

DRAFT MINUTES

Permit Review Committee
September 23, 1986

The Permit Review Committee met on Tuesday, September 23, 1986 in the Sheraton Hotel, Anchorage, Alaska. Committee members in attendance included Admiral Nelson, John Peterson, Rudy Petersen, Bob Mace, Oscar Dyson, John Winther, Barry Fisher, Al Burch, Rick Lauber, and Cameron Sharick.

Recommendations were developed for the three main issues under agenda item C-4:

1. Foreign fees for 1987
2. Foreign vessel permit conditions
3. JAC Creative Foods proposal

Foreign Fees for 1987

The Committee reviewed the new procedures for setting foreign fees and received an overview from Prudence Fox, NMFS Central Office, on the merits of each country with a TALFF allocation off Alaska. Several concerns were expressed by Committee members during the presentation.

First, it was noted that NMFS should modify its definition of equity joint ventures to coincide with industry's normal usage of the term, i.e. investment of dollars in a company.

Second, the information in the Federal Register notice appeared to be based mainly on information supplied by each country after a solicitation by NMFS. Therefore, it did not seem entirely objective and in fact had several instances of editorializing on behalf of the foreign nation on the importance of their contribution to U.S. industry. The actual responses of each country were not available to the Committee for review.

Third, Committee members were unsure of the objectives of the two-tier fee system and could not anticipate the full consequences of higher fees without a more thorough analysis, especially as regards each country's ability to continue participating in joint ventures and other cooperative projects with U.S. industry.

Fully realizing that NMFS must report its foreign fees recommendations to Congress by September 30, the Committee recommends the following:

1. The Council should abstain from making a foreign fees recommendation this year because of the concerns identified above and the very preliminary nature of the country information provided.

2. The Council should direct its energies to fully reviewing foreign allocations in December making use of the recommendations and information developed by NMFS on each country.

3. The Council should request NMFS to provide a copy of its report to Congress and any other information developed between now and December for allocation purposes.

4. Once again, NMFS should be strongly urged to allow a Council observer to attend the meetings of the NMFS Allocations Board in Washington, D.C.

The Committee wishes to express its appreciation to Prudence Fox for her presentations and help during the meeting.

Foreign Vessel Permit Conditions

The Committee discussed the NMFS request for comments on the types of conditions that might be placed on foreign vessel permits to help the U.S. fishing industry. It was noted that time/area restrictions on joint ventures will be the subject of Amendment 11 to the Bering Sea and Aleutians groundfish plan and probably could not be addressed through the permit process alone. There also were comments from industry that they did not need help from the Council or NMFS in settling business disputes.

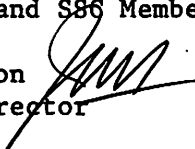
After much discussion, the Committee finally recommended that the Council continue its policy of recommending whatever permit conditions are deemed necessary to address an identified problem. However, NMFS should do a preliminary legal analysis, explore the attendant policy issues, and set up the appropriate mechanisms to follow-through on Council recommendations on industry-related permit conditions.

JAC Creative Foods Proposal

The Committee reviewed the proposal for Hoko Fishing Company to custom process into surimi, 10,000 mt of pollock delivered by Alyeska Ocean joint venture vessels in the Bering Sea and Gulf of Alaska later this year. The products would be transported on a U.S. flag vessel into U.S. ports for further processing by JAC Creative Foods.

The Committee heard from representatives of JAC Creative Foods and had no objection to the Council recommending approval of this operation. The Committee emphasized the short-term nature of this operation and recognized that there currently are few other sources of this surimi.

M E M O R A N D U M

TO: Council, AP and SSG Members
FROM: Jim H. Branson 
Executive Director
DATE: September 18, 1986
SUBJECT: Foreign Fees and Permit Conditions

ACTION REQUIRED

- (a) Recommendations on foreign fees for 1987.
- (b) Recommendations on foreign vessel permit conditions.
- (c) Recommendations on JAC proposal.

BACKGROUND

(a) Foreign Fees for 1987

Congress passed legislation [C-4(a)] last spring requiring the Department of Commerce, in consultation with the Department of State, to review, for the purpose of setting foreign fishing fees, the performance of nations receiving directed allocations against two criteria:

- (1) Is the nation harvesting anadromous species of U.S. origin at a level that is unacceptable to the Secretary?
- (2) Is the nation failing to take sufficient action to benefit the conservation and development of U.S. fisheries?

Fees that are about 79% higher will be assessed nations meeting either or both criteria. Commerce must report its recommendations to Congress by next Tuesday, September 30.

NMFS published a request for comments [C-4(b)] summarizing the information by country on which their recommendations will rest. Foreign performance is arrayed according to the following topics:

- A. Contributions to U.S. Fishing Industry Development
 1. Purchases of U.S. Processed Product
 2. Sales of TALFF and Similar Species Products into U.S. Markets
 3. Trade Facilitation Activities
 4. Investments in the U.S. Industry
 5. At-Sea Purchases from U.S. Fishermen - Joint Ventures

- B. Conservation of U.S. Fishery Resources
 - 1. Operations and Enforcement
 - 2. Research

- C. Harvest of Anadromous Species of U.S. Origin
 - 1. Industry Activities
 - 2. Other Areas of Cooperation

Prudence Fox of NMFS-Central Office will be here during our discussions. She is primarily responsible for the report to Congress and will review each country's merits for the Permit Review Committee using the same approach as normally used for the allocations board back east. The Committee's recommendations need to be available for Council review and approval on Thursday afternoon.

(b) Foreign Vessel Permit Conditions

NMFS is seeking comments from the Council and industry on how foreign fishing vessel permits might be conditioned. An Advanced Notice of Proposed Rulemaking was published in the Federal Register on August 11 with comments due by September 25 [C-4(c)]. In the notice they indicate that comments from the Councils and industry may be used in developing regulations, policy, or draft amendments to the MFCMA.

NMFS is particularly interested in the types of conditions that would benefit the U.S. industry, in addition to those already allowed for fishery conservation and management. Examples given in the FR notice include the following:

1. Time-area restrictions on joint ventures to protect shore-based processors.
2. Terminate a joint venture for failure to perform as planned.
3. Terminate a joint venture for failure to follow through on planned purchases of U.S.-processed products.
4. Require that products of joint ventures or directed fishery not reenter U.S. in competition with U.S.-processed products.
5. Require foreign fishing company to post a bond to guarantee payments.
6. Allocate to joint ventures in direct proportion to amounts purchased ashore.
7. Impose equalization fees on joint venture processors.

NOAA also wants comments on the procedures for applying such conditions, for example, through fishery management plans, an Agency policy statement, general foreign fishing regulations, or some other means. Comments are also invited on whether the current system of conditioning permits provides for adequate management of foreign fishing.

The Council has discussed these types of issues thoroughly over the past 1-2 years and taken extensive public comment. Item C-4(d) is extracted from the notice we sent to the industry for comment last summer. As you'll note, it had many of the above conditions as examples, and in addition, several that would relate permit renewal to reduction in trade barriers such as import quotas or would establish joint venture allocations by company. As indicated in the summary of comments attached to C-4(d), joint ventures preferred as few restrictions and conditions as possible. In contrast, U.S. processors and factory trawler representatives favored conditioning permits, especially to strengthen the U.S. position in developing underutilized groundfish.

In 1985 and again this past spring the Committee and Council took the position that the Council is purely advisory and should continue to recommend whatever conditions and restrictions it deems appropriate. The Council also decided not to allocate target tonnages by company, but did want company bycatch guidelines established.

On Tuesday the Permit Review Committee will review past Council action on those issues and develop recommendations for the Council's review and approval.

Written comments received from industry are under C-4-Supplemental.

(c) JAC Creative Foods Proposal

JAC Creative Foods of Los Angeles wishes Council approval of a short-term operation this October and November. A Hoko factory ship will be chartered to process 10,000 mt of pollock delivered by Jeff Hendricks' Alyeska Ocean joint venture trawlers in the Bering Sea or Gulf of Alaska [C-4(e)].

The pollock will be custom processed into surimi blocks, transported into the U.S. aboard a U.S. flag carrier, and then further processed and marketed by JAC.

NOAA General Counsel Jay Johnson has advised that all is legal. Parties to the operation desire the Council's blessing and assurances that it will not prejudice future activities of Hoko and Alyeska Ocean.

CHAPTER 38—FISHERY CONSERVATION AND MANAGEMENT

§ 1824. Permits for foreign fishing

[See main volume for text of (a)]

(b) Applications and permits under governing international fishery agreements

[See main volume for text of (1) to (9)]

(10) Fees

(A) Fees shall be paid to the Secretary by the owner or operator of any foreign fishing vessel for which a permit is issued pursuant to this subsection. The Secretary, in consultation with the Secretary of State, shall establish a schedule of such fees which shall apply nondiscriminatorily to each foreign nation.

(B) Unless subparagraph (C) applies, the fees imposed under subparagraph (A) shall be at least in an amount sufficient to return to the United States an amount which bears to the total cost of carrying out the provisions of this chapter during each fiscal year the same ratio as the aggregate quantity of fish harvested by foreign fishing vessels within the fishery conservation zone during the preceding year bears to the aggregate quantity of fish harvested by both foreign and domestic fishing vessels within such zone and the territorial waters of the United States during such preceding year.

(C) If the Secretary, in consultation with the Secretary of State, finds that any foreign nation receiving an allocation under section 1821(e) of this title—

(i) is harvesting anadromous species of United States origin at a level that is unacceptable to the Secretary; or

(ii) is failing to take sufficient action to benefit the conservation and development of United States fisheries;

the fees imposed under subparagraph (A) for the next fiscal year shall be at least in an amount sufficient to return to the United States an amount which bears to the total cost of carrying out the provisions of this chapter during that fiscal year the same ratio as the aggregate quantity of fish harvested by foreign fishing vessels within the fishery conservation zone during the preceding year bears to the aggregate quantity of fish harvested by both foreign and domestic fishing vessels within such zone during such preceding year. If the Secretary, in consultation with the Secretary of State, finds, at any time during a fiscal year in which fees calculated under this subparagraph are in effect with respect to a foreign nation, that the conditions requiring that calculation no longer exist, the fees imposed under this paragraph with respect to that nation for the remainder of the fiscal year shall be calculated under subparagraph (B).

(D) Before the end of each fiscal year, the Secretary, in consultation with the Secretary of State, shall review, based on the criteria established in subparagraph (C)(i) and (ii), the performance of every nation receiving an allocation under section 1821(e) of this title and provide written notice to the Congress of his findings and reasons therefor before the end of the fiscal year.

(E) For purposes of this paragraph, the total cost of carrying out the provisions of this chapter includes, but is not limited to, fishery conservation and management, fisheries research, administration, and enforcement, but excludes costs for observers covered by surcharges under section 1821(e)(4) of this title.

(F)(i) The amounts collected by the Secretary under this paragraph (except the amounts referred to in clause (ii)) shall be transferred to the fisheries loan fund established under section 742c of this title for so long as such fund exists and used for the purpose of making loans therefrom, but only to the extent and in amounts provided for in advance in appropriation Acts.

(ii) The Secretary shall deposit into the general fund of the United States Treasury the difference between the amounts collected under subparagraph (C) and the amounts that would have been collected had that subparagraph not been enacted.

[See main volume for text of (11) and (12); (c)]

(As amended Pub.L. 99-272, Title VI, § 6021, Apr. 7, 1986, 100 Stat. 123.)

References in Text. This chapter, referred to in subsec. (b)(10), read in the original "this Act", meaning Pub.L. 94-265, Apr. 13, 1976, 90 Stat. 331, as amended, known as the Magnuson Fishery Conservation and Management Act, which is classified principally to this chapter. For complete classification of

this Act to the Code, see Short Title note set out under section 1801 of this title and Tables volume.

Legislative History. For legislative history and purpose of Pub.L. 99-272, see 1986 U.S. Code Cong. and Adm. News, p. 42.

Covington and Burling, 1201 Pennsylvania Avenue NW., P.O. Box 7566, Washington, DC 20044 (Counsel for petitioner).

FOR FURTHER INFORMATION CONTACT: Patricia Rawlings, (202) 634-6530.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Notice of Proposed Rule Making, MM Docket No. 86-352, adopted August 15, 1986, and released September 3, 1986. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street NW., Washington, D.C. The complete text of this decision may also be purchased from the Commission's copy contractors, International Transcription Service, (202) 857-3800, 2100 M Street NW., Suite 140, Washington, DC 20037.

Provisions of the Regulatory Flexibility Act of 1980 do not apply to this proceeding.

Members of the public should note that from the time a Notice of Proposed Rule Making is issued until the matter is no longer subject to Commission consideration or court review, all *ex parte* contacts are prohibited in Commission proceedings, such as this one, which involve channel allotments, see 47 CFR 1.1231 for rules governing permissible *ex parte* contact.

For information regarding proper filing procedures for comments, see 47 CFR 1.415 and 1.420.

List of Subjects in 47 CFR Part 73

Radio broadcasting,
Federal Communications Commission.
Charles Schott,
Chief, Policy and Rules Division, Mass Media Bureau.
[FR Doc. 86-20354 Filed 9-9-86; 8:45 am]
BILLING CODE 6712-01-M

47 CFR Part 73

[MM Docket No. 85-377; RM-5017]

Radio Broadcasting Services; Kapaa, HI

AGENCY: Federal Communications Commission.

ACTION: Proposed rules.

SUMMARY: This document dismisses a proposal (50 FR 51562, December 18, 1985) to allot Channel 278 to Kapaa, Hawaii, at the request of the petitioner Native Hawaiian Broadcasting Company. With this action, this proceeding is terminated.

FOR FURTHER INFORMATION CONTACT: Montrose Tyree, Mass Media Bureau, (202) 634-6530.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Report and Order, MM Docket No. 85-377, adopted August 21, 1986, and released September 3, 1986. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street NW., Washington, D.C. The complete text of this decision may also be purchased from the Commission's copy contractors, International Transportation Service, (202) 857-3800, 2100 M Street NW, Suite 140, Washington, DC 20037.

Federal Communications Commission.
Charles Schott,
Chief, Policy and Rules Division, Mass Media Bureau.

[FR Doc. 86-20349 Filed 9-8-86; 8:45 am]

BILLING CODE 6712-01-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 611

[Docket No. 50946-61631]

Foreign Fishing; Fee Criteria

AGENCY: National Marine Fisheries Service (NMFS), NOAA, Commerce.

ACTION: Notice and Request for Comments.

SUMMARY: NOAA requests comments on the performance of foreign fishing nations against the foreign fee criteria of the Magnuson Fishery Conservation and Management Act (Magnuson Act) which requires that the Secretary review the performance before the end of each fiscal year. The comments will be considered by the Secretary in making a final decision on which foreign nations will be assessed higher fishing fees.

DATE: Comments must be received on or before September 26, 1986.

ADDRESSES: Send comments to Stephen P. Freese, International Fisheries Development and Services Division F/M32, National Marine Fisheries Service, 1825 Connecticut Avenue NW., Washington, DC 20235.

FOR FURTHER INFORMATION CONTACT: Office of Regional Director, National Marine Fisheries Service, 9450 Koger Blvd, St Petersburg, FL 33702, (813) 893-3141
Office of Regional Director, National Marine Fisheries Service, 7600 Sand

Point Way, NE, Seattle, WA 98115-0070, (206) 526-6150
Office of Regional Director, National Marine Fisheries Service, 300 S. Ferry St., Terminal Island, CA 90731-7415, (213) 514-6196

Office of Regional Director, National Marine Fisheries Service, P.O. Box 1668, Juneau, AK 99802 (907) 586-7221

Office of Regional Director, National Marine Fisheries Service, 14 Elm St., Federal Bldg., Gloucester, MA 01930

Stephen P. Freese, National Marine Fisheries Service, International Fisheries Development and Services Division F/M32, 1825 Connecticut Avenue, NW., Washington, DC 20235, (202) 202-5300.

SUPPLEMENTARY INFORMATION: On April 7, 1986, the President signed into law Pub. L. 99-272, a budget reconciliation bill, which among other things amended section 204(b)(10) of the Magnuson Act. This amendment requires that any foreign nation receiving an allocation of fish in the exclusive economic zone must pay fees at the higher of two levels during the next fiscal year if the Secretary of Commerce finds that the foreign nation—

- "(i) is harvesting anadromous species of United States origin at a level that is unacceptable to the Secretary; or
- (ii) is failing to take sufficient action to benefit the conservation and development of United States fisheries."

For the low fee the standard fee assessment rate is 35.6 percent of the species ex-vessel value established in 51 FR 202 while the high fee is 63.8 percent of that value. For example the foreign fee for Alaska pollock under the low fee level is 35.6 percent of the species ex-vessel value while the high fee is 63.8 percent of that value, that is, the foreign fee for Alaska pollock under the low fee level is \$43/mt and under the high level, \$78/mt.

On September 9, 1986, NOAA published a revision of the 1986 foreign fishing fee schedules. That revision noted that NOAA is considering the procedure for assessing country performance against these criteria. This notice is part of the consideration.

By August 12, NOAA asked foreign fishing nations to provide information related to their performance against these criteria. Copies of the information provided by responding nations are available at the offices listed above.

NOAA requests public comment by September 26, 1986, on the information provided below and requests any additional information that would have a bearing on what level of fees a country should pay. NOAA will review the

comments received and consult with the Department of State prior to a decision on which countries will pay the higher fees. After this consultation, as required by the Magnuson Act, a final report will be sent to Congress by September 30, 1986.

Countries receiving allocations in 1986 with 1985 total allocations in parentheses are: People's Republic of China (0 mt), German Democratic Republic (28,563 mt), Japan (901,968 mt) Italy (7,145 mt), Poland (89,295 mt), Soviet Union (10,782 mt), Republic of Korea (250,219 mt), Netherlands (10,105 mt), Spain (5,839), and Taiwan (0 mt).

It should be noted that in discussing U.S. imports of products made from total allowable level of foreign fishing (TALFF) species that are allocated to foreign nations, NMFS has utilized U.S. Customs trade data and made a careful analysis of the various tariff codes under which fishery products are categorized. Because of "basket categories" which combine TALFF and non-TALFF species, exact identification of the amounts of TALFF species products being imported into the United States is impossible. Therefore, NMFS has isolated those categories that include only TALFF species products which include a majority of TALFF species with the remaining items being very similar and competitive with TALFF species products.

It should also be noted that in the Northwest Atlantic, the major foreign fisheries have been managed on a April 1 to March 31 fishing year and corresponding joint venture statistics have been provided. However, for 1986, in preparation for a permanent change to a January 1 to December 31 fishing year, the interim fishing year is from April 1 to December 31.

With respect to Atlantic harvests of anadromous species of U.S. origin, the primary instrument for international management of salmon in the Atlantic Ocean is the North Atlantic Salmon Conservation Organization (NASCO). NASCO manages salmon through its North American, West Greenland, and Northeast Atlantic Commissions. Agreements on acceptable levels of salmon harvesting are presently in effect in all but the Northeast Atlantic Commission area. Of the foreign countries holding or expected to hold fish allocations in the Atlantic portion of the U.S. exclusive economic zone, none intercepts appreciable amounts of North American origin salmon.

Presented here in summary of information on the incidental catch of salmon in Pacific groundfish fisheries.

Nation	Bering Sea		Gulf of Alaska	
	1985	1986 ¹	1985	1986 ¹
	Numbers (1000's)			
China.....		0.1		
Japan.....	7.3	0.2	0.3	
Korea.....	1.0	0.1	0.1	
Poland.....	1.2			
USSR.....	0.1			
Foreign Total.....	9.6	0.4	0.4	

¹ Incidental catch through June.

Below is the compilation of information collected by NMFS on foreign performance. The information is organized according to the following outline; if no information is available for an element of the outline, that element is omitted.

Contributions to U.S. Fishing Industry Development

Purchases of U.S. Processed Product Sales of TALFF and Similar Species Products into U.S. Markets Trade Facilitation Activities Investments in the U.S. Industry At-Sea Purchases From U.S. Fishermen-Joint Ventures

Conservation of U.S. Fishery Resources Operations and Enforcement Research

Harvest of Anadromous Species of U.S. Origin

Industry Activities Other Areas of Cooperation

FOREIGN PERFORMANCE

Japan

Contributions to U.S. Fishing Industry Development

Purchases of U.S. Processed Products—Japan is the largest market for U.S. fishery products. The real value of U.S. exports to Japan has doubled since 1977 and in 1985 Japan imported 64 percent of the total U.S. export of edible and non-edible fishery products. The U.S. exports of edible and non-edible fishery products to Japan from January to June 1986, totaled \$237.1 million, a 58 percent increase over the \$149.8 million exported during the same period of 1985. Exports to Japan for all of 1985 were a record \$696.6 million. (Fisheries of U.S., 1985, p. 59)

As in past years, the bulk of Japan's fishery imports from the United States consisted of high-value traditional species. Through June of 1986, the major fish export to Japan was frozen crabs. This group comprised \$66.1 million, consisting mainly of snow crab, opilio (\$30.1 million), other snow crab, chiefly bairdi (\$21.9 million), other frozen crabs (\$14.0 million) and modest amounts (\$137 thousand) of dungeness crab.

Next in order came frozen salmon (\$32.0 million) of which about half was sockeye salmon. The bulk of salmon exports to Japan takes place in the second half of the year. In addition, the U.S. exported various fish and shellfish roes (pollock, herring, salmon, sea urchin roe, and others, totaling \$16.5 million); several species of frozen fish (\$11.6 million), which could include some underutilized species; frozen shrimp (\$4.9 million); sablefish (\$17.4 million); herring (\$37.2 million); and king crab (\$3.7 million).

Sales of underutilized TALFF species to Japan accounted for a relatively small share of total exports. (Sablefish is no longer considered a TALFF species because U.S. fishermen now harvest the entire optimum yield and sablefish is only allocated to foreign nations as bycatch.) Through June of 1986, exports of TALFF species were pollock (\$871 thousand); pollock roe (\$2.2 million); and squid (\$555 thousand). The total amount of purchases of TALFF species about \$3.6 million for six months. Although sales of TALFF species to Japan are relatively small compared to total exports, Japan is the only significant importer of these species among countries fishing in the U.S. EEZ.

It is still not certain whether Japan will be able to purchase the level of processed products agreed to in the industry-to-industry meetings with representatives of the North Pacific fishing industry in late 1985. At that meeting, the Japanese delegation agreed to purchase and take delivery of 74,000 mt (round weight equivalent) of U.S. harvested and processed products in 1986—40,000 mt of pollock-based surimi (approximately 8,000 mt product weight) and 34,000 mt of pollock and other species. The surimi purchase commitment amounts to 8,000 mt of product weight. Much of this commitment was expected to be fulfilled by two Alaskan surimi plants (discussed below) in which the Japanese have invested.

Also, U.S.-owned surimi producer has signed a contract to sell to Japan 10,000 mt of surimi block in the second half of 1986 and during 1987. This producer projects that it will have produced 3,000 mt of surimi by year's end. The working Alaska based surimi plant with Japanese investments had produced 1,925 mt of surimi product by the end of August with expectation of 3,000 mt by the end of the year. Most of this is being marketed domestically.

Sales of TALFF and Similar Species Products Into U.S. Markets—Japanese firms export a number of items to the United States which are made from U.S.

origin fish or from similar species found in non-U.S. waters. Total U.S. imports from Japan of TALFF species during the first six months of 1986 were approximately \$58.7 million. The key product is surimi, including both the intermediary product (surimi block) and finished seafood analogs. Japan exported an estimated \$100 million of pollock blocks, surimi, and surimi-based end-products to the United States in 1985. In the first six months of 1986, U.S. imports of these items exceeded \$52.2 million, suggesting that the growth in Japanese sales of surimi products to the United States may be leveling off due to shortage in the supply of Alaska pollock.

Trade Facilitation Activities—Last year Japan accelerated the tariff reduction schedule rates agreed upon during the Multilateral Trade Negotiations for a number of fishery products important to the U.S. industry such as cod, herring, pollock, pollock roe and hake. This year, there have been no important changes in Japan's tariff and non-tariff barriers against imports of fish products made from TALFF species. The most important single trade restriction on imports of pollock products is the global import quota (IQ) on pollock products. In consultations which took place in Tokyo this summer, NMFS/NOAA raised a number of concerns about the administration of this IQ and asked whether Japan would consider abolishing the barrier. The Japanese Government spokesman indicated that they could not, for political and economic reasons, eliminate the quota. Discussions are ongoing on this issue. The amount allocated under the pollock IQ for the first half of FY86 indicated that the quota has been administered in a way which reserves the large bulk of imports to a small group of Japanese distant water fishing companies; whereas the share of secondary processors had been inadequate. New "set-asides" have been added to accommodate increased imports from non-GATT suppliers, such as North Korea and the Soviet Union.

Investments in the U.S. Industry—The surimi purchase targets agreed to in the industry to industry agreement with the North Pacific Fishing industry (See discussion above) were to be reached by purchasing surimi produced in U.S.-Japanese jointly owned processing facilities in Alaska. Last year, the Japanese invested in two shore-side processing facilities. Estimates of the processing capacity of each plant when completed range from 20,000 mt to 25,000 mt (round weight) per year. Current information indicates that only one of

these plants is in operation, and as of the end of August, this plant had produced 1,925 mt of surimi towards a projected year-end level of 3,000 mt. The second plant is scheduled to commence its operations in late November or December. There have been delays due to construction permit problems with U.S. authorities, and there have been problems in contracting U.S. fishing vessels to deliver adequate amounts of fish to the plants. Thus it is difficult to say whether the 1986 sales target under the industry-to-industry agreement will be met.

At-Sea Purchases From U.S. Fishermen-Joint Ventures—Japanese joint venture purchases of Alaska bottomfish continued their rapid growth from initial 1981 levels of 11,000 mt. In 1985 over-the-side purchases from U.S. fishermen at-sea totaled 463,776 mt (valued at \$46.0 million), a 35 percent increase over 1984 and well above the target of 448,077 mt. As of mid-July 1986, evaluations of joint venture operations with Japan are positive, with U.S. partners reporting continued smooth operations. The Japanese have agreed to purchase 581,000 mt over-the-side in 1986, and there is every indication this commitment will be met. As of July 12, Japan had purchased over 341,000 mt, including a significant quantity of species other than pollock. Over 80 percent of Japan's yellowfin sole commitment had been caught. The Japanese Government reports that their 1986 bottomfish joint venture operations will employ 96 U.S. catcher vessels, an increase of 30 vessels over the 64 vessels employed last year.

The Japanese long-line fleet has also participated in herring and salmon joint ventures. A Japanese long-line program for the purchase of herring from Togiak, Alaska fishermen has been in progress since 1981. The purchase amount has increased from 953 mt in 1981 to 2,632 mt in 1983 and 1,230 mt in 1984. The purchase amount in 1985 is a total of 2,371 mt and supported 188 U.S. vessels of the Bristol Bay herring marketing Cooperative. This year 2,280 mt of herring has been purchased. These purchases provided the only reliable market for the native gillnet fishermen, more than 600 of which were employed in the operations. Over the years, this joint venture has proven to be a source of much needed capital to an economically depressed area of the state and a means for the native fishermen to diversify their fishing operations away from their traditional reliance on salmon as their sole source of income.

Purchase of 350 mt of chum and pink salmon involving 70 U.S. fishing vessels who otherwise would have had no market for their salmon was also made by Japanese long-line vessels in Norton Sound in Alaska this year. Last year 299 mt of salmon was purchased. This year, the Japanese long-line fleet also plans to purchase Pacific cod from approximately 15 U.S. fishing vessels.

During the 1985-86 fishing year for the squids in the Northwest Atlantic, Japan purchased approximately 1,200 mt of *Loligo* and *Illex* squid from U.S. harvesters. Almost 100 percent of all U.S. butterfish exports go to Japan. Japan has not yet initiated joint venture fishing for this fishing year.

Other Development Efforts—Last year, Japan signed a cooperative agreement with the Governor of Alaska to provide assistance in studying: (1) The feasibility of scallop aquaculture in Kodiak, (2) the feasibility of growing kelp, and (3) the training of personnel in surimi manufacturing in the Dutch Harbor area for their two new plants in Dutch Harbor, Alaska.

The Japanese fishing industry has also been involved in a cooperative fisheries development program with the fishermen of the Pribilof Islands since 1982. Pribilof natives have received technical training in Japan in harvesting and processing techniques. Technicians have visited the islands on several occasions. Fishing and processing equipment for halibut and Korean hair crab have been provided for both St. George Island and St. Paul Island. This cooperative project is ongoing. This year, the Japanese Hokuten trawlers donated, 2 tons of octopus worth approximately \$6,500 to St. George Island to be used as bait for the local halibut fishery.

In addition to purchasing salmon through joint ventures in Norton Sound, Alaska, the Japanese long-line fleet has agreed, at the request of the State of Alaska, to conduct fishing experiments with the Norton Sound fishermen to see whether other species, such as yellowfin sole and flounder, are available in the area.

Conservation of U.S. Fishery Resources

Operations and Enforcement—There were minor problems with Japanese operations and enforcement in 1985. No fishery enforcement violations for Japan were noted within the U.S. 200-mile zone through July of 1986.

The Japanese long-line fleet has voluntarily restricted its 1986 operations in the Gulf of Alaska to the first four and

last three months of the year. By restricting operations during these time periods, the Japanese long-line vessels are out of the Gulf during prime fishing months for U.S. longline vessels. The Japanese long-line vessels, therefore, will be fishing in the remaining months when bycatches of fully utilized species such as sablefish, can be kept to a minimum. Similarly, in the Bering Sea, the Japanese long-line vessels agreed to limit their fishing operations to the area northwest of the Pribilof Islands—an area which is several hundred miles away from the primary fishing areas of U.S. fishermen and one in which U.S. vessels do not operate due to the low catch levels historically encountered there.

Research—As in the past, Japan is conducting major research on U.S. Alaska bottomfish resources through the provision of scientists and four research vessels. Japan cooperates in two major survey cruises, the U.S.-Japan Trawl Survey and the U.S.-Japan Longline Survey. These Japanese research efforts continue to be the most valuable in terms of quality, quantity, and relevance to the research responsibilities of the Northwest and Alaska Fisheries Center of NMFS. During 1986, Japanese research vessels spent an excess of 300 days accessing fish status and testing gear modifications to reduce bycatches in the GOA and Eastern Bering Sea.

NMFS/NOAA was successful in arranging a cooperative high seas squid fishery observer agreement with the Japan Fisheries Association. A U.S. scientist spent 55 days aboard a Japanese commercial driftnet vessel operating in the high seas squid fishing area. The information gathered on this voyage is expected to prove useful to NMFS/NOAA scientists who are investigating the catch per unit effort of the squid fishery, interceptions of marine mammals, seabirds, and pelagic species, and the effects of lost or discarded fishing gear upon the marine environment.

The Japanese have also participated in the research of fishery resources including squid in the Gulf of Mexico by providing fishing trawlers to do survey work. In 1984 the research cruise lasted 38 days and in 1985 48 days. In conjunction with this survey the butterfish were analyzed for fat content and parasites. This research resulted in sizable survey catches of butterfish which has led to exploratory fishing by U.S. East Coast factory trawlers this year.

Harvest of Anadromous Species of U.S. Origin

Industry Activities

INTERCEPTION OF NORTH AMERICAN SALMON IN THE JAPANESE HIGH SEAS MOTHERSHIP FISHERY¹

Species	1985 numbers (1000's)
Sockeye.....	410
Chum.....	38
Pink.....	
Coho.....	² NA
Chinook.....	52
Total.....	500

¹ Estimates are not available for 1986.
² Estimate is not available because of lack of detailed information on interception rates.

JAPANESE LAND-BASED SALMON FISHERY¹

Species	1985 Numbers (1000's)
Sockeye.....	13
Chum.....	0
Pink.....	0
Coho.....	² NA
Chinook.....	³ 68
Total.....	81

¹ Estimates are not available for 1986.
² Estimate is not available because of lack of detailed information on interception rates.
³ Estimate based on interception rates from the mothership fishery.

As a result of discussions held in April 1986, in Vancouver, Canada, by the Contracting Parties of the International North Pacific Fisheries Commission (Commission) a recommendation to amend the Annex to the International Convention for the High Seas Fisheries of the North Pacific Ocean was sent by the Commission to the Governments of Japan, Canada, and the United States. This amended Annex was based upon an agreement reached between Japan and the United States on March 8, 1986, to strengthen the conservation of North American origin salmonids. Shortly thereafter, the three Governments approved the Commission's recommendation and the amended Annex went into force in May. A summary of the content of the Annex is as follows:

Regarding the mothership fishery: Fishing in the eastern half of the Bering Sea will be phased out in 3 years; in the western half, it will be phased out completely by 1994. The total mothership allowed within the U.S. 200 mile exclusive economic zone will be 140 for 1986 through 1993, with the fishery ending on July 31. For 1994 and thereafter, the mothership fleet days will be 144 with an earlier closure of the fishery (July 26).

Regarding the land-based fishery: The present eastern limit will be moved to the west by 1 degree. This limit may be

modified in accordance with the results of information from scientific studies to be initiated with the beginning of the 1986 fishing season. The studies will be performed over a 3- to 5-year period.

U.S. scientists believe conservation measures developed in the amended Annex will decrease significantly the incidental harvest of North American origin salmon by Japanese salmon fishing vessels and result in a substantial increase in the returns of salmon to U.S. waters, especially for high-value species as chinook.

In addition to the amendment of the Convention Annex, two Memoranda of Understanding (MOUs) which also stem from the U.S.-Japan agreement of March 8 were signed in Vancouver in April 1986. The first MOU, regarding scientific research, will enable fishery biologists to conduct further research on anadromous Salmonidae to determine accurately the continent of origin of salmonids migrating in the Convention area of the land-based driftnet fishery south of 46 degrees North Latitude so that the movement of the eastern limit of that fishery may be negotiated no later than the beginning of the 1991 season. The second MOU on enforcement establishes greater cooperation between the Commission member-countries in enforcing the provisions of the Convention, especially in regard to the new measures on the eastern limit of the land-based fishing area.

Between June 30 and July 17, 1985 U.S. Coast Guard aerial patrols sighted 17 gillnet vessels of the Japanese land based gillnet type east of the abstention line. Thirteen other vessels of the same type were sighted underway in a westerly direction just west of the abstention line in the presence of a Japanese patrol vessel. The Japanese Government responded promptly to a Department of State request for an investigation into this activity. The Japanese informed the United States that the violators were not salmon gillnet vessels, but were vessels from the squid fishery. They assured U.S. officials that penalties were to be assigned to those vessels found in violation of the domestic fishing regulations. In addition, a fishery enforcement vessel was assigned to patrol the northern boundary of the squid fishery to assist in preventing any further violations.

On June 27, 1986, the U.S. Coast Guard boarded two Japanese land based gillnetters which had steelhead on board that were being retained and logged as chinook salmon. This is in violation of the Memorandum of Understanding on Scientific Research which states that

Japan will provide accurate catch statistics for all salmonids. The Department of State requested an investigation into this activity. A response received from the Japanese Government stated that the vessels were questioned by Fisheries Agency officials and denied mislabeling steelhead as chinook because it would affect adversely the ability to fulfill the quota for the higher valued chinook and offer no economic incentive for the fishermen.

Although very few catch data exist for salmon taken in the squid gillnet fisheries in the North Pacific, it is known that large numbers of salmon have been taken by the Taiwanese. The number of these salmon that are of North American origin is unknown. Although there are very few catch data from these fisheries, the high seas distribution of salmon and the oceanographic structure of the North Pacific suggest that if squid vessels fish in compliance with national fishing regulations, the impact on North American stocks is probably minimal.

Both Taiwan and Japan have adopted regulatory boundaries which, if observed, should minimize the chances of salmon harvest for most years with average oceanographic conditions. The Republic of Korea has not yet adopted such regulations, however, retention of salmon is prohibited. Compliance with each country's national regulations is not yet satisfactory.

Available information shows that the NMFS Northwest Region Law Enforcement Division is currently investigating seventeen shipments of salmon which presumably were shipped from Taiwan, through Tacoma, Washington, with Japan the final destination. Such shipments would violate the laws of all three nations. The path of the shipments led U.S. agents to presume that the intent was to mask Taiwan as the country of origin and give false impression that the salmon originated in the U.S. Two of the shipments totaling 269 metric tons (mt) have been seized. The remaining shipments totaling 1,354 mt left the U.S. prior to investigation. The shipments were packaged in containers imprinted with a U.S. company name and U.S. origin. The total values of all the shipments is estimated at \$5 million.

Between July 30 and August 29, 1985, U.S. Coast Guard aerial patrols sighted 46 Japanese squid gillnet vessels fishing north of the Japanese northern boundary in apparent violation of Japanese regulations. Between June 27 and August 10, 1986, U.S. Coast Guard aerial patrols sighted 15 Japanese squid gillnetters north of the boundary. U.S. Coast Guard surface patrols boarded three gillnetters,

one of which was 139 miles north of the boundary, and inspection of the vessel logs of the other two vessels revealed that they, too, had fished north of the boundary.

After the 1985 incident, the Japanese informed the State Department that it would investigate the information supplied by the Coast Guard and impose penalties on each of the violators. In addition, a Japanese fishery enforcement vessel was dispatched to the area to enforce the domestic regulations that ban fishing north of the boundary. Following the 1986 incidents, the Fisheries Agency of Japan reported that six of the vessels in question were north of the squid gillnet boundary for the purpose of measuring water temperatures in order to seek out the most suitable fishing grounds. The Japanese authorities report that the vessels had no salmon onboard and their log books indicated no fishing north of the boundary. The Fisheries Agency intends, nevertheless, to issue written warnings to these vessels and instruct all squid gillnet vessels to refrain from crossing over the northern boundary. The vessels that reportedly fished above the northern boundary have not yet returned to port, but upon their return will also face an investigation, and possible penalties, by Japanese authorities.

An estimated 14,000 steelhead were taken in the Japanese landbased gillnet fishery, nearly all of which are presumed to be of North American origin.

Other Areas of Cooperation— Japanese Customs and Fisheries Agency officials are currently cooperating fully with the United States in gathering evidence on a salmon shipping scheme which raises questions about possible efforts to conceal Taiwan as the country of origin for salmon in foreign commerce. The Japanese have given timely information regarding where these shipments are in Japan and have requested the manifest documents for these shipments. Japan has regulations in place which prohibit the import of salmon from Taiwan.

Republic of Korea (ROK)

Contributions to U.S. Fishing Industry Development

Purchases of U.S. Processed Product— The U.S. exports of edible and non-edible fish products to ROK for the first six months of 1986 totaled \$20.3 million, a 46 percent increase from the \$13.7 million exported during the same period of 1985. Most of these exports were edible—4.5 percent of all U.S. edible fish products exported during the January-

June 1986. Total U.S. fishery exports to Korea in 1985 were \$25.2 million.

Three categories accounted for nearly all U.S. exports to ROK through June herring (\$12.4 million), salmon (\$2.2 million), and frozen crabs (\$4.0 million). The ROK did not import any TALFF species from the United States during the first six months of 1986. This is consistent with past performance where, over the years, ROK imports of TALFF species have been insignificant. No fully processed U.S. products or U.S. headed and gutted (H&G) products are presently being exported to ROK.

Sales of TALFF and Similar Species Products into U.S. Markets—Total imports of TALFF and TALFF-like species during the first six months of 1986 were approximately \$29.7 million. The ROK sales of bottomfish fillets, especially pollock and Pacific cod shatter-pack frozen fillets compete directly in the U.S. market with the U.S. freezer trawlers. In the January-June 1986, period, ROK exported \$8.9 million of flatfish fillets of which an undetermined share is competing head-to-head with U.S. production.

U.S. imports from ROK of pollock blocks from January through June 1986, were \$10.1 million. (U.S. imports of frozen pollock block from ROK in all of 1985 were \$21 million). During the first six months of 1986, Korea also exported to the United States 356 thousand of canned pollock, and 277 thousand of squid. The ROK also shipped 458 thousand of surimi-based analogs to the U.S. during the first six months of 1986, an indication that countries other than Japan are getting into this market.

The ROK exports an estimated 15 to 20 percent of their total pollock supply, which has averaged 400,000 mt in recent years. That is, ROK exports of pollock have averaged about 75,000 to 80,000 mt, but seem to be declining. Exports of pollock to all destinations in 1986 have been projected by the ROK Government at 70,000 metric tons.

Trade Facilitation Activities—The Korean Embassy has informed NOAA/NMFS of changes implemented in the administration of the tariff rate quota on frozen fish products. Until recently, the tariff rate quota allowed for a reduction from 20 to 10 percent ad valorem in the duty applied to 15,000 metric tons of several species of frozen fish, including pollock, and, most significantly, provided this reduction on a global basis, i.e. to all suppliers.

The recent change introduced by the Korean Government is to terminate the global availability of this benefit, and to provide it only to suppliers from four countries, one of which is the United

States. (The other three are New Zealand, Argentina, and Chile.) Thus, this proposal amounts to the creation of a new "set-aside", and further restricts, rather than relaxes, the frozen fish quota.

The United States strongly prefers the elimination or relaxation of the quota. The NOAA/NMFS request made in consultations in Washington and Seoul was that processed pollock be removed from the frozen fish quota and placed on the automatic approval list. This is consistent with U.S. policy which supports the elimination and/or substantial relaxation of tariff and non-tariff barriers as a means toward improved liberalization of international trade.

The Korean Government has announced that the 15 members of the Korea Deep Sea Fisheries Association have been appointed as the private sector advisers on the consultative committee. The Import Coordination Council which has been set up to advise the Administrator of the National Fisheries Administration in carrying out his responsibilities under Korean trade law concerning the importation of fisheries products. It is not clear if the main purpose of the Council is to give advice or to propose specific trade measures. The membership of the Council is confined to representatives of fishing companies.

The Korean Government is also proposing that Korean firms be allowed to purchase processed fish products directly from U.S. factory processor vessels. According to this proposal, Korean fishing vessels operating in the U.S. EEZ would purchase products in Free Alongside (FAS) highseas transactions. Such purchases would "require action by the Korean foreign exchange authorities."

Trade Facilitation Activities—Earlier this year, the ROK announced that at least three "Equity joint ventures" are being negotiated between Korean and U.S. firms operating in the North Pacific.

At-Sea Purchases From U.S. Fishermen-Joint Ventures—The ROK joint venture purchases in 1985 totaled 189,062 mt, an increase over 1984 purchases of 100,430 mt. American joint venture partners indicated that operations were satisfactory although certain operations encountered problems with fish weights and payments to fishermen.

Reaction by the U.S. industry to ROK joint ventures in 1986 has been unusually positive. The ROK is nearing its original obligation for over-the-side purchases of 275,000 mt, and has since agreed to increase its total purchases to 397,000 mt in both the Eastern Bering

Sea and Aleutian Islands area and the Gulf of Alaska. As of July 12, 1986, Korean joint ventures had purchased over 244,000 mt. There is some doubt as to whether the Koreans will be able to meet their new joint venture target since they plan to take pollock in the Gulf of Alaska where there is no additional pollock available. A more realistic target for Korean joint ventures, according to the NMFS Alaska Region, is 348,000 mt.

U.S. partners have noted that Korean prices are competitive and that cooperation has generally been good. Some problems were reported with the Korean Wonyang Fisheries joint venture, with processing ships diverting to directed fishing, leaving American catcher vessels standing by for transfer of codends. Earlier this year, the Koreans agreed to convert several processors to surimi, which would allow them to accept smaller pollock from U.S. catcher vessels which was previously rejected.

Other Development Efforts—The first U.S.-Korean Fisheries Development Conference was held in July 1985, to examine possibilities for future cooperation. Although no concrete proposal resulted from the Conference, the ROK has since been exploring potential expanded joint venture operations off Alaska, including investments in offshore floating factory processing. The second Conference is planned for the first week of December 1986 in Anchorage, Alaska.

Conservation of U.S. Fishery Resources

Operations and Enforcement—There have been no major enforcement problems with the ROK fleet off Alaska.

Research—Korean research efforts in the GOA changed as a result of a research vessel being sent to the area in 1985. The ROK will not send a vessel to the GOA in 1986, but instead will direct a vessel to survey squid resources and study gillnetting research on squid and its interaction with salmon in the Northwest Pacific.

The NMFS/NOAA was able to place two U.S. scientists aboard the Korean research vessel operating in the high seas squid driftnet fishery this summer. Observers believe that the scientific information gathered on this voyage may be important to both fishery and marine mammal biologists seeking information about the effects of driftnet fishing on the marine environment. The Korean Fisheries Ministry was instrumental in arranging this cooperative voyage with the Northwest and Alaska Fisheries Center.

Harvest of Anadromous Species of U.S. Origin

Industry Activities—On July 8, 1986, a U.S. Coast Guard patrol vessel boarded a Korean gillnetter accompanied by five other Korean gillnetters and found 70 salmon onboard in apparent violation of Korean regulations. Korean vessels have been cooperative in allowing consensual boardings. The Korean Government, after being informed of the salmon retention incident by the DOS, conducted an immediate investigation and the captain of the vessel retaining salmon was penalized. In addition, the Korean National Fisheries Administration sent a letter to the squid gillnet vessel owners through the Korean Deep Sea Fisheries Association instructing the vessel captains to avoid any future violations of domestic fishery regulations prohibiting retention of salmon.

Poland

Contributions to U.S. Fishing Industry Development

Purchases of U.S. Processed Product—The United States did not export any fish products to Poland in the first six months of 1986. There were no exports of fishery products to Poland in 1985 and exports in 1984 totaled 19 mt.

Sales of TALFF and Similar Species Products Into U.S. Markets—Trade in TALFF species consists of Polish exports of pollock blocks to the United States. In the first six months of 1986, Poland exported \$6.3 million of pollock blocks to the United States. At this rate, Poland may surpass its 1985 U.S. sales of pollock blocks, which totaled \$9.1 million. Total U.S. imports of fish products from Poland were \$10.9 million in 1985. One concern is that Polish pollock products, due to their low price, have pre-empted U.S. entry into the European fillet market.

Trade Facilitation Activities—Poland does not impose any tariff or non-tariff barriers. Trade is strictly controlled by the Polish Ministry of Foreign Trade. Poland's lack of hard currency has severely impeded their ability to purchase finished U.S. products. Poland, potentially could pay for U.S. goods by bartering, however, the Soviet Union purchases virtually all potentially exportable goods from Poland (coal, machinery, etc.).

Investments in the U.S. Industry—There has reportedly been some talk within the U.S. industry of possible equity joint ventures with Poland. (Equity joint ventures are agreements in which the American partner, in addition to providing catcher vessels,

participates in either the processing or final sale of the final product.) Reports indicate that one equity joint venture is in a very preliminary discussion stage. Agreement on the nature of the joint venture arrangement is not expected before early 1987.

At-Sea Purchases From U.S. Fishermen-Joint Ventures—In 1985, Poland purchased 35,460 mt, valued at \$3.5 million, of its 50,000 mt joint venture request. Although the Poles did not meet their request, joint venture purchases were up 175 percent over 1984 levels. Poland requested a 1986 joint venture allocation of 48,000 mt off Alaska. This would represent a 35 percent increase over the 35,000 mt purchased in 1985. Thus far in 1986, good performance has been reported. The Poles report that quotas are expected to be completed in the Fall, but past experience indicates that this is less than certain. Through July 12, Poland had purchased approximately 8,425 mt, about 18 percent of its joint venture obligation. Fishing operations off Alaska have stopped and the fleet is operating the Washington-Oregon-California area to participate in directed and joint venture fisheries.

The Poles have recently requested a 5,000 mt increase in their joint venture request for Pacific whiting off Washington-Oregon-California. This would bring their total whiting request to 35,000 mt which is a large increase from joint venture commitments of 7,000 mt in 1984 and 20,000 mt in 1985. This year, the Poles are working with three joint venture companies and have purchased through August nearly all of their original total request.

Other Development Efforts—Polish fleets purchased fuel and other supplies from U.S. companies both in Alaska and in the Washington-Oregon-California area in 1985 and continue to do so in 1986. The Poles claim that in 1985, they purchased \$5.3 million in fuel and \$1 million in packaging materials from U.S. companies. In the Northwest Atlantic, over the past two years, the Poles have conducted 4 day demonstration cruises for fishery management council members and interested fishermen. These demonstrations included all aspects of the searching, harvesting, and processing of Atlantic mackerel.

Conservation of U.S. Fishery Resources

Operations and Enforcement—There were no major enforcement problems with Poland.

Research—Poland did not participate in any research activities in Alaska during 1985. However, the Poles continue to provide valuable research and assistance in the Northwest

Atlantic. In 1985, in exchange for directed fishing allocations, the Poles supplied a commercial fishing vessel for use by NMFS scientists in Atlantic mackerel stock assessment. U.S. scientists and Polish technicians cooperated to: (1) Obtain length and age data, (2) define the geographic distribution of overwintering mackerel and measure related environmental parameters, (3) identify the general migration patterns, and (4) collect other relevant data on mackerel and other species. The Poles also supplied a research vessel where several cruises were made over a 45 day period. Information on sharks, swordfish, billfish, tuna, herring, butterfish, cod, and haddock was collected.

In 1986, the Poles are making available to the NMFS Northeast Center the same research resources. In addition, Poland provide 195 days of mackerel research earlier this year. The Poles are also expanding the research vessel activities to a total of 95 days of operation so that information on the distribution and biology of pelagic sharks from Florida to George Bank can be collected. These research activities are highly regarded by the Northeast Center. Much of the scientific information is of a direct benefit to the fishery councils in the management of existing fishery management plans and the preparations of proposed plans.

Harvest of Anadromous Species of U.S. Origin

Industry Activities—In the WOC area, Polish joint ventures have encountered high salmon bycatches. Salmon is a prohibited species, but no upper limit of bycatch has been set.

People's Republic of China (PRC)

Contributions to U.S. Fishing Industry Development

Purchases of U.S. Processed Product—U.S. exports of fish products to the PRC have never been very great, consisting mainly of roe herring which is sent to the PRC where roe is stripped and re-exported to Japan. In the first six months of 1986, U.S. exports of roe herring to the PRC totaled \$1.0 million and \$2.6 million of herring (whole or eviscerated, fresh, and chilled). There were no U.S. exports to the PRC of products made from TALFF species.

Sales of TALFF and Similar Species Products Into U.S. Markets—There is some concern that the PRC is processing U.S. origin pollock, transferring the product to a U.S. vessel just outside the 12-mile limit, then importing the product through Seattle. In the January through June 1986 period, the PRC sold \$734

thousand of pollock blocks, to the United States. PRC exports to the United States in the comparable period of 1985 were \$389 thousand. Imports from the PRC of pollock blocks totaled \$457 thousand last year, out of total imports from that country of just over \$30 million. Sales of all TALFF species products, or competing products, into the United States for the first six months of 1986 were \$968 thousand.

The Chinese, however, claim that the three Chinese companies fishing in the U.S. EEZ have sold into the United States far less than the figures reported above, which are official U.S. Customs figures. They claim that they expect to sell into the United States a total of approximately 200 mt of TALFF related products by the end of the year.

Trade Facilitation Activities—The Chinese report that Chinese companies have travelled to the U.S. west coast to investigate direct purchase of U.S. fishery products. The Chinese report they have initiated formal talks with the Alaska State Department of Commerce and Economic Development to establish a permanent organization for the exchange of information and to identify opportunities for mutual trade and fishery development.

Investments in the U.S. Industry—The Chinese Government has reported that they are currently actively searching for equity joint venture partners to establish a U.S. based joint venture company.

At-Sea Purchases From U.S. Fisherman-Joint Ventures—The PRC is new to U.S. fisheries, with the Governing International Fishery Agreement going into effect in November 1985. The PRC has made efforts to develop three joint venture arrangements with American companies. The one U.S. partner contacted in May 1986, had no complaints and said the Chinese "appear to be learning fast." As of June 28, the PRC purchased 6,197 mt through joint ventures.

Other Development Efforts—Chinese information states that PRC fishing companies are currently engaged in discussions with the representatives of the Unalaska Municipal government concerning plans to develop an aquaculture project in the Dutch Harbor-Unalaska area. The Chinese also report that virtually all resupply of their fleet has been accomplished through U.S. suppliers. In purchasing fish, bunkers, packaging materials, stores, and services, they estimate that \$1.2 million was spent during the first six months of the year. This is unconfirmed by U.S. parties.

Conservation of U.S. Fishery Resources

Operations and Enforcement—The PRC commenced fishing operations for the first time in early 1986 with joint ventures. Directed fishing began May 24, 1986. As of June 4, 1986, PRC vessels had already accumulated 9 violations, a significant number given the small number of vessels in the fishery and the short time period involved. NMFS enforcement officials point out that the number of violations, while high, is not unusual for a country new to the fishery and they expect the violations to decrease in the future. However, the PRC exceeded its prohibited species catch limit for halibut and was closed from directed fishing in mid-June.

Research—The PRC is interested in engaging in two different studies: (1) A comparative study of the fishery ecosystems in the Bering Sea and the Yellow Sea and (2) a fishery resource investigation of the Bering Sea. The NMFS Northwest Center has a scientific interest in both studies, and would welcome the opportunity to evaluate the state of Chinese fishery science and the performance of the PRC research vessel. Research contributions have been valued at \$10 thousand for 1986. There were no research contributions in 1985.

The PRC intends to send two scientists to participate on some of the NMFS groundfish cruises. China wanted to send a research vessel to the Bering Sea this year, but the Northwest Fisheries Center discouraged this. There is one aspect of China's cooperation not credited to research. Recently, China voluntarily provided us the catch statistics for its pollock fishery in the "international doughnut area" of the Bering Sea, while other countries that fish in this zone have not. This voluntary action is very positive, because the pollock fishery in this zone may have significant implications for the exploitation of the stocks in the U.S. 200-mile zone of the Bering Sea/Aleutians region. The Northwest Center is encouraging other countries to supply similar data.

Harvest of Anadromous Species of U.S. Origin

No information to report.

Taiwan*Contributions to U.S. Fishing Industry Development*

Purchases of U.S. Processed Product—Exports of edible and nonedible fish products to Taiwan were \$4.4 million in the first six months of 1986, a 13 percent increase over the \$3.9 sold to Taiwan in the comparable period of 1985. Of the total, \$3.7 million was edible

commodities. As in the past, the most important single item in this trade is mullet roe, a luxury product which is processed in Taiwan into *Kazunoko*, a dried and cured roe commodity. In the first six months of 1986, 23 percent of all U.S. exports of fish products to Taiwan consisted of mullet roe. In 1985, mullet roe exports were valued at \$3.6 million out of total edible exports of \$5.8 million. The United States does not export TALFF species products to Taiwan.

Sales of TALFF and Similar Species Products Into U.S. Markets—Taiwan does, however, sell modest amounts of products made from TALFF species to the United States. In the January through June 1986 period, for example, Taiwan exported \$2.1 million of various squid products, and \$21 thousand of other frozen flatfish fillets to the United States. In addition, U.S. trade statistics show imports of \$72 thousand of seafood analogs, surimi structured products, cakes and puddings from Taiwan in the January through June 1986 period.

Trade Facilitation Activities—Taiwan's tariffs on fish imports are extremely high, many of them as high as 65 percent ad valorem. The most important item from the U.S. industry's perspective is mullet roe, which is subject to a 35 percent rate. U.S. efforts late last year to reduce that rate in bilateral trade discussions with Taiwan produced no results.

At-Sea Purchases From U.S. Fishermen-Joint Ventures—In 1985, Taiwan purchased 4,058 mt, worth an estimated \$520,000, through joint venture operations, falling short of their 8,900 mt target. This compares to purchases of 7,300 mt in 1984. Taiwan has not participated in any joint venture activities in 1986.

Conservation of U.S. Fishery Resources

Operations and Enforcement—Taiwan vessels have not operated within U.S. waters and, as such, no Taiwanese vessels have been noted violating U.S. fisheries enforcement regulations in the 200-mile zone through July.

Research—Taiwan has responded positively and beyond the data requirements of the Magnuson Act by providing catch and catch-per-unit effort data in the high seas squid fleet that operated in 1982 and 1983 in the North Pacific. The Northwest and Alaska Fisheries Center has worked in cooperation with the authorities in Taiwan to place a U.S. scientist aboard a Taiwan research vessel operating in the high seas squid driftnet fishing area in the Northwest Pacific to survey squid

and study squid-salmon-ocean temperature interactions.

Harvest Anadromous Species of U.S. Origin

Industry Activities—Available incidence indicates that salmon coming into Port of Tacoma was originally exported from Taiwan in violation of Taiwan's domestic regulations. This investigation is continuing.

In May, 1985, a U.S. Coast Guard aerial patrol observed four gillnet vessels that appeared to be processing salmon. On July 12, 1986, a single gillnet vessel refused to acknowledge a request for boarding from a U.S. Coast Guard patrol vessel. The evidence collected by the Coast Guard aerial patrol was sent to the Taiwan authorities. Subsequently, following the delay of fishery allocations to Taiwan, representatives from Taiwan met with DOS, NMFS, and Congressional Staff officials and agreed to establish regulations prohibiting the harvest of salmon by the squid gillnet fleet operating in the North Pacific. These regulations are in place for the 1986 season.

German Democratic Republic (GDR)*Contributions to U.S. Fishing Industry Development*

Purchases of U.S. Processed Product—The German Democratic Republic (GDR) improved their trade performance substantially in 1985 by increasing their purchases from 8 mt worth \$41,000 in 1984 to 394 mt worth \$190,000 in 1985. These purchases consisted entirely of edible fishery products, including modest purchases of frozen salmon and other frozen fish. The GDR joint venture partner has reported that during the 1985-86 fishing year, that the East Germans purchased 603 mt of processed mackerel during the 1985-86 fishing year and approximately 280 mt from January 1 to mid-August 1986.

Trade Facilitation Activities—The GDR is a Socialist Block country, whose main and highly significant trade barrier is a system of State trading. There is no evidence that this State trading system has changed or will change in the foreseeable future.

At-Sea Purchases From U.S. Fishermen-Joint Ventures—The U.S./GDR joint venture for mackerel was excellent this year. East German vessels have purchased 5,760 mt of mackerel over the side in the 1985-86 fishing year. These joint venture purchases are significantly greater than in previous years and have exceeded the joint venture purchase-processed product-allocation ratios recommended by the

Conservation of U.S. Fishery Resources

~~Operations and Enforcement—In the 1985–86 fishing year, Spanish vessels were served 11 notices of violation. The Spanish during this year also severely exceeded their butterfly bycatch allocations and required supplemental butterfly allocations in order to complete their fishery for squid.~~

Harvest of Anadromous Species of U.S. Origin

~~No information to report.~~

Soviet Union*Contributions to U.S. Fishing Industry Development*

Purchases of U.S. Processed Product—There were no exports of U.S. fish products to the Soviet Union in the first six months of 1985 and 1986.

Trade Facilitation Activities—The U.S. joint venture continues to be extremely good. Soviet joint venture activities doubled off Alaska in 1985 as Soviet effort shifted to the north from Washington-Oregon-California area. Soviet joint venture catch was 187,400 mt worth an estimated \$28 million, some 95 percent of the Soviet request. Thus far in 1986, good performance has been reported, and operations have been running smoothly, with purchases reaching 148,105 mt in July. The Pacific whiting joint ventures off Washington-

Oregon-California area are running smoothly so far in 1986. The initial Soviet joint venture request of 40,000 mt is approximately 4 times their 1985 purchases.

In the Northwest Atlantic the Soviet Union requested a joint venture for silver and red hake. While Soviet processing vessels were available, U.S. vessels couldn't find any concentrations of fish. After a couple of weeks the Russians left for Canadian waters without providing any of the required reports required by the foreign fishing regulations. The performance of this joint venture was poor.

Joint venture purchase in 1985 declined severely for 2 reasons, first, the initial request for whiting in 1985 was lower due in part to product quality concerns. Second, when directed fish allocated was reduced by one-half due to whaling certification, the Soviets responded by reducing joint ventures one-half.

Conservation of U.S. Fishery Resources

Operations and Enforcement—No significant enforcement problems were reported in 1985 and with the Soviet joint ventures off Alaska this year. (The Soviet Union does not have any foreign fishing allocations this year due to the Secretary of Commerce's certification of the Soviet Union for whaling). The

Soviet Union, however, had operational problems early in 1985 in its yellowfin sole fishery. A large number of Soviet vessels targeting yellowfin sole caught an excessive amount of king crab in their trawls.

Research—In the past, the USSR spread its research effort evenly in 3 zones, the Pacific Coast, GOA, and Bering Sea. The USSR will not survey the Pacific Coast this year. This has been an important survey because of the ichthyoplankton work that was conducted. In addition, the USSR did not send a dedicated vessel to survey the GOA in 1986. Instead, the vessel was directed from the Bering Sea to the GOA for a 35 day survey. In total, Soviet vessels will spend in excess of 100 days accessing fish stocks in the EEZ during 1986.

Harvest of Anadromous Species of U.S. Origin

There have been periodic high salmon bycatches in joint ventures for whiting. However, Soviet processing vessels have moved to other areas to avoid salmon bycatch whenever the problem has arisen.

Dated: September 5, 1986.

William G. Gordon,
Assistant Administrator for Fisheries.
[FR Doc. 86-20394 Filed 9-5-86; 4:39 pm]
BILLING CODE 3510-22-M

On page 27228, second column, fourth paragraph, ninth line, "May" should have read "MY".

BILLING CODE 1505-01-41

INTERSTATE COMMERCE COMMISSION

49 CFR Part 1312

[Ex Parte No. 346 (Sub-No. 22) ¹]

Short Notice Effectiveness for Independently Filed Rail Carrier Rates

AGENCY: Interstate Commerce Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: Pursuant to 49 U.S.C. 10762(d)(1) and a petition filed by members of the Western Railroad Traffic Association, the Commission is considering reducing the notice period required for independently filed rate reductions and new rates. These filings would be permitted to become effective on 1-day's notice. The Commission finds that there has been no showing of cause to justify reduction of the statutory notice period for rail rate increases.

DATE: Comments are due by September 25, 1986.

ADDRESS: Send an original and 10 copies of comments referring to Ex Parte No. 346 (Sub-No. 22) to: Office of the Secretary, Case Control Branch, Interstate Commerce Commission, Washington, DC 20423.

FOR FURTHER INFORMATION CONTACT: Lee A. Alexander, (202) 275-6442 or Larry Badian, (202) 275-6440.

SUPPLEMENTARY INFORMATION: Additional information is contained in the Commission's decision. To purchase a copy of the full decision, write to Office of the Secretary, Room 2215, Interstate Commerce Commission Building, Washington, DC 20423, or call (202) 275-7428.

This action will not significantly affect either the quality of the human environment or energy conservation.

The Commission certifies that the proposed rule, if adopted, will not have a significant economic impact on a substantial number of small entities, because it would reduce the regulatory delay for new rate filings and rate reductions and allow rail carriers to compete more effectively with other modes.

¹ Originally docketed as No. 39072, *Western Railroads—Petition to Establish Rulemaking Proceeding—Short Notice Effectiveness For Independently Filed Rail Carrier Rates.*

List of Subjects in 49 CFR Part 1312

Railroads, Freight tariffs.

Decided: August 4, 1986.

By the Commission, Chairman Gradison, Vice Chairman Simmons, Commissioners Sterrett, Andree, and Lamboley. Chairman Gradison and Commissioner Andree concurred with separate expressions. Noreta R. McGee, Secretary.

Appendix

Chapter X of Title 49 of the Code of Federal Regulations is proposed to be amended as follows:

PART 1312—REGULATIONS FOR THE PUBLICATION, POSTING AND FILING OF TARIFFS, SCHEDULES AND RELATED DOCUMENTS

1. The authority citation for 49 CFR Part 1312 would be revised to read as follows:

Authority: 49 U.S.C. 10708(d)(1) and (2) and 10762, 5 U.S.C. 553.

2. A new paragraph (E) is proposed to be added to § 1312.4(e)(1)(A) to read as follows:

§ 1312.4 Filing tariffs.

(e) * * *
(1) * * *
(i) * * *

(E) For independently set rates of rail carriers the general rule is 1-day's notice for reductions and new rates. See § 1312.39(h) for details.

§ 1312.39 [Amended]

3. The heading of § 1312.39(h) would be revised to read as follows:

(h) *Freight rate tariffs and classifications of railroads, motor common carriers of property and freight forwarders—notice for independent rate changes.*

4. A new sentence would be added to § 1312.39(h)(2) to read as follows:

"This provision does not apply to rail freight rate tariff increases. Such filings shall be made on statutory notice, i.e., 20 days. See § 1312.4(e)(1)(A)."

[FR Doc. 86-18016 Filed 8-8-86; 8:45 am]

BILLING CODE 7035-01-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 611

[Docket No. 60739-6139]

Fishery Conservation and Management; Foreign Fishing Permits

AGENCY: National Marine Fisheries Service, NOAA, Commerce.

ACTION: Advance Notice of Proposed Rulemaking.

SUMMARY: The National Marine Fisheries Service (NMFS) is seeking information on whether changes in foreign fishing permit conditions and restrictions are necessary and appropriate to protect the interests of the U.S. fishing industry. Written comments are invited and provide an opportunity for the public to participate in developing this information. NMFS will review information received to determine if changes should be made in foreign fishing permits, and determine the changes which would be consistent with existing provisions of the Magnuson Fishery Conservation and Management Act.

DATE: Written comments must be received by NMFS on or before September 25, 1986.

ADDRESSES: Send written comments to Fees, Permits, and Regulations Division, F/M12, National Marine Fisheries Service, Suite 900, Washington, DC 20235.

FOR FURTHER INFORMATION CONTACT: Alfred J. Bilik, NMFS, 202-673-5315.

SUPPLEMENTARY INFORMATION:

Background

Section 204(b)(7) of the Magnuson Fishery Conservation and Management Act (Magnuson Act) requires that the Secretary establish conditions and restrictions in each foreign fishing permit.

Section 204(b)(7) reads as follows:

(7) ESTABLISHMENT OF CONDITIONS AND RESTRICTIONS.—The Secretary shall establish conditions and restrictions which shall be included in each permit issued pursuant to any application approved under paragraph (6) and which must be complied with by the owner or operator of the fishing vessel for which the permit is issued. Such conditions and restrictions shall include the following:

(A) All of the requirements of any applicable fishery management plan, or preliminary fishery management plan, and the regulations promulgated to implement any such plan.

(B) The requirement that no permit may be used by any vessel other than the fishing vessel for which it is issued.

(C) The requirements described in section 201(c) (1), (2), and (3).

(D) If the permit is issued other than pursuant to an application approved under paragraph (6)(B), the restriction that the foreign fishing vessel may not receive at sea United States harvested fish from vessels of the United States.

(E) If the permit is issued pursuant to an application approved under paragraph (6)(B), the maximum amount or tonnage of United

States harvested fish which may be received at sea from vessels of the United States.

(F) Any other condition and restriction related to fishery conservation and management which the Secretary prescribes as necessary and appropriate.

Section 204(b)(6) covers approval of foreign applications and paragraph (6)(B) specifically pertains to applications to receive fish at sea from U.S. vessels. The reference to paragraphs (1), (2), and (3) of section 201(C) incorporates the requirements of the Governing International Fisheries Agreement as conditions of a permit. Conditions and restrictions described in paragraphs (A)-(D) of section 204(b)(7) are transmitted to each fishing nation prior to issuing a permit for vessels of that nation in a calendar year, and each nation must provide written agreement that its vessels will abide by these conditions and restrictions while fishing during that calendar year.

The remaining paragraphs have been the matters which stimulate wide ranging discussions and interpretations. In prescribing necessary and appropriate conditions and restrictions under paragraphs (E) and (F), the Secretary considers recommendations on each application provided by the appropriate Regional Fishery Management Councils (Councils), public comments, and also views of the Department of State and the Coast Guard.

The opinions expressed to date on the range of conditions and restrictions which should be applied under paragraphs (E) and (F) mainly favor their use to control the operations of foreign vessels receiving U.S. harvested fish (joint venture vessels). However, if NOAA were to apply the favored conditions and restrictions, a result would be indirect restriction on the operations of U.S. fishing vessels through provisions of the Magnuson Act which specifically address only foreign fishing. Certain restrictions have been applied to foreign vessels to protect the national security, and such restrictions

are currently authorized by the foreign fishing regulations. No similar provision exists in the regulations for achieving broad economic objectives. Thus, NOAA believes this issue must be thoroughly discussed with the U.S. fishing industry.

The following represent the types of foreign fishing conditions and restrictions recommended to NOAA.

- Restrict foreign joint venture vessels from operating near domestic shoreside fish processing plants by applying area and time closures, or not approving joint ventures in certain fisheries which are otherwise available for joint ventures under section 204(b)(6).

- Terminate a country's or a foreign company's joint venture fishery if that nation or foreign company does not actively try to receive fish or fails to receive fish from U.S. fishermen in the amounts or at the rates proposed in its application.

- Terminate a joint venture fishery or directed fishery if a foreign operator or nation does not initiate, consummate or maintain purchases of shoreside fish products at specified levels, or in the amounts discussed at the time the foreign fishing application was considered by the concerned Regional Council.

- Require that any product from a joint venture fishery or directed fishery not reenter the United States if it is also available from domestic processors.

- Require a foreign fishing company to post a bond to guarantee payment of a court judgment to satisfy a contractual business agreement with a U.S. party.

- Allocate portions of the U.S. harvest to foreign joint venture vessels in direct relation to the amounts of fish purchased ashore.

- Impose equalization fees on foreign vessels processing in the EEZ fish received from domestic harvesting vessels.

Congress has considered whether the Magnuson Act, including the subject provisions of section 204, should be

amended. Many members of the U.S. fishing industry expressed their views to Congress that section 204(b)(7)(F) should be expanded or clarified specifically to allow the Secretary to impose conditions and restrictions on foreign fishing permits based on general economic considerations which would benefit the U.S. industry. Although it has not amended section 204, it is possible that the Congress may address this issue in the future.

In order to assess current views on appropriate and necessary conditions and restrictions which might be applied under the Magnuson Act, NOAA offers this opportunity for the public to provide views and information on such conditions and restrictions and the objectives to be achieved by their application. NOAA also invites comments on the procedures for applying such conditions and restrictions—that is, through fishery management plans, an Agency policy statement, general foreign fishing regulations, or some other means. Comments are also requested on whether the current system of conditioning permits provides for adequate management of foreign fishing. NOAA will share these comments with Regional Councils which make recommendations on foreign fishing applications. It will then review the information derived through this notice, and where appropriate, consider whether future decisions on foreign fishing permits should include such conditions and restrictions. NOAA may propose regulations or issue a policy statement to clarify the position of the Agency on such conditions and restrictions if warranted.

Dated: August 6, 1986.

William G. Gordon,

*Assistant Administrator for Fisheries,
National Marine Fisheries Service.*

[FR Doc. 86-18001 Filed 8-8-86; 8:45 am]

BILLING CODE 3510-22-M

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

Request for Public Comment

I. CONDITIONS AND RESTRICTIONS ON PERMITS FOR FOREIGN VESSELS OPERATING IN JOINT VENTURES

In the past the Council has recommended that NMFS place conditions and restrictions in permits for foreign vessels operating in joint ventures that would (1) enhance fishery conservation and management, and (2) strengthen the U.S. industry's position in developing U.S.-underutilized groundfish resources and in other fisheries.

Examples of conservation and management related conditions recommended by the Council for 1985 are:

Taiwan: Approve if Government of Taiwan shows that concrete steps are being taken to stop the illegal catch of salmon on the high seas.

Japan: Approve only if MFCMA violations cases are settled.

All JVs: Placed limits in permits on the bycatch of U.S.-fully utilized species such as sablefish, rockfish, and Pacific ocean perch.

Examples of industry-oriented conditions are:

Iceland: Requested strong assurances that joint venture product will not return to U.S. markets.

Portugal: Contingent on proof of approved import quotas for at least 4,000 mt wet salted cod and a business commitment to purchase that amount from U.S. processors.

Korea: Approved an operation provided a letter of credit was established to ensure timely payments to fishermen.

The Magnuson Fishery Conservation and Management Act allows for the following types of permit conditions and restrictions [paraphrased from §204(b)(7)]:

- A. Requirements of applicable fishery management plans and regulations.
- B. Vessel permits cannot be transferred.
- C. GIFA-related requirements.
- D. Foreign vessels cannot receive U.S. fish unless so permitted.

- E. Maximum amounts of U.S. harvested fish which may be received at sea from vessels of the United States.
- F. Any other condition and restriction related to fishery conservation and management which the Secretary of Commerce deems necessary and appropriate.

There is no provision in the Act for imposing conditions strictly to protect or enhance U.S. industry, and NMFS has questioned the legality of some of the Council's recommendations. To clarify what can or cannot be done with permit conditions, NMFS has published an Advanced Notice of Proposed Rulemaking to allow the Council to receive public comment on how foreign permits might be conditioned or restricted to enhance conservation and management and help the U.S. fishing industry. Following the comment period, the legality of the suggested conditions and restrictions will be analyzed by NMFS/NOAA. The Council will then have a better idea of the latitude available in recommending permit provisions during the major review next December for the 1986 fishing year.

Public comment is requested on the following general types of permit conditions. Examples are given for each type, many others are possible.

A. Conservation and Management-related

- 1. Area and/or time restrictions on foreign processing.
 - close areas near shorebased processors
 - temporarily close areas of high salmon concentrations
- 2. Settlement of major MFCMA violations.
 - delay permit issuance until case is settled
- 3. Settlement of international fisheries treaty violations outside FCZ.
 - delay issuance until high seas salmon interceptions are reduced.
- 4. Incidental catch provisions.
 - limit bycatch of U.S.-fully utilized species by company or vessel
- 5. Target catch provisions.
 - limit directed catch by company or vessel

B. Industry-related

- 1. Rates of fish production.
 - relate inseason renewal of permits to satisfactory joint venture performance
- 2. Performance in purchasing U.S. processed products.
 - relate permits to commitments to buy U.S.-processed products
- 3. Financial matters.
 - require guarantees of financial responsibility to ensure payments for fish and services

4. Settlement of fishermen disputes.
 - delay permits until non-litigated disputes are settled satisfactorily
5. Bilateral/Multilateral trade matters.
 - relate permits to establishing import quotas for U.S. harvested or processed product

The Council desires industry comments on the following:

1. Should the above types of conditions and restrictions be used in permits to enhance or protect the U.S. industry's position in the development of U.S. underutilized species?
2. If conditions and restrictions are desirable, how can they be used most effectively? Are there additional conditions that should be added to the above list?
3. Should permits be effective for some period less than a year to ensure satisfactory performance? Should permits be revocable or non-renewable during the fishing year?

The Council also would make it clear that a sanction of joint venture permit privileges is likewise a sanction of directed fishing privileges for vessels of a particular foreign company. Foreign permittees cannot substitute directed fishing for joint venture operations if their joint venture permit is revoked by the Council.

II. JOINT VENTURE ALLOCATIONS TO COMPANIES

The Council's Interim Policy on Joint Ventures and Allocations allows for the Council to prescribe the tonnages of target or incidental species that foreign joint venture vessels in an individual operation can receive from U.S. vessels. This appears to be consistent if not identical with §204(b)(7)(E) of the Magnuson Act, which states that one of the allowable permit conditions is:

"(E) If the permit is issued pursuant to an application approved under paragraph (6)(B) (joint venture type operations), the maximum amount or tonnage of United States harvested fish which may be received at sea from vessels of the United States."

Just before the Council's major permit review last December, NOAA General Counsel in Washington, D.C. concluded that JVP could be allocated among individual joint venture operations only for species for which demand exceeded supply. Therefore, the Council could have allocated Atka mackerel by company in the Bering Sea and Aleutians because the demand was about 46,000 mt and supply was 37,700 mt. The demand could have been reduced proportionately for all companies by about 17% to fit supply, but the Council chose to continue its past practice of allowing all joint ventures to fish from a common pool and let the shortages fall where they might.

The Council did recommend, however, that bycatch limits for U.S.-fully utilized species such as Pacific ocean perch, rockfish, and sablefish in some areas be placed in individual permits. NMFS never fully implemented this recommendation because of the complicated monitoring required for each operation.

The Council is now reexamining the whole issue of foreign company-by-company allocations vs. nation-by-nation allocations or fishing from a common pool, and requests industry comments on these different approaches and any others that may be desirable.

Arguments for Allocations by Company

- Additional benefits can be obtained by awarding more fish to those ventures most willing to enhance U.S. industry.
- Allows for better planning of operations with reasonable assurances of reaching harvest goals.
- Lengthens season, encourages a more orderly fishery, and decreases congestion on the grounds.
- Individual permit bycatch restrictions would eliminate the problem of one joint venture closing down all others when the joint venture quota of U.S.-fully utilized species is taken in a management area.

Arguments Against Allocations by Company

- Foreign partner gains too much control over joint venture arrangements.
- Smacks of resource shares.
- Potential for perceived or actual discrimination among U.S. fishermen.
- May reduce accountability of foreign nation for action of its companies.

Arguments For Nation by Nation

- Consistency with TALFF allocations which are nation-by-nation.
- Easier to hold foreign nation more accountable for actions and performance of all its companies.
- Potentially less discriminatory between U.S. fishermen.
- Potential for easier management and monitoring.

Arguments for the Pool System

- Open access does not inherently discriminate among the fishermen.
- Joint ventures are domestic operations and if allocations are made, they somehow should be made to the U.S. side, not to the foreign side.

Arguments Against the Pool System

- May result in short seasons, intensive competition for resources.
- Allows largest or most dominant participants the greatest share of the resource.

SUMMARY OF COMMENTS

I. Conditions and Restrictions on Permits

Ad Hoc Industry Workgroup on Joint Venture Policy: Use FMP process thus guaranteeing public review and judicial recourse. Must be able to remove conditions quickly when no longer needed. Opposed to using restrictions strictly to protect or enhance U.S. industry, to expanding government interference in the market place, and to placing stricter requirements on one operation than another. Should not use conservation and management to justify closures to foreign processing around shorebased processors. Permits should be issued and reviewed annually.

Alaska Contact: Act does not provide for conditioning permits solely to protect or enhance industry. Use FMP process to guarantee public participation. Do not intervene in private business affairs.

Alaskan Joint Venture Fisheries: Questions legality of Council restricting, joint venture fishing through the foreign vessel permit process. Many of the suggested restrictions, both for conservation/management and to help industry, clash with development objectives of MFCMA and development should not necessarily take second seat. Against setting precise processing limits on companies because circumstances change and limits may be too rigid for business planning. Issue annual permits and do not link joint venture processing with commitments to purchase U.S. processed product. Use court system, not permits, to settle disputes. Does support not allowing a foreign company to commit to joint venture amounts and then direct fish it through a national allocation.

Profish International: Endorses Ad Hoc Industry Workgroup comments.

NPFVOA: Clear up all legal issues concerning Council's ability to condition permits and set parameters within which the Council must operate in their annual permit review.

Aleutian Marine Development Corporation: Supports conservation/management restrictions but not to protect industry.

Alaska Factory Trawlers Assn.: Supports permit conditions for conservation/management and to strengthen U.S. position in developing underutilized groundfish and other fisheries. Supports restrictions that protect U.S. processor's access to highest quality fish and best markets. Recommends that bycatch limits be specified as percentage of catch on board the vessels. Supports all industry-related conditions and particularly those related to purchase of processed product and trade barriers. Supports most effective means of withdrawing fishing privileges for noncompliance by permittee.

PSPA: Recommends full use of restrictive conditions to enhance U.S. processor's position. Place high importance on restrictions relating to trade barriers and commitments to purchase U.S. processed product. Reevaluate permits as often as necessary to assure compliance.

International Ocean Opportunities Unlimited: Restricting permits for industry-related reasons is permissible if it enhances U.S. development.

Japan Deep Sea Trawlers/Hokuten Trawlers: Inappropriate to impose restrictions not authorized in FMP. Need full public input and hearing for permit holder. Argues against many of the conservation/management-related conditions as well as those related to industry. Permits should be effective for full year.

Korean Industry: Establish time/area restrictions through FMP process only. Could accept incidental and target catch provisions in permits but all other suggested restrictions are best resolved through other available avenues. Supports annual review of permits. A sanction on joint venture permits does not automatically lead to a sanction on directed permits.

II. Joint Venture Allocations to Companies

Ad Hoc Industry Workgroup: Opposed to company allocations but is debating nation versus pool versus developing a more domestically-oriented arrangement.

Alaska Contact: Allocations to foreign nations or companies and vessels are unworkable and inappropriate.

Alaskan Joint Venture Fisheries: Company allocations most objectionable of all of the Council's proposals. Use pool system with season when demand exceeds supply.

Profish International: Against foreign company joint venture or foreign nation allocations of JVP. Use pool system or go with more domestically-oriented allocation scheme if allocation is deemed necessary.

Aleutian Marine Development Corporation: Favors pool system.

Alaska Factory Trawlers: Favors pool system.

PSPA: Allocate so as to create least amount of management burden.

International Ocean Opportunities Unlimited: Consider allocations to U.S.-foreign partnership rather than foreign company.

Japanese Fishing Industry: When demand exceeds supply, allocate nation by nation.

ALYESKA OCEAN, INC.

AGENDA C-4(e)
SEPTEMBER 1986

816 FOURTH STREET - P.O. BOX 190 - ANACORTES, WASHINGTON 98221 206 293-4677 TELEX 152397-AOI-AACT TELEFAX 206 293-4241

17 September 1986

Mr. Jim H. Branson
Executive Director
North Pacific Fishery Management Council
P. O. Box 103136
Anchorage, Alaska 99510

Dear Jim,

As you now know Alyeska Ocean, Inc. has been working together with JAC Creative Foods, Inc. and Hoko Fishing Co., Ltd. in the formation of an Alaska Pollock operation for October in the Bering Sea or Gulf of Alaska. As mentioned in related correspondence, the pollock would be caught by AOI vessels, processed into surimi by Hoko's factory ship, transported into the U.S. by a U.S. flag carrier, held temporarily in cold storage while being transported by truck to Los Angeles and finally processed and marketed by JAC.

The purpose of this letter is to join with JAC in requesting the Council's consideration and approval of this project. While I understand the project is compatible with U.S. law, it is not our desire to go forward without regard to later potential misunderstanding or criticism.

This project will of course provide additional employment for our fishing vessels but I further support it within the goal of Americanization of the Alaska groundfish industry. This is said in consideration of the facts that the amount of surimi produced will only temporarily supply a portion of JAC's total production requirement and that JAC continues to search for supplies of domestically produced surimi.

If there are questions for my part, I will be at the Council meetings next week.

Sincerely yours,


Jeff Hendricks
President



JAC CREATIVE FOODS, INC. 3050 E. 11th STREET, LOS ANGELES, CALIFORNIA 90023
(213) 263-3344 • (800) 354-3746 Outside California • FAX (213) 236-4012

September 16, 1986

Mr. Jim H. Branson
Executive Director
North Pacific Fishery Management
Council
P.O. Box 103136
Anchorage, AK 99510

Dear Mr. Branson:

This letter is in regard to a proposal concerning a short term Alaska Pollack surimi operation which JAC Creative Foods, Inc. ("JAC") wishes to enter into, with among others, Alyeska Ocean, Inc. ("AOI"), Hoko Fishing Company, Ltd. ("Hoko"), and a U.S.-citizen transportation contractor. JAC joins AOI and Hoko in wishing to obtain the Council's understanding, consideration and approval of the proposed project which will be described below. JAC wishes to work with the Council and its members on this and future projects in mutual efforts to benefit the U.S. North Pacific Fishing community. JAC believes that the proposed transaction would not cause any adverse short term or long term effect in the future relations of any of the parties concerned vis-a-vis the Council and its members, and will, we believe, add a positive element of understanding and cooperation between those who catch, initially process, secondarily process and consume the fish and fish products of North Pacific waters.

The proposed transaction involves the following entities (and their respective roles):

1. AOI -- an American fishing company -- will catch all the fish (approximately 10,000 metric tons of Pollock), and deliver the fish over-the-side to a Hoko factory ship in the U.S. zone.
2. JAC -- will be the principle participant in this transaction and will purchase the fish from AOI upon delivery over-the-side onto the Hoko factory ship.
3. Hoko -- will process the material fish into surimi blocks on behalf of JAC and be paid for its processing services by JAC. The processing of the fish into surimi blocks will take place aboard the factory ship.

4. U.S.-citizen sub-contractors -- will have the frozen blocks transported to a U.S. port of entry and directly to JAC's analog factory in Los Angeles for further processing.

5. Additional facts:

(a) JAC is a U.S.-owned and registered corporation, owned by more than two-thirds a majority of U.S. citizen individuals.

(b) The operation will take place in U.S. FCZ in the Bering Sea and/or the Gulf of Alaska.

(c) The operation will take one and one half months, commencing this October.

(d) United States citizen entities (AOI or JAC) will at all times own the fish/surimi ... Hoko simply provides a service.

JAC is a major, if not the major, U.S. producer of analog seafood products, and therefore requires a constant supply of high quality surimi as a "raw material" in the production of its products. Our newly expanded Los Angeles factory operates 24 hours per day, seven days a week to keep up with the demand of institutional and public consumers who are becoming more and more aware of surimi-based products. JAC feels it is in the forefront of creating a vast consumer demand which has benefitted (and which will benefit) the U.S. fishing industry.

JAC currently imports its surimi from Japanese suppliers as cargo in commercial shipping reefer containers. The cost and supply of top grade surimi has been subjected to various undesirable fluctuations in the recent past. The yen/dollar relationship, as well as the roller-coaster-like market worries regarding the U.S./Japan fishing relationship has driven up the price of surimi and has required JAC to consider a number of ideas regarding alternative sources of supply. In this regard we look forward to the full-scale operation of U.S. trawler and shoreside surimi production facilities which are now just emerging and which will eventually supply top quality surimi at market prices to analog producers such as ourselves.

As I have told many U.S. industry and U.S. government representatives, we and other U.S. analog producers, whom we have encouraged, will gladly purchase as much U.S. manufactured surimi, which meets our technical and commercial specifications. Moreover, we stand ready to assist and advise potential U.S. surimi producers so that they may enter the market in the most advantageous manner.

Mr. Jim H. Branson
Page 3

The plain fact remains, however, at the present time we need surimi at an affordable price. If JAC cannot participate in the transaction discussed in this letter, we will have to import the same amount of surimi from Japan or elsewhere at higher cost to us (which will have to be passed on to our consumers). Accordingly, this one-time short term project will not diminish or disadvantage the activity of the U.S. industry. In fact, JAC feels that it will continue to fuel the growing demand in the United States marketplace for surimi products which will, in turn, produce even greater opportunities for the nascent U.S. surimi industry, including catch vessels, factory trawlers, and shoreside processors. In this regard, we remind the U.S. trawler/producers that the actual U.S. domestic market for surimi among producers such as JAC is, like the hoped-for Japanese surimi market, a significant element in their potential success.

We are aware of the concern U.S. factory trawler operators and processors have had with the direct import of ground fish (fillets) from foreign-flag factory trawlers, wherein that product competes directly with American processors on supermarket shelves. Our proposed project is significantly different. The "imported" product will not compete with a U.S.-produced product. Currently, there is no significant U.S. produced surimi which this product will replace. In fact, the surimi produced by Hoko on our behalf will be the raw materials which will be further processed in an American factory. It will not harm U.S. interests or take U.S. jobs. Just the opposite will occur. Failure to gain the Council's blessing will simply force us to buy our surimi elsewhere at higher costs, with no additional benefit to anyone except to those who reap windfall profits from the less than most economic arrangements we must endure.

Our counsel has discussed this transaction with Mr. Jay Johnson of NOAA, and indicated our belief that unlike the direct imports of fillets, this project will not retard the development of the U.S. processing industry, nor will the product compete in the U.S. market with U.S. products. In that regard, JAC is not unhappy that this issue is being raised and considered before the Permit Review Committee, and the council itself. JAC believes that when all the facts are heard and all the questions (if any) are answered, the transaction discussed herein will fit clearly within the guidelines desired by the Council and its members and will not be detrimental to the interests which Council seeks to protect.

This transaction is short term, a one-time project. We at JAC wish to stress that it is our intention to look to all sources of supply and through our efforts hope to encourage


Mr. Jim H. Branson
Page 4

U.S. producers to invest and expand in order to become our major suppliers. We do not wish to be limited to our current suppliers alone. We are studying plans which would include investments in U.S. trawlers or shoreside surimi production facilities in the Northern Pacific.

In conclusion, therefore, JAC requests that the Council approve this transaction so that JAC may be permitted to count on the surimi expected to be produced thereunder, which covers only a fraction of JAC's annual needs, rather than having to import the same amount from more costly sources abroad. The foreign processing vessel will only partially process U.S. - owned fish and the vast majority of jobs, investment and advantages will benefit to American interests. In support of our project, I and other JAC spokesmen will be happy to attend the meetings of Council's Permit Review Committee and the Council meeting itself on September 23 through 26 in Anchorage. If in the meantime you have any questions with which we could be of assistance, please do not hesitate to let me know.

Sincerely,

JAC CREATIVE FOODS, INC.

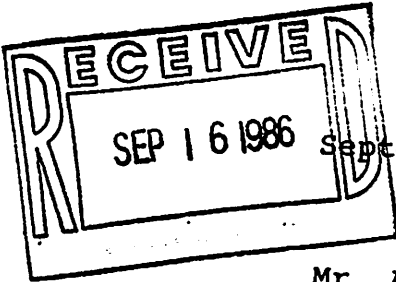


Frank S. Kawana
President

FSK:la



MARINE RESOURCES COMPANY INTERNATIONAL
 A Washington Partnership



September 2, 1986

ACTION	ROUTE TO	INITIAL
	Exec. Dir.	F
	Deputy Dir.	
	Admin. Off.	
cc: Agenda C-4	Exec. Sec.	He
	Staff Asst. 1	
	Staff Asst. 2	
	Staff Asst. 3	
	Economist	
	Sec. / Bkkr.	
	Sec. / Typist	
	F/M 12	

Mr. Alfred J. Bilik
 Fees, Permits, and Regulations Division
 National Marine Fisheries Service
 Suite 900
 Washington, D. C. 20235

Dear Fred:

I would like to submit the following comments concerning the Advance Notice of Proposed Rulemaking: Fishery Conservation and Management; Foreign Fishing Permits.

Marine Resources Company International is one of the largest fishing and fishery product trading companies in the United States. The enclosed Fact Sheet describes the nature and magnitude of our operations.

We are adamantly opposed to using Foreign Fishing Vessel Permit conditions and restrictions to implement fishery management and development policy; doing so circumvents the Council process with its very important public involvement. It is much more appropriate to manage and, when necessary, assist development of fisheries through the regulations that evolve from specific Fishery Management Plans.

We fail to see the need for "achieving broad economic objectives" at the national level when, by definition, FMP contains an economic component and many FMP provisions are economically oriented. In our judgment, economic objectives are best defined and implemented at the regional level and in relation to specific fisheries.

Each of the "recommended" conditions and restrictions have been discussed in depth and ad nauseam before the Pacific and North Pacific Fishery Management Councils, whose collective jurisdictions cover well over 90 percent of the nation's joint venture activities. For "NOAA to believe this issue must be thoroughly discussed with the U.S. fishing industry" indicates either a gross lack of internal communication or a bias in favor of those limited interests who have not been able to have their way at the regional level. In either case, the result requires those of us who could be adversely affected to expend additional

U.S.A.
 192 Nickerson
 Suite 307
 Seattle, WA 98109
 Tel: (206) 285-6424
 Telex: 277115 MRC UR
 FAX: (206) 282-9414

Mail Pouch 704
 Anchorage Harbor, AK 99692
 Tel: (907) 581-1886

U.S.S.R.
 International Hotel
 Suite 450
 Moscow
 Tel. 2203-5466
 Telex: 413 052 SOVAM

Verkhne Morskaya
 dom 134
 Nakhodka 17
 Primorski Krai
 Tel: 25-290

Mr. Alfred J. Bilik
September 2, 1986
Page 2.

effort in yet another forum to again present the other side of this rather tired issue. Further, the Notice was published at a time when the 150 or so j-v trawlers and their crews are at sea and unable to respond (or even be aware of its publication).

Although targeted at the foreign processors which participate in joint venture fisheries, the major impact of most of the proposed C and R's will be on the 1000 or so fishermen employed on the U.S. j-v catcher boats, on the 200 or so Americans employed by the U.S. joint venture companies (MRCI itself has over 70 such employees), on American gear, equipment, provisions, and fuel suppliers, on American secondary processing companies, and on American consumers if the joint ventures are curtailed before equivalent domestic markets are in place.

With the exception of two surimi plants financed by major Japanese fishing companies, there has been virtually no growth in domestic shorebased groundfish facilities over the past several years. Yet, during that same time (when interest rates and fuel costs were high and the U.S. dollar was strong abroad), the harvesting sector was able to find the wherewithal to enlarge and substantially upgrade its catching capacity, construct catcher-processors, and develop export and domestic markets. For NOAA or any other governmental entity to step in at this rather late stage of "Americanization", in an attempt to warp the remaining growth potential toward an industry segment that has been unwilling to compete in the marketplace, would be an insult to our entrepreneurial system and those who have successfully worked within it.

Rather than repeat many of the comments of others, I would like to endorse in their entirety the submissions of Pacific Dragers, Inc. (Mr. Yeck), Yankee Fisheries (Captain Fisher), and Profish International, Inc. (Dr. Pereyra).

Sincerely,



H. A. Larkins
Vice President and General Manager

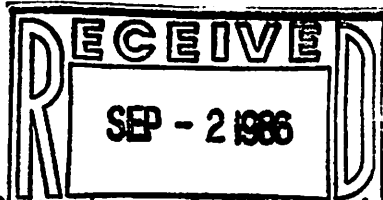
HAL:ko
Enclosure

cc: Sen. Evans
Sen. Gorton
Cong. Miller
Cong. Young

bc: NPFVOA
Wally Pereyra
Fred Yeck
Barry Fisher

Peter Block
Don Rawlinson

ProFish International, Inc.



August 27, 1986

Fees, Permits and Regulations Division F/M12
 National Marine Fisheries Service
 Suite 900
 Washington D.C. 20235

ROUTE TO	INITIAL
Dir.	J
Deputy Dir.	
Admin. Off.	
Exec. Sec.	
Staff Asst. 1	
Staff Asst. 2	
Staff Asst. 3	
Economist	
Sec./Skpr.	
Sec./Typist	

Re: advanced notice of proposed rule making on foreign fishing permits

Gentlemen:

This letter is to voice our strong objection to the proposed rule making detailed in the Federal Register Volume 51, number 154 of August 11, 1986, to place new restrictions on joint venture fishing permits. We fail to understand how N.O.A.A. can consider these proposals at this time since...

1) There are absolutely no data given in support of these measures.

2) No EIS has been developed to document that the perceived benefits will outweigh the substantial costs which American fishermen and our company will suffer if these proposals are put into the regulations.

Our company has contracts with several foreign fishing companies to manage the deliveries of under utilized fish caught by American fishermen to permitted foreign fishing vessels. This year such deliveries will total more than 170,000 tons. We own two trawlers which operate in joint venture fisheries. We also have an extensive marketing program selling groundfish products on the U.S. and foreign markets, some of which originate from the joint ventures. We employ more than 50 people. In part due to the experience we have gained from our joint fishing and marketing operations, we are now finalizing plans to vertically integrate into at-sea, domestic processing operations. We have made substantial investments and commitments to participate in the complete Americanization of our fishery resources. Joint ventures have been the firmament for this positive development. For this reason we view the proposed rule making as contrary to one of the stated purposes of the M.F.C.M.A. i.e. "to encourage the development by the United States fishing industry of fisheries which are currently under-utilized or not utilized by U.S. fishermen including bottom fish off Alaska...". Joint ventures should be facilitated and expanded, not restricted as proposed in subject rule making.

N.M.F.S.
August 27, 1986
Page Two

Presently in the North Pacific there are some 130 domestic fishing vessels participating in joint ventures on underutilized species. Catches from these vessels are rapidly displacing foreign directed fishing as envisioned by the architects of the M.F.C.M.A. By 1988 we expect that foreign directed fishing will be phased out of the FCZ off Alaska by expanding domestic harvests. This phase out is occurring through market forces coupled with priority access afforded domestic fishermen under the M.F.C.M.A.

The same process will occur with regard to phase out of joint venture fishing. Joint venture demand is rapidly approaching the point where it will exceed JVP. So long as we do not allocate JVP by nation this situation will result in an increase of the price of fish to joint venture fishermen through competition for the fish and a shortening of the joint venture fishing seasons. We already see this occurring with regards to atka mackerel. This will naturally increase the cost for joint venture operations and make DAP operations more attractive to domestic fishermen. As the demand for DAP increases, JVP will be further reduced which will accelerate the process towards the ultimate demise of JV operations. This process is now rapidly occurring with foreign direct fishing. It will also occur with JVP without further government intervention.

The rule making measures proposed will only hurt domestic fishermen by increasing their costs and reducing their earnings in JV operations without any offsetting expansion in domestic processing. The intent of the M.F.C.M.A. and its subsequent amendments are clearly stated in the congressional record---within the priorities established within the three tiered allocation procedure American fishermen are not to be put at the mercy of domestic processors or have their market opportunities artificially constrained for reasons not related to conservation and management.

All of the proposed recommendations have economic allocation as their sole purpose. This is absolutely contrary to congressional intent and stated N.O.A.A. policy that any permit conditions must have some resource conservation purpose. Furthermore, in the past N.O.A.A. has stated that they would not impose permit conditions that seriously adversely affect the interest of U.S. fishermen who wish to engage in joint ventures. The proposed foreign fishing conditions and restrictions are contrary to this policy as they would definitely impact the interest of JV fishermen in a serious, adverse manner. For this reason alone these proposals should be summarily rejected.

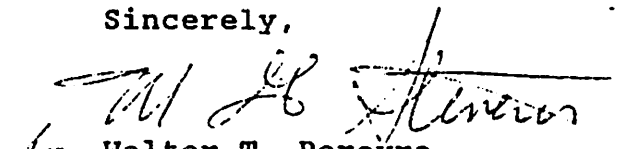
N.M.F.S.
August 27, 1986
Page Three

The individual proposals themselves are totally without merit. Several have been considered previously in a different venue and rejected. For example congress recently considered and rejected outright the idea of imposing equalization fees on joint venture processing vessels. Other proposals such as contract bonding and product purchases fall within the purview of normal prudent business practices and have no basis for being considered in the permit conditions and restrictions applied to foreign processing vessel permits. Some of the proposals are highly discriminatory even to the domestic processing sector in that they only speak to the interests of shore side processors rather than the processing sector as a whole.

In summary we feel that the proposed rule making should be rejected in its totality. The proposals are contrary to the stated purposes of the M.F.C.M.A., and congressional intent in its establishment. These proposals will definitely affect the interests of American fishermen who must deliver their catches to foreign processors. There is no assurance that there will be any gain by the domestic processing sector. In our view the recommended permit conditions will be negative to the development of our domestic fishing industry.

Except in extraordinary circumstances we feel that it is inappropriate and damaging to our nation for government to try and direct the normal economic forces shaping the development of our fishing industry. The three tiered allocation scheme provides the priorities necessary for our domestic industry to grow and prosper in a normal manner. It is inappropriate and foolish to penalize one sector of our industry in the hopes of benefiting another sector. Therefore, we ask that the proposed rule making be withdrawn. Moreover in the future we would suggest that such measures be given more fore-thought before being published in the Federal Register as proposed rule makings.

Sincerely,


for Walter T. Pereyra
President

WTP:jaf

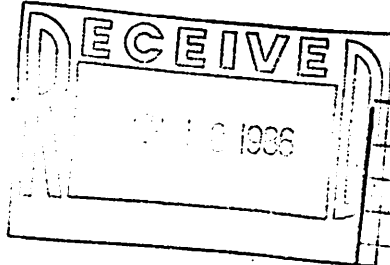
cc: Dr. Calio
Ed Wolfe
Senator Stevens
Congressman Miller
Congressman Young
Congressman Studds

Bill Gordon
Senator Gorton
Senator Murkowski
Congressman Lowry
Congressman Bonker
Congressman Jones



PACIFIC SEAFOOD PROCESSORS ASSOCIATION
 4019 - 21st Ave. West, Suite 201
 Seattle, WA 98199
 (206) 281-1667

AGENDA C-4
 SEPTEMBER 1986
 SUPPLEMENTAL



September 11, 1986

Mr. Fred Bilik
 Permits Division
 National Marine Fisheries Service
 F-M 12 Room 906
 Washington, D. C. 20235

Re: Federal Register Notice/August 11, 1986

Dear Mr. Bilik:

ACTION	ROUTE TO	INITIAL
	Exec. Dir.	J
	Deputy Dir.	
	Admin. Off.	Y
	Exec. Sec.	
	Staff Asst. 1	
	Staff Asst. 2	
	Staff Asst. 3	
	Economist	
	Sec./Bkkr.	
	Sec./Typist	

Thank you for this opportunity for the Pacific Seafood Processors Association (PSPA) to comment on the August 11, 1986 Federal Register notice, "Fishing Conservation and Management: Foreign Fishing Permits". PSPA has worked closely with the North Pacific Fishery Management Council and the seafood industry to formulate an Americanization position that will provide for the maximum economic development of the U.S. seafood industry.

Our Association has come to the conclusion that unless the North Pacific seafood industry has the strong support of all the fishing management/regulatory agencies and the State/Federal legislative bodies to eliminate or alter existing conditions the full U.S. economic benefit of our North Pacific fishery resources will not be realized. The U.S. seafood industry must have the following to achieve the goal of maximum economic development of the U.S. seafood industry. No priority is intended by order of listing.

1.) Provide DAP fishermen preferred access to fishing grounds by time and area when establishing DAP quota priorities. The current system of allocating fish has been designed to give DAP first priority, JVP second and TALFF last. The Councils wrestle with the problem of setting OY, reviewing permit applications and finally establishing quotas for the three categories. However, this practice does not establish true priority. There is no priority on the fishing grounds since all operations fish simultaneously and in the same areas. True priority should provide preference by time, area and quota thereby providing DAP fishermen the advantage of fishing while the CPUE is at its highest level and the cost of production is lowest. All DAP operations, catcher processors/shoreside processing facilities/floating processors would be managed the same.

2.) During the interim period TALFF and JVP should be allocated to achieve the maximum economic development of the U.S. seafood industry (e.g., TALFF or JVP in exchange for agreements to purchase fish from U. S. seafood processors, reduce tariffs on U.S. fish products, priority access to foreign markets for U.S. fish products, and to ensure TALFF and JVP products are not shipped back into the U.S.) All administrative and legislative remedies should be pursued to eliminate unfair duties, quotas and

other foreign trade barriers. An environment providing preferential market access for U.S. processors is required for full domestic utilization. Foreign countries fishing or processing in the EEZ must be required to provide preferential market access in their home markets for fish products processed by U.S. processors. "Fish and chips" has been utilized very effectively to gain equal market access for U.S. harvesters. It is now time that these same methods be utilized to gain preferential access for U.S. processed products.

3.) Legislatively require all foreign processors operating in the U.S. EEZ to comply with all federal and state laws and regulations relating to human rights, safety, minimum wage, sanitation, pure food, habitat and environmental protection. In lieu of compliance, assess the foreign processors with fees that equalize the cost of such compliance to U.S. processors. American processors are required to comply with a myriad of laws and regulations which substantially increase their costs of doing business. Foreign processors operating in the U.S. FCZ are generally not in compliance with these laws and regulations. While it is a matter of U.S. policy to protect its citizenry and environment with these laws and regulations, the unintended result is to give considerable cost advantages to foreign processors operating in the U.S. economic zone. It is reasonable to expect that foreign nations operating within U.S. jurisdiction should either comply with U.S. law or compensate the U.S. for noncompliance.

4.) Place all JVP operations under the jurisdiction of the Councils including internal water JVPs. Control of the allocation process must rest with a single authority. In some instances internal water JVPs have been established when totally U.S. interests have been capable of processing the entire harvest.

5.) A means to further the goals of the seafood industry would be to:

A.) Stop negotiating additional GIFAs. This authority within the MFCMA should be relinquished. The need for additional foreign entrants no longer exists for TALFF and/or JVP operations.

B.) Eliminate the basket clause from the Act. Linking fishery allocations and thereby fish supplies to outside, non-related events causes continuing uncertainty and serves no useful purpose for the U.S. seafood industry.

6.) TALFF and JVP operations fishing in the EEZ should pay for that privilege. This total fee structure should be evaluated to equalize all user fees.

Mr. Fred Bilik
September 11, 1986
Page 3

7.) Under the current allocation system joint venture permit restrictions must be established to encourage maximum economic development of the U.S. seafood industry.

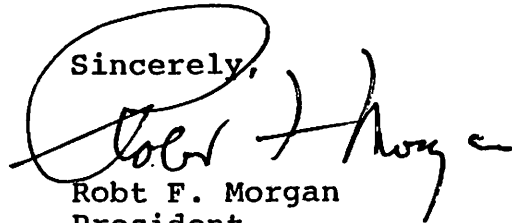
8.) Finally, it is necessary to provide legislation for the phase out of foreign fishing and processing as follows:

A.) Eliminate TALFF on those species and in those areas in which the previous years DAP catch exceeds 25% of the total catch or the JVP catch exceeds 75% of the total catch or where the combined DAP/JVP catch equals 65% of the total catch. Under this recommendation elimination of TALFF is irreversible regardless of changes in the harvest level or economic or social factors.

B.) Eliminate JVP on those species and in those areas where the DAP catch exceeds 50% of the total catch. Under this recommendation elimination of JVP is irreversible regardless of changes in harvest levels or economic or social factors.

Many of the above changes can be implemented by imposing conditions and restrictions on foreign fishing (TALFF) and joint venture (JVP) permits and/or amendments to fishing management plans. Some may require Congressional action directed at amending the MFCMA. Some U.S. harvesters contend that Americanization of the North Pacific groundfish resources is occurring and that any deviation from the status quo management and allocation process is not justified. However, maximum economic development for all sectors of the U.S. seafood industry is not being achieved, and cannot be achieved simply by transferring allocations from TALFF to JVP. Further, the impediments to maximum economic development (as discussed above) must be eliminated or so altered as to create a fair market system.

Sincerely,



Robt F. Morgan
President

RFM:gg

Enclosure

Mr. Fred Bilik
September 11, 1986
Page 4

CC: Congressman Don Bonker
Congressman John Breaux
Senator Daniel Evans
Senator Slade Gorton
Congressman Mike Lowry
Congressman John Miller
Senator Frank Murkowski
Senator Ted Stevens
Congressman Don Young
Dr. Anthony J. Calio
Chairman James O. Campbell
Commissioner Don W. Collinsworth
Mr. William G. Gordon
Mr. Robert W. McVey
Mr. Rolland Schmitten
Ambassador Edward E. Wolfe

Introduction

On August 11, 1986, the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, published in the Federal Register an Advance Notice of Proposed Rulemaking ("ANPR"). 51 Fed. Reg. 28731. The ANPR concerns the propriety of and need for conditions and restrictions on foreign fishing permits issued under the Magnuson Fishery Conservation and Management Act ("the Act"). The ANPR requested that written comments be submitted to the National Marine Fisheries Service ("NMFS") by September 25, 1986. This document constitutes the comments of The American Ship Building Company ("American Ship") in response to the ANPR.

The ANPR states in part that NMFS has received opinions mainly favoring the use of conditions and restrictions designed to control the operations of foreign vessels receiving United States-harvested fish. These foreign vessels are referred to as "joint venture vessels." Concern is expressed that an indirect result of imposing such conditions and restrictions would be a restriction on the operations of U.S. fishing vessels. The ANPR further notes that certain restrictions are currently authorized by the foreign fishing regulations (50 C.F.R. Part 611) "to protect the national security." However, the ANPR states that the regulations contain no similar provision for the purpose of achieving economic objectives.

The ANPR later states that views have been expressed that the Act should be expanded or clarified specifically to authorize the Secretary of Commerce ("the Secretary") to impose conditions and restrictions on foreign fishing permits based on economic considerations which would benefit the U.S. fishing industry generally.

Finally, the ANPR specifically asks for comments on three topics: (1) views and information on the conditions and restrictions which might be applied under the Act and the objectives to be achieved thereby; (2) the procedures for applying such conditions and restrictions (regulations, agency policy statement, fishery management plans, or other means); and (3) whether the current system of imposing conditions on permits is an adequate method of managing foreign fishing.

American Ship's Interest

American Ship is a major domestic shipbuilder listed on the New York Stock Exchange. Principal shipyard facilities are located in Tampa, Florida. In May, American Ship publicly announced plans to enter the domestic fishing industry as builder, owner, and operator of floating fish processing vessels. Raw fish for these vessels would be purchased from American fishermen; the processed product would be offered for sale on the domestic market and, later, on the international market as well. Processing operations would occur in the

Alaskan waters of the Fishery Conservation Zone, and the principal fish source to be utilized would be Alaska pollock. The first of the American Ship processing vessels would be in operation in late 1987.

Studies conducted by American Ship over the last 18 months have led to a conclusion that six processing vessels can be justified by the long-range market potential. These vessels, together with associated vessels, would represent an estimated investment of over \$300 million. Together, the program would be expected to provide 2500 direct jobs for American citizens.

A basic assumption underlying this large-scale project is that the administration of U.S. fishery legislation would facilitate the Americanization of the fish processing industry. Accordingly, because the ANPR concerns what conditions and restrictions may be imposed on foreign fishing permits generally and on foreign processing vessels specifically, American Ship is directly and vitally interested in the appropriate resolution of the matter by NMFS.

Principal Comments

American Ship offers three basic comments in response to the ANPR:

- (1) NMFS and its parent agencies presently have ample authority under the Act to impose conditions and restrictions on foreign fishing permits for the

purpose of benefitting economically the domestic fish processing component of the U.S. fishing industry;

- (2) NMFS or its parent agencies should establish by regulation that permits will be granted to foreign fish processing vessels only to the extent necessary to complement available U.S. fish processing vessels; and
- (3) NMFS or its parent agencies should amend the foreign fishing regulations to subordinate the permit eligibility of reflagged foreign-built processing vessels to a preference for U.S.-built processing vessels.

Each of these comments are discussed below.

I. Ample Statutory Authority

American Ship views the 1978 amendments to the Act (in Pub. L. 354, 95th Cong., 2d sess.) as establishing clearly that NMFS and its parent agencies are empowered to regulate on behalf of the commercial interests of American fish processors.

The report of the Senate Committee on Commerce, Science, and Transportation, on the bill which became the 1978 amendments to the Act, stated that the basic purpose of these amendments was

to provide the Secretary of Commerce with adequate statutory authority to regulate foreign fish processing vessels within the U.S. fishery conservation zone, and to establish the criteria for permitting such vessels to come within the U.S. zone and purchase fish from U.S. fishermen. (S. Rep. No. 935, 95th Cong. 2d Sess. 1).

Furthermore, the statement of the Act's legislative findings in Section 2(a)(7) of the Act was amended by replacing

the phrase "United States fishermen" with the phrase "United States fishing industry." The report of the Senate Commerce Committee states that the purpose of these changes was to clarify congressional intent. Specifically, the Committee stated:

The industry includes not only the harvesting segment of the fishery, but also the processing segment and incidentally the other various support industries.

.

Thus, Congress intends to encourage the development of U.S. fish processing capability in such fisheries in addition to developing fish harvesting capability. (S. Rep. No. 935, 2).

The need for the legislation, as described by the Committee, was founded in a sharp reversal of the agency position as to the scope of its authority under the original Act. The National Oceanic and Atmospheric Administration ("NOAA") had earlier published a proposed interim policy statement which would have allowed the agency both to consider fish conservation and management practices in approving foreign permit applications, and also to grant a preference for U.S. fish processors. This preference was to have been based on the principle that permits for foreign processors would be approved only in circumstances where the capability and intent of the domestic processing industry to process fish caught by U.S. fishermen was exceeded by the capability and intent of the U.S. fish harvesters to catch fish. During oversight hearings on implementation of the Act, NOAA announced to the Committee

that the Department of Commerce had determined that it lacked legal authority to deny permits to foreign fish processing vessels purchasing fish from U.S. fish harvesters, except for the purpose of carrying out the Act's fish conservation and management principles.

Against this background, the Committee had the following to say about the need for the 1978 amendments:

It was evident immediately that without appropriate legal authority to regulate these "joint ventures" between foreign processing vessels and U.S. fishermen that the U.S. fish processing industry would have to compete for all species within our fishery conservation zone with a foreign fleet operating on a significantly different cost basis. One potential outcome of this situation would be significant damage to the domestic processing industry.

The issue of joint ventures was one that was not considered or foreseen by Congress during the consideration and enactment of the FCMA [the Act]. S. 3050 therefore was introduced and reported in order to provide the Secretary of Commerce with the legal authority needed to regulate in a comprehensive manner (emphasis added) the access of foreign processing vessels to the U.S. fishery conservation zone; this authority is presently absent from the FCMA. (S. Rep. No. 935, 2).

In a subsequent passage in the report, dealing with the procedures for considering applications for foreign processing vessel permits, the Committee stated:

The Secretary then has the authority to approve such application unless he determines that the U.S. processing capability is, or will be, during the period for which the application is made, adequate for processing the fish harvested from the fishery involved. If the U.S. processing capability is not adequate for any given year, then, to the extent of the inadequacy, [emphasis added] permits may be issued to foreign processing vessels for that year.

The Secretary of Commerce, when issuing permits to foreign processing vessels, should include appropriate and detailed conditions and restrictions on the operations of the vessel within the fishery conservation zone. These measures should ensure compliance with the conservation and management principles of the FCMA, the objectives of this bill, [emphasis added] and other applicable law. (S. Rep. No. 935, 4).

In order to emphasize its intent, the Committee went on to say:

The change in the FCMA made by S. 3050, as reported, is intended to establish a preferential right [emphasis added] for U.S. processors similar to the preferential right the FCMA created for U.S. fishermen. A principle inherent in S. 3050, as reported, is that a set of general priorities should be established that will govern the licensing procedure for foreign processing vessels. The first and highest priority should be given to fish caught and processed by the U.S. fishing industry. [Emphasis added]. The second preference should be to fish caught by U.S. fishermen and purchased by foreign processing vessels. The lowest priority should be given to foreign fishermen. (S. Rep. No. 935, 5).

Of course, the Committee was also mindful of the legitimate interests of U.S. fish harvesters. But even when discussing the preferential harvesting rights of U.S. fishermen, the Committee intent was unmistakable that U.S. fish processors also deserved a preference:

It is the intent of this provision to establish a preferential right for U.S. processors [emphasis added] to fish caught in the fishery conservation zone; however, the committee also intends that U.S. fishermen have the ability to take advantage of their preferential rights created by the FCMA, and thus that they also have the ability to expand into fisheries not previously fully utilized by the U.S. fishing industry. Although U.S. processing capability hopefully will increase to meet growing harvesting capability, if the only viable market for U.S. fishermen is foreign processing vessels, then such vessels may be utilized. At the same time, however, to the extent that U.S. processors do develop or possess adequate processing capability, such capability should be afforded the protection of its preferential right to the fish [emphasis added] within the U.S. fishery conservation zone. (S. Rep. No. 935, 5).

Finally, the Committee took a look into the future of the U.S. processing industry. It noted that the U.S. processing industry already had the capacity to process the whole harvest of certain species within the U.S. fishery conservation zone, whereas this was not the case for other species. Accordingly, the Committee commented as follows:

When processing capability is adequately and fully developed as in these above mentioned species, no foreign processing vessels will be allowed into that fishery. [Emphasis added]. However, several species are not at the present time fully utilized by the U.S. fishing industry, most notably hake, pollock, and squid. In these fisheries, until domestic processing capability is adequate to process the amount of fish that will be harvested by U.S. fishermen, [emphasis added] foreign processing vessels may be granted permits. (S. Rep. No. 935, 6).

From the above American Ship is convinced that the 1978 amendments to the Act grant NMFS statutory authority, indeed impose a duty, to consider the U.S. processing capability when dealing with permit applications from foreign processors. The ANPR is therefore somewhat puzzling in its suggestion that the requisite authority may be lacking. The history of the 1978 amendments shows that they were passed precisely because of the agency position that it did not have such authority under the Act as originally enacted. It is quite apparent that Congress intended in 1978 to lay the matter to rest.

II. Need for Regulation Limiting Grant of Permits for Foreign Processing Vessels

In light of the above discussion regarding the intent of the 1978 amendments and the scope of the agency's authority, American Ship believes particular attention needs to be given the new, three-part subparagraph (B) added to Section 204(b)(6) of the Act in 1978:

- 10 -

(B)(i) In the case of any application which specifies that one or more foreign fishing vessels propose to receive at sea United States harvested fish from vessels of the United States, the Secretary may approve the application unless the Secretary determines, on the basis of the views, recommendations, and comments referred to in subparagraph (A) and other pertinent information, that United States fish processors have adequate capacity, and will utilize such capacity, to process all United States harvested fish from the fishery concerned.

(ii) The amount or tonnage of United States harvested fish which may be received at sea during any year by foreign fishing vessels under permits approved under this paragraph may not exceed that portion of the optimum yield of the fishery concerned which will not be utilized by United States fish processors.

(iii) In deciding whether to approve any application under this subparagraph, the Secretary may take into account, with respect to the foreign nation concerned, such other matters as the Secretary deems appropriate.

American Ship views this language as the critical determinant of the scope of the agency's authority to act on applications for foreign processing permits. The first part plainly means that, where it is determined that U.S. fish processors can and will process all the U.S.-harvested fish of a particular species, no foreign processing vessel permits may be approved. Similarly, the second part plainly means that, where U.S. processors can and will process some, but not all of the U.S. harvest of a species, foreign processing vessel permit

applications may be approved only to the extent of the shortfall in domestic processing activity. Finally, the third part grants authority to deny such applications on grounds other than the capability of the domestic processing industry. (See p. 9 of S. Rep. No. 935, supra).

In essence, the provisions of Section 204(b)(6)(B) operate on the principle that foreign processing vessels will be allowed to process U.S.-harvested fish only as a necessary and temporary complement to the U.S. processing industry. As noted in an earlier quotation from the Senate Committee report, as the domestic processing industry develops and grows, fewer foreign applications are to be approved. Ultimately, when the U.S. industry is fully able to process the U.S. catch of a species, no foreign permits are to be granted.

The ANPR notes that there exists no provision in the regulations designed to achieve economic objectives. Yet, both the overall intent of the 1978 amendments and the specific provisions of Section 204(b)(6)(B) make it demonstrably clear that Congress provided authority to administer the foreign vessel permit program in the interest of protecting a nascent U.S. processing industry. Therefore, American Ship strongly recommends a new provision to incorporate in the foreign fishing regulations the authority granted by the law, and thus to reflect fully the intent of Congress.

III. Regulation Needed to Subordinate Permit Eligibility of Re-flagged Foreign-Built Processing Vessels.

It will be fundamentally important to the viability of the project American Ship has announced that foreign-built processor ships not be accorded the preferred status of "vessels of the United States" within the meaning of the Act.

The Senate Committee report, as noted above, defined the United States fishing industry as including not only fish harvesters but also

the processing segment and incidentally the other various support industries. (S. Rep. No. 935, 2).

American Ship believes that this phrase establishes clear congressional intent that the encouragement of shipbuilding and other associated industries was one of the related purposes of the 1978 amendments. Thus, a regulation such as American Ship suggests would be fully consistent with the purposes of the enabling legislation.

The Act defines "United States fish processors" as including "vessels of the United States." Section 3(25) of the Act. In turn, the Act defines "vessel of the United States" as

- (A) any vessel documented under the laws of the United States;
- (B) any vessel numbered in accordance with chapter 123 of Title 46 and measuring less than 5 net tons; or
- (C) any vessel numbered under chapter 123 of Title 46 and used exclusively for pleasure. Section 3(27).

- 13 -

The foreign fishing regulations essentially repeat this definition, but do not elaborate further. 50 C.F.R. 5611.2.

Documentation under the laws of the United States is administered by the Coast Guard under 46 U.S.C. Chap. 121, and 46 C.F.R. Part 67. One of the requirements for a fishery license is that, as a general matter, the vessel must have been built in the United States. 46 U.S.C. §12108(a)(2)(A). See also 46 U.S.C. §12105(d) and 46 C.F.R. §67.09-1. However, for purposes of law and regulations relating to documentation of a vessel, "fisheries" is statutorily defined as including

planting, cultivating, catching, taking, or harvesting fish, shellfish, marine animals, pearls, shells, or marine vegetation in the navigable waters of the United States or in the fishery conservation zone established by section 101 of the Magnuson Fishery Conservation and Management Act of 1976 (16 U.S.C. 1811). 46 U.S.C. §12101(6).

Thus, it is clear that "processing" is not specifically within the statutory definition for documentation purposes.

On the other hand, the term "fishing" is defined by the Act as

- (A) the catching, taking, or harvesting of fish;
- (B) the attempted catching, taking, or harvesting of fish;
- (C) any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish; or
- (D) any operations at sea in support of, or in preparation for, any activity described in subparagraphs (A) through (C). (Emphasis added). 16 U.S.C. §1802(10).

Moreover, the Act defines "fishing vessel" as

any vessel, boat, ship, or other craft which is used for, equipped to be used, or of a type which is normally used for -

- (A) fishing; or
- (B) aiding or assisting one or more vessels at sea in the performance of any activity relating to fishing, including, but not limited to, preparation, supply, storage refrigeration, transportation, or processing. (Emphasis added). 16 U.S.C. §1802(11).

And, as seen from the earlier discussion of the Senate Committee report, the Congress clearly viewed the "fishing industry" as including the processing segment and other various support industries. Thus, there is the possibility that a foreign-built processing vessel, if transferred to U.S. ownership in satisfaction of 46 U.S.C. §12102, could be issued a U.S. registry pursuant to 46 U.S.C. §§12103 and 12105, thus qualifying as a "vessel of the United States."

In a case involving condemnation and forfeiture of Canadian vessels for alleged violations of the Act, a Court has had occasion to deal with the term "vessel of the United States." United States v. Seafoam II, 528 F. Supp. 1133 (D. Alaska 1982). With regard to documentation under the laws of the United States, the Court noted that neither the statute nor the legislative history gives any further meaning to the term "documented." Id. at 1136.

- 15 -

The Court alluded to the fact that documentation laws are administered by the Coast Guard under Title 46 of the Code of Federal Regulations, and found that the Coast Guard had not documented any of the vessels in question. Thus, the Court did not have before it a case where a foreign-built vessel had sought or achieved U.S. documentation.

The Court proceeded to consider the other alternative in the form of the statutory definition before the Court, namely that the vessel could qualify as a "vessel of the United States" if "registered under the laws of any State." The Court held that the vessels had not been registered under the laws of any State. It further commented that

In addition to the preceding consideration, a quick perusal of the stated purposes for the FCMA makes inconceivable the notion that Congress would allow virtually any foreign vessel to attain the desirable status. . .by registering with a state. Such a policy would emasculate the goals of the Act. (Emphasis added). Id. at 1137.

Likewise, a policy which would freely allow foreign-built processing vessels to achieve the status of "vessels of the United States" by reflagging would frustrate the fundamental purpose of the 1978 amendments.

In view of the definitional anomalies involved, American Ship is deeply concerned about the possibility of reflagging of foreign-built processing vessels. If this were to occur to any significant extent, the feasibility of the American Ship project would be severely jeopardized. American

Ship strongly believes that effective administration of the Act requires NMFS to go beyond the narrower definitional provisions in the Coast Guard's documentation statute and regulations. The "preference" for U.S. processors intended by the 1978 amendments could become a virtual nullity without protection for U.S. investment. The legislative history shows that Congress was well aware that a U.S. fish processing industry would operate on a "significantly different cost basis" from foreign processors, and therefore Congress determined that the U.S. processing industry deserved a first priority to fish caught in the fishery conservation zone. Therefore, NMFS can and should as a matter of sound policy adopt a regulation along the lines suggested by American Ship.

IV. Other Matters

American Ship believes that foreign processors competing with United States processors should be required to comply with the same safety, sanitation, labor, food and drug and other standards as apply to American processor vessels. This requirement should be established as a matter of regulation. If foreign processors wish to reap the benefits of acquiring U.S. fish in competition with American processors, their operations should be subject to the same requirements which would apply if they were operating under the American flag.

Recommendations

American Ship has three suggestions for change in the foreign fishing regulations. The first is designed to conform the regulatory provisions concerning the issuance of permits with the underlying statutory provisions, and to reflect the legislative purpose to protect the domestic fishing industry - both the harvesting segment and the processing segment. This suggestion could be carried out as follows:

Amend 50 C.F.R. §611.3(a) by inserting the following at the end thereof:

"(4) Permits will be issued to FFV's only where the development by the United States fishing industry of fisheries which are currently underutilized or not utilized by the United States fishing industry would not thereby be impaired."

The second suggestion would be for the purpose of making explicit in the foreign fishing regulations that a foreign-built vessel cannot generally qualify as a "vessel of the United States" for purposes of the Act. This could be implemented as follows:

Amend 50 C.F.R. §611.2 by adding the following to part (a) of the definition of "Vessel of the United States or U.S.vessel," after the word "States":

"(such term does not include a U.S.-flag vessel not built in the United States)".

American Ship's third suggestion is as follows:

- (1) Amend 50 C.F.R. §611.3(e)(1)(v) by striking the word "or" after the word "resources" and inserting in lieu thereof a comma; by striking the comma after the word "interests" and inserting in lieu thereof the word "or"; and by adding the following after the word "or":

"to assure compliance with all safety, sanitation, labor, food and drug and other standards which apply to United States processor vessels operating in the fishery."

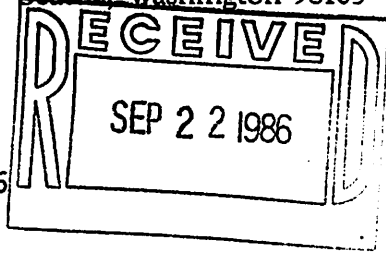
- (2) Amend 50 C.F.R. §611.3(e)(1) by striking the period at the end of the first sentence thereof and by adding the following:

"or to assure compliance with all safety, sanitation, labor, food and drug and other standards which apply to United States processor vessels operating in the fishery."

WESTWARD TRAWLERS, INC.

715 N.E. Northlake Way Seattle, Washington 98105

phone: 206-547-6840



17 September 1986

Mr. Alfred J. Bilik
Fees, Permits, and Regulations
F/M 12
National Marine Fisheries Service
Suite 900
Washington, DC

Dear Mr. Bilik:

This letter is in response to the Advance Notice of Proposed Rulemaking, Fishery Conservation and Management; Foreign Fishing Permits, (Federal Register/Vol. 51, No.154/August 11, 1986).

As operators of eleven joint venture vessels, in business since 1982 and harvesting in excess of 200,000 mt for Japanese and Korean buyers during 1986, we are writing to voice our strong objections to the various conditions and restrictions that have been recommended to NOAA. The net effect of the proposed changes would be to unfairly, unnecessarily and unjustifiably constrain joint venture operations --- in apparent pursuit of some perceived, but unsubstantiated benefits to the shore-based processing sector.

The proposal for time/area closures to joint venture vessels operating near existing shoreside plants is a clearly discriminatory concept that has already been rejected by the Pacific Fishery Management Council. It is a "knee-jerk" proposal, the real impact of which has not even been recognized by the authors. Consider:

- 1) The schooling and migratory nature of cod and pollock stocks in Alaska is such that the fish typically move, en masse, into and out of particular areas. When the fish are in any particular area, there are normally sufficient stocks to support DAP and JVP efforts. When the stocks move out of an area, no amount of regulations will bring them back.
- 2) 1986 will see two major surimi plants in operation in Dutch Harbor. These will require 600,000 - 700,000 lbs of round pollock per day. To a degree greater than the authors of this proposal apparently realize, these plants (and others like them that will follow) will be relying on joint venture fleets for their raw material requirements. If these fleets arbitrarily are driven from areas proximate to these shore plants, the cost of raw material to these plants will inevitably rise.

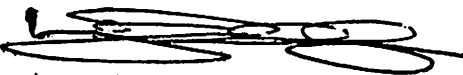
Mr. Alfred Bilik
17 September 1986
page two

Conceivably, some joint venture operators would welcome the assistance of the Government in policing foreign joint venture companies' performance, as proposed in the second condition. We are confident, however, that the free market is a far better mechanism for rewarding and penalizing the performance of various foreign nations and companies buying at-sea from U.S. fishermen. As the surplus of U.S. fishing vessels has been put to work this year with the dramatic expansion of both at-sea and shoreside bottomfish deliveries, we have also seen foreign nations and companies, whose historic performance as joint venture buyers has been less than exemplary, that are now unable to secure U.S. catcher boats necessary for their operations. This is a far more accurate, efficient, and immediate penalty/reward system than could ever be developed administratively.

The bonding requirement proposed strikes us as proposed Federal involvement in an area that is best left to the courts. The remaining proposals would be more appropriately included in trade (or anti trade) legislation or regulation.

Of the entire proposal package it is clear that economic allocation is the motivating purpose. They are poorly disguised, totally unsupported by data or events, and largely without merit. The results of these proposals, if adopted, would be discriminatory, and counter productive, and contrary to the policy of the Congress in the MFCMA. We urge that these ill-conceived proposals be abandoned.

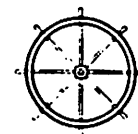
Yours very truly,
WESTWARD TRAWLERS, INC.



Hugh Reilly
President

cc: Permit Review Committee
North Pacific Fisheries Management Council

Dr. Callio
Edward Wolfe
Senator Evans
Senator Gorton
Congressman Miller
Congressman Young
Rolland Schmitten
Robert McVey



THE AMERICAN SHIP BUILDING COMPANY

EXECUTIVE OFFICES

September 12, 1986

Dr. Anthony J. Calio, Administrator
National Oceanic and Atmospheric Administration
United States Department of Commerce
Washington, D. C. 20230

Dear Dr. Calio:

We are enclosing our comments on the NOAA Fishery Management Study (NOAA FMS) of June 30, 1986 and several of its recommendations. By way of introduction, I am the President and Chief Executive Officer of The American Ship Building Company, a major domestic shipbuilder listed on the New York Stock Exchange. Our company announced in May of this year our plans to enter the domestic fishing industry as builder, owner, and operator of a fleet of floating fish processing plants. We expect to contract directly with American fishermen, individuals as well as fleet owners, for the supply of fish planned for our plants, and initially to offer our products primarily to the American market. Eventually, we would sell into the international market as well.

Our planned operations are targeted on the Alaska Pollock in the Alaskan waters of the Fishery Conservation Zone, with the first vessel scheduled to commence operations late in 1987. However, our entire plan is based on the assumption that the various regulatory bodies are serious about the Americanization of the entire fishing industry and not just isolated segments.

For the past eighteen months, our company has conducted exhaustive studies of the Alaska Pollock fishery and have concluded that there is a long range potential for a reasonable return on our investment. Over the next several years, we expect to place in service six of these large floating processors. These processors, with their associated harvesting boats and supply and transport vessels, will represent an investment of over \$300,000,000 and provide direct jobs for over 2500 United States citizens. The first processor alone will represent one of the largest single investments in a fish processing plant in the United States, by an American company, built by American workers in an American shipyard.

THE AMERICAN SHIP BUILDING COMPANY

Dr. Anthony J. Calio
Page 2
September 12, 1986

The enclosed comments will be those of a new domestic processor, concerned with those factors which impede the orderly development and expansion of the domestic processing industry. These comments relate to separating conservation and allocation, full domestic utilization and the council member selection process.

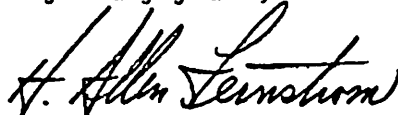
Your panel, individually and collectively, are to be commended for a job well done. Although we have differences on some points, others we endorse with enthusiasm. Overall, we found the organization and clarity of the study especially noteworthy.

The issues in the subject of fisheries management are complex and a full consideration of all views is certainly warranted. Although we are new members of the fish processing industry, our studies and our discussions with the present major primary processors show a consensus of genuine fear that our industry can be lost to foreign interests if the effect of existing management policy and any changes thereto are not very carefully considered.

I and members of my staff would be pleased to meet with you and your staff, at your convenience, to give a detailed briefing of our plans for our entrance into the Alaskan Pollock Fishery next year.

Again, we appreciate the opportunity to present these comments and extend our thanks for the efforts and contributions in this study made by yourself, the panel members, and your staff. We look forward to working with you, achieving our mutual goals, helping with the United States balance of payments problems and conserving this vital renewable resource for future generations.

Very truly yours,



H. Allen Fernstrom
President and Chief Executive Officer

HAF:bd

Enclosure

COMMENTS ON
NOAA FISHERY MANAGEMENT STUDY
dated June 30, 1986

SUBMITTED BY
THE AMERICAN SHIP BUILDING COMPANY
TAMPA, FLORIDA

SEPTEMBER 12, 1986

A. SEPARATING CONSERVATION AND ALLOCATION

NOAA FMS Recommendation

Conservation by NOAA; Allocation by the Existing Councils

AMSHIP Comment

The logic for separating these functions is sound, and the proposed methods for effecting this separation should work well in most fisheries. However, within those fisheries that are still controlled and exploited by foreign interests, with major joint venture processing and directed foreign fishing, conservation and allocation are inseparable. In this situation the entity that sets the optimum yield controls the level of foreign effort.

The study's recommendation leaves the door open to political pressures and manipulation of acceptable biological catch at the national level. The only check for this is the ability of the councils to set optimum yield. However, it is not clear in the recommendations that the councils will have absolute authority in setting optimum yield. Furthermore, the proposed changes in the council member selection process, further discussed below, are likely to lead to a council that is more receptive to pressure from other Federal Departments in Washington D.C.

In the case of the Alaskan Pollock fishery, pressure to increase OY has generally not come from local sources. When the fishery is totally domesticated we can expect this situation to change. Until such time, however, we feel the present system probably affords more protection for the resource than does the system that is recommended in the study.

We recommend, therefore, that the councils be given absolute authority in setting optimum yield, provided, of course, that this level is kept below the acceptable biological catch level. We recognize, of course, that exceptions must be made periodically in the case of multi-species fisheries.

C. SELECTION OF COUNCIL MEMBERS

NOAA FMS Recommendation:

Revising Council appointment procedures and creation of a special review board to determine qualifications of nominees.

AMSHIP Comment:

It is felt that the system proposed introduces potential for major abuses of the Council member selection process while offering no improvement over the present gubernatorial nomination procedure. Among them:

- On what basis would the nine member board be selected?
- Who would determine their qualifications?
- How would objectivity be guaranteed by that system?
- How would the board guarantee effective representation of interests of the industry, academia, and the public at large better than the present system?

We strongly recommend against the proposed system and that the Secretary simply refrain from appointing a gubernatorial nominee whenever it can be proved that the nominee is not qualified. It is obvious that a background in fisheries does not guarantee success or effectiveness as a council member. Interest, integrity, leadership and ability to learn could sometimes be better predictors of effectiveness.

J. FULL DOMESTIC UTILIZATION

NOAA FMS Recommendations:

- a. Pursue all administrative and legislative remedies to eliminate unfair duties, restrictive quotas and trade barriers.
- b. Require those foreign countries fishing or processing in the FCZ to provide free market access in their home markets for any fish products of the United States.

AMSHIP Comment:

These are steps that should have been taken long ago. It is inconceivable that we allow foreign nations access to our fish when they discriminate against us when we approach their markets with those same fish. We cannot allow foreign nations to perpetuate their control over U.S. property in this fashion.

NOAA FMS Recommendation:

- c. Require foreign processors operating in the U.S. economic zone to comply with all Federal and State laws and regulations relating to human rights, safety, minimum wage, sanitation, pure food, habitat and environment.

In lieu of compliance, assess the foreign processors with fees that equalize the cost of such compliance to U.S. processors.

AMSHIP Comment:

We are certainly in agreement with the aims of this recommendation, and we should also not give foreign operators an advantage in competing against Americans by exempting them from the laws that restrict U.S. processors. However, we see enormous difficulties in attempting to enforce U.S. Federal and State laws and regulations upon fishing and processing vessels of other sovereign nations. We also see difficulties in assessing equalizer fees.

NOAA FMS Recommendations:

d. Provide fishermen fishing for domestic processors preferred access to fishing grounds by time and area when establishing quota priorities.

AMSHIP Comment:

If the United States government is truly serious about total domestic utilization, domestic operations should be given priority access to the resource. Obviously the cost of the raw fish is a major component of the total cost of fish processing. The cost of fish is tied directly to catch per unit of effort. Because of the importance of the cost of fish to the processor, even small reductions in catch per unit of effort lead to large reductions in profitability. Shore plants are particularly vulnerable to this, but all domestic processors pay more for fish when catch per unit of effort is reduced as a result of foreign fishing.

We feel that American fishermen and American processors should jointly benefit when fishing is best and there is no compelling reason why the best fishing should be shared with the foreigners. If any sharing is to be done with the foreigners it should be on a marginal basis.

NOAA FMS Recommendation:

e. Assess user fees on all operations to cover the cost of resource management.

AMSHIP Comment:

This is the only equitable solution; those who benefit from management should pay for it.

The alternative is, perhaps, inadequate appropriations from general tax revenues which could lead to insufficient management. This, in turn, could result in permanent damage to the fishery.

However, there must be safeguards to insure that any user fees collected must be used for the designated purpose and also that management activities are kept simple, reasonable, effective and efficient considering all aspects of the fishery.

NOAA FMS Recommendation:

f. Amend the Jones and Nicholson Acts and any other Federal legislation that hampers development of the fishing industry.

AMSHIP Comment:

The Jones and Nicholson Acts were originally enacted to insure that only Americans benefited from the fisheries and trade in American waters. Suggestions to modify this legislation have been made from time to time to grant an exemption and thus address a specific problem.

In the case of the legislation proposed by the NOAA FMS to allow foreign built trawler processors to fly the American flag and to operate with all the benefits and privileges of U.S. built vessels, one could expect a short term benefit to an American owner due to his lower capital base. He would, however, have a very definite competitive advantage over his American friends, operating American built, American crewed trawlers, processors, and the American owned and operated shore plants. Over time you could expect him to prosper at the expense of his fellow Americans, all of whom pay taxes. He would still be at a disadvantage in competing with foreigners with their lower operating costs and market control.

Thus, these foreign built vessels will compete not against foreign operators but against the existing American built, American owned, and American operated fishing vessels, processing vessels, and shore plants.

Therefore, we ask that all elements of the fishing industry carefully consider the likely long term effects upon the total fishing industry before promoting this type legislation.

FURTHER CONSIDERATIONS:

It is common knowledge that foreign fishing companies already possess fleets of fishing and processing vessels that are sufficient to take the entire U.S. pollock resource.

It has been learned that even under current laws several foreign entities are planning to re-flag some of their foreign built vessels. Using shell corporations as the titular vessel owners the foreigners could thus "Americanize" the fishery overnight.

We have been advised that the Japanese fishing companies are still building mother ships even though they face restricted access to pollock around the world and they claim that they have accepted the fact "Americanization" will take place within five years. We feel it is because their definition of "Americanization" is different than our own.

No wholesale re-flagging has occurred to date. However, if it were to appear that re-flagging of the foreign fleet is inevitable The American Ship Building Company would have no choice but to abandon its plans to enter the Alaskan Pollock fishery and to watch, with the rest of the United States, the loss of thousands of American jobs and probably permanent damage to the resource. Our discussions with other domestic processors has convinced us that our concerns are shared and their investments are also discouraged by the present uncertainties.

Conversely, the rate of growth of the American processing industry would accelerate markedly if this threat were removed. Therefore, we recommend that regulations and/or legislation be implemented that effectively ban the re-flagging of foreign processing vessels for use in any American fishery. Existing re-flagged vessels such as the Golden Alaska, could be grandfathered to permit their continued operation.

NOAA FMS Recommendation:

h. "Stop negotiating governing international fishing agreements with additional nations and restrict application of the basket clause (Section 201 (e) (1) (E) (viii) of the Act)."

AMSHIP Comment:

Almost everyone agrees that there are enough nations operating in our EEZ already. A possible exception might be made for a country that was willing to purchase finished products from a truly domestic processor.

Until total phase out of foreign fleets has been accomplished, preference should be granted to those countries who open their markets to our domestic processors.

To the extent that we can exchange fishing rights for meaningful development assistance, we should limit the granting of these rights to fisheries related matters and not used as instruments of national policy to reward a country for a particular action or policy completely unrelated to fisheries.

NOAA FMS Recommendation:

- i. Induce investment in processing facilities by developing some system of allocation that provides assured supplies of raw material throughout the year.

AMSHIP Comment:

Immediate action on this concept would allow us to "kill two birds with one stone." The full development of the domestic processing industry will require an investment of many hundreds of millions of dollars. Investments of this magnitude are never made in ignorance.

Perpetuation of the open access policies of the past will inevitably lead to over capitalization, reduced profitability and economic instability in the industry. The fact that this problem has not been dealt with is impeding the investment in the processing industry now. Over captitalization of the fishery can be prevented if either the harvesting or the processing sector holds some form of property rights to the fish.

If fishermen are unwilling to shoulder the responsibility inherent in such a logical management system, then it is likely that processors would be willing to bear those responsibilities.

We, as a company, would also like to work cooperatively with the harvesting sector and the regulatory bodies to achieve the goal of this recommendation.

- b. May make it more difficult for the vessels delivering to a shorebased plant to find fish concentrations -- in some cases vessels delivering to shoreside plants have reported that they find the fish by going where the joint ventures are fishing.
- c. Interferes with the historic practice of allowing the harvesters to solve their own on-the-grounds conflicts.
- d. discriminates against U.S. at-sea processors in favor of onshore processors.

Terminating a joint venture because a foreign company or nation fails to make promised shorebased purchases presumes that the shoreside processors had the product available at a reasonable price and acceptable quality.

This is not necessarily a valid assumption, nor should the U.S. government be put in a position of judging whether price and quality and availability of product was acceptable.

Forbidding joint venture or directed fishery products from re-entering the U.S. if domestic product is available again would put the U.S. government in a position of judging whether quality, price and availability was acceptable, of denying the U.S. consumer the most economical product when imported fish might be less costly and treating fish differently from other consumer products.

Requiring a foreign fishing company to post a bond would be an unusual intrusion of government into private business and the judicial process.

Allocating to joint venture companies in direct proportion to onshore purchases both assumes the availability, quality and cost of onshore fish is acceptable and also discriminates against the U. S. at-sea processing operations.

All of the items in the August 11 Federal Register list appear to be "negative" items which would restrict and/or restrain one group of U.S. businessmen in hopes of increasing the incomes of another group of U.S. businessmen.

We would prefer a "positive" list of incentives which might improve the position of U.S. processors without putting the U.S. government in the position of trying to jeopardize U.S. harvesters.

We also note that the U.S. has made no provision to replace the loss of scientific information which is occurring as the domestic industry replaces the joint venture and directed foreign fishing operations.

Because there is no domestic observer program or data collection system, U.S. trawlers and processors have had significant fishing areas closed to trawling and further closures may be expected as long as managers feel they must be conservative and have no way to gather data.

We find it particularly disturbing that NOAA would consider conditions or restrictions without demonstrating that there is a problem to be solved and stating in what way the proposals would solve the problem.

We offer an alternative proposed rulemaking:

In order to assure a stable investment climate NOAA will refrain for a period of five years from proposing any rulemaking in the fishing industry.

This rule is justified by the inability of the fishing industry to make long term plans in the face of continually changing groundrules. This inability has discouraged the building of a stable, profitable industry.

More effort is currently being spent playing fish politics, which represents an undesirable waste of U.S. resources, than building a fishing industry.

Sincerely,



Al Burch, executive director
Alaska Draggers Association

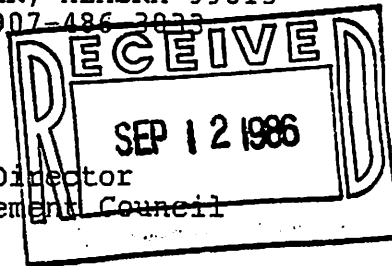


Chris Blackburn, director
Alaska Groundfish Data Bank

CC: Rep. Don Young
Sen. Ted Stevens
Sen. Frank Murkowski
Jim Campbell, chairman, North Pacific Fishery Management
Council

ALASKA GROUND FISH DATA BANK
P.O. BOX 2298
KODIAK, ALASKA 99615
907-486-3835

AGENDA D-2(a)
SEPTEMBER 1986
SUPPLEMENTAL



Mr. Jim Branson, Executive Director
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Dear Jim:

As you might expect the International Pacific Halibut Commission's proposal to close to trawling even larger areas than proposed by the council has caused some consternation here.

For the information of council members and staff, I tabulated the bycatch in the Marmot statistical areas under consideration for closure. The bycatch is Fish and Game data from observers 1978 - 84. The source data is included.

The data is frustratingly limited, but it does indicate that the halibut and crab catch rates obtained by the halibut commission while trawling for halibut are not those seen in a commercial trawl operation targeting on other species.

It would be nice if there were a simple way to figure out what to close -- but so far one hasn't been found. Fish and Game, in the enclosed report, found that the king crab bycatch in trawls has no statistical relation to the commercial king crab catch.

I've also enclosed a short discussion paper containing caveats on the limitations of the data and highlighting the few statements which can be made.

As has been discussed before, the existing data is too limited to meet the needs of the industry, which is why the council used an industry group to make recommendations. For this year there is some observer money which should provide more information.

We appreciate the opportunity to respond to the IPHC recommendations in writing.

Sincerely,

Handwritten signature of Chris Blackburn.

Chris Blackburn, Director
Alaska Groundfish Data Bank

ALASKA GROUND FISH DATA BANK
P.O. BOX 2298
KODIAK, ALASKA 99615
907-486-3033

September 9, 1986

DISCUSSION OF OBSERVER BYCATCH CATCH DATA
CHINIAC BAY (MARMOT FLATS)

The combined Fish and Game observer data for the seven years 1978-84 indicates that the commercial fishery bycatch is quite different from that observed by the halibut commission when it was trawling to target halibut.

It should be no surprise that the bycatch is dependent on the target species and that survey data for one species is of limited use in determining the bycatch in a commercial fishery targeting on different species.

Because the amount of domestic groundfish trawling around Kodiak has been limited by the lack of markets, and the observer trips even more limited, the data available is not adequate to make projections or any generalities about the bycatch in the Marmot Bay area. (See caveats in the attached Fish and Game "Summary of Incidental Catch Data of Prohibited Species in the Trawl Fishery Near Kodiak, from the Domestic Observer Program," the source for the preceding data.)

More Caveats

1. The total groundfish catch by stat area is included for information purposes only and does not necessarily reflect the groundfish taken while the observer was present. Therefore, it would be incorrect to use the total groundfish catch to determine any bycatch rates.
2. As a general rule, the trawl fleet is working the deeper water guts, away from the shallow water areas considered nursery areas.
3. The most informative way to examine bycatch data would be by bottom topography, rather than stat area -- however, that data is not currently available.

Halibut

1. Over the seven years of observer data, halibut occurred in 91.4% of the observed tows island wide.. In Marmot Bay halibut occurred in only 68% of the observed tows. Catch per hour information is not included in the Fish and Game report.
2. The average size of the halibut taken as bycatch in Marmot Bay was 11 pounds, larger than the 5.4 pound per fish average island wide.
3. Catch of halibut per metric ton of groundfish is not given in the report, so it is not possible to determine if the bycatch was "excessive." No data on mortality rate estimates was given.

King Crab

1. The tows made in stat area 252-54 were test tows to determine if reports of excessive king crab bycatch merited action. As can be seen by the observer data, the bycatch was excessive. Due to federal procedures, it was not possible to issue an immediate emergency closure order, so the trawl fleet volunteered to avoid the area.

Coordinates for the test tows are not given. Fish and Game biologists involved with the incident say the tows were in one small area which they believe is included in the option one closure. Coordinates and any additional desired information should be available from Fish and Game.

2. Excluding the test tows, only 7.5 percent of the observed tows in Marmot took any king crab and the total observed king crab catch over the seven year period was forty-seven crab.

Conclusions

1. The limited data available indicates that commercial groundfish operations experience a bycatch different from that experienced by IPHC when targeting on halibut with trawls. This is not an unexpected finding.

2. The data is too limited to use to project bycatch rates.

3. The data does indicate there is an area within statistical area 252-54 which produced an excessive king crab catch. It is believed that the area surveyed is included in the option 1 closure, but this should be confirmed.

4. Both the prior incidence of a high king crab bycatch and the halibut commission's concerns indicate that the Marmot area should be a high-priority area for collecting observer data. For this year there is \$160,000 for use in a state observer program and it would seem logical to leave as much area as open as prudent in order to collect data.

The council might wish to set up some sort of bycatch guidelines that could be used for emergency closures for specified times and areas should observer data show excessive king crab bycatch.

ALASKA GROUND FISH DATA BANK
P.O. BOX 2298
KODIAK, ALASKA 99615
907-486-3033
September 9, 1986

CUMULATIVE HALIBUT OBSERVED HALIBUT BYCATCH
1978-1984
IN CHINIAC AREA PROPOSED FOR CLOSURE
BY IPHC

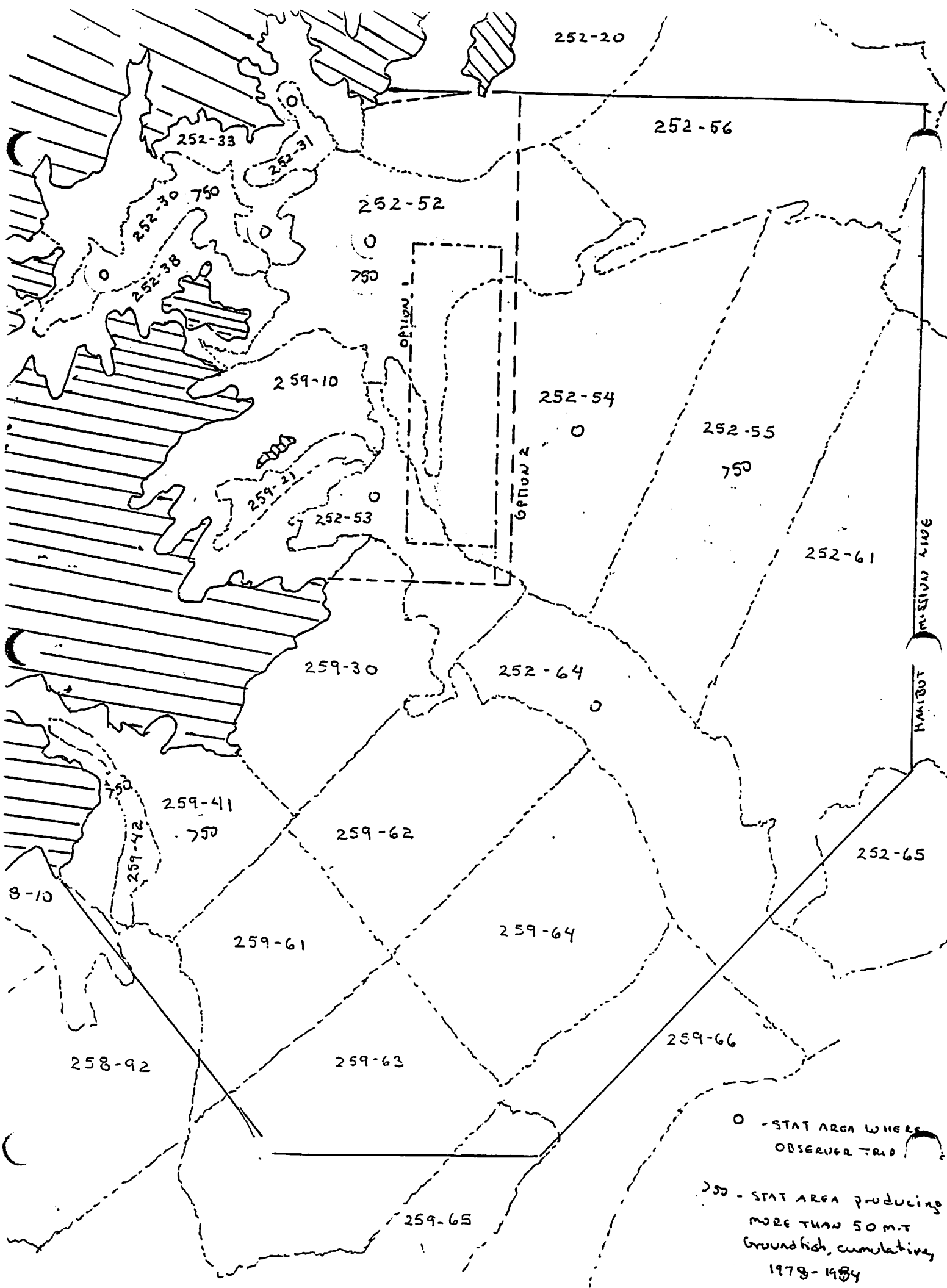
<u>Stat area</u>	<u>No. hauls obs.</u>	<u>No. with halibut</u>	<u>Total lbs. halibut</u>	<u>Total no. halibut</u>	<u>Ave. wt. lbs.</u>	<u>Total* grdfish m.t.</u>
252-30	15	9	2829.2	347	8.2	93.5
252-31	9	8	7205	423	17	3
252-33	12	12	8397	884	9.5	22
252-35	0	--	--	--	--	15.4
252-38	0	--	--	--	--	22.6
252-52	2	2	1430.6	98	15.1	665.0
252-53	3	0	n/r	--	--	17.8
252-54	7	2	587.4	102	5.8	n/r
252-55	0	--	--	--	--	56.2
252-56	0	--	--	--	--	28.0
252-61	0	--	--	--	--	1.6
252-64	2	1	147.4	30	4.9	11
259-10	0	--	--	--	--	18.8
259-21	0	--	--	--	--	5.8
259-30	0	--	--	--	--	8.3
259-41	0	--	--	--	--	161.2
259-42	0	--	--	--	--	172.6
259-61	0	--	--	--	--	11
259-62	0	--	--	--	--	9.9
259-63	0	--	--	--	--	21
Totals	<u>50</u>	<u>34</u>	<u>20,647</u>	<u>1,884</u>	<u>11</u>	

OBSERVED KING CRAB BYCATCH

<u>Stat area</u>	<u>Hauls obs.</u>	<u>Hauls with K.crab</u>	<u>Total No. K.crab</u>	<u>Crab/ trawl Hour</u>	<u>Total mt grdfish</u>
252-30	15	1	1	0	93.5
252-31	9	1	1	.1	3
252-33	12	0	0	0	22
252-52	2	1	45	11.7	665
252-53	3	0	0	0	17.8
252-54*	7	7	884	42.8	n/r
252-64	2	0	0	0	11
Total	<u>50</u>	<u>10</u>	<u>931</u>		

n/r = none reported

*See attached discussion



KODIAK AREA - SHELLFISH CHART
FISH TICKET AREAS

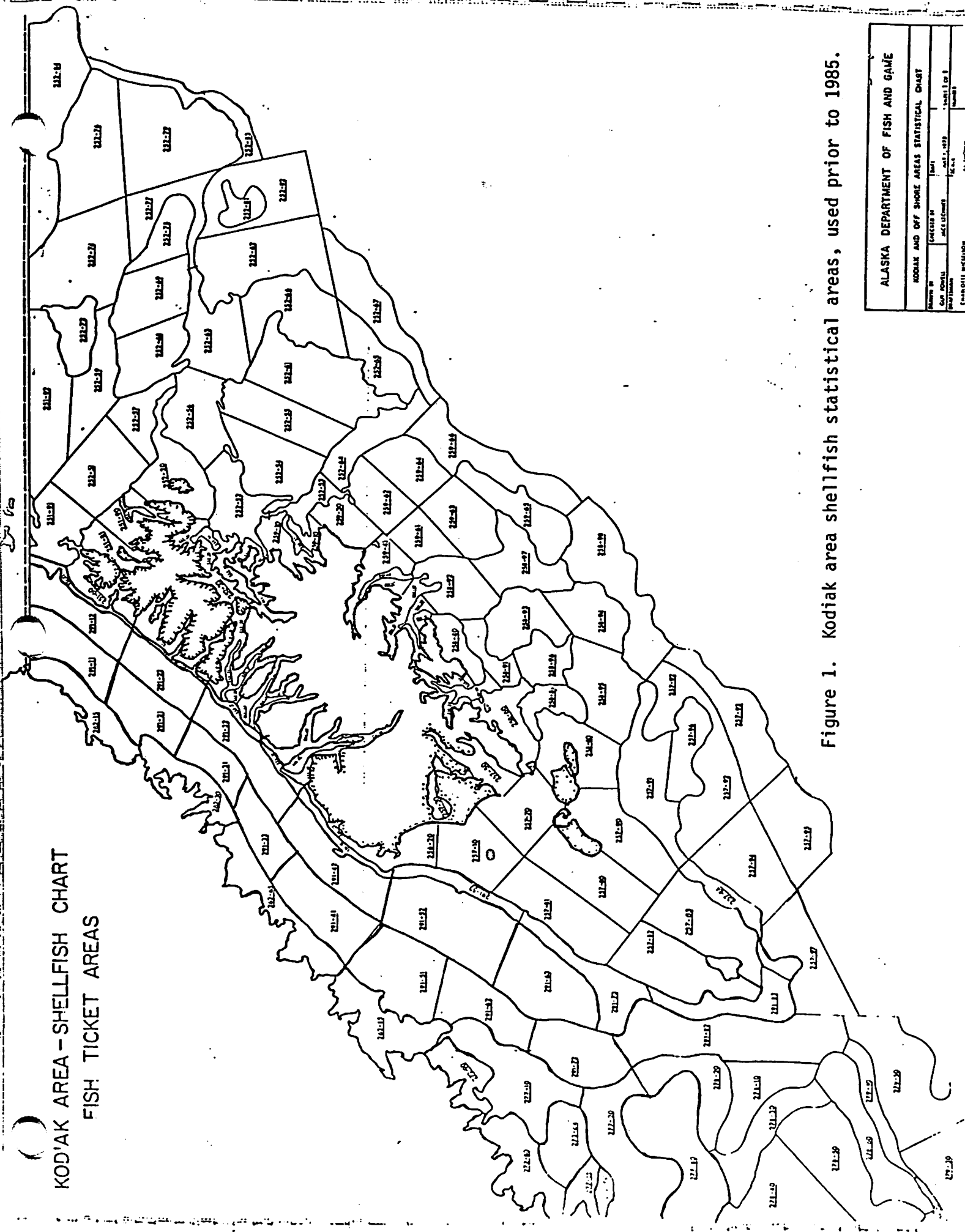


Figure 1. Kodiak area shellfish statistical areas, used prior to 1985.

ALASKA DEPARTMENT OF FISH AND GAME			
KODIAK AND OFF SHORE AREAS STATISTICAL CHART			
CHART NO.	DATE	SCALE	FIG. NO.
112-01	1975	1:50,000	1 OF 1
COURTESY, ALASKA DEPARTMENT OF FISH AND GAME			

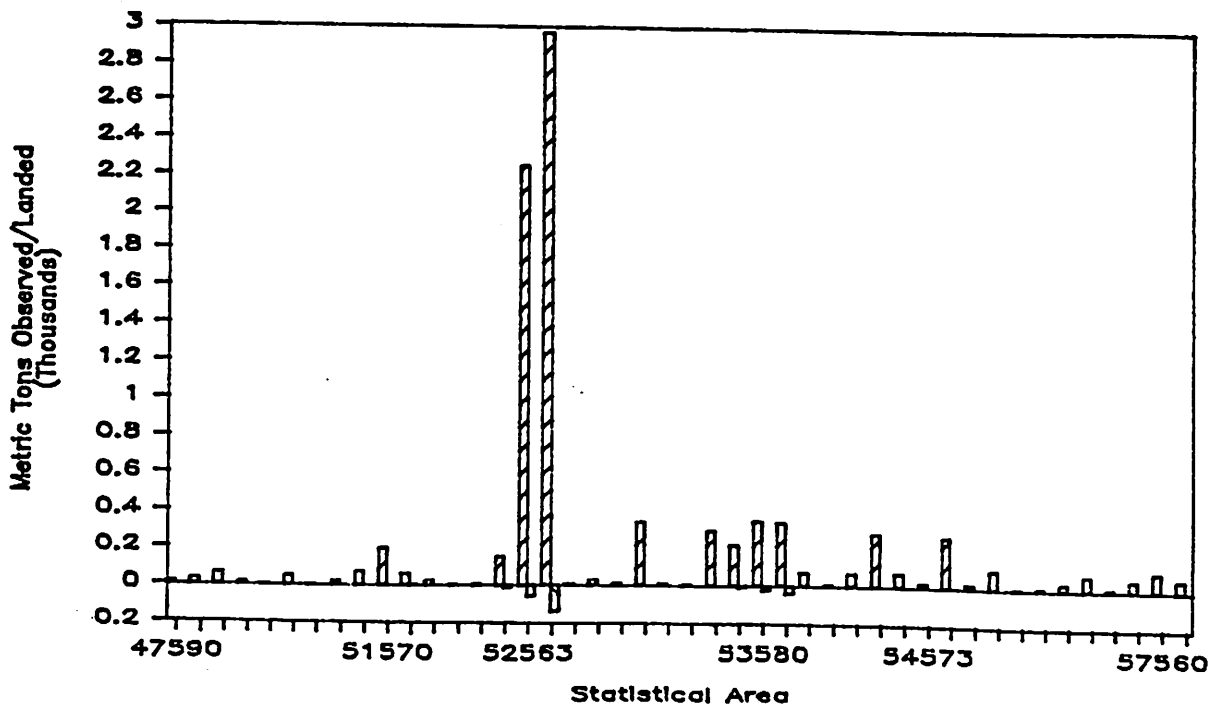
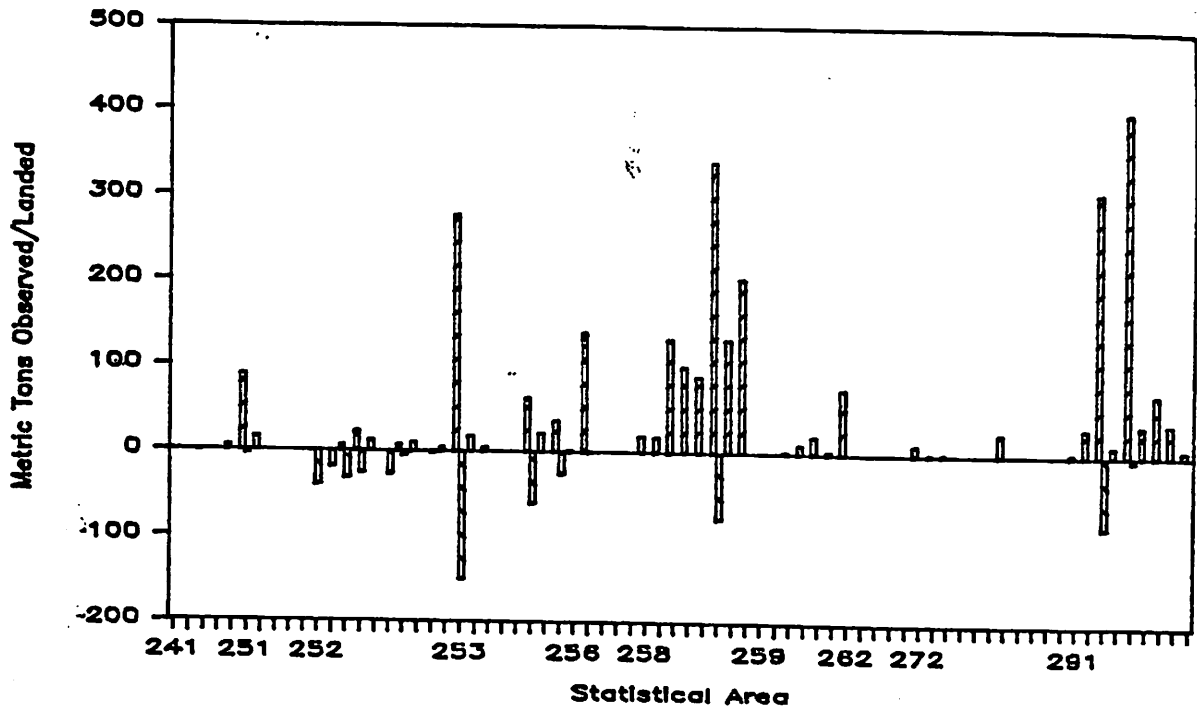


Figure 2. Total trawl landings (above line) and observed total catch (below line) in metric tons by statistical area for 1984 (top) and 1985 (bottom). Note that observed catch is offset to the right of landings in the same area.

**Summary of Incidental Catch Data
of Prohibited Species in the Trawl
Fishery Near Kodiak, from
the Domestic Observer Program**

**by Jim Blackburn
and
Dana Schmidt**

**Alaska Department of Fish and Game
211 Mission Road
Kodiak Alaska, 99615**

June 18, 1986

INTRODUCTION

This report was prepared to summarize the available groundfish observer data to provide a background reference to the observed catch rates of prohibited species. This information is to provide the Alaska Board of Fisheries, the North Pacific Fisheries Management Council, and the public an objective interpretation of available information, and a discussion of the limitations of this information. These data will also be used in designing future observer programs addressing the domestic groundfish industry bycatch.

The domestic groundfish observer program began in 1978 under a contract with the North Pacific Fisheries Management Council. Since that time there have been nearly 1100 hauls observed, 615 of which have been in the Kodiak area. The fishery has undergone tremendous changes during these years. Areas fished have changed with target species and their movements; markets have changed frequently with one or no shore plants for several years and only a state joint venture in 1983. In 1984 there was more than one plant in operation for the first time and now there are several plants and catcher processors. The fishing fleet has changed from off season shrimp fishermen using ill-adapted double rig trawlers to vessels rigged for groundfish. For most of those years the important market was for bait for tanner crab.

METHODS

Observers sampled either the prohibited species only or both the prohibited species and the total catch. Occasionally no sample of the catch was possible, due to sea conditions, dumping of the catch, or other problems. Prohibited species were sampled by counting all that were caught and weighing a portion of them. The target catch was estimated by taking a sample of the catch, sorting it by species, then counting and weighing each species. Total catch estimates were made by the observer, often with the assistance of the vessel crew.

Commercial catches listed are summaries of fish ticket data.

RESULTS AND DISCUSSION

During 1978 through 1985 there were 54 trips made by observers on groundfish vessels fishing in the Kodiak area and 615 hauls were observed in 50 statistical areas. Of these hauls, 602 had incidental catch, 479 had Tanner crab, 143 had red king crab, and 562 had halibut. During this time there were trawl fisheries for cod, pollock, sablefish, various flounder species, and Tanner crab bait, for which cod were preferred. Most of the fishing activity was localized in three areas, the east side of Shelikof Straits, Marmot Bay (1983 and 84), and the east side of Kodiak near Sitkalidak Island.

Selected summaries of the observer data are listed in Tables 1 through 6. Table 1 summarizes the prohibited species catch by year, listing the total number of hauls observed, the total number of each prohibited species observed, the percentage of the

total hauls that had prohibited species in them, the mean number of each prohibited species per haul and the standard error of this mean. Note that for Tanner crab, the 1979 data was primarily composed of very small crab from a single haul, estimated at 20,430 in number weighing approximately 1,000 pounds. This was the only observance of this type of catch. For king crab, major variations occurred among years in the percentage of hauls observed that had king crab. There were seven areas in which the catch rate exceeded 8.0 king crab per hour, six areas where the catch rate was between 0.5 and 8.0 crab per hour, and a number of areas where few or no king crab were taken although there were a significant number of tows observed. The difference between the highest and lowest catch rates exceeds three orders of magnitude.

The domestic groundfish catch from the few statistical areas which have had high incidental catches of king crab has fluctuated considerably from year to year. From 1978 through 1984 between 2 percent and 35 percent of the total groundfish landings was taken from areas where observers have found high king crab bycatch. Total poundage taken from these areas has varied between 60,400 and 1,518,352 pounds, a difference of 25 fold. As observer coverage has been limited, the application of these data to statistical areas not observed is not possible.

Table 2 lists observer data for statistical areas in the Kodiak area grouped from 1978 to 1984, with the number of tows observed, the number of tows with king crab, the percentage of the tows in each statistical area which had positive king crab catches, and

the total number of crab observed. Figure 1 is an island wide map of these statistical areas. These data reflect the comparative importance of king crab bycatch in statistical areas which have had some observer coverage. Observer coverage was limited to one or two years for many statistical areas for two reasons, the groundfish fleet has fished different areas in different years and limited observer coverage included only a sampling of the areas fished each year.

The observer coverage from 1978-84 and red king crab occurrences are compared with 1981 commercial red king crab harvests and the 1978-84 groundfish harvests (Table 3). King crab harvest data for 1981 was selected as a midpoint in the 1978-84 period because data from the entire time period was not readily available. Catch data for 1985 was not included due to a change in the statistical area designations, which precludes inclusion in a multiple year summary. Bycatch rates do not appear to be related to commercial crab landings by statistical area.

The seasonal coverage of areas that had bycatch of red king crab are listed in Table 4. Note that most of the observer data were collected during the spring months which corresponds with the softshell period of red king crab.

Table 5 summarizes the Tanner crab bycatch information, listing the catches observed from 1978 through 1984 that were greater than 100 crab per tow. Halibut bycatch information is listed in Table 6.

The observer trips conducted may not be representative of the entire fishery, particularly during the most recent years (Figure 2). Comparisons between individual trips suggest large variations among vessels and particularly among statistical areas. Estimates of the precision of the samples, also suggest the sample size of the observer data may limit the value of projections during selected times and in some areas. Clearly, any meaningful projections would have to be based on stratifying the data by area, and possibly by time, directed target species, and vessel type. The lack of any observer coverage from significant components of these strata makes meaningful projections impossible.

Future observer coverage should be stratified by statistical area, the species of the directed fishery, the time of year and possibly type of vessel. To obtain adequate coverage of each of these strata, a high percentage of vessels participating in the fishery may have to be covered to insure accurate projections of total bycatch.

In summary, the data appear to be of limited value in projecting future bycatch. This is particularly a problem with the domestic groundfish fishery because it is growing rapidly. Areas fished, the target species, and times fished may vary considerably from year to year.

Table 1. Summary of incidental catch of prohibited species from observer data collected by the Alaska Department of Fish and Game in the Kodiak area by year. Data includes the number of hauls examined, the total number of each species observed in those hauls, the percent of the hauls in which each species was present, the mean catch in number per haul and the standard error of the mean catch.

	1978	1979	1980	1981	1982*	1984*	1985
# of Hauls	119	85	83	87	36	155	50
# of Trips	11	9	8	6	5	11	4
Tanner Crab							
Total Observed	7787	32992**10250	1334	2770	6107	6407	
% hauls	95.0	69.4	51.8	83.9	80.6	66.0	82.0
Mean	65	388	123	15	77	42	128
Std error	10	243	37	4	18	7	51
King Crab							
Total Observed	6723	1004	27	5	22	938	111
% hauls	53.8	42.4	10.8	5.7	33.3	7.1	8.0
Mean	56	12	0	0	1	6	2
Std error	10	6	0	0	0	2	2
Halibut							
Total Observed	1587	1022	1504	3019	337	7788	5145
% hauls	88.2	61.2	79.5	98.9	80.6	100.0	100.0
Mean	13	12	18	35	9	50	103
Std error	3	2	2	4	2	6	20
Salmon							
Total Observed	2	26	54	44	10	119	37
% hauls	0.8	7.1	15.7	10.3	13.9	26.5	12.0
Mean	0	0	1	1	0	1	1
Std error	0	0	0	0	0	0	0

* There was no domestic observer coverage during 1983.

** In 1979 one haul had approximately 1,000 pounds of tiny tanner crab, estimated to number 20,430.

Table 2. List of statistical areas sampled in the Kodiak area for incidental species by groundfish observers during 1978 through 1985 with the total tows observed, number of tows with king crab, the total count of king crab observed in each area, and the mean catch of red king crab per hour towed.

stat area	Observed Tows	Number with King Crab	percent	Total Crab	Crab per Hour
23190	1	0	0%	0	0.0
25120	2	0	0%	0	0.0
25230	15	1	7%	1	0.0*
25231	9	1	11%	1	0.1
25233	12	0	0%	0	0.0
25252	2	1	50%	45	11.7
25253	3	0	0%	0	0.0
25254	7	7	100%	884**	42.8
25262	5	0	0%	0	0.0
25264	2	0	0%	0	0.0
25267	3	0	0%	0	0.0
25284	1	0	0%	0	0.0
25311	37	0	0%	0	0.0
25312	4	2	50%	16	2.2
25331	30	30	100%	5838***	64.6
25333	2	1	50%	9	2.2
25410	22	0	0%	0	0.0
25430	6	2	33%	2	0.1
25440	7	0	0%	0	0.0
25640	5	1	20%	7	1.1
25784	1	0	0%	0	0.0
25791	1	0	0%	0	0.0
25792	2	0	0%	0	0.0
25794	1	0	0%	0	0.0
25820	20	12	60%	20	0.6
25840	1	0	0%	0	0.0
25854	32	32	100%	1030****	8.2
25855	37	15	41%	674	12.0
25891	4	4	100%	89	10.8
25892	28	3	11%	48	0.6
25897	9	1	11%	1	0.0*
25965	9	0	0%	0	0.0
26230	1	0	0%	0	0.0
27374	1	0	0%	0	0.0
27380	23	10	43%	16	0.2
27390	1	1	100%	1	0.3
27820	1	0	0%	0	0.0
29122	53	0	0%	0	0.0
29131	1	0	0%	0	0.0

Continued

Table 2. Continued.

stat area	Observed Tows	Number with King Crab	percent	Total Crab	Crab per Hour
29132	140	15	11%	40	0.9
29133	6	0	0%	0	0.0
29142	3	0	0%	0	0.0
29182	2	0	0%	0	0.0
515730	4	2	50%	108	27.0
525600	1	0	0%	0	0.0
525630	7	0	0%	0	0.0
525702	20	2	10%	3	0.1
535732	3	0	0%	0	0.0
535802	7	0	0%	0	0.0
535803	8	0	0%	0	0.0
Totals	602	143	24%	8833	

- * Less than 0.05 crab per hour
- ** All in 1984
- *** All in 1978
- **** All in 1978 and 79

Table 3. Comparison of commercial red king crab landings in the Kodiak area during 1981, domestic groundfish landings (1978-84), and groundfish observer coverage (1978-84), by statistical area.

Stat Area	Observer Data 1978-1984			Commercial Fishery Data-Landings				
	Obs. Hauls (#)	Hauls W/Crab (#)	Total Crab (#)	Weight (Lbs.)	Number (Legal)	% By Weight	Groundfish Weight (M.Tons)	% By Weight
25892	28	1	3	1,802,602	201,454	7.8%	600.9	3.5%
25791	1	0	0	1,733,349	241,170	7.5%	0.9	0.0%
29152				1,375,085	183,887	5.9%	233.2	1.3%
25264	2	0	0	1,154,232	123,455	5.0%	11.0	0.1%
25254	7	7	884	1,094,685	105,120	4.7%	0.0	0.0%
29163				1,042,698	139,196	4.5%	0.0	0.0%
25256				1,015,367	117,961	4.4%	28.0	0.2%
25784	1	0	0	1,011,063	141,127	4.4%	0.0	0.0%
25881				994,343	135,362	4.3%	12.8	0.1%
29173				866,368	118,119	3.7%	0.0	0.0%
29153				689,993	91,500	3.0%	30.6	0.2%
25253	3	0	0	664,637	85,002	2.9%	17.8	0.1%
25252	2	1	45	654,119	74,865	2.8%	665.0	3.8%
25891	4	2	72	628,935	75,122	2.7%	155.9	0.9%
29182	2	0	0	590,937	77,412	2.6%	0.0	0.0%
25331	30	30	5838	575,797	82,062	2.5%	123.0	0.7%
25783				479,529	65,875	2.1%	5.1	0.0%
25895				406,924	55,071	1.8%	0.0	0.0%
25230	15	1	1	344,812	52,344	1.5%	93.5	0.5%
25770				329,374	42,800	1.4%	18.2	0.1%
25880				324,897	45,263	1.4%	0.0	0.0%
25259				302,672	35,062	1.3%	4.2	0.0%
25710				281,886	39,517	1.2%	1.2	0.0%
25781				269,032	36,286	1.2%	0.7	0.0%
29183				260,885	34,819	1.1%	10.3	0.1%
25820	20	12	20	253,858	30,791	1.1%	299.5	1.7%
25790				247,620	34,317	1.1%	1.6	0.0%
25750				227,101	33,748	1.0%	9.8	0.1%
25855	37	15	674	189,779	26,059	0.8%	1383.6	8.0%
25782				183,818	24,254	0.8%	0.0	0.0%
25962				174,739	16,656	0.8%	9.9	0.1%
25896				171,051	21,269	0.7%	26.6	0.2%
25333	2	1	9	170,528	22,780	0.7%	87.7	0.5%
25312	4	2	16	161,532	21,307	0.7%	35.5	0.2%
25257				160,477	17,769	0.7%	0.0	0.0%
25797				147,643	19,400	0.6%	0.0	0.0%
29133	6	0	0	111,945	13,431	0.5%	44.2	0.2%
25255				111,123	10,715	0.5%	56.2	0.3%

Continued

Table 3. Comparison of commercial red king crab landings in the Kodiak area during 1981, domestic groundfish landings (1978-84), and groundfish observer coverage (1978-84), by statistical area (continued).

Stat Area	Observer Data 1978-1984		Commercial Fishery Data-Landings				
	Obs. Hauls (#)	Hauls W/Crab (#)	Total Crab (#)	Weight (Lbs.)	Number (Legal)	% By Weight	Groundfish 1978-84 Weight (M.Tons) % By Weight
25941				110,856	11,429	0.5%	161.2 0.9%
26265				103,635	11,632	0.4%	78.8 0.4%
25921				101,040	14,517	0.4%	6.8 0.0%
29172				87,647	11,705	0.4%	0.0 0.0%
25235				83,426	12,127	0.4%	15.4 0.1%
25263				83,197	9,014	0.4%	0.0 0.0%
25238				81,336	12,878	0.4%	22.6 0.1%
25910				78,752	11,209	0.3%	18.8 0.1%
25251				75,432	8,036	0.3%	0.0 0.0%
25893				73,656	7,396	0.3%	0.0 0.0%
25780				70,276	9,560	0.3%	0.0 0.0%
25620				60,923	6,565	0.3%	2.0 0.0%
25730				54,981	8,610	0.2%	0.0 0.0%
25897	9	1	1	54,053	6,403	0.2%	471.6 2.7%
29132	140	15	40	51,912	6,865	0.2%	7155.0 41.2%
29121				49,565	6,613	0.2%	33.0 0.2%
25265				46,550	5,800	0.2%	0.0 0.0%
25268				46,025	5,371	0.2%	1.0 0.0%
25854	32	32	1030	44,575	6,207	0.2%	382.7 2.2%
25840	1			44,213	6,036	0.2%	55.9 0.3%
29111				42,298	5,494	0.2%	4.0 0.0%
26215				40,145	4,500	0.2%	0.0 0.0%
26285				36,627	4,846	0.2%	1.5 0.0%
25942				34,366	3,219	0.1%	172.6 1.0%
25120	2	0	0	31,841	4,386	0.1%	109.2 0.6%
25792	2	0	0	31,815	4,500	0.1%	1.2 0.0%
25860				31,772	4,076	0.1%	109.2 0.6%
26230	1	0	0	25,609	2,854	0.1%	4.9 0.0%
25963				23,735	3,091	0.1%	21.0 0.1%
25810				23,433	2,742	0.1%	31.8 0.2%
29112				21,532	2,861	0.1%	16.6 0.1%
25311	37	0	0	20,720	2,431	0.1%	672.7 3.9%
29151				18,151	2,500	0.1%	62.4 0.4%
25269				17,814	2,100	0.1%	16.9 0.1%
25233	12	0	0	17,491	2,622	0.1%	22.0 0.1%
27810				16,938	2,200	0.1%	0.0 0.0%
25964				15,796	1,508	0.1%	0.0 0.0%
25440	7	0	0	13,977	1,637	0.1%	67.9 0.4%

Continued

Table 3. Comparison of commercial red king crab landings in the Kodiak area during 1981, domestic groundfish landings (1978-84), and groundfish observer coverage (1978-84), by statistical area (continued).

Stat Area	Observer Data 1978-1984			Commercial Fishery Data-Landings				
	Obs. Hauls (#)	Hauls W/Crab (#)	Total Crab (#)	Crab 1981 Weight (Lbs.)	Crab 1981 Number (Legal)	% By Weight	Groundfish 1978-84 Weight (M.Tons)	% By Weight
25961				13,564	1,350	0.1%	11.0	0.1%
25266				12,865	1,552	0.1%	0.0	0.0%
25261				11,504	1,220	0.0%	1.6	0.0%
25430	6	6	64	10,996	1,462	0.0%	56.7	0.3%
25220				10,905	1,083	0.0%	0.0	0.0%
25930				10,894	1,187	0.0%	8.3	0.1%
25130				10,344	1,417	0.0%	19.3	0.1%
25966				8,470	1,084	0.0%	242.6	1.4%
25898				6,627	755	0.0%	399.5	2.3%
25190				5,819	688	0.0%	0.0	0.0%
29142	3	0	0	5,580	700	0.0%	280.7	1.6%
29122	53	0	0	5,231	713	0.0%	1836.6	10.6%
27280				5,066	713	0.0%	2.0	0.0%
25277				3,809	301	0.0%	0.0	0.0%
27710				3,682	525	0.0%	0.5	0.0%
25181				2,850	365	0.0%	11.9	0.1
25231	9	1	1	2,095	352	0.0%	3.0	0.0%
25192				1,445	180	0.0%	0.0	0.0%
27264				1,230	167	0.0%	0.0	0.0%
25262	5	0	0	0	0	0.0%	12.3	0.1%
25267	3	0	0	0	0	0.0%	18.5	0.1%
25284	1	0	0	0	0	0.0%	17.6	0.1%
25410	22	0	0	0	0	0.0%	295.5	1.7%
25640	5	1	7	0	0	0.0%	230.4	1.3%
25794	1	0	0	0	0	0.0%	14.4	0.1%
25965	9	0	0	0	0	0.0%	70.1	0.4%
27820	1	0	0	0	0	0.0%	0.0	0.0%
29131	1	0	0	0	0	0.0%	151.5	0.9%

Blank Values in the observer column indicate no trips were observed in the indicated statistical area during the 1978 to 1984 period

Data for the commercial red king crab fisheries include all landings in the Kodiak area during calendar year 1981.

Continued

Table 3. Comparison of commercial red king crab landings in the Kodiak area during 1981, domestic groundfish landings (1978-84), and groundfish observer coverage (1978-84), by statistical area (continued).

Statistical areas include only those areas that had red king crab landings reported in 1981 or that had observer coverage during the 1978-84 period. This included over 95% of all reported groundfish landings during this period.

Note that groundfish are a diverse group of species including about six flounder species, sablefish, cod, and pollock. Each have different habitats, abundances, and catch rates, which should be addressed when dealing with incidental catch.

Caution should be used in interpreting this table as statistical areas for both groundfish and crab fisheries may not be accurately reported and the fisheries occur during different times of the year. This is reflected in statistical areas that have observer coverage, but no reported commercial groundfish catch. Multiple areas were often fished with the catch being reported for one statistical area only.

Table 4. Number of hauls on which king crab were present. Statistical area, year and month from domestic observer data of groundfish vessels during 1978 through 1985.

Statistical Area	Year	Month											
		1	2	3	4	5	6	7	8	9	10	11	12
25230	84					1							
25231	84				1								
25252	84				1								
25254	84				7								
25312	78				1	1							
25231	78				6	24							
25333	80		1										
25430	79					6							
25640	84			1									
25820	80			1									
	82			7	4								
25854	78										9	8	
	79					15							
25855	79							8					
	80			4									
	82				2								
25891	79							2					
25892	82	4											
25897	80			1									
27380	78					7	3						
27390	78					1							
29132	78				2	2							
	79				5								
	80		1										
	81			5									
515730	85											2	
525730	85											2	
Total		4	2	19	29	57	3	10	0	0	0	9	12

Continued

Table 5. List of observed tanner crab catches in the Kodiak area that were greater than 100 crab per tow, with year, number and weight of crab and statistical area (cont'd).

cruise	haul	year	number	kilograms	stat area
703	11	80	296	36.0	29132
703	13	80	202	61.6	29132
703	6	80	153	35.3	29132
411	9	81	357	162.5	29132
313	2	80	187	21.3	29122
313	1	80	187	21.3	25311
704	3	80	116	27.2	25965
418	23	82	541	133.5	25855
418	14	82	458	152.2	25855
418	26	82	361	126.0	25855
418	16	82	357	117.5	25855
418	27	82	246	65.7	25855
418	20	82	219	92.6	25855
418	13	82	195	81.1	25855
418	24	82	188	59.8	25855
418	15	82	175	66.0	25855
418	11	82	148	52.6	25855
418	17	82	148	46.7	25855
418	21	82	147	40.7	25855
418	18	82	135	37.4	25855
418	25	82	120	48.0	25855
418	19	82	114	38.0	25855
416	11	82	523	230.0	25820
415	11	82	350	91.7	25820
415	10	82	313	87.4	25820
414	6	82	200	111.4	25820
415	9	82	189	52.6	25820
416	2	82	164	51.7	25820
415	7	82	152	35.1	25820
415	8	82	133	32.7	25820
416	6	82	125	47.5	25820
416	3	82	105	34.5	25820
8414	5	84	636	281.8	25254
8416	7	84	420	92.4	25231
8416	4	84	235	110.4	25231
8416	8	84	220	102.0	25231
8416	3	84	208	97.7	25231
8416	2	84	169	101.4	25231
8416	6	84	150	78.8	25231
8415	6	84	127	58.4	25231
8416	5	84	125	60.2	25231
8415	9	84	381	188.1	25233
8415	11	84	206	130.7	25233
8415	7	84	174	77.9	25233
8415	3	84	165	99.0	25233

Continued

Table 5. List of observed tanner crab catches in the Kodiak area that were greater than 100 crab per tow, with year, number and weight of crab and statistical area (cont'd).

cruise	haul	year	number	kilograms	stat area
8415	1	84	115	57.5	25233
8415	5	84	114	48.0	25233
8414	1	84	220	128.3	25252
8417	4	84	197	84.7	25230
8415	17	84	195	88.3	25230
8417	3	84	162	72.2	25230
8417	1	84	113	53.6	25230
8415	19	84	173	79.7	26230

Table 6. List of observed halibut catches in the Kodiak area that were greater than 25 per tow, with year, number and weight of halibut, and statistical area.

Cruise	Haul	Year	Number	Kilograms	Stat Area
101	7	78	28	25	25311
104	4	78	27	54	25331
102	2	78	227	204	25640
102	1	78	204	169	25640
203	6	78	33	65	27380
201	1	78	99	71	29132
101	4	78	42	152	29132
201	3	78	40	40	29132
201	2	78	40	26	29132
201	6	78	29	55	29132
201	7	78	29	35	29132
201	5	78	28	36	29132
201	8	78	27	55	29132
401	1	79	38	59	25333
408	2	79	49	85	25430
408	1	79	44	165	25430
408	3	79	38	72	25430
408	6	79	37	68	25430
408	5	79	26	180	25430
410	9	79	64	451	25891
409	4	79	54	242	25892
409	3	79	31	111	25892
403	1	79	46	159	29122
403	3	79	41	164	29122
403	8	79	38	141	29122
403	5	79	35	84	29122
402	1	79	29	57	29122
403	9	79	28	72	29122
601	8	79	32	85	29132
601	5	79	29	89	29132
601	6	79	27	84	29132
705	4	80	50	90	25855
705	3	80	41	70	25855
705	5	80	40	85	25897
704	3	80	52	211	25965
704	10	80	35	189	25965
704	16	80	30	72	25965
313	2	80	31	59	29122
703	14	80	95	21	29132
703	6	80	65	117	29132
706	1	80	62	83	29132
313	4	80	60	129	29132

Continued

Table 6. List of observed halibut catches in the Kodiak area that were greater than 25 per tow, with year, number and weight of halibut, and statistical area.

Cruise	Haul	Year	Number	Kilograms	Stat Area
703	13	80	51	111	29132
701	1	80	51	90	29132
703	8	80	50	103	29132
313	3	80	45	73	29132
703	5	80	33	19	29132
702	5	80	33	40	29132
703	10	80	28	48	29132
702	7	80	26	73	29132
706	2	80	101	142	29142
706	5	80	39	50	29142
804	11	81	30	67	25264
804	7	81	37	77	25791
804	9	81	240	8	25792
804	8	81	75	46	25792
804	2	81	96	25	25784
804	6	81	87	48	25794
804	3	81	87	89	27820
412	15	81	51	146	29122
412	14	81	45	82	29122
412	8	81	42	103	29122
412	4	81	38	168	29122
412	11	81	36	83	29122
412	3	81	34	75	29122
412	5	81	34	97	29122
412	13	81	28	51	29122
801	20	81	128	80	29132
802	22	81	100	90	29132
801	18	81	78	9	29132
802	24	81	71	46	29132
801	19	81	70	5	29132
801	21	81	48	89	29132
802	18	81	47	27	29132
802	16	81	47	27	29132
801	6	81	44	97	29132
802	8	81	42	58	29132
802	23	81	41	64	29132
802	20	81	40	75	29132
412	16	81	36	97	29132
801	13	81	36	86	29132
802	13	81	35	71	29132
802	2	81	34	83	29132
802	17	81	33	73	29132
801	16	81	32	72	29132
802	19	81	32	68	29132

Continued

Table 6. List of observed halibut catches in the Kodiak area that were greater than 25 per tow, with year, number and weight of halibut, and statistical area.

Cruise	Haul	Year	Number	Kilograms	Stat Area
801	2	81	32	71	29132
412	6	81	32	122	29132
802	15	81	31	86	29132
411	4	81	29	72	29132
802	25	81	29	3	29132
801	7	81	28	62	29132
801	12	81	27	64	29132
802	10	81	27	80	29132
802	3	81	27	67	29132
801	1	81	26	58	29132
802	21	81	26	43	29132
804	5	81	132	96	29182
804	4	81	46	78	29182
417	2	82	64	46	25410
417	6	82	51	58	25410
417	4	82	29	13	25410
414	7	82	30	83	29132
414	8	82	26	80	29132
8409	10	84	120	114	25120
8415	14	84	49	162	25230
8415	16	84	47	119	25230
8415	15	84	41	93	25230
8416	13	84	41	104	25230
8415	18	84	39	143	25230
8416	11	84	37	114	25230
8415	19	84	35	84	25230
8417	3	84	31	390	25230
8416	12	84	27	77	25230
8416	4	84	93	981	25231
8415	6	84	63	359	25231
8416	2	84	62	391	25231
8416	3	84	57	612	25231
8416	6	84	45	466	25231
8416	7	84	37	222	25231
8416	8	84	35	131	25231
8416	5	84	31	113	25231
8415	3	84	131	733	25233
8415	8	84	126	331	25233
8415	9	84	89	538	25233
8415	5	84	89	414	25233
8415	12	84	73	214	25233
8415	4	84	68	219	25233
8415	7	84	62	259	25233

Continued

Table 6. List of observed halibut catches in the Kodiak area that were greater than 25 per tow, with year, number and weight of halibut, and statistical area.

Cruise	Haul	Year	Number	Kilograms	Stat. Area
8415	2	84	61	206	25233
8415	13	84	53	251	25233
8415	10	84	47	305	25233
8415	11	84	47	199	25233
8415	1	84	38	146	25233
8414	1	84	61	323	25252
8416	9	84	37	143	25252
8414	4	84	51	184	25254
8414	5	84	51	33	25254
8409	5	84	865	551	25252
8409	7	84	33	87	25257
8418	2	84	185	322	25311
8401	6	84	110	2052	25311
8417	10	84	108	137	25311
8417	5	84	103	113	25311
8417	8	84	98	131	25311
8417	6	84	96	147	25311
8401	7	84	95	127	25311
8417	7	84	94	1516	25311
8401	11	84	87	103	25311
8401	4	84	85	80	25311
8417	11	84	82	111	25311
8416	16	84	72	173	25311
8417	9	84	64	110	25311
8401	2	84	60	33	25311
8418	10	84	57	1,355	25311
8401	1	84	55	64	25311
8416	17	84	49	125	25311
8401	8	84	38	39	25311
8401	5	84	38	93	25311
8401	10	84	37	41	25311
8401	14	84	36	75	25311
8401	9	84	35	40	25311
8418	11	84	28	730	25311
8418	8	84	28	45	25311
8413	6	84	231	345	25410
8413	10	84	156	129	25410
8413	5	84	144	132	25410
8413	9	84	102	90	25410
8413	7	84	68	63	25410
8413	8	84	51	43	25410
8413	16	84	51	53	25410
8413	12	84	51	62	25410
8409	11	84	45	31	25410
8413	4	84	43	98	25410

Continued

Table 6. List of observed halibut catches in the Kodiak area that were greater than 25 per tow, with year, number and weight of halibut, and statistical area.

Cruise	Haul	Year	Number	Kilograms	Stat Area
8413	15	84	43	35	25410
8413	14	84	38	50	25410
8401	12	84	37	24	25410
8413	13	84	35	27	25410
8409	14	84	281	204	25440
8409	13	84	80	111	25440
8409	16	84	80	128	25440
8409	17	84	80	173	25440
8409	18	84	80	214	25440
8408	11	84	100	269	25892
8416	19	84	103	312	29122
8416	18	84	92	381	29122
8422	12	84	39	156	29122
8422	7	84	37	216	29122
8422	3	84	32	99	29122
8416	20	84	100	412	29132
8416	21	84	100	248	29132
621	6	85	128	571	515730
621	4	85	86	431	515730
621	2	85	52	24	515730
621	1	85	46	175	515730
622	4	85	594	2726	525600
622	6	85	567	2533	525630
622	12	85	441	860	525630
622	9	85	417	1,075	525630
622	11	85	293	574	525630
620	2	85	259	60	525630
620	1	85	99	70	525630
622	10	85	97	409	525630
622	3	85	302	1,521	525702
620	7	85	173	538	525702
622	2	85	138	1,135	525702
620	6	85	128	628	525702
620	5	85	104	60	525702
621	13	85	96	273	525702
620	8	85	93	395	525702
620	3	85	75	185	525702
621	12	85	71	462	525702
622	1	85	59	231	525702
621	14	85	42	96	525702
621	21	85	40	39	525702
621	20	85	40	149	525702
621	16	85	39	39	525702
622	7	85	27	66	525702

Continued

Table 6. List of observed halibut catches in the Kodiak area that were greater than 25 per tow, with year, number and weight of halibut, and statistical area.

Cruise	Haul	Year	Number	Kilograms	Stat Area
8502	10	85	198	256	535732
8502	11	85	32	30	535732
8502	9	85	31	122	535732
8502	8	85	38	117	535802
8502	2	85	31	136	535802
8501	2	85	45	177	535803
8502	5	85	26	60	535803