

Laura Anderson
Owner/Operator
Local Ocean Seafoods

“A Perfect Storm: How Faulty Science, River Mismanagement, and Ocean Conditions Are Impacting West Coast Salmon Fisheries.”

Wednesday, May 15th, 10:00 a.m., Room 1324 Longworth House Office Building

Synopsis

1. Salmon mean business, family wage jobs, cultural heritage, and pride for our coastal communities as well as a delicious, healthy, and sustainable food source for our nation. My business demonstrates this reality, and there are many other examples like it all along the Pacific coast and throughout the nation.
2. NOAA’s failure to adequately protect the rivers where salmon reproduce is contributing to serious, ongoing, coast wide declines in salmon. Coastal communities, seafood related businesses, and American consumers are paying a considerable economic, cultural, and social price for these declines.
3. Going forward, Congress owes it to our region and the country to hold NOAA accountable for following the science and the law, and to protect and invest in the river resources salmon need to thrive. Restoring healthy salmon populations on the Columbia, Klamath, Sacramento, and other rivers will be a considerable task, but it is worthwhile. We can solve this problem if we are willing to follow the science, existing law, and the basic rules of fairness and balance.

1. Introduction

My name is Laura Anderson. I own and operate Local Ocean Seafoods. My business is a seafood restaurant and fish market in our port town of Newport, Oregon. We serve premium quality, local and sustainably harvested seafood to about 10,000 people each month.

I started the business in 2002. I was 31 years old. I am what the media likes to call the new generation of ‘natural capitalists’ or ‘socially responsible business’. We know that we need to make a profit to stay in business, but we also recognize that we there are limits to the natural capital on which our business depends, and that we must respect the social and cultural context within which our business operates.

I am the daughter of a commercial salmon fisherman. I started fishing with my dad, Roger Anderson, when I was 14. He started trolling with my grandfather, David Anderson, when he was 11. Salmon was my bread and butter growing up, eventually putting me through college where I earned a degree in biology. After two years in the United States Peace Corps, working with Filipinos on coastal management issues, I returned to Oregon and completed a Master’s Degree in marine resource management. Recognizing that the majority of my college classmates were angling for Federal and State fishery management jobs (presumably to work on habitat and harvest issues), I opted to make my mark in the business community, working on economic and marketing issues.

I started Local Ocean Seafoods with a commercial fisherman, Alan Pazar, as my business partner. At the time salmon were still receiving low commodity-based prices and we wanted to provide

more selling opportunities for our local fleet. I'll talk about the rise and fall of our wholesale salmon business in a moment, but first I would like to talk about our current business.

The people who come and eat in my restaurant and shop at my fish market are one of two types: locals or tourists. The locals choose Local Ocean Seafoods because they know when they spend their money with us they are getting the freshest, best quality product available, often caught that day as well as spending their money within their local economy and supporting their commercial fishing fleet.

Tourists come to Newport to experience a part of coastal culture. Seafood, and salmon in particular, is fundamental to that experience. They eat at Local Ocean because they want an authentic experience, consuming seafood that is both local and sustainably harvested.

For both these groups, salmon has been a natural and integral part of that experience. That is until now.

I recognize that my customers often feel conflicted about consuming seafood and salmon in particular. On the one hand their doctors have told them to eat more seafood because of its unsurpassed nutritional content—it is the best source of Omega-3 fatty acids that protect against heart disease and other chronic illnesses. They love the flavor and the simplicity of preparation as well. On the other hand they are concerned about the sustainability of the resource. They hear words like “overfishing” and “threatened and endangered species” and fear that they may be consuming the very last Snake River salmon on the planet.

Their confusion is compounded by sound bites like that from Jim Balsinger, Acting Administrative Assistant for National Marine Fisheries Service. Last week he was quoted in papers across the country as saying, “It’s a tough decision, but the condition of the salmon fishery forces us to close most of it to ensure healthy runs of this valuable fish in the future.”

We agree with the scientific consensus that taking every last salmon fishermen off the ocean will not be enough to “ensure healthy runs in the future”. That, in fact, the biggest thing we can do for salmon is restore adequate flows of clean water in free flowing rivers where salmon reproduce. A responsibility that is well out of the hands of the fishing community. Yet we are ones who bear the burden, economically and culturally, when the salmon decline or go extinct.

2. Local business bottom line

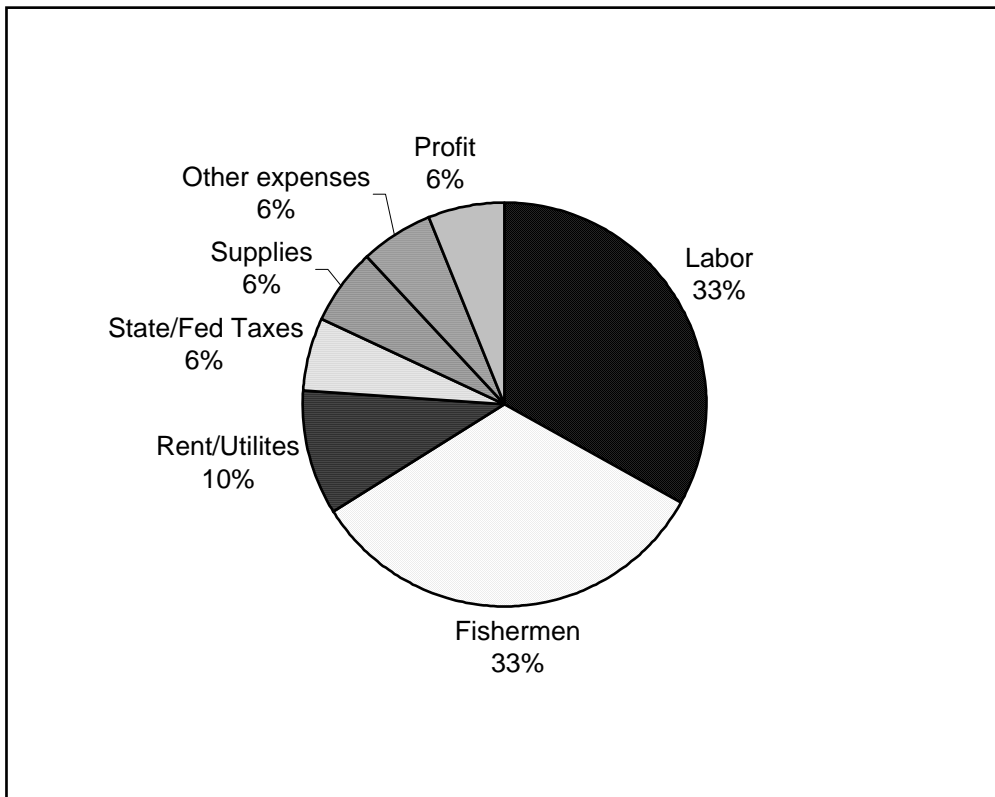
When a consumer spends a dollar in my seafood restaurant about one third of it goes to labor. I employ upwards of 35 people in the summer months in my operation. I provide good paying jobs, health insurance, and a safe and fun working environment. Last year I paid out about a half a million dollars in payroll to folks in our local community.

Another 33 cents of the dollar goes to fishermen who harvest the seafood. We pay top dollar, often more than our port's average price for delivering us premium quality product.

The employees and the fishermen take those Local Ocean Seafoods checks to the bank and spend them on more local goods and services thus circulating those consumers' dollars further. Just this week the owner of a local truck supply and repair business told me that he believed that about 15% of his decrease in business last year was a result of the salmon disaster.

The other 34 percent of the dollar covers all the overhead, state and federal taxes, rent and utilities, banking fees, insurance, supplies and the like. At the end of the day, our restaurant is doing well if we retain 6 cents for each dollar a consumer spends in our restaurant.

Figure 1. Local Ocean distribution of each dollar of salmon sale



Now lets see what that looks like without salmon. Obviously there are no consumers purchasing salmon. That means that the consumers will go elsewhere and find a lower quality product, perhaps imported farmed fish, or week(s) old Alaskan salmon flown down to the lower 48. I now have less money to payout to staff. No money to pay out to salmon fishermen. And my bottom

line suffers, making expansion, capital equipment purchases or other improvements difficult if not impossible.

In 2007, Local Ocean total sales exceeded \$1.5 million. Salmon accounts for a large part of our daily sales. For dinner entrees in its price category (\$15 and up) it represents 37% of sales. For sandwiches, our Wild Salmon Burger is 43% of sales. In our retail fish market, whole fish, fillets, smoked, and canned product collectively represent 22% of sales.

Figure 2. Percent of Total Local Ocean Sandwich Sales (2007) that require salmon.

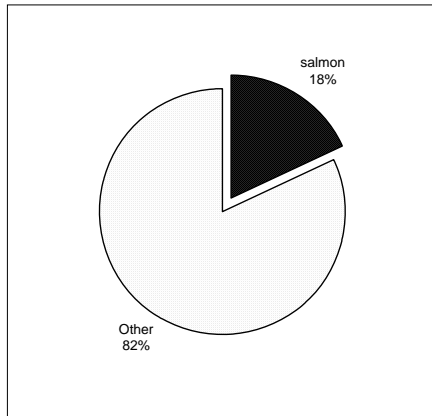


Figure 3. Percent of Total Local Ocean Entree (\$15+) Sales (2007) that require salmon

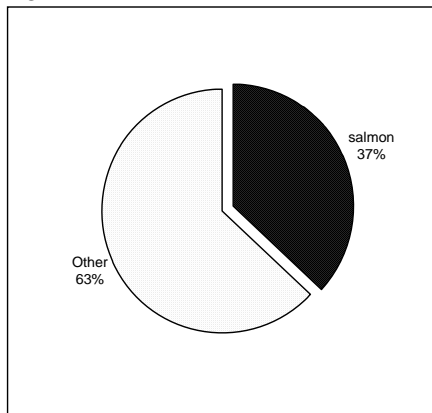
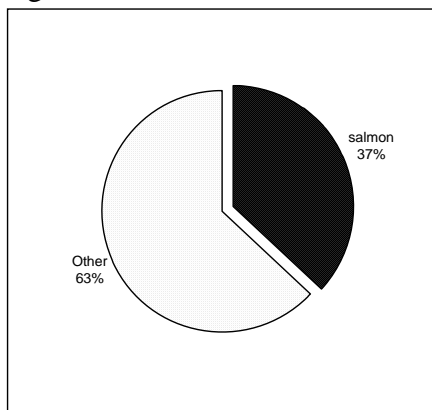


Figure 4. Percent of Total Retail Fish Market Sales (2007) that require salmon.



3. A brief salmon history for Local Ocean Seafoods

Although our restaurant and fish market just opened in 2005, Local Ocean started buying and selling salmon wholesale in 2002. We started with a mere \$122,000 in sales our first year. By year two the customer demand for salmon increased our sales 350% to \$425,000. A typical weekly salmon operation involved sourcing up to 10,000 pounds of fish, offloading and boxing the product in Newport and shipping it to a freight forwarder in Seattle. Once the product reached Seattle it was released for pick up our regular customers.

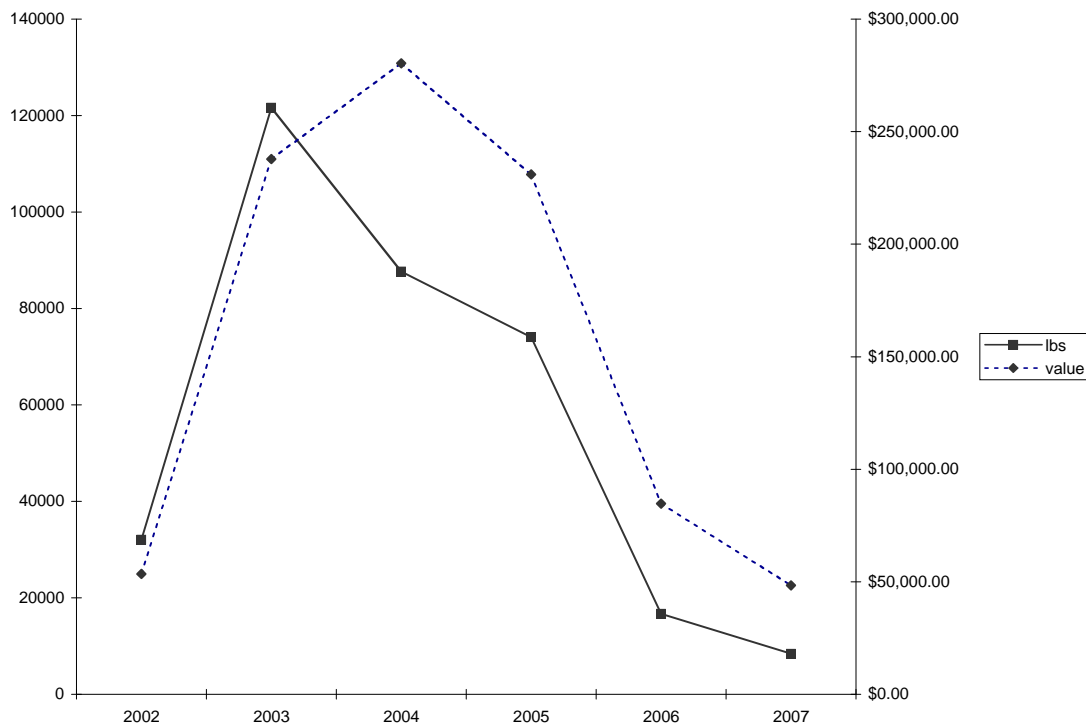
In 2004 sales grew 44%. We were servicing Whole Foods Markets nationwide as well as regional specialty markets like the world famous Pike Place Market in Seattle. We also regularly serviced over twenty white table cloth (Would “high-end” be better? “White table cloth” is a common food industry term but is possibly unknown to others.)restaurants in the Portland area.

I was amazed at how quickly the demand for our product grew. What started as driving a couple thousand pounds of salmon the 300 mile journey to Seattle in iced totes on the back of a flat bed truck, quickly became mainline trucking of 5,000 to 8,000 pounds a week.

It has not possible been possible to be in the wholesale business in the last three years. Once our restaurant opened in 2005 it was everything we could do just to keep us supplied with salmon. We were buying as aggressively, capturing about 15% of the local harvest.

If we were still working exclusively in the wholesale market we would have been out of business two or three years ago. And in fact I have seen a number of wholesale businesses fail in this time. People doing the exact same thing I was--working with high quality fishers to get the best possible product into the best paying markets, and trying to make a living doing it. Now they are working for larger seafood corporations or not working at all.

Figure 5. Local Ocean purchases by pounds and ex-vessel value (2002-2007).



You may ask, “why not sell your customers something else, some other species of fish?” To this I answer with an analogy: Imagine you are getting married and want to buy your beloved a diamond ring. But the storeowner tells you, “I am sorry sir, all the diamonds are now being diverted to fuel the new “Diamond Energy Generation” plant. You can either have a fake cubic zirconia or you can have another one of our other lovely gems, perhaps a ruby, an emerald, or a sapphire.”

You may respond, as many of our customers do, with outrage, “But a diamond is tradition, my father gave my mother a diamond ring, and his father to my grandmother. There is simply no substitute, it is the best, the one, the only wedding ring for my beloved.” Or perhaps you are not among this contingent, and you complacently nod to the storekeeper in quiet despair, accepting something less.

Salmon are no different than that diamond. There will be those consumers that choose farmed salmon in lieu of wild, black cod in lieu of salmon, or Alaskan salmon instead of local caught. But for the many of us who have traditions rooted in salmon consumption, who want the best for our healthy bodies and minds, who strive to eat local, sustainable foods, there simply is no substitute.

3. The losses don't stop at the bank

There is much more to this story than mere economic loss. Some businesses, like mine, are diversified and will make the attempt to sell salmon customers other local seafood products. Some fishermen have their boats paid for, a diverse set of gear types to allow them to work in other fisheries, and savings in the bank from the good salmon years. We will be less impacted than most.

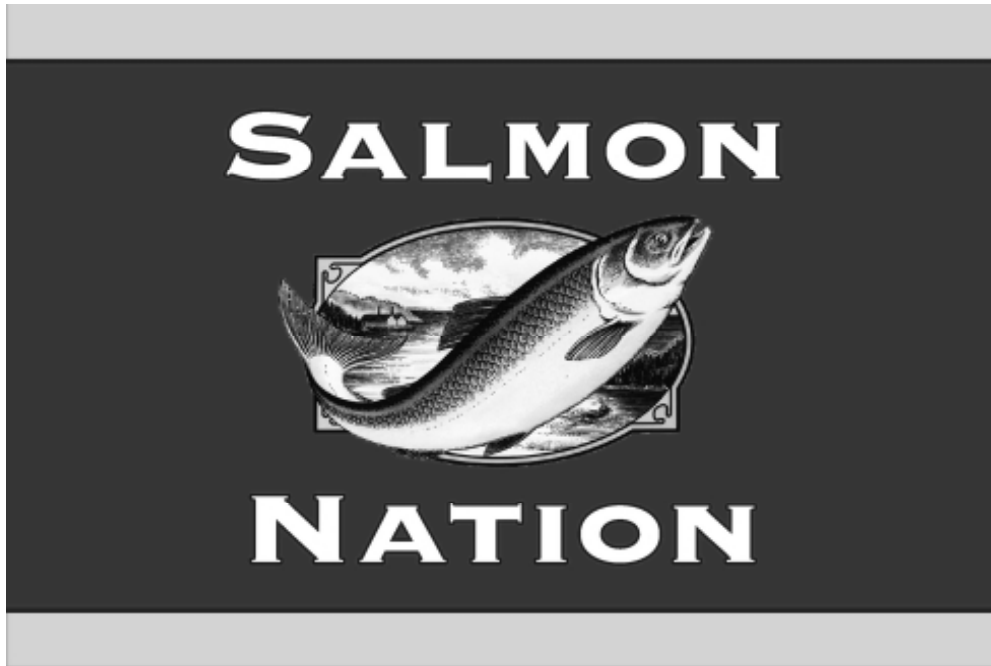
But that is not the case for many of these businesses. In fact many of them are salmon specialists. They don't have other gear, skill sets or savings. The loss of the salmon is the loss of their career, a career they have worked their whole life for. The loss of the fishery can result in a complete loss of dignity and self respect.

When fisheries fail in coastal communities it invariably leads to a cascade of social problems. These include increased drug and alcohol abuse, increase domestic violence and crime, and increase health and human service problems. Many coastal communities, like the little fishing town of Port Orford on the southern Oregon coast are already barely surviving at or below poverty level. A blow like this takes away what is left of a community's pride.

Salmon represent so much more than just money in the bank. The salmon is a powerful icon for our entire Pacific Northwest Region. Coastal people identify with the strength, abundance and resilience of this creature that has continued to coexist with humans. Unfortunately, our coexistence with salmon is at risk of ending.

Preserving and protecting salmon for human consumption is more than just a romantic notion or a wistful environmental plea, it is an appeal to preserve a valuable food economy, culture and tradition—a tradition that spans three generations in my family alone.

Figure 6. The Salmon Nation Flag



5. What can be done?

Citizens of the United States have given the responsibility of stewarding our fish resources to the National Oceanic and Atmospheric Administration. The mission of NOAA Fisheries is stated as “Stewardship of living marine resources through science-based conservation and management and the promotion of healthy ecosystems.”

They further state, “Under this mission, the goal is to optimize the benefits of living marine resources to the Nation through sound science and management.”

While it is clearly understood that the agency cannot control all the factors that affect the status of fish stocks, they are bound by their mandate to use the best available scientific information and management tools to provide the best possible outcome for the species. The agency has repeatedly failed to do so in the case of salmon.

In recent years, NOAA’s plans to protect the weakest stocks of salmon in the Sacramento, Klamath, and Columbia have all been thrown out by courts for being scientifically and legally inadequate. This is an astonishing record of failure, and the salmon and coastal communities have been paying the price.)

With confidence I speak for me, thirty five people employed at Local Ocean, twenty + fishermen from whom we purchase salmon, 25 regional fish markets we once supplied, 18 chefs to whom we in the past delivered fish, and 100,000 customers served at Local Ocean Seafoods each year.

Now multiply my small businesses impact by the more than 200 chefs and other food professionals from Nora’s in Washington DC to Higgins in Portland, Oregon that signed onto the “Chef’s Letter to Congress” last year pleading for improved management of salmon. You now have some idea of the impact that this crisis has on consumers. We are talking about tens of thousands of jobs, millions of consumers and untold other causalities across the country.

Our local customers are reeling from this loss. Many are from fishing families like mine that have long traditions rooted in consumption of the first of season salmon catch. Fishermen bartering and gifting salmon to family, friends and neighbors is a spring custom. Moreover, visitors travel from all over the world to Oregon to experience our coastal culture. Seafood, and salmon in particular, is fundamental to that experience.

The pleasures of eating fresh Oregon Chinook salmon range from the pure sensory enjoyment of the soft, rich, buttery flavor and flaky texture to the deep psychological satisfaction of knowing you are putting in your body one of nature's most wholesome and perfect foods.

The truth is that the real loss is more than economic or consumptive. It is a loss of coastal culture and deep-rooted food tradition. No amount of disaster relief money can replace our salmon heritage. Disaster relief checks will not nourish our human community with good, clean, fair foods. Nor will they nourish our river ecosystems that are dependent on the return of salmon to deliver nutrients back from the ocean.

As business owners and consumers, we implore Congress to hold the agency accountable to its purpose, mission and legal mandates. To ensure healthy populations of salmon and an adequate supply of free flowing, clean water in all our river systems. At least \$200-300 million of our collective coastal economy depends on it. Our Pacific Northwest heritage and traditions are rooted in it.

We recognize that there are competing interests for the fresh river and delta water that salmon need. Increasing pressure from urban development, manufacturing, agriculture, and hydropower are just some of the industries that are vying for this limited resource. However, it is stated that the agency is bound to “[balance] multiple public needs and interests in the sustainable benefits and use of living marine resources, without compromising the long-term biological integrity of coastal and marine ecosystems.”

It is clear that the decisions of the last 20 years, particularly in the Klamath, Columbia and Sacramento River systems have compromised the long-term biological integrity of the salmon.

As we move towards a new paradigm of Ecosystem Based Management (EBM), application of our best science will become critical. Indeed in the 2007 publication of “Ten Commandments for Ecosystem Based Fisheries Scientists” (co-authored by three NOAA Fisheries Scientists), there is explicit recognition of a fundamental concept in resource management: a working perspective that is holistic, risk adverse and adaptive. The authors go on to demonstrate the critical importance of maintaining viable fish habitats. The EBM paradigm openly acknowledges the value of maintaining ecosystem resilience and allowing for ecosystem change through time.

For salmon this would clearly call for ensuring an adequate supply of clean, abundant water and spawning grounds in the river. This basic provision has proven to be effective in maintaining the ability of salmon to deal with changing ocean conditions for thousands of years. In terms of EBM, healthy habitat supports salmon resilience even as ocean conditions continually change.

We agree with the majority of fisheries scientists that fishing pressure is not the primary cause for the salmon's recent decline. Loss of habitat is.

Please hold the agency and administration responsible for the basic requirement. Please hold them accountable for their own Biological Opinions.

Using the tools provided by the Magnuson-Stevens Act, the Clean Water Act, the Endangered Species Act, and the Public Trust Doctrine, NOAA should ensure recovery of these protected marine species without impeding economic and recreational opportunities. With the help of the Northwest regional office and the Pacific Fisheries Management Council, NOAA must work with communities on salmon management issues.

6. Moral of the story

In the end, Congress and NOAA should recognize that failure to act is resulting in a huge economic and social injustice. Fishermen, coastal communities and consumers are bearing the brunt of the bargains and deals that have been made for limited water resources. We can expect that in the future the nature of water shortage in the West is going to get worse. Are we simply going to allow the rivers to dry up and watch our natural resources go with them?

At best what is happening is incompetence and failure of the agency to meet its most basic mandates and requirements. At worst the collective impact of NOAA's decisions and actions could be deemed criminal economic exploitation. Either way action is necessary.

Specifically, please hold NOAA accountable for using the best science available. Please hold them within the rule of the existing laws to protect salmon species, namely the Magnusen Stevens Act, the Endangered Species Act, the Clean Water Act and the Public Trust Doctrine. Finally please be forward thinking in crafting legislation and making investments that require the conservation of our water resources. Whether through replacing leaking irrigation pipes, screening irrigation pumps, and removing unnecessary dams. We need to launch projects that make conserving and re-using water a top priority in this country. We need to establish a system to account for and control groundwater withdraws from new wells.

These are the actions that will bring back the salmon habitat and then the salmon. These are the actions that will support free flowing clean water for all species in the future, including humans.

Salmon are dear to me for so many reasons. The infusion of capital into our coastal economy. The existence value of just knowing this magnificent, strong, intelligent and agile creature continues to survive. The cultural value of harvesting and sharing our natural wealth. My memories of summers spent salmon fishing with my Dad. But most of all I really just want to eat salmon - because they taste delicious and they are good for my body!

I am grateful for your time and consideration in recognizing the gravity of this crisis and rectifying this problem. Thank you.

