



Beach Bill: 'These public beaches present a unique opportunity'

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Oregon Coast for the first time in 30 years, he said. His coast roots were planted mostly on the beaches of Gearhart and Lincoln City, but his dad's love for the beaches spanned the entire coastline, he said.

"He helped Oregonians understand themselves. He knew if you took care of nature, nature would take care of you," he said.

'Unique opportunity'

Major players in the tourism industry, such as soon-to-be chairman of Travel Oregon Ryan Snyder and Oregon Coast Visitors Association Executive Director Marcus Hinz, also came to celebrate the bill that supports Oregon's tourism industry.

"This is important because the ethos of this bill is built into our public coast brand," Hinz said. "These public beaches present a unique opportunity. We have to balance economic development and responsibility, and we are taking the long view approach to doing that (in Oregon)."

Other festivities of the day included a beach bike demo, a sandcastle-building demonstration and a performance from The Weather Machine, a band who recorded songs inspired by travels up the entire Oregon Coast.

"This is a celebration about saving the beach," Chamber of



ABOVE: Tad McCall, son of late Oregon governor Tom McCall, far right, speaks at the Beach Bill anniversary presentation Saturday in Cannon Beach. The celebration was to recognize the efforts of those who sought to protect and maintain public beaches in Oregon. **TOP LEFT:** Keenan McGrath of Portland climbs a wall of sand Saturday in Cannon Beach as part of the Beach Bill anniversary celebration. **TOP MIDDLE:** Hundreds of people flocked to Cannon Beach last weekend to celebrate the Beach Bill anniversary. **TOP RIGHT:** A member of the Form Finders, a group that specializes in sandcastle construction, makes a few design changes to the finished product during the Beach Bill anniversary celebration Saturday.

Photos by Colin Murphey/The Daily Astorian

Commerce Executive Director and key organizer Court Carrier said. "What if the beach would have been privatized? Can you imagine not being able to walk along the beach? This bill is probably the reason why

this visitor economy exists on the coast."

Beach memories

Mayor Sam Steidel was in the third grade when Gov. McCall visited Cannon Beach.

"I remember seeing the helicopter," Steidel said. "I know that the governor was there, and I remember some men in some suits, but mostly I remember the helicopter."

While some of the details of

that day were fuzzy, a Cannon Beach where people couldn't walk along the dry sand is simply one Steidel said he can't imagine.

"The beach — it's in our name," he said.

Committed to the cause

McCall remembers the day his dad flew to Cannon Beach, but in the way most people probably did.

"I saw it on TV," McCall laughed. "That was business. We were his family. I didn't realize the significance at the time of what he did — he was just my dad."

But the event nevertheless had an impact on him. He joined the U.S. Navy in 1967, where he started his 50-year career championing environmental protection in the military. In 2003, he moved to the U.S. Army as a consultant to develop the first major federal agency commitment to sustainability.

He joined in a time where environmentalists and those in the military clashed about the role of pollution in military exercises.

Today he still works in this field as a program manager for the Institute for Renewable Natural Resources at Texas A&M University.

"(My father) influenced me a lot. He taught me you can bring these parties together," he said. "When people are angry, that's when you reach out to bring them together."

As for speaking in the inclement weather? Just another testament to Oregonian's commitment to the beach, he said.

"It wouldn't have been the same any other way."

Clash: 'We're looking to preserve jobs and protect the local economy'

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growing presence elicits a mix of gratitude and resentment from commercial fishermen who have watched warily as Pacific has become the dominant processor in virtually every commercial fishing port in Oregon and Washington.

If Pacific goes ahead with the Trident acquisition, it will leave just two major seafood processors in the state's busiest commercial fishing port. "It's amazing to walk down the Bayfront," said Bob Eder, a Newport commercial fisherman for 45 years. "It appears that Newport is becoming a company town."

Pacific is applying a political full-court press in Salem, where lawmakers representing coastal districts are pushing the Department of Justice to find a compromise. Time is of the essence: The commercial season for Pacific whiting, the kind of fish the Trident plant in Newport is equipped to process, opens Monday.

Rep. David Gomberg, D-Central Oregon Coast, said he's well aware of the fishermen's gripes about Pacific's heavy-handed tactics. "For the fishermen, I know it's better to have options," Gomberg said. "But we're looking to preserve jobs and protect the local economy."

In the courtroom

Seven years ago, another Pacific expansion move was causing heartburn in the Northwest commercial fishing industry. Pacific had entered into an exclusive marketing agreement with Ocean Gold, a large Westport, Washington, processor, to sell its fish. Dulcich personally owned a minority share in Ocean Gold and eventually moved ahead with plans to buy the company outright.

Today, a related case is still dragging through the courts. The litigation has not always gone well for the fishermen. Their first complaint was settled with no money changing hands.

But the litigation prompted the Department of Justice to launch two antitrust investigations of Pacific. The state



Jeff Manning/The Oregonian

Pacific Seafood Group has a growing footprint on the Newport bayfront, where it has purchased three seafood processing properties in the last year and aims to add a surimi plant to its portfolio. But the Clackamas-based company — already dogged by accusations of being too large and abusing its market power — is making an "unprecedented" request: It wants assurances from the Oregon Department of Justice that the agency won't object to the transaction on antitrust grounds.

never filed its own case against the seafood giant but in 2015 it intervened on behalf of the fishermen's lawsuit. "Fishermen face both the threat of reduced purchase prices from the merger and reduced choice due to elimination of future competition whereas Pacific Seafood will not be prejudiced," the state wrote.

The litigation outraged Pacific and many of its supporters. No company had paid more to commercial fishermen than Pacific, they argued, nor had done more to build and expand markets for Northwest seafood. From their vantage point, the state was harassing the company and endangering rural Oregon jobs with a years-long antitrust investigation.

"I don't think people appreciate the fragility of the West Coast processing industry," said John Sackton, a market analyst with Seafood.com in Boston. "It's become increasingly difficult for companies to make money. It takes volume to earn profits. So there's been a lot of consolidation. In a lot of places in the world

there is just one or maybe two companies that do all the processing."

Expansion mode

The legal morass stymied Pacific's expansion drive, until 2015.

That was the year Pacific paid more than \$1 million for just over half an acre of dilapidated Newport bayfront property. It bought the parcel from California Shellfish, parent company of a competing processor, Hallmark Fisheries, which runs a fish-buying station at the site.

Pacific is planning a new, state-of-the-art processing plant as well as a commercial development that would lease space to small marine and tourist-related businesses. It even is considering a larger attraction described as the seafood industry equivalent of the famed Tillamook Cheese Factory.

Then, Trident decided to exit Oregon. It dismissed other suitors interested in the properties and went to Pacific. In early April, Pacific closed its acquisition of the Trident fish

meal plant, which converts fish waste to fish food.

Days later, Pacific went public with its possible purchase of the larger Trident processing plant.

The Trident plant converts whiting into surimi, an odorless, tasteless fish protein that is the main ingredient in imitation crab and lobster.

A processing plant specializing in whiting is a vital asset to Oregon commercial fishermen. While there are other whiting processors on the coast — four just in the Warrenton-Astoria area — there is a massive number of whiting off the Northwest coast and federal fisheries regulators have set huge catch limits.

Pacific first went to the whiting fleet to see if they approved. They gave their unanimous assent, said Heather Mann, of the Midwater Trawlers Cooperative in Newport. Even Todd Whaley approved, Mann said. The Brookings fisherman was a lead plaintiff in the first antitrust lawsuit against Pacific.

Pacific then turned to Salem, saying it would not go through



Jeff Manning/The Oregonian

Stephen Webster's Bayfront property is sandwiched by Pacific Seafood Group. That wasn't a problem until he leased the Newport site to a competing seafood processor, Webster told The Oregonian. There have been tensions, he said, over such things as stinking fish guts being stored outside their front door.

with the Trident deal without a clear signal of support. Specifically, it asked for a "no-action" letter from the Department of Justice.

The agency said it would need time — eight weeks or so — to review the Pacific-Trident deal. Pacific argued it couldn't wait that long. The whiting season opens May 15.

While negotiations continue, some Newport residents lament the loss of Trident. Sara Skamser, whose company, Foulweather Trawl, makes commercial fishing nets, said Trident was a sort of neutral sanctuary. Unlike Pacific, which tends to cater to the fishermen it buys from, Trident would sell ice or bait to all-comers.

More importantly, Trident offered an alternative. "Fishermen like choices," Skamser said. "And they increasingly don't have choices. It's kind of hard to see these monopolies."

Ice has emerged as a major concern. If Pacific buys the Trident plant or it closes, Pacific will be the only company in Newport able to produce major volumes of ice. Fishermen can't fish without ice. Jeff Boardman, a shrimper from Depoe Bay, said when he goes to sea, he's got 8 to 9 tons of ice on board. "You get one company with all the ice in town, they can control who fishes and when," he said.

The Department of Justice's response to Pacific may give heart to the company's critics. It laid out a laundry list of requirements Pacific must meet to avoid enforcement actions.

Dan Occhipinti, Pacific's general counsel, said the company is mulling the state's conditions. "Even though DOJ's response came in unexpectedly just hours before the deadline, we are doing the best we can to review it in the short amount of time they have given us," he said.

Occhipinti added that Pacific knows that it can't survive without the fishermen. "If fishermen don't sell to us, we're out of business," he said. "Our job is to create better markets. If we succeed, we increase the value of the resource and we can pay fishermen more. Are there disagreements on price? Of course, sometimes there are. But at end of the day, we are all in this together."

Sen. Betsy Johnson, D-Scappoose, is among those trying to broker a peace pact. She echoes the Pacific talking point that blocking the Trident acquisition wouldn't lessen Pacific's dominance.

"Does Pacific Seafood increase its market share by buying Trident? You bet," Johnson said. "Does the company increase its market share by not buying Trident. Yes, it does."