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Potential Economic Value of Replacement of the Alaskan Fishing Fleet

Fleet	Number of Vessels Current	Number of Vessels Needed to Replace Current Fleet	Average Replacement Cost	Total Replacement Cost
AFA Catcher Vessels	83	83	\$17,000,000.00	\$1,411,000,000.00
AFA Catcher Processors	15	15	\$135,000,000.00	\$2,025,000,000.00
AFA Mothership Catcher Vessels	16	16	\$17,000,000.00	\$272,000,000.00
AFA Mothership Vessels	4	4	\$200,000,000.00	\$800,000,000.00
Non-AFA Bering Sea Catcher Vessels	13	13	\$16,000,000.00	\$208,000,000.00
Amendment 80 Fleet	24	15	\$70,000,000.00	\$1,050,000,000.00
Western Gulf of Alaska Trawlers	42	34	\$9,000,000.00	\$306,000,000.00
Central Gulf of Alaska Trawlers	53	42	\$9,000,000.00	\$378,000,000.00
Freezer Longliners	39	39	\$42,000,000.00	\$1,638,000,000.00
Halibut Fleet (IFQ and CDQ)	635	317	\$3,000,000.00	\$951,000,000.00
Other Halibut Boats	1090	275	\$3,000,000.00	\$825,000,000.00
Longline Catcher Vessels	74	19	\$3,000,000.00	\$57,000,000.00
Jig Fleet	77	14	\$1,000,000.00	\$14,000,000.00
Groundfish Pot Vessels	123	61	\$15,000,000.00	\$915,000,000.00
Bering Sea Crab Fleet	79	79	\$12,000,000.00	\$948,000,000.00
Scallop Fleet	4	3	\$15,000,000.00	\$45,000,000.00
Alaska Seine Fleet*	400	400	\$7,000,000.00	\$2,800,000,000.00
Alaska Gillnet Fleet*	1400	1400	\$700,000.00	\$980,000,000.00
*Approximate number of vessels in the Alaskan Fleet	4171	2829		
Total Replacement Cost				\$15,623,000,000.00

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Remarks from Peter Philips to the Port of Seattle Commission on May 17th, 2016.

My name is Peter Philips. I am a board member and former President of the Seattle Marine Business Coalition and President of Philips Publishing Group, publishers of ***Fishermen's News*** and ***Pacific Maritime Magazine***, the journals of record for the West Coast and Bering Sea commercial fishing and maritime industrial sectors.

Philips Publishing Group also produces the annual **Bering Sea Fisheries Conference** and the annual **Promise of the Arctic Conference**—the two industry events dedicated to the promotion of the Puget Sound maritime industrial economy.

Firstly I'd like to recognize Kenny Lyles for his work at Fishermen's Terminal, and congratulate him on his promotion.

Along with Ray Giometti and Ross Perry and their staffs, they have been the face of the port at Fishermen's Terminal, and have represented you well.

I also want to recognize Scott Pattison, for the work he does at the port. Scott may not be well known to all of you, but he is one of the port's most valuable assets. Scott knows the West Coast maritime industrial sector inside and out. He is an honest and articulate promoter of maritime commerce on behalf of local companies, and has our respect. He too represents to the port well.

I've just read through Joseph Gellings work and would like also to commend him on a thoughtful, well articulated and well researched document.

The commercial fishing industry in Puget Sound has never been healthier.

According to the best studies I've read—the Paul Sommers studies done for the City of Seattle—the industry generated \$5 billion annually through 2012, producing 23,000 direct jobs in King County, paying an average of \$70,750 per year.

I know you are all familiar with that study, and the other more recent economic impact studies that have come from it as I have heard all of you refer to it in past comments. Thank you.

The fishing industry on the West Coast of North America is rationalized for economic and biologic sustainability. It is managed conservatively and responsibly to ensure future economic health—and to perpetuate environmental and biologic diversity.

Our commercial fishing industry is arguably the best managed commercial fishery in the world.

The industry is strong today, and it is poised for incredible growth over the next twenty years.

Federal legislation passed in late 2010 opened the door for the construction of new Bering Sea fishing vessels at a rate never before seen. Older boats are being replaced with modern vessels, purpose built for their fisheries, and possessing of the most sophisticated equipment to ensure maximum yield—and maximum environmental and biological sustainability.

You have in front of you a spreadsheet we have developed at *Fishermen's News* to demonstrate the economic potential of the **Fishing Vessel Recapitalization Program**. Presented and updated each year at our **Bering Sea Fisheries Conference**, this data has been continually updated with input from every sector of the industry we represent. It is comprehensive and accurate.

The bottom line is that the economic potential for new vessel commercial fishing vessel construction over the next 20 years is roughly \$15 billion.

Cabotage laws like the Jones Act require that work to be done in the United States, and the Pacific Northwest is best suited among all the regions to capture the vast majority of that work. Our maritime cluster is sophisticated, diversified and economically developed.

Already, since 2011, four new big boats have been delivered from Northwest yards valued at almost \$100 million. Two more \$40 million are waiting for their turn ...and that doesn't include the dozens of gillnetters and seiners we've built recently: gillnetters run about \$700,000 each, and seiners are in the \$3-5 million range.

The fishing industry is healthy, growing and well managed.

The Port of Seattle with your marine industrial land is unique among large public agencies to have significant and direct role in helping grow this economic sector.

I encourage you as commissioners to take an active and vocal role in promoting our local commercial fishing industry.

In addition to being a vibrant economic sector in our economy, the fishing industry is important to our social and cultural heritage as well.

One of Seattle's new city council members Deborah Juarez, called out the fishing and maritime heritage of our region in her opposition to the Occidental Street vacation last week. The maritime and fishing industries help set Seattle apart economically, and give us a unique cultural identity which helps define our quality of life.

Thank you all for you continued support of this important part of who we are as Seattleites, and Northwesterners.

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