

M E M O R A N D U M

TO: Council, SSC and AP Members
FROM: Jim Branson *[Signature]*
Executive Director
DATE: March 17, 1982
SUBJECT: Joint Venture Operations

ACTION REQUIRED

Informational reports as noted below.

BACKGROUND

Activities of joint ventures operating off Alaska in 1982 are summarized below. Total catch in the Gulf of Alaska as of February 27 was 26,081 mt or 99.1% of the current JVP allocation in the Gulf. Of the total catch, 99% was pollock [see Agenda Item B-5(a)]. Agenda Item B-5(b) is correspondence concerning Fish Producers Associates and Agenda Item B-5(c) is a news article on the Japanese joint ventures.

1. Marine Resources Company (USSR)

MRC will commence operations in April. Mick Stevens will be available to answer questions and report on their upcoming yellowfin sole fishery in the Bering Sea (see C-5 on Permit Applications).

*2. West German Operations (FRG)

This joint venture commenced operations with 3-4 U.S. trawlers on February 27. John Schmeidtke will present a brief report on their progress thus far in 1982.

3. Joint Venture Fisheries and North Pacific Joint Fishing Operation Committee (ROK)

Operations commenced on January 19. A brief written report is available under this tab.

4. Fish Producers Associates and Korea Wonyang Fisheries (ROK)

Operations commenced in mid-January with 7 U.S. trawlers and 6 Korean processors operating in Shelikof Straits. As of March 13th, over 17,000 mt have been caught, mostly pollock.

5. Universal Seafoods and Nippon Suisan (JA)

Operations commenced on February 14 and two U.S. trawlers are currently working Shelikof Straits. The program is meeting its objectives. A written report is available under this tab.

*6. Westward Trawlers and Taiyo Fishery Co. (JA)

Operations commenced in late January with two trawlers in Shelikof Straits. Joe Gnagey of Westward Trawlers will present a brief report on operations thus far in 1982.

7. C.E. Atkinson and Hoko Fishing Company (JA)

This fishery has not been approved yet (see tab C-5 on Permit Applications).

8. Whitney-Fidalgo Seafoods and Kyokuyo (JA)

This fishery has not been approved yet. (See tab C-5 on Permit Applications).

9. St. George Tanaq and Taiwan

Mike Jones will be available to answer questions on this operation.

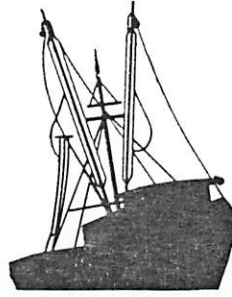
*Oral reports will be given on these operations.

BEST-BLEND JOINT-VENTURE AREA CATCH FOR WEEKS (1/ 1/82- 2/27/82)

| AREA | SPECIES | WEEK ENDING 2/27/82 | YEAR- TO-DATE | CURRENT ALLOCATION | PERCENT TAKEN |
|-----------------|--------------|------------------------|------------------|-----------------------|------------------|
| GULF ALASK | SQUID | 1.3 | 6.6 | 150.0 | 4.4 |
| GULF ALASK | ALL FLOUNDER | 0.1 | 7.8 | 1880.0 | 0.4 |
| GULF ALASK | POLLOCK | 5613.7 | 25883.6 | 15210.0 | 170.2 |
| GULF ALASK | PACIFIC COD | 9.7 | 71.4 | 3000.0 | 2.4 |
| GULF ALASK | SABLEFISH | 0.0 | 0.7 | 680.0 | 0.1 |
| GULF ALASK | ATKAMACKEREL | 0.0 | 0.0 | 2070.0 | 0.0 |
| GULF ALASK | RKFISH WOPOP | 0.0 | 0.0 | 200.0 | 0.0 |
| GULF ALASK | POP | 0.1 | 0.9 | 2515.0 | 0.0 |
| GULF ALASK | OTHER FISH | 37.6 | 110.3 | 620.0 | 17.8 |
| ----- TOTAL: | | 5662.4 | 26081.4 | 26325.0 | 99.1 |

END OF REPORT.

STEUART FISHERIES



MAR 4 Agenda B-5(b)

| ACTION | ROUTE TO | |
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| March 1, 1982 | | |

Mr. Jim H. Branson, Executive Director
 North Pacific Fishery Management Council
 P. O. Box 3136DT
 Anchorage, Alaska 99510

Dear Jim:

Enclosed are copies of some letters between Steuart Fisheries and F.P.A. Our attorney is sending you a copy of our most recent correspondence, also. This information should provide you with an adequate understanding of the problem we face.

In our testimony at the January council meeting, Frank Steuart predicted that problems with F.P.A. would surface again this year. Now it appears that his prediction is becoming true. The March council meeting will be a critical time to discuss the status of joint ventures. Your assistance in placing these subjects on the agenda will be appreciated.

Sincerely,

Joseph C. Gnagey

JCG:pr
 Enclosures

FISH PRODUCERS ASSOCIATES

International Seafood Specialists
215 W. 12th St. - Suite 202
Vancouver, Washington 98660

Mailing Address:
P O BOX 273
VANCOUVER, WA 98666

Phone (206) 696-0737
Telex
152804 FPA KMIDC VANC

December 28, 1981

Mr. Frank Steuart
Steuart Fisheries
1520 Norton Avenue
Everett, Washington 98201

Dear Frank:

I have received your letter of December 21, 1981 of this instant date.

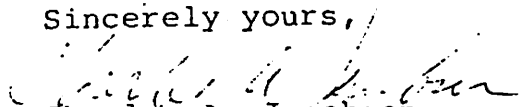
We would like you to know that we are making every effort to see your account is paid in full. We will keep you informed of the progress being made.

As to your letter, we can appreciate your comments and we would like to clarify one area in particular wherein you mention that KWF's unwillingness to negotiate a contract. KWF has negotiated a contract with FPA wherein we asked for the input of the fishermen as well. This contract was negotiated in Korea and signed on November 23, 1981.

FPA issued contracts to the fishermen which were consistent with those negotiated by us with Korea. During our discussions with the Koreans we were able to resolve the problems of last year with their sincere pledge that they would not reoccur in the 1982 fishery. We do believe the Koreans are putting their best foot forward this year and that problems, if any, will be minimal.

We also would like you to know that we are strongly encouraging the prompt payment since we know how much this means to you and also the fact that we would like to see your vessel in the program with us again for 1982. Mr. Lehn has personally called Korea yesterday and made an issue for payment and today a telex has been sent by us to follow up that conversation. Hopefully, your account will be settled by the end of this year so that your New Year will be off to a good start.

Sincerely yours,


Charles A. Jacobsen
Vice President

CAJ:c

Edmonds Office:
209 Dayton Avenue, Suite 105
Edmonds, Washington 98020

Phone (206) 771-5686
Telex
FPA KWF EDM

January 4, 1982

North Pacific Fishery Management Council
Anchorage, Alaska 99511

Mr. Chairman and Council Members:

I've requested a few minutes of your time to discuss my problems as a vessel owner in dealing with Fish Producers Associates (F.P.A.) and Korean Wonyang Fisheries (K.W.F.). The purpose of airing these problems is twofold.

First, I hope you can exert some pressure upon KWF to clean up all accounts with fishermen before starting the 1982 fishery.

Second, I would like you and fishermen to be cognizant of the problems which I predict will continue into 1982.

One of my vessels, the Half Moon Bay, fished for FPA this past fall. We completed our fishing effort on approximately October 23. As of this date, I am owed considerably into six figures. Other fishermen who worked for FPA last summer are still waiting for final settlements also. In this economic climate no one can afford to wait this long for payments. FPA puts the blame squarely on KWF saying that they won't even answer telexes. You would probably suggest that in the future we handle this problem by protecting ourselves contractually. For the past month I have been working with several fishermen and vessel owners to provide input into a 1982 contract with FPA, the draft of which was given to us by FPA at the last Council meeting. The contract presented to us was virtually identical to the 1981 agreement except for fish length. The changes that I suggested strengthened the fisherman's hand in dealing with KWF/FPA. For example, if payments were late in coming, I wanted an interest clause. I proposed an arbitration clause as a mechanism to settle disputes without having to run to the State Department or yourselves. I wanted some assurance that if we were required to have a given catcher capacity on the grounds that KWF/FPA would provide a minimum processing capacity. Most of these changes came from wording which I have in other joint venture contracts. Other changes which we suggested could have been a problem for KWF/FPA and were certainly negotiable from my standpoint. But FPA's answer to our draft was that it was totally unacceptable and that the only way I would be fishing for them was to sign the original draft. I told them that the original draft was unacceptable from my point of view and that I would find something else to do in 1982.

January 4, 1982

North Pacific Fishery Management Council

Page 2

I bring all of this up now because I see the same trend developing this year that occurred last year. A lot of sweet talk before the season by KWF/FPA and then the brick wall goes up. I don't see an attitude change on KWF's part and fishermen should be very cautious in dealing with them.

Promises were made once again about measures to improve the Gae Cheog Ho's processing capacity by putting KWF senior management staff on board.

Something surely has to be done to make living conditions more palatable for observers, as evidenced by the article in Pacific Fishing Magazine recently. I placed one of those observers on board and I feel very badly about the conditions she had to endure. I did promise that she would not go back on board until conditions were improved. In that I don't have a 1982 contract with FPA, I don't have to worry about keeping that promise. But I worry about other observers who may face similar conditions.

As fishermen and vessel owners, we had high aspirations of going into the 1982 fishing season with KWF/FPA with a new beginning. Unfortunately, I don't see it and I'm afraid that you, the council, will be asked to support the fishermen during the course of the year.

Thank you.

Frank T. Steuart
Vice President
Steuart Fisheries

FTS:pr

February 26, 1982

Mr. Charles Lehn
Fish Producers Associates
215 West 12th, Suite 202 - Box 273
Vancouver, Washington 98666

Dear Charles:

| ACTION | ROUTE TO | INITIAL |
|-------------------|-------------|---------|
| | Exec. Dir. | J |
| | Deputy Dir. | |
| | Asst. Dir. | Y |
| | Exec. Sec. | |
| | Asst. Sec. | |
| | Sec. Asst. | |
| | Spec. Inv. | |
| | Adm. Serv. | |
| | Lab. | |
| | Proc./Tech. | |
| | Sec./Typist | |
| | | |
| MAR 4 1982 | | |

The fishermen for Fish Producers Associates (FPA), agent for Korean Won Yang Fisheries (KWF), would like to express their anger by the way the 1982 Shelikof Strait Pollock Fishery is being conducted. We request that FPA make our concerns known to KWF. We feel KWF is not cooperating fully to insure the success of this joint venture operation.

We feel three issues must be resolved in order to demonstrate to the fishermen that this fishery is being conducted effectively. Firstly, processing capability must be increased to meet or exceed contractual obligations in order that the boat can return adequately on investment. Secondly, to compensate for the lack of promised processing in January and February, we feel the increased processing capability should remain on the fishing grounds until April 30, 1982. And thirdly, as a result of statistical analysis on the length frequency of the harvest by fishermen's on board representatives this season, it is apparent that the arbitrary and capricious increase in size limit of the fish from the 13.5 inches of previous year's efforts to the present 14.5 inches is an example of the wasteful utilization of this resource. This increase sends an additional twenty per cent of the harvest to fish meal. Furthermore, this percentage of length frequency increases after the roe season.

Addressing these issues will demonstrate to the American fishermen that a bona fide effort is being made to conduct this fishery in good faith.

Sincerely,

Thomas G. Hanson

Tom Hanson F/V MARY LOU

Tim Tapping

Tim Tapping F/V MARGARET LYN

Dan Heasley

Dan Heasley F/V AMBITION

The following fishermen are in full agreement with the above, but due to being on the fishing grounds were unavailable to inscribe their names at this time. Upon their return, copies of signatures will be forwarded you.

Ken Hampton F/V PARAGON II

Erling Jacobsen F/V PELAGOS

Walter Kyhr F/V DONA GENOVEVA

Junior Cross F/V NORTHWEST ENTERPRISE

cc: North Pacific Regional Management Council
National Federation of Fishermen

J.V. Fisheries, Ltd.
150 Nickerson, Suite 207
Seattle, WA 98109

March 23, 1982

Mr. Jim H. Branson--Executive Director
North Pacific Fishery Management Council
P.O. Box 3136 DT
Anchorage, AK 99510

Dear Mr. Branson:

We wish to report to the Council that at the present time the joint venture between J.V. Fisheries, Ltd. and the consortium of eleven companies from the Korean Deep Sea Fisheries Association is operating in the Shelikof Straits with two processing vessels and three catching vessels. To date the fishery has produced a harvest of 9628.5 MT of pollock and 5.6 MT of cod. Payment for this fish has been prompt, and operations are proceeding relatively smoothly. We expect to achieve our target of 15,000 MT towards the end of April.

Sincerely yours,



Kit Adams
Operations Manager

HCA:ar

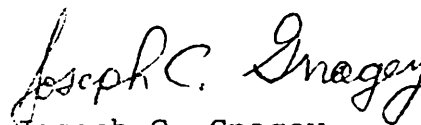
WESTWARD TRAWLERS, INC.
TESTIMONY BEFORE THE NORTH PACIFIC FISHERY
MANAGEMENT COUNCIL MEETING
MARCH 1982

Mr. Chairman, members of the Council, I am here to introduce Westward Trawlers, Inc., a new joint-venture company, and to apprise you of our current operations with Taiyo Fishery Co., Ltd. We are conducting a joint-venture fishery for pollock in Shelikof Strait, which started in late January and is expected to continue into the first week of April. Our allocation is for 10,000 metric tons.

Two catcher boats, the F/V Half Moon Bay and F/V California Horizon, are delivering to Zuiyo Maru No. 3, a large surimi trawler. As of March 13, over 6,000 metric tons have been delivered for processing. Of this amount, 92.9% has been food grade pollock, 7.0% has been small pollock utilized for fish meal, and 0.1% has been Pacific cod.

For the duration of this season, fish deliveries have been made without any injury to personnel, loss of codends, or damage to vessels and equipment. Several days of fishing have been lost because of severe weather, but operations have otherwise been very smooth.

Our staff has enjoyed a very good working relationship with the Taiyo group and their representatives, Western Alaska Fisheries. Payment has been timely and the Western Alaska staff has been very cooperative. Our association with the Trawl Operations Division, the support facility in Kodiak, and the Seattle office has been a good experience.


Joseph C. Gnagey
Operations Manager

JCG:pr

B-5
Mar 82

FISH PRODUCERS ASSOCIATES

International Seafood Specialists
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Phone (206) 696-0737
Telex
152804 FPA KMIDC VANC

March 17, 1982

North Pacific Fishery Management Council
P.O. Box 3136DT
Anchorage, Alaska 99510

Gentlemen:

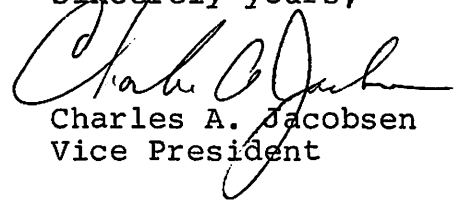
As an update for the March Council meeting, I am enclosing a report for the first months evaluation, plus weekly reports ending March 15.

The reason for reporting in this manner is to capture some of the emotion felt by our fishermen at that time, as well as to provide you with a detailed description of the program as it took place.

Also enclosed for your perusal, is a copy of a letter sent to Mr. Ted Kronemiller by FPA President, Charles A. Lehn, covering Korea Wonyang Fisheries Co. Ltd.'s performance.

By this writing, all start-up problems and joint venture operational difficulties have been overcome and the fishery is proceeding to expectation.

Sincerely yours,


Charles A. Jacobsen
Vice President

CAJ:c
Enclosure

FISH PRODUCERS ASSOCIATES, INC./KOREA WON YANG FISHERIES CO. LTD.
JOINT VENTURE

General information:

Operation period: January 15 - April 30, 1982

Target Tonnage: 30,000 metric tons

Species: Alaska pollock w/roe and Alaska pollock

Catcher fleet: Pelagos, Paragon II, Ambition, Mary Lou,
Dona Genoveva, Margaret Lynn, Northwest
Enterprise and Muir Milach

Processor fleet: Gae Cheog Ho, Kyung Yang Ho, Heung Yang Ho,
Pungyang Ho, Hwarang Ho and Kumkangsan Ho

January 15 through February 19, 1982

Total catch: 7626 metric tons

Bad weather and searching for fish characterized the first week of operation. However, by the end of the second week, full production was reached. Initial cooperation by KWF was good but late arrival to the grounds by some of the catcher fleet hampered efforts to bring in more processing capacity by KWF as they had the Gae Cheog Ho and one 5,300 stern trawler receiving fish.

Continuing into the third week a combination of events lead to a bottleneck in deliveries. (1) The catcher fleet was able to maintain their presence on the grounds overcoming breakdowns etc. (2) the weather turned calm allowing the vessels to fish freely and (3) the awaited for stocks of fish appeared in force upon the grounds. This combination of events caused the catchers to be placed on a rotation of delivery and also caused lost fishing time due to waiting. In addition, the Gae Cheog Ho suffered mechanical breakdowns several times further slowing deliveries.

February 20 through 27, 1982

Total catch: 2323 metric tons - grand total: 9,949 metric tons

Cooperation from KWF was good this week although the 5,300 stern trawler missed five days of deliveries due to unloading cargo. Therefore, the average deliveries per day totaled 331.8 metric tons, somewhat below their contracted tonnage.

The Gae Cheog Ho lost some delivery time due to mechanical breakdowns. However, KWF did enter two 900 gross ton class vessels as tenders but their contribution to the overall receiving capacity was marginal.

On the American side, the catchers fully maintained their presence on the grounds with seven vessels fishing and one standing by for most of the week. In this regard, the catchers have been most efficient and coupled with the amazing quantities of fish found in Shelikof Straits, they were being forced to continue to deliver in rotation until more processing capacity arrived.

KWF also committed to improve the fishery in the following way: (1) they intend to send an additional 5,300 metric ton stern trawler and a 3,500 metric ton trawler to receive fish by next week and (2) they promised to increase the letter of credit by an additional \$500,000 by next week.

February 28 through March 6:

Total catch: 4,067 - Grand total: 14,016 metric tons

The 4,000 plus tons harvested this week was a new record for our joint venture. The daily average of 581 metric tons per day processing was outstanding even though the Gae Cheog Ho was off the grounds unloading cargo for part of the week. Phased into the operation this week were two additional stern trawlers raising the number of capable processors to four, plus the two smaller tender vessels. As far as payments for fish, KWF has stated that an additional letter of credit for at least \$1,000,000 will be opened by March 10th, making a grand total of \$1,600,000 in letter of credit monies so far.

The American catchers have continued to perform well and more importantly, maintained 6.5 vessels on the grounds for the week. Their continual perseverance on the grounds has enabled KWF to expand its joint venture fleet to meet more of the delivery needs of the American vessels.

At this time I would like to clarify and address one problem which has arisen between FPA and the American catcher fleet. This complaint concerns the participation of the vessel Muir Milach in the 1982 joint venture fishery. The catcher fleet claims that "FPA purposely overboated" this joint venture to meet their own goals by adding an eighth catcher vessel to the operation. The facts are as follows:

1. FPA's agreement with KWF is that five catcher vessels will be maintained on the grounds with three KWF processors and 450 metric tons per day receiving capacity.
2. The contracted vessels were informed that seven vessels would participate in the fishery.
3. By the operational starting date and until January 31, the per day average of vessels on the grounds totaled 2.7 American vessels.

4. An agreement was entered into by FPA with Cape Flattery Fisheries stating that the Muir Milach could fish until seven vessels arrived. After that time, they were to become a stand-by vessel as we had stated to the fishermen and have adhered to the fact, that no more than seven vessels would fish unless it was necessary to fill the receiving capacity.

5. A noteworthy figure is that from February 7 until March 3 without the Muir Milach's participation, our vessel average on the grounds would have been 4.65 vessels. With the Muir Milach in the program we have maintained 5.17 vessels in operation thus covering our contract with KWF.

6. As a result of maintaining more than five vessels on the grounds, KWF has brought in processing capacity of over 700 metric tons per day and in the long run, the fishermen have benefited from the Muir Milach's presence.

March 7 through March 13:

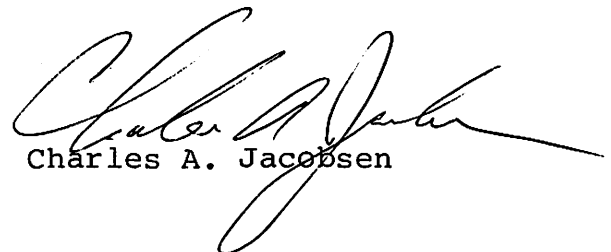
Total catch: 3,428 - Grand total: 17,444 metric tons

Both catching and processing went well this week despite high winds and seas hampering operations. KWF has determined to process the remainder of the 30,000 metric ton allocation on schedule and has maintained four processors and two tenders receiving fish. They have also given an indication that an additional 20,000 may be purchased as a benefit to the United States catcher fleet.

It is our opinion the Korean government and Korea Wonyang Fisheries Co. Ltd. have strongly committed themselves to the joint venture concept.

KWF has demonstrated a tremendous effort which has caused them economic losses inasmuch as joint venture fishery is more expensive than direct fishery.

We therefore highly recommend the Council consider rewarding KWF (through the government of Korea) by increases in their direct fishery quotas, stressing the point in accordance with the amount of qualitative joint venture fishery performed, foreign countries will be rewarded for their participation with United States fishing interests.



Charles A. Jacobsen

B-5
mar 82

FISH PRODUCERS ASSOCIATES

International Seafood Specialists
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Vancouver, Washington 98660

Mailing Address:
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Phone (206) 696-0737
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152804 FPA KMIDC VANC

March 12, 1982

Mr. Theodore G. Kronmiller
Deputy Assistant Secretary for
Oceans and Fisheries Affairs
Department of State
Room 7829
Washington, D.C. 20520

Re: Korea-U.S. Fishing Joint Venture

Dear Mr. Kronmiller:

During the latter part of 1981, I and other representatives of Fish Producers Associates met with you on several occasions and corresponded concerning the subject of the fishing joint venture between Korea and FPA. At that time, difficulties had arisen in connection with payments and other matters relating to the joint venture, and, furthermore, it was unclear whether the Government of Korea and the Korean companies involved would arrange for a 1982 joint venture. You were personally committed to joint venture fishing and set in motion efforts to resolve these problems. This letter is intended to inform you of the status of the 1982 U.S./Korea joint venture fishing operation and of residual issues from 1981.

As you are aware, a satisfactory joint venture agreement between Korea Wonyang Fisheries and FPA was negotiated in December 1981 for calendar year 1982. This year's program calls for a total of 25-30,000 metric tons to be achieved by April 30, 1982. As of last week, 14,000 metric tons had been harvested, and we forecast that the entire 30,000 metric ton target will be achieved by the end of April. Last year a total of 30,800 metric tons was taken. We hope more joint venture fishing will be agreed to for the period beginning May 1982.

KWF has cooperated with us to overcome the problems that occurred in 1981. That Company has placed in operation four processing vessels and two tenders along with various support vessels; these combined provide a 700-1,000 metric ton/day processing capacity. The eight U.S. vessels participating in the fishery have done an excellent job, increasing their capabilities over last year.

Mr. Theodore G. Kronmiller
March 12, 1982
Page Two

With regard to the problems that arose during 1981, most have been resolved. Some of the 1981 issues, e.g. the inefficient operation of the KWF processing vessels, can be attributed in part to the fact that last year was the first joint venture year for KWF. Most disagreements concerning payments from 1981 have been settled although some significant ones remain outstanding. KWF has assured me that the remaining disputes will be resolved within a matter of weeks. These, of course, must be resolved; in light of KWF's recent performance and attitude, FPA believes all outstanding 1981 matters will be settled shortly.

In sum, the Government of Korea has clearly established a policy that joint venture fishing with the United States will be undertaken, and that Government has taken steps necessary to assure the existence of the FPA/KWF joint venture as well as a considerably smaller joint venture between another U.S. company and several Korean companies. KWF has improved its operating capabilities, resolved almost all of the start-up problems of last year, settled most outstanding disagreements, and is making a good faith effort to have a successful joint venture in 1982.

In evaluating the economics of these joint ventures, FPA realizes that our foreign joint venture partner, KWF, is at an economic disadvantage by engaging in a joint venture, as opposed solely to engaging in a directed fishery like many other foreign fishing companies. Because of the present status of the fisheries market, a foreign joint venture partner might even sustain losses from a joint venture. In connection with joint venture fishing, KWF has undertaken more than twice the burden of all other Korean fishery companies combined.

In light of the above, FPA urges that the Government of the United States take into account the existence of Korea's and KWF's joint venture efforts when it decides this year the size of foreign fishing allocations, that it treat the Government of Korea favorably, and that it particularly reward Korea Wonyang Fisheries because it alone has assumed the obligation of over two-thirds of Korea's joint venture fishing.

Sincerely,



Charles A. Lehn
President

JAPANESE COMMENTS ON OVER-THE-SIDE PURCHASES OF
U.S.-CAUGHT FISH

Fisheries Agency, Ministry of
Agriculture, Forestry and
Fisheries, Government of Japan
March 23, 1982

I. PREFACE

Over-the-side purchases of U.S.-caught fish, where foreign processing vessels buy and process at sea fish caught by U.S. fishermen (so-called joint ventures (JV)), have in recent years come to be looked upon by U.S. fishermen, the U.S. Congress and the U.S. Government as one of the most expeditious means of promoting U.S. fisheries for underutilized groundfish species.

Until 1980, the principal criteria for determining catch allocations to foreign countries fishing in the U.S. Fishery Conservation Zone (FCZ), were the traditional catch record of the particular foreign country and its degree of cooperation in scientific research on fishery resources. However, with the enactment of the American Fisheries Promotion Act in December, 1980, legislative force was given to the concept of linkage of such allocations to additional criteria such as involvement in JV's, the degree of access enjoyed by U.S. fishery products to the foreign country's markets, and the degree of cooperation shown by that country in removing or reducing trade barriers against U.S. fishery products. These new allocation criteria in effect could be summed up as representing the degree of a foreign country's cooperation in taking steps to produce direct economic

gains for U.S. interests, i.e., the U.S. fishing industry. And the U.S. Government itself has stated as a matter of policy that of these criteria, participation in JV's should be accorded particular consideration in determining allocations to foreign countries.

This year the U.S. Government has changed its previous policy of giving lump-sum allocations at the beginning of the year. Instead, it has instituted a system for allocating initially only 50% of the projected annual allocation, with the remainder to be allocated in April and July on the basis of an evaluation of the degree of cooperation given by a particular foreign country in developing JV's or other activities helping to promote U.S. fisheries during the first half of the year. The most important incentive for adopting this new system was, according to U.S. officials, a desire to make foreign countries more amenable to JV cooperation, with particular reference to the need this year to rescue, through participation in JV's, many idle U.S. vessels from the economic plight that resulted from last year's exceedingly poor king crab fishery.

While we fully understand the desire of both industry and government in the U.S. to sharply increase this year's JV activity, we have, over the past year, in Washington, Seattle, Juneau, and Anchorage, taken every possible opportunity to explain to U.S. fishing interests, members of Congress, and Administration officials our belief that the best and most practical way of maximizing JV benefits over the long-term would be to expand such activity step-by-step on the basis of commercial feasibility and

the previous year's experience while taking steps to solve problem areas. This paper has been prepared to confirm and supplement our previous oral presentations.

Here again, we wish to reaffirm our basic position that, in determining catch allocations to foreign nations within the ECZ, including those to come in April and July, the fairest and most equitable approach would be to evaluate, on an overall basis, all criteria stipulated in Section 201(e) of the MFCMA; that it is not proper to focus only on JV activity. And we wish to point out, in this connection, that, with respect to all such criteria, Japan's record is head and shoulders above that of any other foreign country. (On this point, please refer to the attached exhibits.) Furthermore, it should be noted that the new allocation method not only seriously obstructs the drawing up of annual operating plans by our fishing vessels but also hinders existing and planned JV operations. We have gone into this matter in detail in Section V, below.

II. Our Basic Position

Please be assured that we have always given our utmost cooperation vis-a-vis the requests of U.S. interests to develop and promote U.S. fisheries and certainly intend to continue this cooperation in the future. In this context, we would first like to make clear, with regard to JV's, that we are fully aware of the desire of U.S. fishermen to expand JV operations and are in no way opposed to this goal.

To the contrary, in the spirit of maintaining and enhancing the traditional friendly ties between our two fisheries and

recognizing a significant interdependence in the field of fishing operations and trade in fishery products, we wish to extend our utmost cooperation toward expanding sound JV activity for the purpose of helping to promote U.S. fisheries. However, for the purpose of developing JV's on a sound basis, it is essential to overcome various problems and develop conditions that will satisfy both sides.

First, we must stress that a JV is a commercial operation. That is to say, the necessary pre-condition of a JV is that it will produce, or can reasonably be expected to produce, commercial profit to both parties. Accordingly, the decision as to whether or not to expand a JV, or for that matter whether to start one, should properly be based on an independent business judgment by the two parties involved. There can be no long-term JV's predicated on a loss for one of the parties.

Secondly, even if we assume that one of the parties could bear a loss to help expand the JV during a transitional period, there are obviously limits to the losses that can be accepted even in the short term. And even in this case, as explained in detail in Section V, it will be necessary to solve the technical and economic problems attendant upon JV expansion.

Developing solutions to such technical and economic problems will require the accumulation of experience by both sides over a number of fishing years. Commercial success can only be achieved if both parties review performance each year and develop approaches that will satisfy the commercial needs of both parties. In our view, JV's should be expanded only as rapidly as these

various problems can be resolved; the idea of expanding JV's rapidly over the short term of a single year completely ignores questions concerning commercial feasibility of implementation that spring from these problem areas. As we see it, the long-term maximum development of JV's can only be achieved if both parties create a mutually acceptable technical, economic and social environment through the medium of sincere company-to-company discussions and expand the size of the JV's gradually, step by step. Only through this approach would benefits accrue to both Japanese and U.S. fishermen. From this standpoint, we feel strongly that pressures that ignore operational, technical and economic realities will not contribute to the sound development of JV's.

Thirdly, we ask the U.S. side to bear in mind that the incentive, interest and financial ability of our fishermen to expand JV's will be maximized if future U.S. catch allocations to Japan are kept at at least present levels.

III. Performance by Last Year's Japan-U.S. JV's

(1) JV's for Pollock off Alaska:

In 1981, two Japanese fishing companies (Taiyo Fishery Co., Ltd. and Nippon Suisan Co., Ltd.) initiated JV projects in the Bering Sea of 7,000 tons each, for a total of 14,000 tons. The actual volume of over-the-side purchases by Taiyo was 5,316 tons (from April 11 to June 1), representing 76% of target; in the case of Nippon Suisan, 6,130 tons (from June 1 to July 7), for 88% of target. The combined ratio came to 82% of targeted quantities.

Since 1981 was the first year of the above projects, the primary objective of the Japanese side was to evaluate physical feasibility with respect to the ability of U.S. fishermen to catch and deliver the required amount of fish. In the first year our fishermen, in order to foster the development of an efficient JV, provided the U.S. fishermen with considerable technical services in terms of searching for fishing grounds and repairing fishing gear. Further, in deciding to initiate these pilot projects, these companies largely disregarded for the time being commercial factors such as prices paid for the fish, quantity and timing of deliveries, quality of delivered product and the like. The price paid per pound was quite high relative to pollock market conditions, and the Japanese side incurred substantial losses.

Nevertheless, last year's results can at least be said to have demonstrated that the U.S. fishermen who participated in these projects were physically able to catch and deliver substantial quantities of fish in certain coastal waters, under certain conditions.

(2) JV for Loligo Squid in the Atlantic

In 1981, Nippon Suisan Co., Ltd. inaugurated a JV project in the Atlantic for 1,000 tons of Loligo squid. Actual over-the-side purchases, however, came to no more than 323 tons (from June 11 to August 3). We understand that the main reason for this shortfall was that, due to the reduced concentration of squid caused by low water temperature, the U.S. fishermen could not catch the quantities that had been expected.

(3) JV for Herring in Bristol Bay

During 1981, the Japan North Pacific Longline-Gillnet Association formed a JV for herring with the western Alaskan fishermen in Bristol Bay over a period extending from early to mid-May. However, owing to internal conflict between U.S. fishermen and U.S. processors, the U.S. Government asked that this program be discontinued. As a result, actual deliveries fell far short of the projected 3,000 tons of over-the-side purchases.

The initial demand by the U.S. Government for a cessation of the herring JV reflected concern on the part of U.S. processors that this venture might lead to a JV for salmon. Consequently, the Fisheries Agency issued an administrative order to fishery interests in Japan barring the formation of salmon JV's in Alaskan territorial and internal waters, in the absence of a special request from the U.S. authorities for such a venture. (In fact, no salmon JV's were undertaken last year).

IV. Japanese JV Plans for 1982

(1) JV's for Pollock off Alaska

After giving consideration to last year's JV results (see III(1) above), and with a view toward accomodating the U.S. interest in expansion of JV activity, four Japanese fishing companies (Taiyo Fishery Co., Ltd.) Nippon Suisan Co., Ltd., Kyokuyo Co., Ltd., and Hoko Suisan Co., Ltd. developed plans for JV projects with targets of 10,000 tons each, or 40,000 tons in all. The programs of the first two companies are already under way. As to those of the other two companies, it is expected, based on progress in contract negotiations between the parties,

that the North Pacific Fishery Management Council will recommend in March that the necessary permits be issued without delay.

In contrast to the character of last year's JV's, where the focus was on testing the physical feasibility of the project, the objective this year is to also test commercial feasibility, i.e., profitability. Over-the-side prices, the most important commercial element, have been and will be set this year on the basis of separate and independent negotiations between the parties. The target levels set by each company reflect an evaluation by each company of the risk they felt they could assume in the present circumstances.

Our industry is fully aware of the strong demand from U.S. fishermen, Congress and Government for expansion of JV activity. However, in establishing the above JV programs, each company worked up its own individual plan for vessel deployment and manning. There are clear constraints on the degree of flexibility on the part of the Japanese partner for making changes in such ventures in mid-year. The various problems discussed in Section V will also limit such flexibility.

Taking all of the above factors into account, and considering the maximum degree to which profitability can be sacrificed, Taiyo Fishery Co., Ltd. and Nippon Suisan Co., Ltd. have each decided to increase their target quantities by 10,000 tons. As a result, the total JV quantities targeted this year by the Japanese fishing industry as a whole will be in the order of 60,000 tons -- over 400% of the 1981 level.

(2) JV for Loligo Squid in the Atlantic

As was the case last year, Nippon Suisan Co., Ltd. intends to implement a JV program for 1,000 tons of Loligo squid this year in the Atlantic.

(3) JV for Herring in Bristol Bay

The U.S. fishermen have vigorously asked their Japanese counterparts to continue last year's program, and so the Japan North Pacific Long-Gillnet Association this year decided to carry out a JV program for herring in Bristol Bay together with the western Alaskan fishermen involving the same 3,000 tons target as last year. In contrast to last year, the program this year is expected to receive the full support of both the U.S. Government and the Alaska State Government and so can be expected to progress smoothly.

V. Problem Areas and Key Requirements in Connection with Expanding the JV's for Pollock

We are fully prepared to discuss with concerned U.S. parties realistic and concrete plans for expanding JV activity in Alaskan pollock. However, in this connection, there are problems and constraints that should be borne in mind. These problems must be solved, step-by-step, between the JV parties, with the cooperation of their respective governments.

1. Problem Areas

(1) Catch Capabilities of U.S. Fishing Vessels

U.S. trawl vessels are small in size and, based on experience to date, do not follow the practice of Japanese fishing vessels in dropping a ground rope to the ocean bottom and

dragging at high horsepower. Instead, they drag with parachute type mid-water trawl nets in areas with high concentrations of fish. As a consequence, the areas of feasible operation are limited. Thus, doubts remain as to their ability to supply very large amounts of raw material on a constant basis.

(2) Adaptability of U.S. Fishing Vessels in Working as Part of a Fleet

In producing high quality surimi, it is essential that fresh and top quality material be delivered in fixed quantities that fit the processing capabilities of Japanese processing vessels. For this reason, U.S. fishing vessels must be prepared to faithfully carry out the instructions of the Japanese processing vessels as members of a fishing fleet. In other words, if they demand that Japanese processing boats buy whatever they catch, the stated objective cannot be met.

It is also vital that fishing activity be continuous, including weekends. U.S. vessels that are vulnerable to rough weather and sea conditions would presumably not be qualified to participate in these operations. We are frankly also concerned, in this connection, about the independent spirit of U.S. fishermen.

(3) Fishing Ground Conditions

The only fishing grounds that U.S. trawl vessels have used extensively to date are limited coastal waters such as those in the area of Chirikof Island and Unimak Pass. As operations expand, there is likely to be a sharp decline in the availability of fish, and so we have serious doubts as to whether a large

volume of catch can be generated from these grounds on a stable, long-term basis. It is likely, therefore, that U.S. fishermen, too, will have to accept the challenge of opening grounds offshore, if they wish to expand JV's significantly on a stable basis. However, when we consider the type, construction, horsepower and fishing technology of current U.S. fishing vessels, we are concerned about whether they would be able to stand up to extensive trawling operations in offshore waters, which are plagued by frequent rough weather and sea conditions.

With regard to the fishing season as well, the period from October to February in the Bering Sea is characterized by severe weather and sea conditions, making it extremely difficult to transfer catches in the cod ends from fishing to processing vessels. This then becomes a highly restrictive condition. For this reason, our motherships do not operate during this period.

(4) Problems when Using Surimi Motherships

We would have to study the use of surimi motherships in expanding JV operations in order to be able to operate more efficiently. In such event, the following problem areas would develop.

A. Technical Problems:

(a) Since the scale of fleet operations would suddenly be considerably enlarged, the attendant operational conditions would become much more rigorous. Also, operations in the rough open seas would cause a proliferation of problems connected with catch and gear technology.

(b) Since motherships themselves have no catch capability, they are seriously affected by uncertainty as to adequacy of raw materials. All companies engaged in these operations must give serious consideration to this uncertain factor.

(c) At present, the fish is hauled aboard the mothership via derricks, after dividing the cod ends into 7-12 ton units. But this operation entails considerable danger, and so special outfitting as well as a high level of acquired technology are called for. The cod end of U.S. fishing vessels sometimes contains as much as 30-50 tons of fish. Thus, it will be necessary either to adapt the U.S. cod end capacity to the derrick capacity of the motherships (15 ton maximum) or build slipways into the motherships and haul the cod ends up these slipways. In the latter case, our motherships would require major modifications.

B. Social Problems in Connection with Scrapping Japanese Catcher Boats Affiliated with a Mothership

(a) As JV operations expand, it will become necessary to scrap the catcher boats that are presently affiliated with the JV motherships and dismiss the crews aboard these catcher boats. This would give rise to serious social problems. (On the average, 13 catcher boats are affiliated in one mothership fleet, meaning that some 300 crew members would be affected in each fleet).

(5) The Sound Development of JV's as a Commercial Activity

To make these JV operations commercially viable on a stable, long-term basis, over-the-side fish prices must be set so as to

enable profit to accrue to both sides. This requirement will become all the more critical in future years because the overall financial situation of Japanese fishing companies is poor, owing to sluggish fish markets and soaring operating costs, including a doubling this year of the level of fishing fees and observer costs for their operations within the FCZ.

Given the low level of groundfish market prices, there is little chance of U.S. fishing vessels being able to generate a full year's income over a very short period of time, as in the case of their crab and salmon operations.

2. Key Requirements

(1) Stable Catch Allocations to Japan

If our fishing industry is to develop an active enthusiasm for participating in JV's, it is essential that, in return for expanding JV operations, Japan be granted allocations in the FCZ on a stable basis at levels at least comparable to those in prior years. It should be borne in mind that our industry's enthusiasm for expanding JV's will be maximized if these allocations are maintained at at least prior levels.

(2) One-time Allocations at the Start of the Year

The practice in past years has been for each Japanese fishing company to develop, at the start of each year, on the basis of its own strategy, annual operating plans for fishing periods, species, and grounds. (For example, Pacific cod operations in the Gulf of Alaska during the first half of the year; operations in the Bering Sea during the second half).

However, based on the staggered, three-step allocation system adopted this year, the above pattern will have to be extensively revised, a factor which will deal a major blow to efficient fishing operations by the various companies. Staggered allocations in the Gulf of Alaska, Bering Sea and Aleutian areas completely ignore the matter of species availability, which varies with grounds and period selection. For this reason, the new system will be damaging not only to operational efficiency, but will also limit flexibility in planning fishing strategy. We ask that the U.S. fishermen and authorities pay particular attention to the adverse impact this system will also have on flexibility in deployment planning for processing and transport vessels participating in JV operations. It should be borne in mind that a system of one-time allocations at the start of the year would be highly advantageous to both the Japanese and U.S. sides in connection with JV operations.

(3) Restrictions on the Types and Number of Participating U.S. Vessels.

However, beneficial it might be to the development of the U.S. fishing industry, Japan simply cannot expand JV operations indiscriminately; we cannot accommodate all the U.S. fishing vessels that wish to participate in JV's. For efficient JV operations, it is necessary to employ U.S. fishing vessels of a type that meet specific standards, such as required outfitting and fishing technology. Accordingly, there are natural limits on the types and numbers of U.S. fishing vessels participating in these operations.

(4) Annual Review

As JV activity expands, we must solve various problems in the area of ground conditions, fishing boat capacity, resource conditions, quality control, delivery patterns, and fishing technology. Accordingly, it will be necessary to have working-level reviews each year, involving both U.S. and Japanese fishermen, designed to improve operations for the next year on the basis of the current year experience.

VI. Future Plans for Japanese Participation in JV Programs

As discussed in Section V 1.(5), above, the financial outlook of the Japanese fishing industry appears generally gloomy. Nevertheless, in consideration of the various points discussed above, and on the understanding that Japanese catch allocations will be generally maintained at at least current levels (consistent with sound conservation principles), Japan is fully prepared to work toward expanding JV operations. That is to say, based on the realization that JV's must bring profit to both sides, we should gradually resolve the various problem areas, set up fixed goals based on performance in previous years and move step-by-step to a sound expansion of these operations.

As a target for Japanese participation in JV operations off Alaska, we are thinking in terms of some 200,000 tons. In our judgment, to reach this target would require a minimum of five years.

We believe that only on the basis of a realistic approach of this kind will a long-term and stable expansion of JV's become feasible, with mutually beneficial results for both parties. We

would like to reiterate, in conclusion, that not only would it be practically impossible to achieve a sudden and hasty expansion of JV activity but that this would not be beneficial in the long run to either U.S. or Japanese fishermen.

COMMENTS OF THE GOVERNMENT OF JAPAN (GOJ)
REGARDING THE 1982 FISH ALLOCATIONS TO JAPAN

October 1981

1. Fishing industry has been playing a very important role in Japan both for food supply and employment opportunities. For the Japanese fishing industry, the U.S. Fishery Conservation Zone (FCZ) has been most important traditional fishing ground, since the catch in the U.S. FCZ by the Japanese vessels accounts for approximately 60% of the total catch by the Japanese far-seas fisheries which amounts to approximately 2 million metric tons.

The Government of Japan (GOJ) appreciates that, during the last five years, the U.S. Government has managed the fishery resources under its jurisdiction basically along the principles of optimum utilization, as provided in the Japan-U.S. Fisheries Agreement and the Draft Convention on the Law of the Sea. The GOJ further appreciates that catch allocations to Japan have generally been handled in a fair manner although the GOJ reserves its positions on such problems as the proposed elimination of Tanner crab allocations.

2. In December, 1980, the Fishery Conservation and Management Act (FCMA) was amended to the Magnuson Fishery Conservation and Management Act (MFCMA). Under the former Act, country allocations were determined mainly on the basis of traditional catch performance. The new Act, however, introduced several new criteria for country allocation which are related to the GIFA country's cooperation to the development of U.S. fisheries.

In this connection, the GOJ wishes to submit, as attached, relevant facts to the newly introduced criteria set forth in Section 201 (e) of the MFCMA ("Allocation of Allowable Level").

The GOJ believes that Japan's performance, as described in the attachment, satisfies the criteria those including the newly introduced ones quite remarkably compared to the performance of the other GIFA countries. The GOJ hopes that the U.S. Government make fair evaluation of this performance in allocating country quotas. However, in submitting the above facts to the United States, GOJ reserves its position on the justifiability of the newly introduced criteria under the Japan-U.S. Fishery Agreement.

Attachment

1. "Whether, and to what extent, such nations impose tariff barriers or nontariff barriers on the importation, or otherwise restrict the market access, of United States fish or fishery products;" (Sec. 201 (e) (A))

Japan's tariffs on fishery products, are quite low compared to those of the other GIFA countries. (Cf. Appendix 1). Although some products remain subject to import quotas, they are not functioning against U.S. fishery products. Thus, Japan's fish market is quite open to U.S. fishery products. In the last several years, the GOJ has taken the following measures to improve the access of U.S. fishery products to the Japanese market.

- (1) Taking into account the U.S. requests in the 1978 Japan-U.S. Fishery Trade Talks, the GOJ made an offer, during the Multilateral Trade Negotiations (MTN), to lower tariffs on fishery products (Cf. Appendix 2) These reductions have been implemented in accordance with the agreed staging schedule (CF. Appendix 3). Japan is the only country among GIFA countries which has offered tariff reductions on fishery products in MTN.
- (2) With regard to the operation of the IQ system of Japan, the GOJ made it clear to take various steps to facilitate export of U.S. fishery products to Japan in the "Summary Record" which was made in the Japan-U.S. Fishery Trade Talks which was held in July 1980. The GOJ has been, thereafter, faithfully implementing these steps.

- (3) As a result of the above Talks, Japan and the United States established "contact point" for each Government to facilitate the cooperation between the two Governments in resolving problems in specific fishery trade transactions and to provide information on export opportunities to the Japanese market and other matters related to the bilateral fishery trade.

2. "Whether, and to what extent, such nations are cooperating with the United States in the advancement of existing and new opportunities for fisheries trade, particularly through the purchase of fish or fishery products from United States processors or from United States fishermen;" (Sec. 201 (e) (B))

- (1) U.S. exports of fishery products have expanded 2.6 fold since the establishment of the U.S. FCZ, from \$382 million in 1976 to \$1,006 million in 1980. As to U.S. exports to Japan, it has risen 4.2 times, from \$96 million in 1976 to \$406 million in 1980. As to 1980, although the value of exports to Japan was lower than the previous year level largely due to the decline in export prices, it still accounted for 40% of the total U.S. fishery export value (Cf. Appendix 4). Furthermore, U.S. fishery exports to Japan on the average account for almost 80% of the total U.S. export in value to GIFA countries which receive catch allocations (Cf. Appendix 5 and 6). This demonstrates that the expansion of U.S. exports of fishery products during the last five years was achieved largely through

a growth in exports to Japan and that many sectors of the U.S. fishing industry depends on the Japanese market for a considerable portion of their sales.

(2) The Japanese fishing industry has undertaken the following activities to increase U.S. exports to Japan of species underutilized by U.S. fishermen.

(a) Japanese fishing vessels have undertaken over-the-side purchases on both the Pacific Coast (Alaskan pollock and other groundfish) and the Atlantic (squid). These purchases have been highly valued by U.S. fishermen, particularly on the Pacific Coast (Cf. Appendix 7).

This year, however, due to the fact that the over-the-side buying prices were set higher than the ordinary buying prices and the fact that Japanese vessels had to assist the U.S. fleet in locating fishing grounds, Japanese vessels have had to bear a heavy economic burden from these operations.

(b) As shown in Appendix 7, Japanese longline vessels have made over-the-side purchases of herring from Western Alaskan fishermen in Bristol Bay. However, due to the conflict of interests between U.S. processors and fishermen, these purchases unfortunately led to a request from the U.S. Government for the cessation of the project. Nevertheless, this project should

be recognized as an example of positive cooperation by Japanese fishermen with the U.S. fisheries.

With regard to the concern that over-the-side purchases of herring would eventually extend to over-the-side purchases of salmon (in territorial and internal waters), the GOJ, in response to the U.S. request in May of this year, issued an official instruction to our fisheries to refrain from the over-the-side purchases of salmon (the over-the-side salmon purchases did not occur) (Cf. Appendix 8).

(c) In August of this year, Japan dispatched a Fishery Development Mission to all fishing areas of the United States. This Mission selected promising underutilized species for export to Japan. Import of samples and market research are scheduled to be soon undertaken (Cf. Appendix 9).

(d) In response to the request from Alaska Longline Fishery Association (ALFA), a Japanese fishing organization provided technical assistance on sablefish processing and undertook consignment sales in the Japanese market to facilitate export of U.S. caught sablefish to Japan (Cf. Appendix 10).

3. "Whether, and to what extent, such nations and the fishing fleets of such nations have cooperated with the United

States in the enforcement of United States fishing regulations;"
(Sec. 201 (e) (C))

The GOJ deeply regrets that numerous violations have occurred last year. The GOJ has been strengthening measures for preventing such incidents since the beginning of this year.

(Cf. Appendix 11)

Although these violations have not yet completely ceased, the GOJ will continue its best efforts to eliminate violations by our fishing vessels through the measures described as follows.

- (1) The GOJ has deployed an enforcement vessel to the Bering Sea, Aleutian Island, and the Gulf of Alaska areas throughout the year (Operating costs for this vessel come to approximately \$1.3 million annually.). Starting in October, 1981, a second vessel has been sent out in the above areas to strengthen the guidance to our fishing vessels in observing the U.S. Fishing Regulations.
- (2) Every year, we hold seminars for Japanese fishermen on the U.S. foreign fishing regulations to help familiarize our fleet with these regulations. In addition, in March, 1981, our industry invited the U.S. official in charge of regulation enforcement to a seminar for the industry leaders.
- (3) In order to eliminate violations, the administrative penalties for violations (such as orders to cease operations) have been doubled since the beginning of 1981.
- (4) In order to prevent operational violations such as underlogging, the GOJ has newly established a system

in which every fishing vessel returning from the U.S. FCZ has to inform the Fisheries Agency of Japan of the intended port and time of entry. This has been instituted to facilitate catch inspection at the time of landing.

4. "Whether, and to what extent, such nations require the fish harvested from the fishery conservation zone for their domestic consumption;" (Sec. 201 (e) (D))

With the exception of a minor portion that is reexported (estimated at about 1% of the total allocation to Japan in the U.S. FCZ), Japan's entire catch from the U.S. FCZ is domestically consumed. No other GIFA country shows such a high dependence on fish from the U.S. FCZ for its food supply.

If the United States were to adopt measures in its country allocations giving preference to countries that export back to the United States the bulk of their catches from the U.S. FCZ and so impede the development of U.S. fisheries, this would contravene the spirit behind the establishment of this criterion.

5. "Whether, and to what extent, such nations otherwise contribute to, or foster the growth of, a sound and economic United States fishing industry, including minimizing gear conflicts with fishing operations of United States fishermen, and transferring harvesting or processing technology which will benefit the United States fishing industry'" (Sec. 201 (e) (E))

(1) Gear Conflict Avoidance:

Japan has, in the following manner, taken forceful actions to avoid gear conflicts and, in the event of one occurring, to pay suitable compensation.

- (a) For the Gulf of Alaska, a problem area for gear conflicts in recent years, the Japanese industry has entered into an arrangement with ALFA, the Coast Guard, and the National Marine Fisheries Service (NMFS) Juneau Regional Office, regarding gear conflict avoidance procedures and methods of settlement when such conflicts actually occur.

A system has been devised for informing via certain duty vessels, all Japanese fishing vessels operating in the U.S. FCZ of the operating locations of U.S. fishing vessels and gears (Cf. Appendix 12).

- (b) In the Bering Sea and Aleutian Island areas, while gear conflicts are not as likely to occur as in the Gulf of Alaska, measures along the lines of those used in the Gulf have been adopted.
- (c) In the Gulf of Alaska, Bering Sea, and Aleutian Island areas, Japanese enforcement vessels, upon receiving reports from the NMFS Juneau Office on the locations of U.S. gear placements, give Japanese vessels all necessary guidance in avoiding gear conflicts.
- (d) In the Atlantic, the U.S. authorities regularly advise each Japanese fishing vessel of U.S. gear placements. Thus, our vessels simply avoid fishing in areas where U.S. gear has been set.

(2) - Technology Transfer:

Japanese industry has, for many years, been

providing the U.S. fishing and processing industries with technological assistance in gearing production to the Japanese market. As a result, in recent years, export of fishery products to Japan has increased quite considerably. In addition, since last year, the following technological cooperations have been undertaken to explore export opportunities for U.S. underutilized species to the Japanese market.

- (a) In March 1981, Fishermen's Workshops were held in 4 U.S. East Coast cities to provide orientation on the Japanese market and guidance in quality control to help make U.S. products suitable for the Japanese market (Cf. Appendix 13).
- (b) In connection with the over-the-side purchases described in 2 (2) (a) above, Japanese industry has provided technical guidance to U.S. fishing vessels in the area of fish school detection and repair of fishing gear. As a result, these purchases have been received much more favorably by U.S. fishermen than those by other countries (Cf. Appendix 7).
- (c) In August 1981, a month-long Japanese Fishery Development Mission visited all U.S. fishing centers to give technical guidance in production technology, such as in freezing and packaging, and to formulate a program for import of samples and market research surveys in Japan (Cf. Appendix 9).

- (d) Japanese industry has given technical guidance in sablefish processing to AFLA and has undertaken consignment sales for it. We expect that the same project will be done in the current year (Cf. Appendix 10).

6. "Whether, and to what extent, the fishing vessels of such nations have traditionally engaged in fishing in such fishery;" (Sec. 201 (e) (F))

Virtually all of the species of which Japan receives allocations in the U.S. FCZ, including North Pacific groundfish and tanner crab, were explored by Japan, based on years of search for fishing grounds, experimental operations, and market development. Japan stands head and shoulders above any other country fishing in the U.S. FCZ for its traditional catch performance and record.

7. "Whether, and to what extent, such nations are cooperating with the United States in, and making substantial contributions to fishery research and the identification of fishery resources;" (Sec. 201 (e) (G))

Japan has recorded many noteworthy accomplishments in research on the fishery resources of the North Pacific through its activities in the International North Pacific Fisheries Commission.

Since the establishment of the FCZ, the GOJ has greatly increased its research budgets and, in close association with U.S. scientists, has been conducting wide range of research projects on groundfish, crab, and sablefish in the North Pacific (Cf. Appendix 14).

As an item in which the United States has great interest, GOJ has this year taken up the matter of incidental catches by trawl vessels of prohibited species such as salmon and crab, and has initiated field research to avoid such incidental catches (Cf. Appendix 15).

In addition, in the Atlantic, Japan is scheduled to send a research vessel to the coming Japan-U.S.-Canada joint research program on squid resources. In this manner, our research cooperation is steadily being expanded.

8. "Such other matters as the Secretary of State, in cooperation with the Secretary, deems appropriate." (Sec. 201 (e) (H))

Overall U.S.-Japan Relations:

Japan and the United States maintain close cooperative ties over a broad spectrum of relationship. We believe that the fishery relationship is a very important component of our bilateral relations.

CONCLUSIONS:

As explained above, Japan's performance is remarkable with regard to all of the criteria for awarding country allocations. Accordingly, we feel that Japan is qualified to receive the same or even larger catch allocations than in the past years.

We sincerely hope that our cooperative relationship can be further strengthened in the fisheries field and that the stable operations by Japanese fishing vessels in the U.S. FCZ can be maintained with the development of U.S. fisheries.

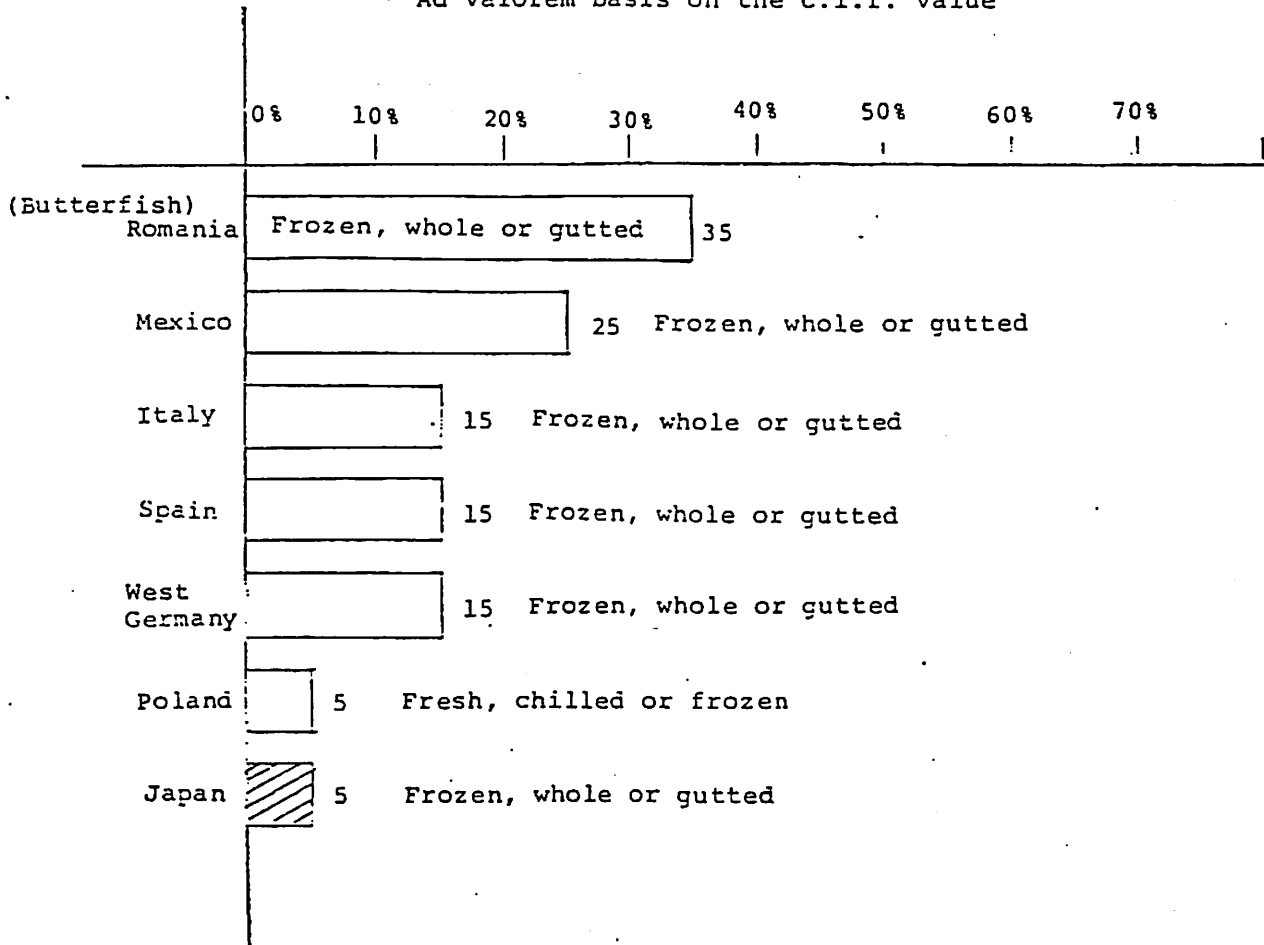
The Government of Japan hereby requests the U.S. Government to make fair assessment of Japan's achievement described above in determining catch allocations to Japan.

Appendix 1

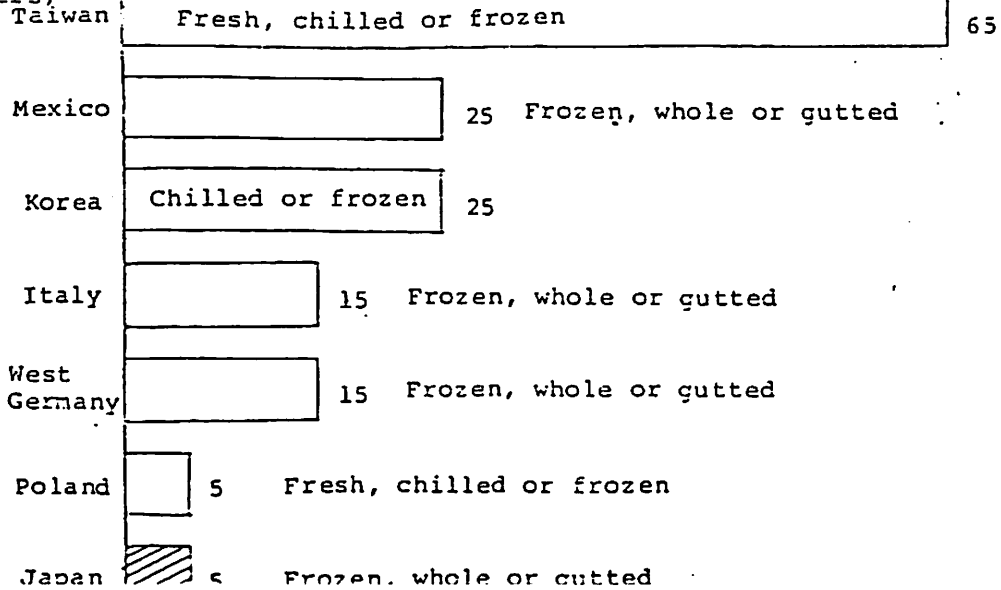
Tariff* by Species and by Country

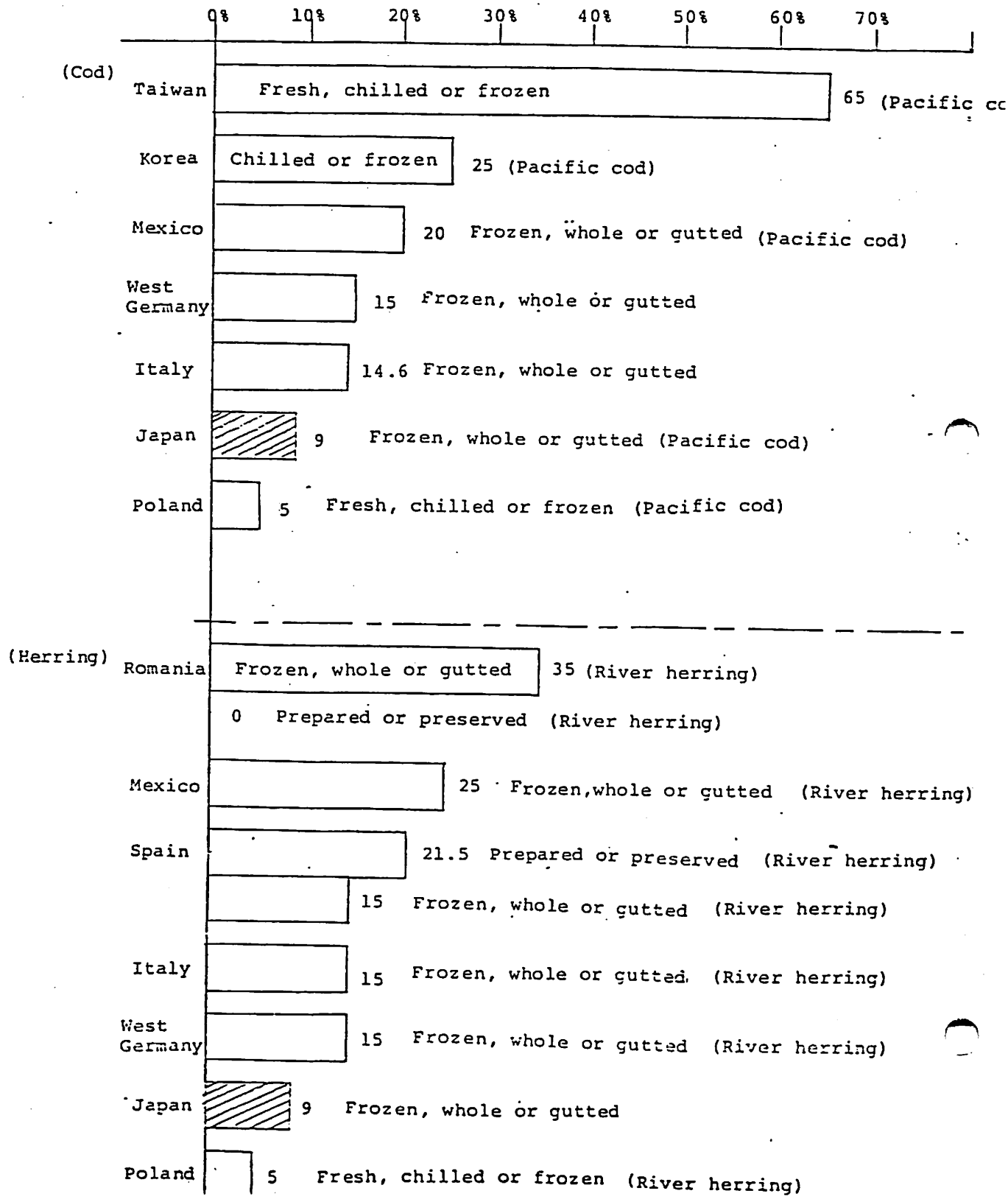
Source: Report for 1980 on Fishery Allocations, Permits and Foreign Import Barriers reported by Department of the Treasury

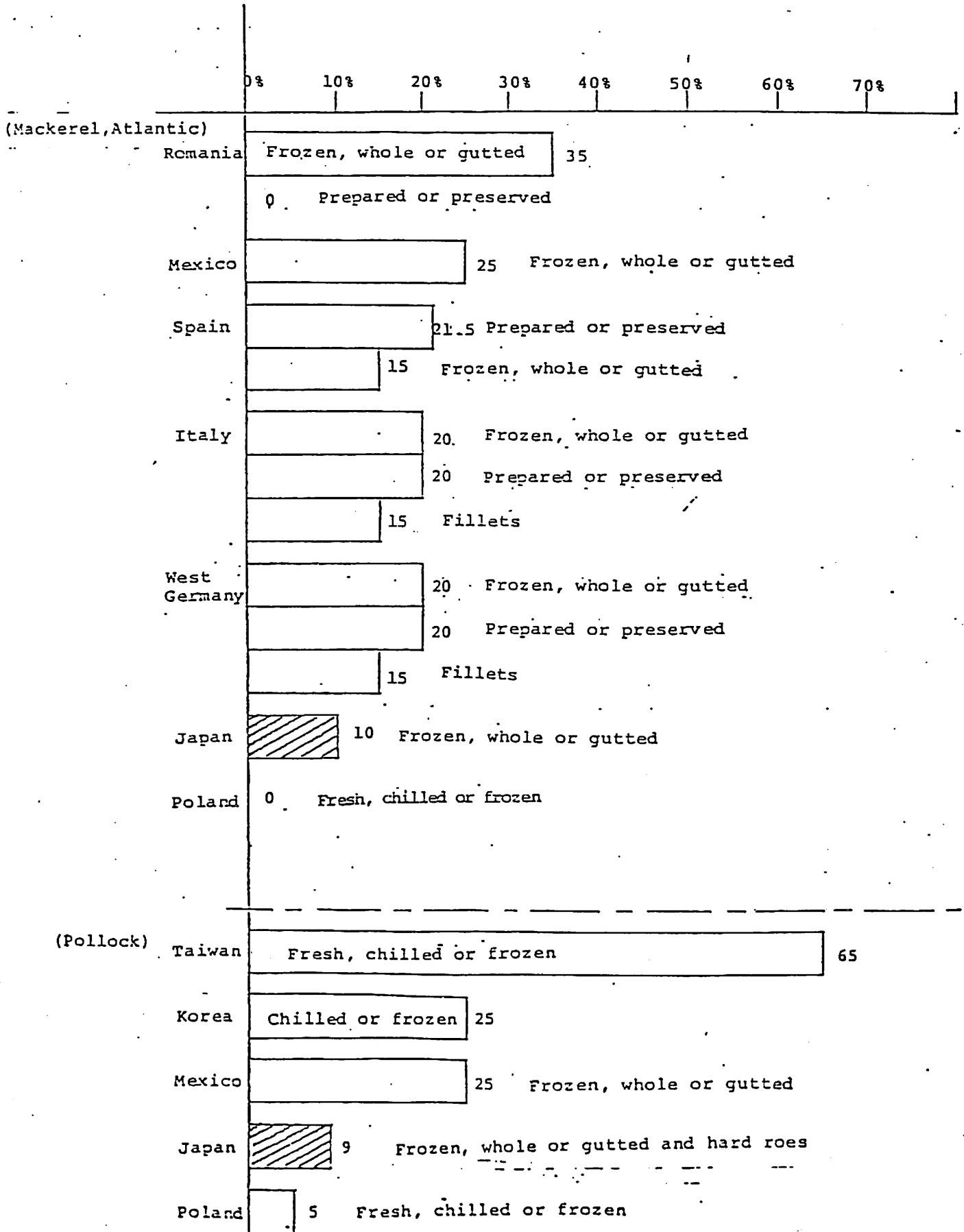
* Ad valorem basis on the c.i.f. value

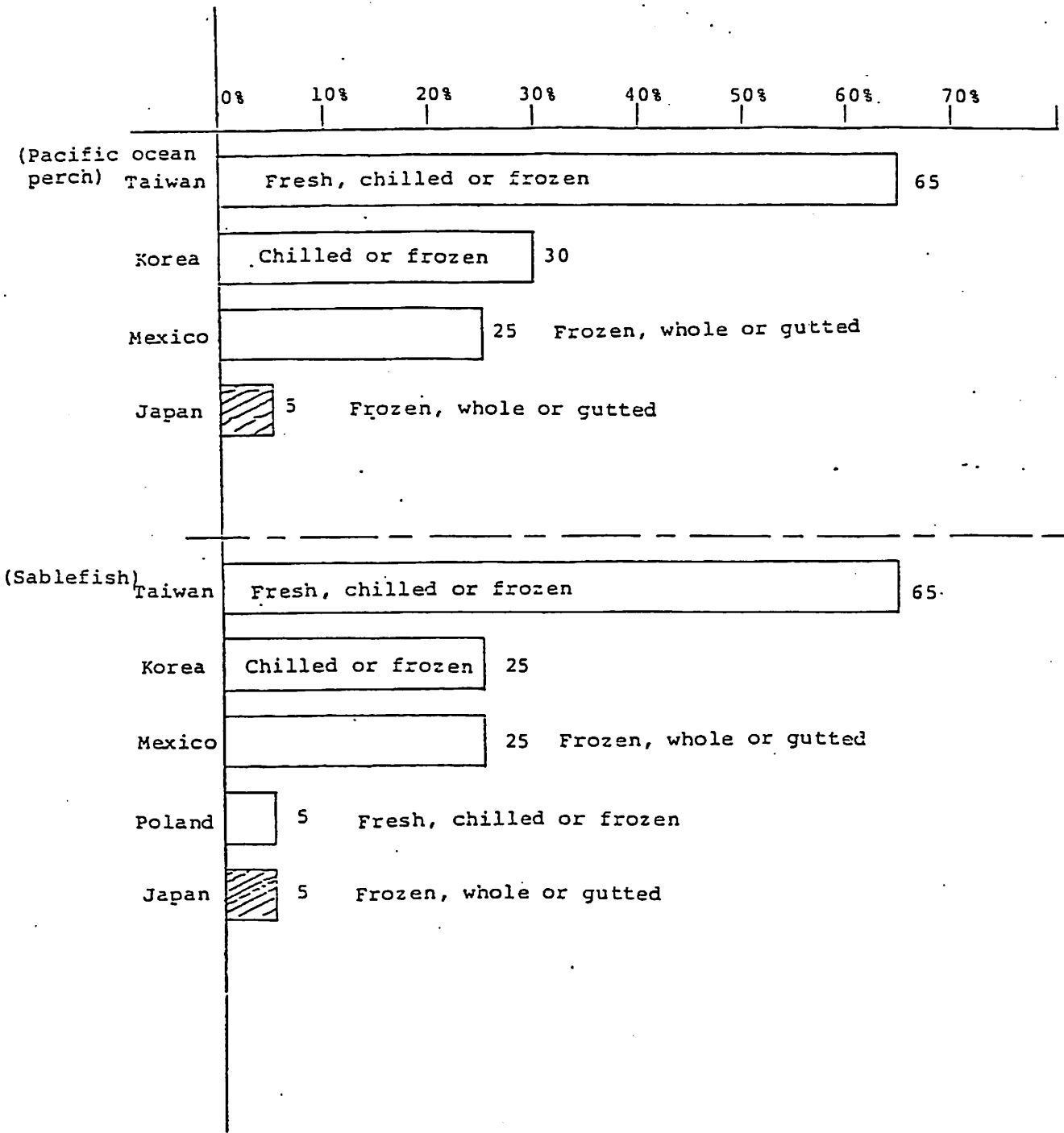


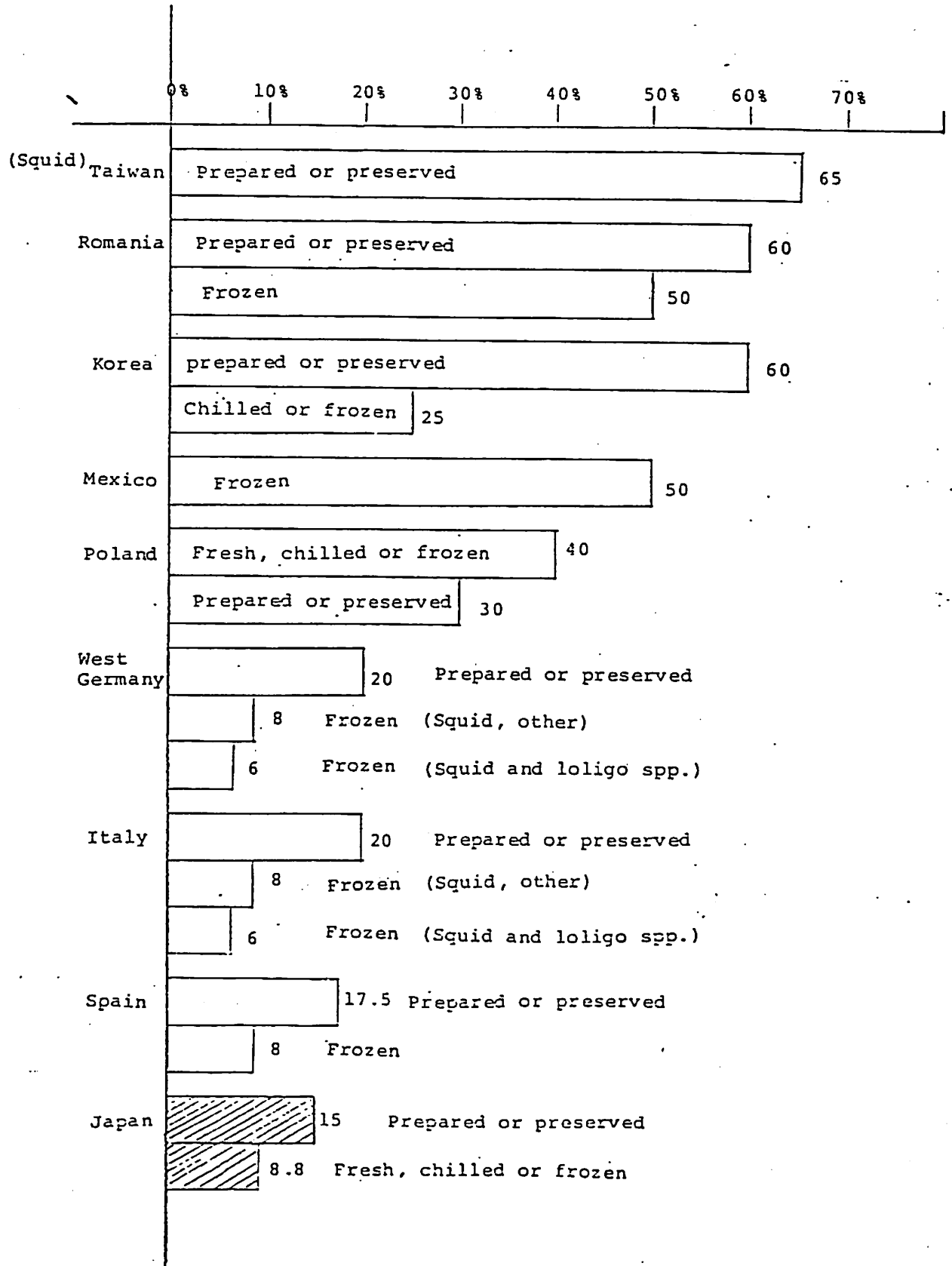
(Flounders)











Appendix 2 U.S. Requests and Japan's Offers on Tariff Reduction in the MTN

| Tariff Number (1978) | | Item | Request* | Offer* |
|-------------------------|--------------------|--|----------|----------|
| 0301 | -246 | Tuna bluefin (Fresh or chilled) | 5 → 0% | - |
| | -265 | " (Frozen) | " | - |
| | -252 | Salmon · Trout (Fresh or chilled) | " | - |
| | -271 | " (Frozen) | " | - |
| | -221 | Herring (Fresh or Chilled) | 10 → 4 | - |
| | -227 | " (Frozen) | " | 10 → 6% |
| | -222 | Cod (Fresh or chilled) | " | - |
| | -228 | " (Frozen) | " | 10 → 6 |
| | -225 | Herring roe (Fresh or chilled) | " | 10 → 8 |
| | -233 | " (Frozen) | " | 10 → 6 |
| | -226 | Cod roe (Fresh or chilled) | " | - |
| | -234 | " (Frozen) | " | 10 → 6 |
| 0302 | -110 | Salmon roe · Trout roe (Salted, dried or smoked) | 7.5 → 3 | 7.5 → 5 |
| | -190 | Other fish roe (") | 7.5 → 3 | 7.5 → 4 |
| | -120 | Cod roe (") | 15 → 6 | 15 → 7.5 |
| 0303 | -211 | Crab (Fresh, chilled or frozen) | 10 → 4 | 10 → 6 |
| | -212 | Squid (") | 10 → 4 | 10 → 5 |
| 1605 | -219 | Canned shrimp | 15 → 6 | 15 → 7.5 |
| | -290 ^{EX} | Canned crab | 15 → 6 | 15 → 7.5 |

* Ad valorem basis on the c.i.f. value

Appendix 3 Staging of Tariff Reductions in Fishery Products,
Agreed in the MTN Tokyo Round

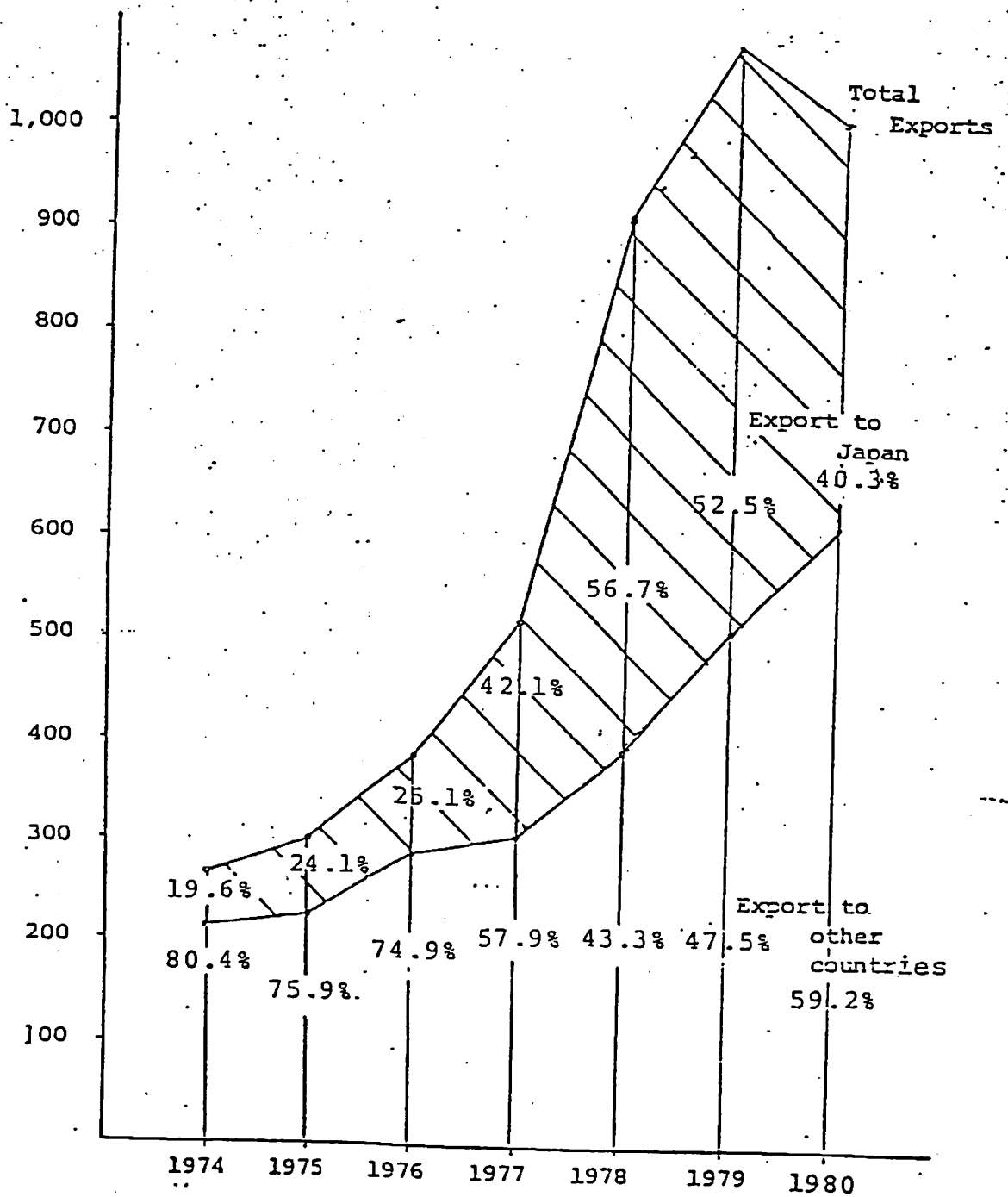
| Tariff Number | Item | Standard Tariff* 1979 | Schedule of Tariff Reductions | | | | | | | | |
|---------------|--|-----------------------|-------------------------------|-------|-------|-------|-------|-------|-------|------|--|
| | | | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | |
| 0301 225 | Herring roe (Fresh or chilled) | 10 % | 9.5 % | 9.5 % | 9.3 % | 9.0 % | 8.8 % | 8.5 % | 8.3 % | 8 % | |
| 223 | " (Frozen) | 10 | 9.0 | 9.0 | 8.5 | 8.0 | 7.5 | 7 | 6.5 | 6 | |
| 0302 139 | " (Salted, dried or smoked) | 15 | 14.3 | 14.3 | 13.9 | 13.5 | 13.1 | 12.8 | 12.4 | 12 | |
| 1604 ex 211 | " (Airtight containers) | 20 | 19.0 | 19.0 | 18.5 | 18.0 | 17.5 | 17.0 | 16.5 | 16 | |
| ex 219 | " (Others) | 20 | 19.0 | 19.0 | 18.5 | 18.0 | 17.5 | 17.0 | 16.5 | 16 | |
| 0301 227 | Herring (Frozen) | 10 | 9.0 | 9.0 | 8.5 | 8.0 | 7.5 | 7.0 | 6.5 | 6 | |
| 228 | Cod (") | 10 | 9.0 | 9.0 | 8.5 | 8.0 | 7.5 | 7.0 | 6.5 | 6 | |
| 234 | Cod roe (") | 10 | 9.0 | 9.0 | 8.5 | 8.0 | 7.5 | 7.0 | 6.5 | 6 | |
| 0302 120 | " (Salted, dried or smoked) | 15 | 13.1 | 13.1 | 12.2 | 11.3 | 10.3 | 9.4 | 8.4 | 7.5 | |
| 0301 256 | Sea bream (Fresh or chilled) | 5 | 4.5 | 4.5 | 4.3 | 4.0 | 3.8 | 3.5 | 3.3 | 3 | |
| 275 | " (Frozen) | 5 | 4.5 | 4.5 | 4.3 | 4.0 | 3.8 | 3.5 | 3.3 | 3 | |
| 257 | Shark (Fresh or chilled) | 5 | 4.6 | 4.6 | 4.4 | 4.3 | 4.1 | 3.9 | 3.7 | 3.5 | |
| 276 | " (Frozen) | 5 | 4.6 | 4.6 | 4.4 | 4.3 | 4.1 | 3.9 | 3.7 | 3.5 | |
| 277 | Capelin (") | 5 | 4.8 | 4.8 | 4.6 | 4.5 | 4.4 | 4.3 | 4.1 | 4 | |
| ex 261 | King clip (Fresh or chilled) | 5 | 4.5 | 4.5 | 4.3 | 4.0 | 3.8 | 3.5 | 3.3 | 3 | |
| ex 273 | " (Frozen) | 5 | 4.5 | 4.5 | 4.3 | 4.0 | 3.8 | 3.5 | 3.3 | 3 | |
| ex 261 | Barracuda (Fresh or chilled) | 5 | 4.5 | 4.5 | 4.3 | 4.0 | 3.8 | 3.5 | 3.3 | 3 | |
| ex 278 | " (Frozen) | 5 | 4.5 | 4.5 | 4.3 | 4.0 | 3.8 | 3.5 | 3.3 | 3 | |
| 0302 110 | Salmon roe Trout roe (Salted, dried or smoked) | 7.5 | 6.9 | 6.9 | 6.6 | 6.3 | 5.9 | 5.6 | 5.3 | 5 | |
| 190 | Other fish roe (") | 7.5 | 6.6 | 6.6 | 6.2 | 5.8 | 5.3 | 4.9 | 4.4 | 4 | |
| 0303 111 | Shrimp (Live) | 5 | 4.5 | 4.5 | 4.3 | 4.0 | 3.8 | 3.5 | 3.3 | 3 | |
| 112 | Spiny lobster (fresh, chilled or frozen) | 5 | 4.5 | 4.5 | 4.3 | 4.0 | 3.8 | 3.5 | 3.3 | 3 | |
| 119 | Shrimp, other (") | 5 | 4.5 | 4.5 | 4.3 | 4.0 | 3.8 | 3.5 | 3.3 | 3 | |
| 1605 219 | Canned shrimp (Except smoked) | 15 | 13.1 | 13.1 | 12.2 | 11.3 | 10.3 | 9.4 | 8.4 | 7.5 | |
| 0303 212 | Squid (Fresh, chilled or frozen) | 10 | 8.8 | 8.8 | 8.1 | 7.5 | 6.9 | 6.3 | 5.6 | 5 | |
| 211 | Crab (") | 10 | 9.0 | 9.0 | 8.5 | 8.0 | 7.5 | 7.0 | 6.5 | 6 | |
| 1605 ex 291 | Canned crab | 15 | 13.1 | 13.1 | 12.2 | 11.3 | 10.3 | 9.4 | 8.4 | 7.5 | |

* Ad valorem basis on the c.i.f. value

Appendix 4

U.S. Exports of Fishery Products, 1974-80

Million Dollars



Appendix 5

U.S. Exports of Fishery Products to the Countries Receiving TALFF Allocations (1,000 dollars, \$)

| | 1976 | 1977 | 1978 | 1979 | 1980 |
|-----------------------------|---------|-----------------|-----------------|-----------------|-----------------|
| Japan | 96,118 | 219,034 (69.0) | 513,623 (92.5) | 567,850 (85.3) | 405,876 (76.9) |
| Mexico | 17,398 | 20,415 (6.4) | 23,453 (4.2) | 35,991 (5.4) | 16,537 (3.1) |
| France | 33,573 | 38,712 (12.2) | * | * | * |
| West Germany | 20,695 | 27,441 (8.6) | * | 30,652 (4.6) | 43,977 (8.3) |
| Italy | 3,220 | 4,342 (1.4) | 4,773 (0.9) | 9,254 (1.4) | 14,381 (2.7) |
| Denmark | 4,042 | * | * | * | 4,210 (0.8) |
| Ireland | 54 | * | * | 617 (0.1) | * |
| Spain** | 1,944 | 1,168 (0.4) | 1,814 (0.3) | 3,444 (0.5) | 5,597 (1.1) |
| Portugal | 86 | * | * | * | 210 (0.04) |
| Bulgaria | 0 | 0 | 0 | * | 64 (0.01) |
| R.O.K. | 2,367 | 3,840 (1.2) | 7,816 (1.4) | 14,117 (2.1) | 27,679 (5.2) |
| Taiwan | 2,442 | 2,578 (0.8) | 3,679 (0.7) | 3,981 (0.6) | 9,609 (1.8) |
| Cuba | 0 | 0 | * | * | 0 |
| East Germany | 0 | 0 | * | 0 | 0 |
| Poland | 0 | 0 | 0 | 0 | 0 |
| U.S.S.R. | 0 | 0 | 0 | 0 | 0 |
| Romania | 0 | 0 | 0 | 0 | 0 |
| Total | * | 317,530 (100) | 555,158 (100) | 665,906 (100) | 528,140 (100) |
| US exports (Gland Total) | 382,420 | 520,496 | 905,534 | 1,082,366 | 1,006,154 |

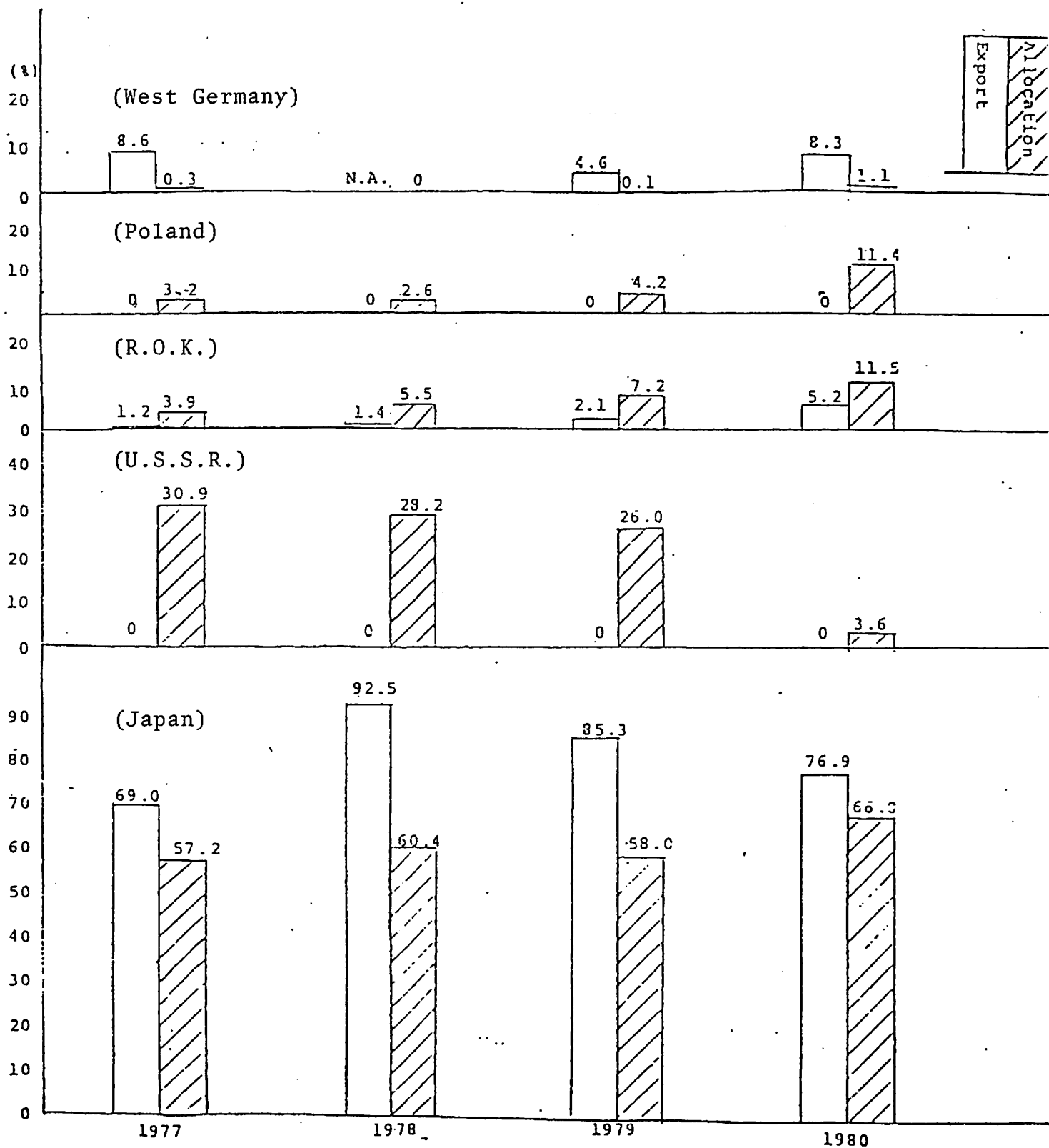
* No TALFF allocation made in that year, thus excluded from percentage calculation for the purpose of this Appendix.

** Not include Canary Islands.

(Source: Fisheries of the United States 1976-1980)

Appendix 6

Percentages of U.S. Allocations and Exports of U.S. Fishery Products among the Countries Receiving TALFF



Appendix 7 Japanese Over-the-Side Purchase Joint Ventures in 1981

| | Off the Pacific Coast | | | Off the Atlantic Coast |
|------------------------------------|---|--|---|--|
| 1. Participants (Japanese side) | Taiyo Gyogyo Co. | Nippon Suisan Co. | North Pacific Long-line and Gillnet Assn. | Nippon Suisan Co. |
| (U.S. side) | Direct contract with the two U.S. fishing trawlers | Unisea Co. (tripartite contract among U.S. trawlers, Nippon Suisan Co. and Unisea Co.) | Bristol Bay Herring Marketing Cooperative | Lund's Fisheries Inc. |
| 2. Purchasing Vessels | Zuiyo Maru No. 3 (Surimi trawler: 3,037 GT) | Kongo Maru (Surimi trawler: 3,249 GT) | 10 longliners (Average tonnage: 500 GT) | Shirane Maru (Frozen fish factory trawler: 2,528 GT) |
| 3. Projected Amount of Purchase | 7,000 mt | 7,000 mt | 3,000 mt | 1,000 mt |
| Actual Amount Purchased | 5,316 mt | 6,130 mt | 953 mt | 323 mt |
| 4. Target Species | Pollock | Pollock | Herring | Loligo squid |
| 5. Period | April 11 - June 1 | June 1 - July 7 | May 2 - May 16 | June 11 - August 3 |
| 6. Area | Bering Sea (Off Dutch Harbor to the North of Unimak Pass) | Bering Sea (North of Unimak Is., Akun Is. and Akutan Is.) | Bering Sea (Off Togiak) | Off Long Island |

FISHERIES AGENCY
MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES
GOVERNMENT OF JAPAN

2-1, 1-chome, Kasumigaseki, Chiyoda-ku, Tokyo, Japan

CABLE: "SUISANCHO" TOKYO
PHONE: 592-8111
EXT:

September 25, 1981

Mr. Theodore G. Krommiller,
Deputy Assistant Secretary for
Oceans and Fisheries Affairs
Department of State
Washington, D.C. 20520
U. S. A.

Subject:

Over-the-Side Salmon Purchase
By Japanese Vessels in the U.
Territorial Seas and Internal
Waters

Dear Mr. Krommiller:

As you probably know, the undersigned, as of July 21, 1981, succeeded Mr. Sano as Director of the Oceanic Fishery Department of this Agency. As I take on my new duties, I would like to express the appreciation of my colleagues and myself for your efforts to maintain and nurture friendly and constructive relations between our two countries in the fisheries sector.

I have, of course, been well aware of the expressions of grave concern you received from U.S. processors, particularly in Alaska, over the contracts for over-the-side purchases in Alaskan territorial waters of herring caught by Western Alaska fishermen that were carried out between late April and late May by Japanese fishing vessels belonging to the North Pacific Longline Gillnet Association (NPLGA).

Even granting the apparent legality of these purchases, considering the repercussions they could have on your country's fishing/processing industries, I can fully appreciate the high degree of sensitivity with which this matter would be viewed by the U.S. industry.

Of course, as you are aware, the main reason why these purchases were not uniformly welcomed by your industry was the basic divergence of interests between U.S. processors and fishermen. This is a fact of life we must live with.

May I emphasize, in this connection, that the NPLGA, which developed this purchase program, did not have the slightest intention of jeopardizing the position of the U.S. processing industry. And it goes without saying that the Government of Japan had no such intention.

Yours sincerely,

Looking forward to working closely and productively with you, and with warmest personal regards,

I would be grateful to have your cooperation in this regard. Please feel free to convey, as you see fit, the contents of this letter to any interested parties.

At a time when Japan is trying to cooperate in the development of U.S. fisheries, including the expansion of fishery product imports from your country, I should like to suggest that, in order to avoid such unfortunate and unnecessary problems as were associated with the herring purchase, the authorities of our two countries maintain closer advance contact. With this kind of approach, our officials, working in concert, could carefully monitor the domestic impact of future projects designed to promote U.S. fishery development. With the benefit of advance liaison, problems like the herring purchase incident could, I feel, be easily avoided.

was processed by U.S. processors. (particularly those off Alaska), unless specifically authorized by the U.S. authorities and/or the salmon to be so purchased. At a time when Japan is trying to cooperate in the development of U.S. fisheries, including the expansion of fishery product imports from your country, I should like to suggest that, in order to avoid such unfortunate and unnecessary problems as were associated with the herring purchase, the authorities of our two countries maintain closer advance contact. With this kind of approach, our officials, working in concert, could carefully monitor the domestic impact of future projects designed to promote U.S. fishery development. With the benefit of advance liaison, problems like the herring purchase incident could, I feel, be easily avoided.

Nevertheless, in May, our Agency received an official communication from the U.S. Government through your Embassy in Tokyo expressing concern over the potential disturbance that over-the-side-purchases of salmon in U.S. internal waters might cause to the U.S. fishing and processing industry and requesting that Japanese authorities take steps to prevent such purchases from taking place.

However, after it had been made clear that our fishermen had no plans whatever for extending this program to salmon, the backlash from the U.S. industry over these purchases subsided.

If I understand correctly, the deep-seated reaction of the U.S. Processing industry to these over-the-side-purchases was not in response to the purchases of herring per se but reflected rather a deep concern that this purchase program might eventually be extended to salmon.

Mr. Theodore G. Krommiller ... September 25, 1981 ... Page 2

Appendix 9 Japan Fisheries Development Mission

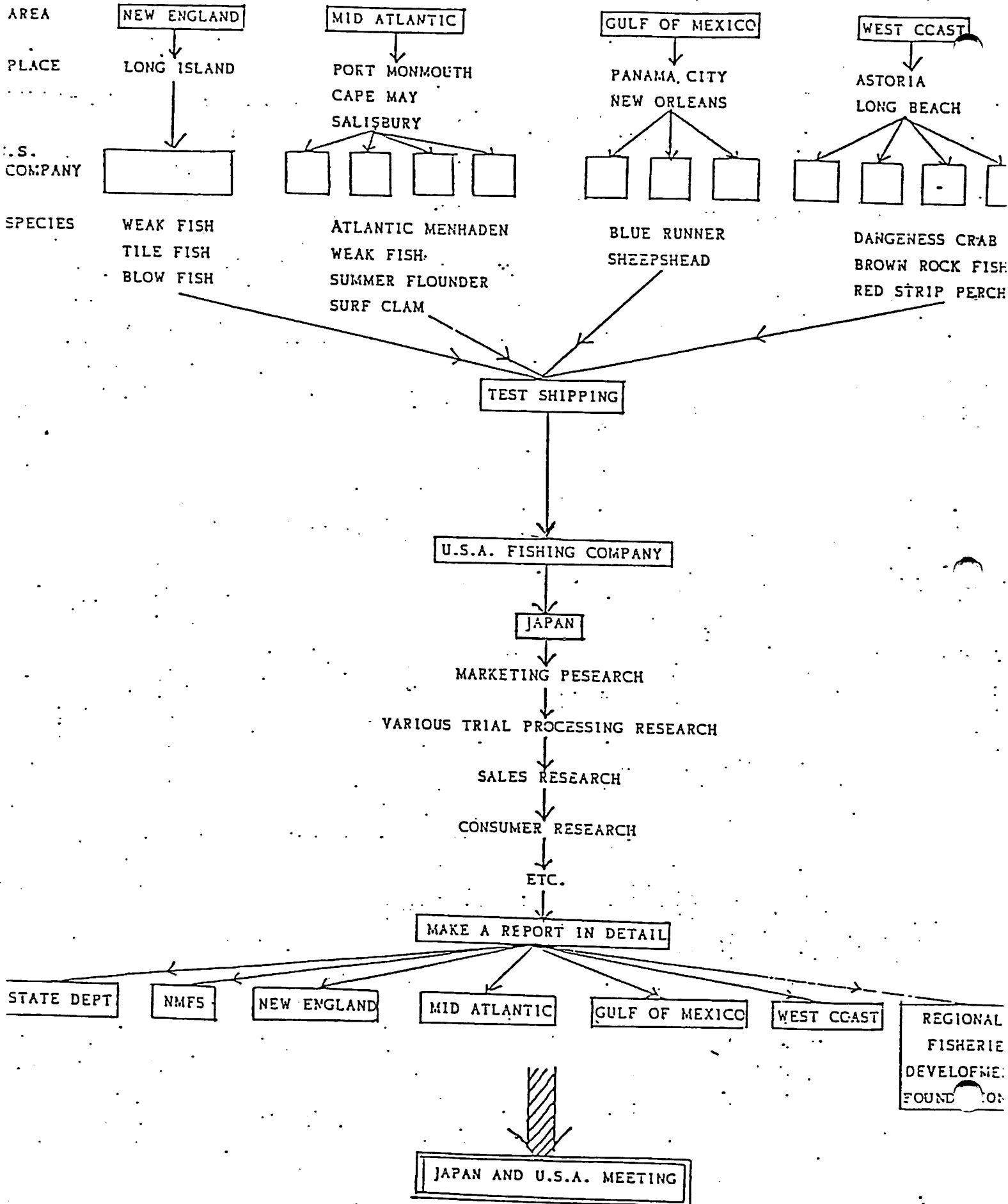
1. Period : Aug. 6 - Sep. 9, 1981

2. Place of visit:
 - Washington D.C. Area
 - New England Area
 - Mid Atlantic Area
 - Gulf of Mexico Area
 - West Coast Area

3. Purpose :
 - (1) To offer information for improved access to the Japanese market, especially with respect to species underutilized by the U.S. fishermen, including information on
 - (i) Fishing method
 - (ii) Handling and processing method of fish on board or on land
 - (iii) Method of preserving freshness.

 - (2) To select sample species to be exported to Japan and to investigate the acceptability of those samples in Japanese fish market and the consumers' preference for those samples.

 - (3) To report the result of the above investigations to the U.S. Government and to suggest technological improvements, if any, to commercialize the future export of promising species from the U.S. to Japan.



Appendix 10 Technical and Marketing Assistance for the Export to Japan
of Sablefish Caught by the U.S. Fishermen

1. Parties

Japanese side: North Pacific Longline and Gillnet Assn. (NPLGA)

The U.S. side: Alaska Longline Fishermen Assn. (ALFA) and
Halibut Producers Coop. (HPC, Sitka, Alaska)

2. Performance in 1980

(1) Technical Assistance

Japanese side sent an instructor to Alaska and transferred the following technologies to the U.S. side (Aug. 26 - Oct. 4, 1980).

a. To ALFA

(a) Gutting and dressing

(b) Preserving freshness of fish on board U.S. fishing vessels

b. To HPC

(a) Selection of fish by quality and size for further processing

(b) Recutting poor quality fish for alternate uses.

(c) Freezing, grazing and appropriate ways of placing fish in freezing pans

(2) Consignment Sale of the U.S. Caught Sablefish

NPLGA sold 83 metric tons of U.S. caught sablefish in Japan on consignment from ALFA (Sep. - Dec., 1980).

3. Project for 1981

Consignment sale project for 1981 similar to that of 1980 is now under consultation between those parties concerned.

Appendix 11. Measures Already Taken

Based on the analysis of the causes of the repeated violations, and admitting that our past efforts in eliminating violations have not been entirely successful, we have strengthened our efforts, particularly in the following areas.

- (1) We have taken every opportunity to ensure the proper training and educational opportunities for captains, operators, fishing masters and, to the greatest extent possible, crewmembers.

As far as annual training and educational seminars are concerned, this year we had the seminar at the beginning of this fishing season and in June and made them more substantial.

- (2) We have already stationed one Japanese patrol vessel year-round in the U.S. FCZ. This fall, we doubled the number of patrol vessels and have had them conduct instructive and preventive activities more effectively.
- (3) In the past, inspection at landing ports has been conducted by one or two inspectors on the spot. However, the size of the landing by even one vessel is too huge to be effectively covered by such limited number of inspectors. This year, port inspections have been intensified by using our patrol vessels and their crewmembers together with the inspectors on land for inspection of catches before landing.
- (4) From July 15 this year, the new terms and conditions in the permit was established, requiring that the date and place of port entry of all vessels concerned as well as catch report by species be transmitted to the Fishery Agency at least 48 hours prior to their entry into port. This new measure made the port inspection much more effective than before.

- (5) We strengthened administrative sanctions for the serious violations. For example, the period of suspension of the fishing license for the vessels involved was extended as twice as before, from January 1, 1981 for violations which occurred on and after January 1, 1981.

| Kind of violation | Standard suspension period | Maximum suspension period |
|----------------------------------|----------------------------|---------------------------|
| Underlogging | 30 days + 60 days | 100 days + 150 days |
| Possession of prohibited species | 30 days + 90 days | 100 days + 200 days |

In addition, with respect to repeated violations within a 12 month period, the violator's fishing licenses may be suspended up to a period of twice the amount of the maximum days as provided above.

This amended sanction is so severe as to lead to practical bankruptcies of small scale fishing enterprises. Though this is not our first preference, we feel that this severe measure is necessary at this stage to rectify the situation.

- (6) To prohibit a person from boarding a vessel is difficult, since it implies not only depriving him of a job but also imposing social death in the Japanese traditional fishing community. However, when captains or fishing masters commit serious and flagrant violations, we are studying the possibility of issuing administrative orders to prohibit them from boarding any vessel for a certain period which is engaged in the fishery concerned.

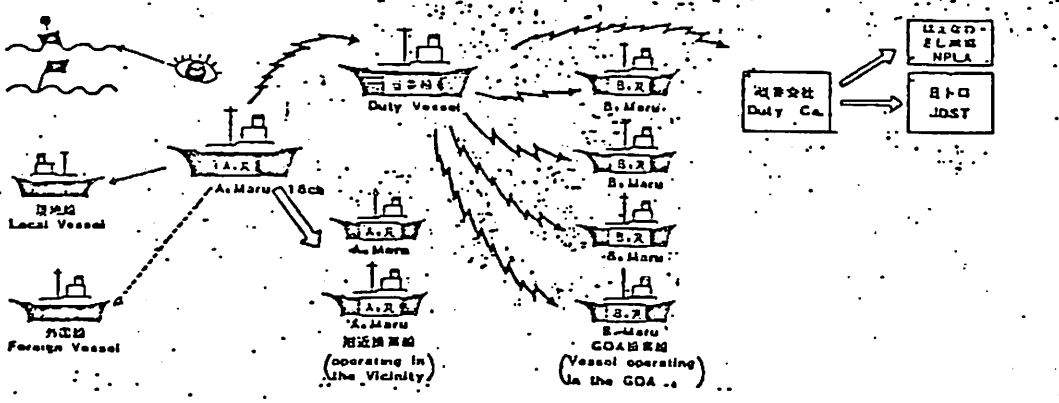
漁具競合防止規則

GEAR CONFLICT PROCEDURES AND INTERVAL REGULATIONS

A) アラスカ湾操業船隻守事項 The fishing vessels in the Gulf of Alaska must strictly observe the following items

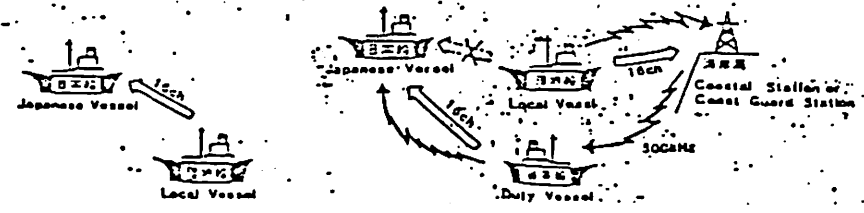
- | | |
|--|--|
| 1. 16チャンネルは毎日24時間必ず守ってモニターすること。モニター中の変化、監視の交代に日誌に記入すること。 | 1. Channel 16 shall be continuously monitored for 24 hours each day by an assigned watch. Changes in the watch shall be entered in the vessel log. |
| 2. 米國漁船がいる漁場、米國の漁具が設置されている漁場での操業は絶対に避けること。 | 2. Fishing grounds being fished by U.S. fishing vessels and gear must be completely avoided at all times. |
| 3. 米國漁船がないこと、米國の漁具が設置されていないことが、昼間視認できなかった漁場では、夜間のトロール操業はしない事。 | 3. Trawl fishing at night is prohibited on fishing grounds where the absence of U.S. fishing vessels and gear has not been absolutely confirmed visually during daylight hours. |
| 4. 操業中、海面の漁具、ブイ、標識がもれなく見える場所に曳取り、を置くこと。曳取り中の変化、交代も日誌に記入すること。 | 4. A watch shall be posted, a station from which all surface fishing gear, buoys, and tags can be seen during vessel operations. Each watch shall be entered in the vessel log. |
| 5. 同じ場所でも2隻以上の日本船及び外国船が付近で操業している場合で○日本船を呼んでいるがどの船を呼んでいるか判らない場合 ○日本船を呼んでいるのが、外国船を呼んでいるのか判らない場合でも必ず応答すること。 | 5. During any period of time when two or more Japanese vessels are fishing the same grounds and frequently within visual contact of each other, one vessel shall be designated as the contact vessel when the identity of the Japanese or any other foreign vessel being called is uncertain or unknown. |
| 6. 米國漁船からの呼びかけを受けた時には、次のように応答する。 「こちらはトーキョー (アケボノ) 丸No. (22) ゆっくり、はつきりと話し、送信コードを使って欲しい」 米國漁船からの呼びかけ及び米國船への応答に添削に日誌に記入する。 | 6. When a radio call is received from a U.S. fishing vessel, the radio operator shall respond as follows: "This is Tokyo, (Akebano) Maru No. (22), please speak slowly and clearly and use the communication code." A brief description of all radio calls from and responses to U.S. fishing vessels shall be entered in the vessel log. |
| 7. 漁具競合や漁場先取が起りそうなる場合、或いはそのような警告を受けた場合には、事故を防止する為に必要な行動をとる事。取った行動は直ちに当番船に報告し、日誌に記入すること。 | 7. In the event a potential gear conflict or grounds preemption situation is observed or a warning is received of the same, take the necessary action to avoid any incident. Immediately report the action taken to the Duty Vessel and make an entry of the same in the vessel log. |
| 8. 1隻もしくは2隻以上の日本船を巻き込む漁具競合や漁場先取が起った時、或いは起りそうだった時、起った可能性がある時には直ちに漁具競合報告書を作成し、且つ日誌に記入し当番船に報告すること。 | 8. In the event an actual or possible gear conflict or grounds preemption incident has occurred involving any Japanese vessel or vessels, a gear conflict report form must be completed immediately and confirmed by an entry in the vessel log and a report to the Duty Vessel. |
| 9. 1隻もしくは2隻以上の日本船を巻き込む漁具競合が実際に起った時は、船名を明記したブイを現場に残し、直ちに漁具競合報告書を作成し、且つ、日誌に記入し当番船に報告すること。 | 9. In the event of an actual gear conflict occurrence involving any Japanese vessel or vessels, a buoy shall be left at the location of the incident which clearly identifies the name or names of the vessels involved. A gear conflict report form must also be completed immediately and confirmed by an entry in the vessel log and a report to the Duty Vessel. |
| 10. ここにある手順・規定の通りに作成された漁具競合報告書内容を、本社、及び各所属団体に24時間以内に報告し日誌を提出すること。 | 10. Gear conflict report forms completed in accordance with these procedures and regulations shall be reported to the company head office and the fishery association with which the reporting vessel is affiliated within 24 hours of the reported incident. |
| 11. ここにある手順、規定を士官及び乗組員の皆さんがよくわかるように、船中の見やすい所に掲示すること。 | 11. These procedures and regulations shall be posted in convenient locations throughout the vessel for reference by the vessel officers and crew. |

B) (1) 現地船定置漁具他発見通報網 The information communication network when you find a local vessel, fixed gears, and so forth.



(2) 現地船との連絡方法 Communication procedures from local u.s. vessel.

- (1) 16chで連絡 calls on 16 channel (2) 16chで連絡出来ない場合 when failed to call on 16 channel



- (3) 日本側の連絡先
Japanese connected offices
- Jay Office Seattle
Tel. 206-292-9792
TELEX 32-8024
 - Stephen B. Johnson
Tel. 206-464-3939 (work)
 - Takenobu Takahashi
Tel. 206-624-7720 (work)
 - Paul MacGregor
Tel. 206-624-5950 (work)
Tel. 206-937-4505 (home)
 - 日本トロール底魚協会
Japan Deep Sea Trawlers Association
Tel. 03-291-8508
Telex 222-8024 JDSTA J
Tele Fax 03-233-3267
 - 北洋にえなわ・さし網協会
North Pacific Longline-Gillnet Association
Tel. 03-264-5677
Telex 232-2620 NPLA J
Tele Fax 03-752-9767

C) 漁具競合或は漁場先取が起きた場合、米國漁船は先ず、下記の諸手続に従って、当該外國船に連絡をとる。

C) In the event of a gear conflict or grounds preemption situation, the U.S. vessel should first attempt to contact the foreign vessel in accordance with the following procedure.

- (1) 当該外國船の船名標識 (identity) により、次の呼びかけ規定のうちの一つで当該船に呼びかける。
 - (a) 当該外國船の名前がわかっている場合、その名前を用いて、直接、当該船に呼びかける。
例: "第16アケボノ丸、こちら米國漁船リンダ・マリー号、くり返す" (反復する)
 - (b) 当該外國船の国籍だけがわかっている場合、当該國の首都名を用いて当該船に呼びかける。
例: "トーキョー、トーキョー、トーキョー、(ソウル、ワルシャワ、モスクワ) こちら米國漁船リンダ・マリー号、くり返す" (反復する)
 - (c) 当該外國船の船名も国籍もわからない場合、漁場に出ている外國船の國の首都名で呼びかける。
例: "トーキョー、ソウル、モスクワ、ワルシャワ、こちらは米國漁船リンダ・マリー号、くり返す" (反復する)
- (2) 連絡がとれぬ場合は、パラグラフ(4)に移る。
- (3) 当該外國船と連絡がとれた時、(D) の通信コードを用い次のようにメッセージを伝える:
 - (a) 警告のコードグループを伝え、そして、
 - (b) 全文を非常にゆっくり、はっきりと読む
例: "コード タンゴ・リマ、我方の漁具が (西) の方向に (2) マイルの距離にわたり水面近くに入れてある" (反復する)
- (4) 当該外國船と連絡がとれなかった場合、直ちにコースト・ガードに連絡をとり下記のインフォメーションを伝える。
 - (a) 自船の船名 (identity) と位置
 - (b) キア・コン問題について、事故の時間と場所を含めて、詳細な内容、そして、
 - (c) 当該外國船 (単数もしくは複数) の船名標識 (identity) と位置。

- (1) Call the foreign vessel on channel 16 using one of the following call codes depending upon the identity of the foreign vessel.
 - (a) If the name of the foreign fishing vessel is known, call the vessel directly by using its name.
Example: "Akebono Maru No. 16, this is U.S. fishing vessel Linda Marie, over." (Repeat)
 - (b) If only the nationality of the foreign fishing vessel is known, call the vessel using the name of that nation's capital city.
Example: "Tokyo, Tokyo, Tokyo, (Seoul, Warsaw, Moscow) this is U.S. fishing vessel Linda Marie, over." (Repeat)
 - (c) If neither the name nor the nationality of the foreign vessel is known, call the vessel using the names of the capital cities for those nations fishing in the area.
Example: "Tokyo, Seoul, Moscow, Warsaw, this is U.S. fishing vessel Linda Marie, over." (Repeat)
- (2) If contact cannot be established, proceed to paragraph (4).
- (3) If contact can be established with the foreign vessel, relay a message using the communications code set forth in (D) as follows:
 - (a) relay the code group for the warning; and
 - (b) read the entire message very slowly and clearly.
Example: "Code TANGO LIMA. My gear is close to the surface in a direction (WEST) for a distance of (2) miles." (Repeat)
- (4) If contact cannot be established with the foreign vessel, contact the Coast Guard immediately and convey the following information:
 - (a) your identity and position;
 - (b) a brief description of the gear conflict problem including the time and position of the incident; and
 - (c) identity and position of the foreign vessel or vessels involved.

D) 日米漁船対話集

(D) Conversation Codes between Japanese and U.S. Vessels

| コド | 英文通話 | 信号の意味 | コド | Spoken Aiz | Warning Translation |
|-----|----------------------|--|-----|-------------------|---|
| TE2 | タンゴ・エー・トウ | 本船は長縄(カニ罟)漁具中である。 | TE2 | TANGO ECHO TWO | I am longline (pot) fishing. |
| TF4 | タンゴ・フォックス ロフト・フォー | 本船は長縄(カニ罟)漁具中である。 | TF4 | TANGO FURTOT FOUR | I am picking longlines (pot). |
| TG4 | タンゴ・ゴルフ・フォー | 本船は長縄(カニ罟)漁具中である。 | TG4 | TANGO GOLF FOUR | I am hauling longlines (pot). |
| TI | タンゴ・インディア | 本船は注意して漁具を引たい。本船は本船の漁具の方向に漂流している。 | TI | TANGO INDIA | You should travel with caution. You are drifting towards my set of longlines. |
| TJ | タンゴ・ジュリエット | 本船は注意して漁具を引たい。この付近にはブイをつけた長縄(カニ罟)がある。 | TJ | TANGO JULIET | You should travel with caution. There are longlines (pot) with a buoy in this area. |
| NB | ハンブリー・ブラザー | 本船の向っている方向に漁具がある。 | NB | NOVEMBER BLIVE | There is fishing gear in the direction you are heading. |
| TL | タンゴ・リマ | 本船の漁具は(コード番号)の方向に海面の距離にわたり水面近くに入れてある。 | TL | TANGO LIMA | My gear is close to the surface in a direction (code No.) for a distance of (code). |
| TM | タンゴ・マイク | 本船の漁具は(コード番号)の方向に海面の距離にわたり水面近くに入れてある。 | TM | TANGO MIKE | My gear is west below the surface in a direction (code No.) for a distance of (code). |
| TQ | タンゴ・キューベック | 本船は本船の漁具をひらけている。 | TQ | TANGO QUEBEC | You have caught my fishing gear. |
| TR | タンゴ・ロメイ | 本船は本船の漁具をひらけた。 | TR | TANGO ROMEO | You have cut my line. |
| TV1 | タンゴ・ビクター・ワン | この区域で漁具を引することは危険である。長縄(カニ罟)が引かれているのでである。 | TV1 | TANGO VICTOR ONE | Fishing in this area is dangerous because there are longlines (pot). |

| 方向性コード | Directional translation |
|--------|-------------------------|
| 0 | 方向不明 |
| 1 | 北 |
| 2 | 東 |
| 3 | 南 |
| 4 | 西 |
| 5 | 北東 |
| 6 | 南東 |
| 7 | 北西 |
| 8 | 南西 |
| 9 | 全方向 |

(2) アラスカ湾漁業
はえなわ船リスト

List of Japanese longliners which fish in GOA.

- TUNE MARU NO31 (JHNT)
- FUKUYOSHI MARU NO85 (JGXT)
- HATSUE MARU NO38 (JGVE)
- EIKYU MARU NO82 (JGUV)
- MATSUEI MARU NO88 (JKSK)
- MITO MARU NO82 (JGSN)
- SHINTOKU MARU NO25 (JLLU)
- CHOYO MARU NO81 (JLST)
- RYUHO MARU NO38 (JNWZ)
- RYUSHO MARU NO15 (JIES)
- ANYO MARU NO21 (JAOF)
- KIYO MARU NO55 (JKRL)
- FUKUYOSHI MARU NO8 (JAPD)
- HATSUE MARU NO68 (JAWR)
- SUMIYOSHI MARU NO53 (JLFL)
- EBISU MARU NO88 (JPZO)
- TOMI MARU NO88 (JLKO)
- SHINKO MARU NO3 (JGVM)
- TENYUU MARU NO37 (JMOT)
- TENYO MARU NO25 (JONZ)
- RYUSHO MARU NO18 (JIXH)

E) (1) アラスカ湾漁業トロール船リスト List of Japanese trawlers which fish in the G.O.A.

| | | |
|--------------------------|-----------------------|----------------------------|
| AKEBONO MARU NO1 (JKYK) | TAKACHIHO MARU (JPBU) | DAISHIN MARU NO12 (BLYN) |
| AKEBONO MARU NO2 (JLCK) | KOYO MARU NO2 (JHSW) | DAISHIN MARU NO22 (JMGO) |
| AKEBONO MARU NO11 (JHZP) | KOYO MARU NO21 (JPDE) | DAISHIN MARU NO23 (JFRL) |
| AKEBONO MARU NO16 (JNKH) | KONGO MARU (JISM) | DAISHIN MARU NO28 (JSMH) |
| AKEBONO MARU NO22 (JEES) | NIITAKA MARU (JQZN) | RYUYO MARU (JDET) |
| AKEBONO MARU NO27 (JBST) | ASO MARU (JRYD) | KOSHIN MARU NO1 (JKPE) |
| AKEBONO MARU NO28 (JRCG) | KITAKAMI MARU (JMLB) | FUKUYOSHI MARU NO38 (JFCK) |
| AKEBONO MARU NO32 (JRLW) | TOMI MARU NO85 (JLCO) | KYOWA MARU NO11 (JFZP) |
| SHIZUOKA MARU (JNHD) | ANYO MARU NO11 (JBUA) | |

* 代表船 REPRESENTATIVE VESSEL

Appendix 13 Fishermen's Workshop in 1981

Period : Feb. 27 - Mar. 10, 1981

Place : • Gloucester
• New Bedford
• Point Judith
• Cape May

Purpose : With a view to assisting the expansion of the U.S. fish export to Japan and providing information on

- 1) quality and any other requirements for fish products in the Japanese market
- 2) fishing, fish handling and processing techniques to meet the above requirements (for example, fishing method, selection by size, and freezing technique for squid and butterfish)
- 3) mechanism of price making and of fluctuation of prices in the Japanese fish market.

Project for 1982: Similar workshop will be held in the West Coast of the U.S. in response to the request from the U.S. side.

Appendix 14 · The Research Activities of the Government of Japan in the
U.S. FCZ

| Year | Cost | Species Researched | Area Researched | Period |
|------|----------------------------|--|---|-----------------|
| 1976 | (Thousand dollars)* 998 | ① Crab | Eastern Bering | May 10 - Aug.30 |
| | | ② Salmon | North Pacific | Apr.11 - Sep.11 |
| 1980 | 3,700 | ① Sablefish, Pacific cod, by use of long lining | Bering Sea around Aleutian Chain and the Gulf of Alaska | May 26 - Aug.23 |
| | | ② Crab | Eastern Bering | May 8 - Aug.27 |
| | | ③ Sea snail | " | Jun.25 - Aug.23 |
| | | ④ Ground fish all combined | " | Jun.25 - Nov.25 |
| | | ⑤ Dall's porpoise | North Pacific Eastern Bering | May 9 - Aug.18 |
| | | ⑥ Salmon | North Pacific | Apr.26 - Aug.3 |
| 1981 | 6,160 | ① Sablefish, Pacific cod, by use of long lining | Bering Sea around Aleutian Chain and the Gulf of Alaska | May 28 - Aug.25 |
| | | ② Squid (Illex) | North West Atlantic | Nov.28 - Apr.27 |
| | | ③ Crab | Eastern Bering | May 8 - Jul.15 |
| | | ④ Sea snail | " | May 13 - Aug.22 |
| | | ⑤ Ground fish all combined ** | " | Jul.5 - Nov.30 |
| | | ⑥ Dall's porpoise | North Pacific Eastern Bering | May 15 - Aug.15 |
| | | ⑦ Salmon | North Pacific | Apr.25 - Aug.2 |

* 1 dollar = 210 yen

** Including the experimental research on fishing gear and method to avoid incidental catches of salmon, crab and other prohibited species by the trawl fishery.

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Please reply to Seattle office

September 21, 1981

Mr. Jim H. Branson
Executive Director
North Pacific Fishery Management Council
P.O. Box 3136 DT
Anchorage, AK 99510

Re: Japanese Gear Research Efforts

Dear Mr. Branson:

The purpose of this letter is to describe in general terms recent research efforts by the Japanese directed toward devising trawl gear and trawling methods which may be used to reduce the incidental trawl catch of halibut, salmon and crab.

1. Between January and March of this year, Japan's trawl fishing companies conducted voluntray research with the cooperation of the National Research Institute. This research was done to investigate the ecology of the prohibited species, mainly chinook salmon, and the possible modification of fishing techniques. The results of this research will be reported at the International North Pacific Fisheries Commission (INPFC) meeting in early November. Therefore, it will be possible to present a report to the Council concerning this research at the next Council meeting.

2. Based upon the above research, the Japanese Government will charter the Ryoan Maru No. 31 (Hokuten Trawler - 349 tons) and perform gear modification experiments this November (from Oct. 21 to Nov. 30). This research

Mr. Jim H. Branson
September 21, 1981
Page 2

is a first step toward further experiments on the modification of fishing gear and techniques which the Japanese Government is planning to do next year. The outline of the research plan will be reported at this year's INPFC meeting. One type of gear to be tested is a trawl net with a large 300 cm mesh size net in its upper part from which the prohibited species may escape. See attached diagram. The results of this research will be reported to the Council as soon as it is finalized.

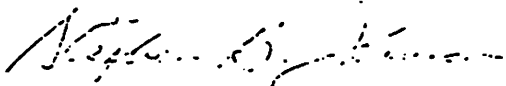
3. During the next fiscal year, the Japanese Government is planning to form a task force consisting of scientists from the National Research Institute and specialists from the fishing industry to perform fishing gear and technique modification experiments based upon the results of the preliminary efforts mentioned above. The research will be conducted in two phases, one in the summer and one in the winter. The experiments will cover various modifications of gear and technique to reduce the incidental prohibited species catch and, at the same time, to learn more about the biological characteristics and ecology of the prohibited species. The Japanese will present the results of this research to the Council and, in addition, will be seeking active participation from U.S. specialists.

4. In addition to the above mentioned experiments and research performed by the Japanese Government, some of the Japanese fishing companies are also conducting their own experiments on fishing gear and techniques to reduce the incidental catch of prohibited species.

We look forward to providing the Council with additional information as these experiments develop.

Very truly yours,

GARVEY, SCHUBERT, ADAMS & BARER


Stephen B. Johnson

Enclosure
SBJ/mls

Fig.1 Trawl net with large mesh of 300cm attached in the upper part of a net for the purpose of avoiding incidental catch of Chinook salmon.

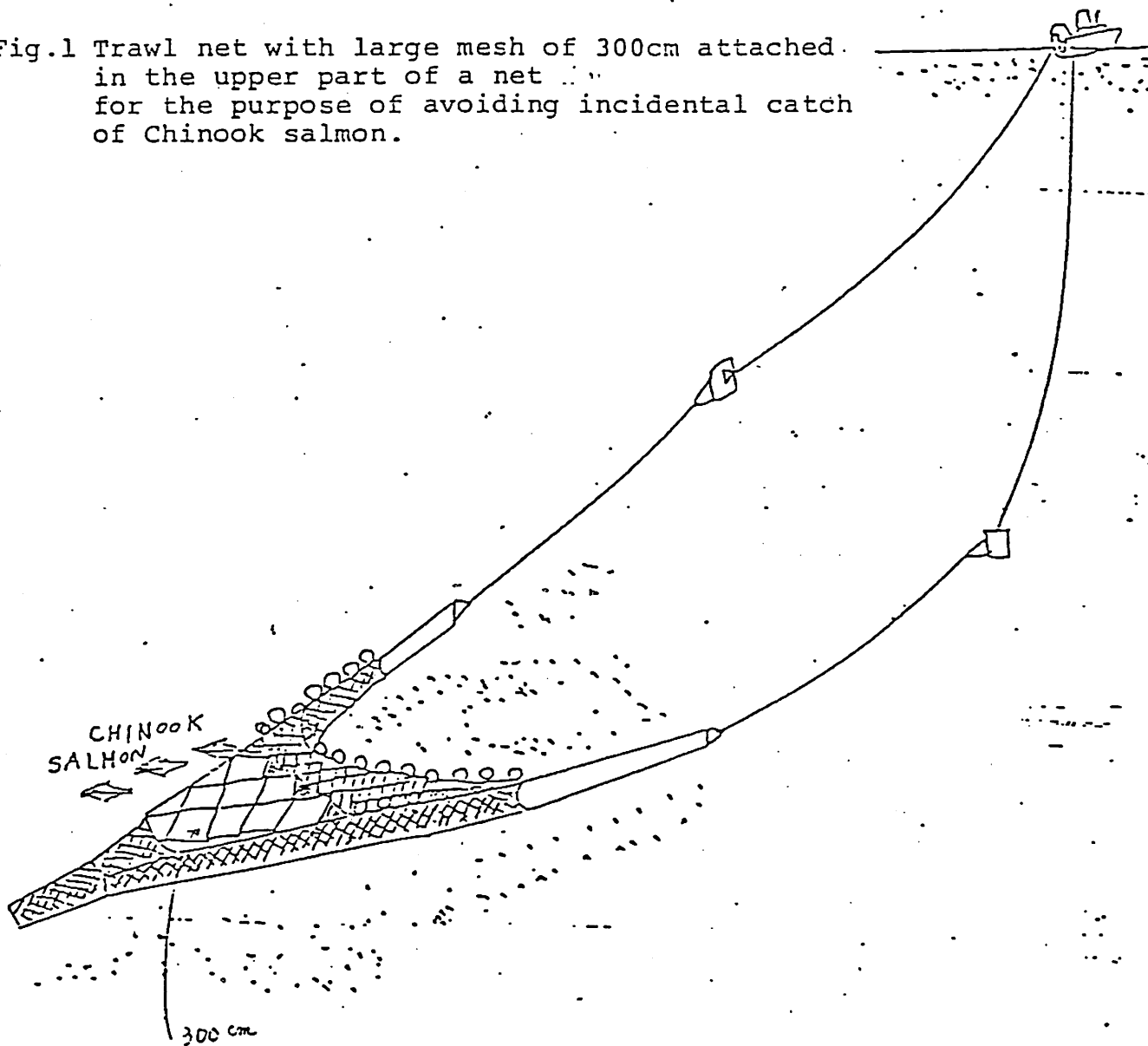


Fig.2 Trawl net with ropes used in upper part of net instead of net used.

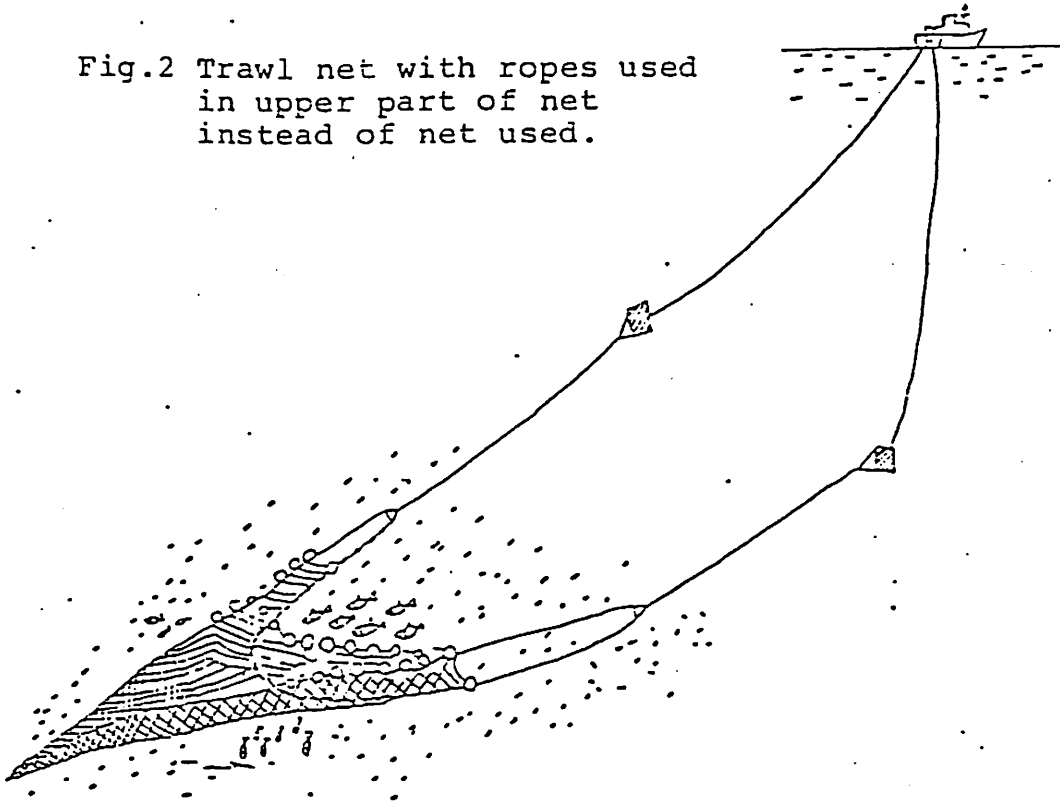


Fig.3 Trawl net without wing-net.

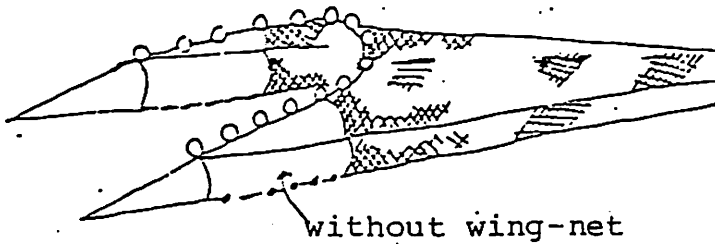


Fig.4 Trawl net with its height of the opening adjusted by ropes.

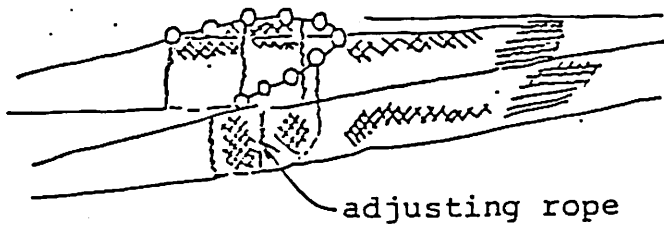


Fig.5 Off the bottom trawl net.
(hang rope method)

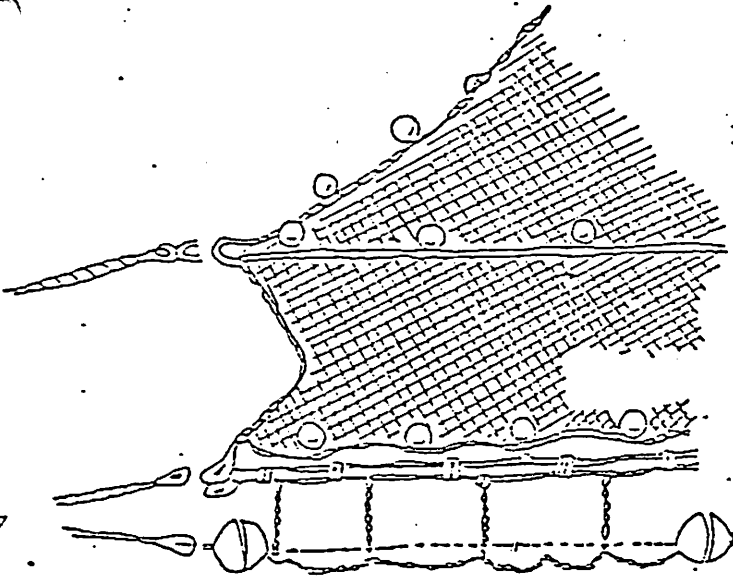


Fig.6 Mid-Water trawl net.

