

LAW OFFICE OF  
**JAMES M. BEAULAURIER**

2430 COLUMBIA CENTER  
701 FIFTH AVENUE  
SEATTLE, WASHINGTON 98104

TELEPHONE (206) 340-1010  
FACSIMILE (206) 340-5991  
E-MAIL [jmblaw@seanet.com](mailto:jmblaw@seanet.com)

February 3, 2000

VIA FAX DELIVERY AND MESSENGER DELIVERY TO SEATTLE ADDRESSES

Chris Blackburn, Director  
Alaska Groundfish Data Bank  
P.O. Box 948  
Kodiak, Alaska 99615

Mr. Hisashi Sugiyama  
Alaska Pacific Seafoods  
2300 Eastlake Avenue  
Seattle, WA.98102

Brad Gilman, Esq.  
Robertson Monagle Eastaugh  
2300 Clarendon Blvd., Suite 1010  
Arlington, VA 22201

Mr. Mitch Kilborn  
Western Alaska Fisheries  
521 Shelikof Ave.  
Kodiak, AK. 99615

Mr. Mike Shupe  
Cook Inlet Processors  
4507 Shilshole Ave. NW  
Seattle, WA. 98107

Mr. William Terhar  
Ocean Beauty Seafoods  
100 W. Ewing St.  
Seattle, WA 98107

Mr. John Franklin  
Mr. Martin Burne  
International Seafoods  
517 Shelikoff  
Kodiak, AK 99615

Mr. Chuck Bundrant  
Trident Seafoods  
5303 Shilshole Ave. NW  
Seattle, WA 98107

Mr. Dave Woodruff  
Alaska Fresh Seafoods  
105 Marine Way  
Kodiak, Ak.99615

Re: Alaska Groundfish Data Bank and Kodiak Processor Market

Dear Ms. Blackburn and Gentlemen:

This firm represents Global Seafoods Kodiak, LLC ("Global Seafoods"), a shore-based fish processor located in Kodiak, Alaska. Global Seafoods recently has invested a large amount of capital to enter the Gulf of Alaska fish processing market through its ownership and operation of a state of the art processing plant. The plant has created 150 new jobs in Kodiak and has offered catchers substantially better prices than its competitors. Global Seafoods intends to

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remain in the Kodiak market and hopes to establish normal and appropriate relations with other processors in the area.

There is, however, a very serious impediment to normal relations. Global Seafoods has informed me about conduct by the Alaska Groundfish Data Bank ("AGDB") and its processor members and lobbyist that suggests extremely serious violations of federal and state antitrust laws. By this letter Global Seafoods demands that such conduct immediately cease.

Global Seafoods has learned that AGDB and its members may have adopted as an objective of AGDB the elimination of Global Seafoods as a competitor in the Gulf of Alaska market. I have enclosed a document that appears to be a portion of the minutes of a January 11, 2000 AGDB meeting. The document indicates that Brad Gilman, a legislative lobbyist, has advised the AGDB and its members to

eliminat[e] as much of the opposition as possible – (i.e., including Norquist's [sic] Chignik operation, Icicle's Seward operation and Global's Kodiak operation in the closed class of processors. His thinking is that . . . Global cannot succeed unless it can get boats.

Consistent with Mr. Gilman's explicit invitation for collusive action to exclude Global Seafoods from the market, Global Seafoods has learned that AGDB members may have attempted to interfere with its relationships with fishermen and may have taken collusive action, including threats of boycott, to reduce the number of boats willing to do business with Global Seafoods. If AGDB, its members and its lobbyist have engaged in such collusive and *per se* illegal conduct, Global Seafoods expects to be able to demonstrate that it has suffered substantial damages.

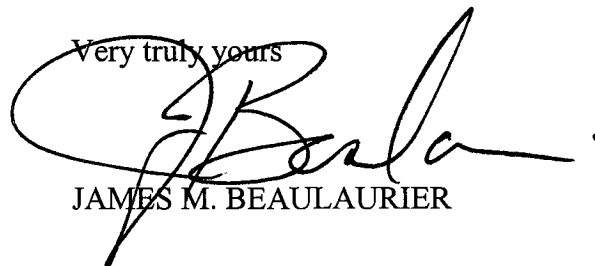
Global Seafoods is willing to assume for the time being that the reported actions of AGDB and its members are the result of a misunderstanding of the law or a lack of communication between Kodiak plant managers and company management. It expects that no further action will be required to restore competitive conditions in the Kodiak processor market and to confine AGDB to lawful activities. If circumstances indicate that further action is required, Global Seafoods is prepared to take whatever action is necessary to protect its investment and its commitment to the Kodiak community. As you may know, the power to enforce antitrust laws has been conferred upon injured parties and government enforcement agencies. A successful private plaintiff in an antitrust action is entitled to recover three times the damages the plaintiff has incurred, plus all costs and attorneys fees. Government enforcement agencies can pursue antitrust violations in either a civil or criminal context.

Global Seafoods hopes that initial reactions against its entry into the market will cease and all of the Kodiak processors then can turn their attention to profitably serving their markets

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and contributing to the long-term economic well being of the community. Any questions or comments concerning the legal matters addressed in this letter should be directed to me.

Very truly yours

A handwritten signature in black ink, appearing to read 'J. Beaulaurier', with a large, stylized initial 'J' and a long horizontal stroke extending to the right.

JAMES M. BEAULAUER

Enclosure

# Alaska Groundfish Data Bank

P.O. BOX 949 - KODIAK, AK 99615

Alaska

PH: 907-486-3033

FAX: 907-486-1461

Chris Blackburn, Director

7353974@alcomail.com

Jillie Bonney Executive Assistant

486173@alaska.com



TO: ACDB KODIAK MEMBERS

RE: GULF COOPS

SENT BY FAX: 5 PP

## ALASKA GROUND FISH DATE MEMBER MEETING

TUESDAY JANUARY 11, 2000 - 10 A.M. (TEN IN THE MORNING)

CHAMBER OF COMMERCE CONFERENCE ROOM

Downstairs, Building on the Ferry Dock

SUBJECT - CONTINUED DISCUSSION ON GULF COOP PROVISIONS

### NEW INFORMATION

Talked to Brad Gilman Friday:

1. Brad feels that trying to do all species at the same time is a loser - that it is asking too much and could jeopardize getting any coop ability. He advises waiting until we have a pollock coop and then move forward for other species.
2. Brad advises eliminating as much of the opposition as possible - (i.e. including Norquist's Chignik operation, Icicle's Seward operation and Global's Kodiak operation in the closed class of processors. His thinking is that Norquist & Icicle will not put in pollock processing capacity & that Global cannot succeed unless it can get boats.

I know that this advice is not welcome. We need to discuss strategy and risk. I've asked Brad by email to telephone us at our Jan. 11 meeting.

3. Look at Testimony for the Jan. 13 Senate Hearing in Anchorage. Included with this fax.

Following is the proposal for pollock as developed January 5, 2000  
Discussion Needed on:

Mr. Brendan McKenna

1/11/00 Kodiak, Alaska

At approximately 11:30am , I drove to the Kodiak Chamber of Commerce to apply for a membership position. Upon entering the building, A women from the tourism office paged Mr Wayne Stevens (Director) to have a meeting with me. During the next 30 minutes that I waited for Mr. Stevens, I was witness to a meeting that was taking place in the conference room at the bottom of the stairs in the building.

I overheard the voices of Mr. Tim Blott of Cook Inlet Processors and Ms. Chris Blackburn speaking to a "voice" on the speaker telephone of a Mr. Brad Gilman. From the conversation that I "overheard" Mr. Gilman is acting as the group's advisor in Washington D.C. It was stated during this conversation that the focus of the group was to eliminate any competition from groundfish, ie; Pollock, Cod, Halibut. ~~Clayfish~~ Furthermore, Mr. Gilman stated that the "Cod" issues are too "Hot" and the group should focus on Pollock, and that all three would be difficult to prohibit from the competition ie; Global Seafoods, Wards Cove, Icicle Seafoods & Norquest Seafoods. This may not be the exact words that were stated, but it is close.

After the 30 minutes, I went back to my plant and summoned Mr. Stevens by phone. He arrived a few minutes later and we signed up to be an associate member. I mentioned to him about the meetings and he replied that the group usually "gangs Up" on whomever does'nt agree with their way of thinking.

A couple of hours went by and then I placed a call to Mr. Al Burch of Alaska Driggers Association. He was busy so I drove over to his office. He was meeting with Mr. Harold Jones and an attorney from Kodiak, Ms. Gabrielle Le Dous. I asked if I was interrupting anything and they collectively said no. We shared a few minutes of pleasantries and Ms. Ledous departed.

I asked Mr. Jones (vessell owner/fisherman) what his position was in regards to us ; Global Seafoods buying fish in Kodiak and he stated "You're the best damm thing that's happened to this town in a long time and I support you being here" Mr. Burch also agreed. I then proceeded to explain to them that I was witness to a meeting at the chamber offices earlier in the day. They both were very surprised that I knew about this meeting and I said that it was "Happen Chance" that I was there. Mr. Burch then summoned Ms. Chris Blackburn from her home to join us , saying' We have a problem". Mr. Jones departed. Ms. Blackburn arrived a short time later and I proceeded to ask her about her Alaska Groundfish Data Bank association. She replied that it is a consulting firm that represents some local fishermen and the "Major" processors in the town of Kodiak. I asked her if Global Seafoods could become a member and she said that she suggested it to the "members" and they denied us being part of this group. In further conversation with Ms. Blackburn and Mr. Burch, I asked them if they thought that it was quite possible that this group was acting unfairly by devise of the Anti-Trust laws govern the United States of America and are in place to protect free enterprise. They agreed that this may be a concern and they would look into it with the processors and fax them letters that night asking them to consult they're legal advisors. In further discussions, nearly three hours, I attempted to explain to them that Global Seafoods is offering a higher price than any other Kodiak processor for the current fish that is being taken in Kodiak ie; Codfish. Maybe this is why the other processors are trying to eliminate us from the fishery.

Ms. Blackburn replied that "this organization is an offshoot of the American Fisheries Act from the Bering Sea, the law that was pushed through behind closed doors in Washington DC with Senator Ted Stevens in attendance".

She went further to say that "my initial intention was to represent the Trawlers in Kodiak and was retained as a consultant by Alaska Dragger Association, with the objective of keeping out the Bering Sea Trawlers from Kodiak waters." & "During this process, the processors in Kodiak contacted me and wanted to join" A fee was paid of approximately \$2500.00 US and they were all invited; Cook Inlet, Ocean Beauty, Western Alaska, Alaska Fresh Seafoods, International Seafoods, Alaska Pacific Seafoods & Trident Seafoods.

Ms. Blackburn stated "that was over a year ago and that meetings have been taking place once per month ever since (privately)". She also mentioned that they have 14 members. I called one of the processor plant managers at home last evening ; Mr. Matthew Moir and asked him his position and he stated that "that collusion was a stretch" from what they are doing. I told him that I will have to advise our attorneys at this point and my call was based on a friendship.

1/12/00

I am waiting to hear from the processors this am, no calls so far

*Keith Singlita*  
*Global Seafoods.*