy. And we must always stress that being fully in Alaska will ultimately benefit NOAA and strengthen its science missions.

¹⁸ Dr. DeMaster noted that University of Alaska fisheries graduate programs have produced many outstanding recruits for NOAA. This is a vital plus for Alaska.

¹⁹ The return of Alaska’s delegation to majority status in the Senate, especially Senator Murkowski’s position on the Appropriations Committee should make prospects for moving this effort forward somewhat brighter.

Costing and Financing

What would it actually cost in total to move the AFSC to Alaska, and how could that be funded? As previously cited, the original projected cost of the fully built-out Ted Stevens Marine Research Institute was \$125 million, of which only \$51 million was actually appropriated by Congress – a shortfall of effectively \$75 million. That was 10 years ago, so the amount needed to complete the build-out of the TSMRI as originally designed would now likely be close \$125 million. Add some additional amount for a bit larger TSMRI Lena Point facility, some expansion at the Kodiak Fisheries Science Center, a new NMML facility in Seward, and factor in \$15 million in moving costs, and a total price tag \$175 million would not be unreasonable to project. Where is that kind of money going to come from? Federal appropriations in that range are beyond reasonable expectation. With NOAA’s ordinary budget under constant pressure, and given internal inertia on the idea of a move, we cannot expect the agency itself to champion such large new expenditures. Nor can we expect our Congressional delegation to carry the day in the current political and budgetary climate in Washington, D.C. However, Alaska does have the capital funding capability and mechanisms, and there is good precedent for funding major NOAA facility development on a “lease back” basis.

What precedent? The recent, aforementioned move of NOAA’s Marine Operations Center – Pacific from Seattle to Newport, Oregon. That was not funded with federal appropriations. It was funded by the Port of Newport with \$30+ million in bonds guaranteed by the State of Oregon, and supported by a 20-year lease of the facilities by NOAA. That was accomplished in 2010 at the height of the national financial crisis by a city far smaller than Juneau (Newport is barely 10,000 people) backed by a State far less financially endowed than Alaska. True, Alaska is currently facing its own fiscal crunch, with oil prices currently below \$80 per barrel. But, we do have ample bond funding capability through the Alaska Industrial Development and Export Authority (AIDEA) and other facilities. Direct Legislative capital appropriations will not be available, but the Legislature would likely look favorably on AIDEA or other bonding, if that was secured by a long-term facilities lease agreement from the federal government. From the federal side, such an arrangement should also look attractive. The agency would get brand new, state of the art facilities without having to undergo a punishing appropriations process. Dealing with annual lease payments would not be nearly so onerous a budgetary hurdle. For the Congressional delegation, negotiating an incremental increase to the NOAA budget, and leveraging agency cooperation would be much easier than achieving a large federal capital appropriation.

The following chart illustrates potential annual lease costs needed to cover a \$175 million bond.

Annual Lease Payments needed to Cover \$150 Million Bond			
Interest rate	20-Year Term	30-Year Term	35-Year Term
4%	\$12,877,000	\$10,120,000	\$9,376,000
2%	\$10,703,000	\$7,814,000	\$7,000,000
1%	\$9,698,000	\$6,781,000	\$5,951,000

Given the very high long-term economic development potential, the short-term construction period impacts, the potential surety of a government to government lease arrangement and the up-front ability to finance the project, there seems little reason not to vigorously pursue this sort of arrangement. That is not to say it would be easy. There would be a lot of political “log rolling” to be done. But, there is no inherent reason to think it would not work.

What About the NOAA Research Vessels?

All indications are that the agency intends to consolidate its operations at the new facility in Newport, Oregon for the foreseeable future. Furthermore, an exhaustive, 330+page fleet re-capitalization and rebuilding plan published in 2010 seems to be in considerable disarray. The fishery vessel *Miller Freeman*, for decades a fixture in Alaska fisheries research was de-commissioned in 2013. A replacement has not been funded. Likewise, no replacement for the *John N. Cobb*, de-commissioned in 2010, is planned despite pleas from Alaska scientists. The oceanographic vessels *Fairweather* and *Rainier* were scheduled to be de-commissioned in 2018; both then aged 50 years, and beyond normal useful life. But, with no replacement funding identified they are now scheduled for SLE (service life extension) refits. Clearly, the federal “budget crunch” has caught up with NOAA’s fleet recapitalization plans. The future impacts on Alaska science are very concerning, particularly as additional capability is needed to cover growing Arctic Ocean science requirements.

In the Task Force’s view, NOAA’s need to recapitalize its fleet will ultimately create a mechanism for leveraging basing of some of the MOP ship assets to Alaska. A State financing plan to assist the agency akin to that outlined above regarding the AFSC should also be considered, and would likely carry an even larger price tag. It is not suggested that the entire Marine Operations Center – Pacific should be moved from Newport. The agency and community are “locked in” there, and the MOP also now houses some national as well as West Coast / Pacific functions. But, it is worth noting that during the last re-organization of the MOP and the move to Newport, Hawai’i was able to negotiate its own Marine Operations Center for vessels working in the islands and western Pacific Ocean, and the vessel *Reuben Lasker*, while managed out of Newport, is genuinely based in San Diego. These are good precedents for Alaska. Our goal should be to assure that Alaska science functions are fully covered, and that the vessels dedicated to them are actually operated and supported out of Alaska bases.

The first stage of this effort should be to assist Kodiak and Ketchikan with their efforts to achieve genuine basing of the *Oscar Dyson* and *Fairweather*, respectively, – with ships’ crews and shoreside support positions actually present in their communities. But, a larger plan must be undertaken that involves funding:

- Replacements for the nearly 50 year old oceanographic vessels *Rainier* and *Fairweather*;
 - Replacement of the *Miller Freeman* with a new FSV that is fully ice-capable for Arctic operations;
- and

- Replacement of the *John N. Cobb*, with a ‘regional-scale’ FSV for Southeast and Eastern Gulf of Alaska fisheries research.

What would Juneau have to gain from this? A replacement for the *Cobb* would quite logically be based here. The number of crew positions would not be great – perhaps 7 to 10 persons and shoreside support employment might add a couple of more direct employment positions. But the support for Juneau-based science missions would be very important, particularly the ability to conduct winter surveys on a number of species of interest including salmon and herring. Juneau might also be in a position to argue for basing the *Rainier* (or its replacement) here. This has been discussed before. A vessel of that class could bring 50 or more crew and support jobs to Juneau, with an annual payroll in the range of \$6 million or more.²⁰ The secondary economic effects in the community for contracted services, fuel purchases, provisions, etc. would be substantial.

In addition to the effects of base operations, Alaska funding of NOAA fleet recapitalization offers the reasonable possibility of the Ketchikan shipyard successfully competing to construct one or more of the vessels. The yard has now proven its capability in large newbuildings with the successful completion of the auto-longliner *Arctic Prowler*, and experience gained in ice strengthened, specialty steel fabrication of the experimental catamaran ferry *Susitna*. Alaska basing would also give the Ketchikan yard a locational “leg up” in competing for major maintenance contracts on Alaska vessels.

²⁰ 55 jobs at an average annual per position cost of \$118,000 (\$5,000 less than the known average for NOAA AFSC positions) = \$6.5 million

Recommendations for the Assembly

Recommended Strategy:

1. Juneau should focus on the great potential represented by the Alaska Fisheries Science Center, and should commit to a dual strategy of incremental growth coupled with a long-term plan to fully build-out the Ted Stevens Marine Research Institute and firmly establish it as the genuine headquarters of the AFSC.

The AFSC already has a large presence here, and the work of its scientists is directly related to vital federal fisheries management programs already headquartered in Juneau. Building out and fully staffing the TSMRI is a logical, considered and achievable goal. This is where Juneau can see the greatest return on its investment of time and resources. We should model our efforts on the successful, recent relocation of NOAA vessel assets from Seattle to Newport, Oregon – using available State financial capabilities to back our efforts, and secured with a carefully crafted long-term lease agreement with the federal government. In the interim we must work to prevent any further erosion in AFSC employment in Juneau; advocate for additional programs that are sorely needed in areas such as ocean acidification, mariculture development and Arctic research; and begin the process of moving positions from the Lower 48 to utilize existing vacant space at TSMRI and elsewhere in Juneau and Kodiak.

2. Work with other Alaska communities, most notably Ketchikan and Kodiak, on a unified plan for actual basing of NOAA research vessels in Alaska ports in a way that best serves the science missions of the agency while providing economic opportunity in coastal communities.

Moving some of NOAA's research vessel assets to Alaska is also very important to Alaska generally, and could also have positive implications for Juneau. However, the Marine Operations Center – Pacific's fairly recent move to Oregon, and the disarray of the agency's fleet recapitalization plans create a lot of uncertainty. Also, other communities, like Ketchikan and Kodiak, have relatively larger stakes in this issue so multi-city coordination will certainly add complexity. Nonetheless, the basic mechanism outlined with respect to the AFSC could well be applied to the vessel situation too. In careful consultation with other communities, we should monitor this situation and lay the groundwork for timely, positive intervention.

3. Juneau should initiate contacts with the International Pacific Halibut Commission to explore the possibilities of relocation of the IPHC headquarters from Seattle to Juneau (see Appendix 1).

In many ways the IPHC is quite analogous to the NOAA fisheries science establishment. After decades of location on the University of Washington campus (location supported by federal grant funds) the IPHC is now in rented space at Seattle's Fishermen's Terminal. The timing may

be right to help the IPHC establish a permanent home in Alaska where the great bulk of the fishery it regulates is located.(Note: Juneau will host the IPHC's Annual Meeting in January, 2016.)

4. Engage with the new State administration, Juneau's legislative delegation and the Alaska Congressional delegation on the NOAA relocation strategy.

We cannot do this alone. Having the administration's understanding and active support will absolutely be required, and this must extend to agencies like the Alaska Industrial Development and Export Authority that will likely be involved in financial planning and funding. There is no denying that politics will be involved in this important effort. Our delegations' understanding and support will be crucial.

5. Work closely with NOAA to articulate a plan that is pro-active and seeks to address the agency's long-term needs as well as the needs of effected communities.

We will encounter both support and opposition within NOAA. This is inevitable with any effort at large-scale change. We must work to ensure that the difficulties the agency – and its personnel - will face in this process are addressed as fully as possible, that the integrity of the science is protected and enhanced, and that NOAA ultimately sees this as a long-term positive effort for all concerned.

6. Develop effective marketing tools for Juneau.

This may seem somewhat "off topic" for this Task Force, but our work has highlighted the need for the city to be more active in regards to attracting people to locate in Juneau. Regrettably, the materials available to promote Juneau as a desirable place to live and work are quite limited and generally focus on short-term visitation. We all know that this is a great community with wonderful lifestyle opportunities, but we are not communicating that effectively.

Immediate Actions:

1. Accept the Task Force's report findings and recommendations, and integrate them as a high priority into CBJ economic development efforts.
2. Direct staff to institute outreach to effected parties, including but not limited to transmittal of this report to NOAA, the State Administration, the Congressional delegation, the Legislature and to our partner communities.

Appendix 1 - International Pacific Halibut Commission / Another Interesting Possibility

The International Pacific Halibut Commission (IPHC) does not explicitly fit within the Task Force mandate of looking at NOAA fisheries and oceanographic programs. But, its role is so integral to Alaska fisheries and its agency profile is so similar to US federal government fisheries programs, that it is also a natural for consideration by the Task Force. The Commission was established by a 1923 convention between the United States and Canada for the express purpose of preservation of the North Pacific halibut fishery. This international agreement for the joint management of a fishery resource was the first of its kind, and the IPHC has been an exemplary success.²¹ The six Commissioners – three from Canada and three from the US – establish the annual catch limits by regulatory area, and provide direction on the management of the halibut stock to the fisheries management bodies in each country. The IPHC has 34 full-time scientific and support staff located in Seattle. It also has 12 port sampling staff 3 in British Columbia, 1 in Washington, and 8 in Alaska.²²

The IPHC has been headquartered in Seattle for many decades. Prior to the extension of the 200 mille limits by both the US and Canada the North Pacific halibut fishery was much more evenly divided between the two countries than it is today. It was common for Canadian vessels to fish as far west as the Aleutians and to land fish in Alaska ports, and for Americans to fish off the BC coast. Also, the US side of the fishery was heavily dominated by Seattle longliners. Much has changed since the EEZ's went into effect and the two countries instituted Individual Fishery Quota systems to manage their fisheries. Canadian fishermen can no longer fish in US waters and vice versa. Within the US fishery off Alaska 77.6% of the fishermen are Alaska residents, while 22.4% live in the Lower 48. Alaska residents account for 61.6% of the catch, while Lower 48 interests – mainly in Seattle – take a disproportionate 38.4% of the catch.²³ So, despite the fact that the great bulk of the overall halibut fishery has always been, and remains in Alaska waters, and the largest number of active US fishermen are Alaskan, the management agency responsible for the fishery remains in Seattle – yet another reflection of the longstanding dominance of Seattle over Alaska fisheries interests.²⁴ How did this particular situation come about, and can it be changed?

²¹ Other bi-lateral commissions between Canada and the US include the Great Lakes Fisheries Commission and the Pacific Salmon Commission.

²² Petersburg, Sitka, Juneau, Homer, Kodiak, Sand Point, Dutch Harbor and St. Paul

²³ Data from NOAA Fisheries, Restricted Access Management Division 2014 reports.

²⁴ An interesting side note regarding halibut programs is that NOAA has a loan program for the purchase of quota share units. But, like so much else in the federal fisheries scene, this program too is located in Seattle despite the fact that ¾ of the likely loan applicants are in Alaska. Not surprisingly, program participants are disproportionately from the Lower 48.

In 1968 the Federal government granted funds to the University of Washington (UW) to construct a building on its Seattle campus to house the IPHC rent-free there until 2009. Citing the need to now occupy that space for other UW purposes the university has been working with the IPHC to relocate headquarters and identify long-term office space for the Commission. The IPHC recently relocated from the UW campus to leased space in Seattle at Fishermen's Terminal. This Task Force suggests that we intervene in this process to relocate the IPHC here in Juneau, where it would be co-located with much of the rest of the fisheries management structure. Such a move would encounter many of the same difficulties as moving with moving NOAA AFSC functions and personnel out of Seattle, with the added complication that close consultations would also have to be held with Canada. However, the logic of the idea is compelling and the solutions are largely the same.

Appendix 2 - Task Force Members

Jim Becker – A longtime Juneau resident and commercial salmon and halibut fisherman, Jim is a DIPAC board member, has served on Pacific Salmon Commission advisory panels, and has been an advocate for marine related economic development. He currently chairs the CBJ's Fisheries Development Committee focusing on commercial fisheries infrastructure needs, and roadside fishing opportunities in Juneau.

Greg Fisk, co-chair – A consultant in fisheries, Greg has served on the CBJ's Docks and Harbors Board, Fisheries Development Committee, and the Juneau Economic Development Council. He has advocated for moving federal jobs to Alaska for years, including while a fisheries development specialist for the State. With the Downtown Business Association he is now working on downtown revitalization efforts.

Dr. Stanley "Jeep" Rice – Retired after 40 years at NOAA's Auke Bay Laboratory, Jeep was the program manager for habitat studies at ABL since the mid 1980s. Involved in the *Exxon Valdez* oil spill response, he is a widely recognized authority on the effects of oil in the marine environment, and has been a longtime advocate for Alaska science. He also coaches the Thunder Mountain Falcons football team.

Assemblywoman Kate Troll, co-chair – Now in her first term on the Assembly, Kate was formerly a fisheries development specialist for the State, executive director of United Fishermen of Alaska, and a policy analyst for the Commissioner of Fish and Game. She previously served on the Juneau Commission on Sustainability and is a published author and essayist on economic issues.

Randy Wanamaker – A four-term member of the Juneau Assembly, Randy has also championed Juneau economic development issues as a Goldbelt shareholder and Vice-Chairman of its board of directors. He consults on workforce issues through BBC Human Resource Development, and has particularly promoted greater Alaska Native and resident employment in the mining industry.

Glossary

ABL – Auke Bay Laboratory Division of the AFSC

AFSC – Alaska Fisheries Science Center / NOAA operates 5 regional fisheries science center. The Northeast Fisheries Science Center (NEFSC) is headquartered in Woods Hole, MA; the Southeast Fisheries Science Center (SEFSC) in Miami, FL; the Southwest Fisheries science Center(SWFSC) in La Jolla, CA; the Northwest Fisheries Science Center (NWFSC) in Seattle, WA and the Alaska Fisheries Science Center, also mainly in Seattle.

Auke Bay Lab – alternatively used to describe the ABL Division, and the unit’s former laboratory building above the small boat harbor in Auke Bay

EEZ – Exclusive Economic Zone extending from 3 to 200 miles offshore

FMA – Fisheries Monitoring and Assessment Division of the AFSC

IPHC – International Pacific Halibut Commission

Magnuson Act - Fishery Conservation and Management Act, P.L. 94-265, April 13, 1976

Magnuson-Stevens Act – The Magnuson Act has been amended several times. Two major recent sets of amendments to the law were the Sustainable Fisheries Act of 1996 and the *Magnuson–Stevens Fishery Conservation and Management Reauthorization Act of 2006*.

MOP / MOC-P – Marine Operations Center Pacific / Research fleet headquarters, Newport, OR

NMFS – National Marine Fisheries Service

NMFS-FAKR - National Marine Fisheries Service – Alaska Region, located at the Federal Bldg. in downtown Juneau

NMML – National Marine Mammal Laboratory Division of the AFSC

NOAA – National Oceanic and Atmospheric Administration

NPFMC – North Pacific Fisheries Management Council

RACE – Resource Analysis and Conservation Engineering Division of the AFSC

REFM – Resource Ecology and Fishery Management Division of the AFSC

TSMRI – Ted Stevens Marine Research Institute / New home of ABL Division at Lena Point, Juneau