

M E M O R A N D U M

TO: Council, SSC, AP Members  
FROM: Jim H. Branson  
Executive Director  
DATE: December 2, 1983  
SUBJECT: Gulf of Alaska sablefish management for 1984

*ACTION REQUIRED*

*The Council should consider reducing the level of directed foreign fishing for sablefish in the Gulf in light of evidence of its effects on the development of the American sablefish fishery.*

BACKGROUND

On October 7, the Council mailed a request for comments on the levels of optimum yield and apportionments to user groups for all groundfish in the Gulf of Alaska in 1984. This request prompted a particularly large response on the issue of sablefish management, with a broad cross section of industry and communities commenting. The opinions were nearly unanimous that the foreign directed fishery in the Gulf should be eliminated, or drastically reduced at a minimum. The reasons given were that foreign directed fishing competes with U.S. industry for markets and has adverse effects on stocks, CPUE, and domestic fishing; and that the domestic capacity and intent is present to fully utilize the Gulf's sablefish resource.

At the September meeting, the PMT reported that although 1983 analyses showed that stock condition is improving, these results should be viewed with caution. The 1982 equilibrium yield (EY) was estimated as 10,965 mt to 12,360 mt. The PMT said 1983 EY could be 10,955 mt to 21,800 mt. However, abundance of large fish, especially important to the reproductive capacity of the stock and to the U.S. fishery remain at a stable but low abundance and do not seem to be increasing. Current OYs, set at 75% of 1982 EY to promote rebuilding of sablefish stocks is as follows:

<u>Western</u>	<u>Central</u>	<u>W. Yakutat</u>	<u>E. Yakutat</u>	<u>Southeast</u>
1,670 mt	3,060 mt	1,680 mt	850-1,135 mt	970-1,435 mt

The Council staff has also been looking at the question, and a summary of their analysis immediately follows as item D-3A-1, while the full analysis is included as item D-3A-2. Many of the comments received were mailed to you in the last Council mailing; public comments received since then are included as item D-3A-3. (An exhaustive analysis contributed to the debate by Icicle Seafoods is in your supplemental file.) A staff summary of the full range of correspondence received on sablefish is found as item D-3A-4.

Should the Council find merit in eliminating the foreign directed fishery for sablefish in the Gulf, several options are available. They are:

1. Increase the proposed 1984 DAH to the level of OY, less an allowable incidental catch for foreign trawlers.

This is easiest in terms of plan mechanics, because it could be accommodated without formal plan amendment. However, NMFS survey information indicates that the expected DAH is less than TALFF in the three westernmost areas: the Western area, Central area, and the West Yakutat area. Setting a higher DAH, in view of the current NMFS survey estimates, may require further justification than is at hand.

A motion to accomplish this might be:

*"In light of the accumulated evidence and public and industry testimony about the capacity and intent of the American fishing industry to expand their sablefish fishery in the Gulf of Alaska, I move to set the level of DAH for sablefish in 1984 at the level of OY for all management areas of the Gulf."*

2. Reduce the proposed 1984 OY to the level of proposed DAH for all management areas of the Gulf.

Though this requires a plan amendment, it acknowledges that foreign directed fishing for sablefish is thought to be detrimental to the development of the U.S. industry, and it avoids the conflict with the current survey estimates of NMFS. However, it does have a serious drawback in that as the DAH expands, amendment of the plan will be required in the future to raise OY to the biologically safe limit.

A motion to accomplish this might be:

*"In light of the accumulated evidence and testimony that the U.S. industry has the capacity and intent to fully utilize the sablefish resource in the Gulf of Alaska and that the beneficial effects of eliminating the foreign directed fishery for sablefish in the Gulf of Alaska clearly appear to outweigh the costs of such an action, I move to amend the FMP to set OY equal to the proposed 1984 DAH, plus an allowable incidental catch for foreign trawlers."*

3. Set the sablefish OY equal to DAH plus an allowable incidental catch for trawlers, but not to exceed ABC.

This action proposes a framework for OY determination, recognizing that no directed foreign sablefish fishery is desirable, but allowing OY to grow as DAH grows, up to a biologically safe limit. This gives increased flexibility in management, because less plan amendment would be required to accommodate changes in the domestic capacity.

A motion to accomplish this might be:

*"In light of the evidence and testimony that the U.S. industry has the capacity and intent to fully utilize the sablefish resource in the Gulf of Alaska and that the benefits to the United States of eliminating directed foreign fishing for sablefish in the Gulf of Alaska outweigh the costs, I move to amend the Gulf of Alaska FMP to set the sablefish OY equal to the sum of DAH and an allowable incidental catch for foreign trawlers in the Western Yakutat, Central, and Western Regulatory Areas. OY may not exceed the allowable biological catch for these areas as established in the FMP."*

Staff Recommendation:

There appears to be sufficient evidence to warrant the elimination of foreign directed sablefish fishing in the Gulf. We believe alternative 3 is the best method of accomplishing this.

SUMMARY OF STAFF COMMENTS ON SABLEFISH

1. There is ample evidence of the potential for American industry to take the entire Gulf of Alaska sablefish OY in 1984, because of conditions in the crab and halibut fisheries.
2. It is uncertain at this point whether or not this development will occur. NMFS has estimated that the domestic industry will not take at least 2,800 mt, which is proposed for TALFF in 1984.
3. A prudent strategy would be to manage sablefish so as to minimize the risk of curtailing any unanticipated growth of American effort. Setting the level of directed foreign longline fishing at zero would result in the lowest risk.
4. Eliminating directed foreign fishing for sablefish may have some beneficial effects on the environment for American development of sablefish. It should provide some upward pressure on price in the Japanese market, with some falloff of consumption. Any increased price should increase the propensity of Japanese buyers to import sablefish, will improve the financial feasibility outlook for processing, and should help keep the U.S. ex-vessel price constant in the face of increased domestic landings. It is not at all certain that these effects will be significant, based on information at hand. The existence of substitutes in consumption for sablefish and any collusion in foreign buying would reduce their significance.
5. The only direct cost to Americans of eliminating the directed foreign sablefish fishery in the Gulf is a reduction in foreign fees. There is no net loss to society from this reduction in the long term, since NOAA policy is to collect only amounts required by law to cover the portion of Magnuson Act costs attributable to foreign fishing, and NOAA evaluates and sets its fee schedules annually.

It may be argued that there is a short-term net loss for 1984 from a reduction in the TALFF for sablefish; since the 1984 poundage fee for sablefish is \$150/mt, the loss in fees associated with an elimination of the directed foreign sablefish fishery would be approximately (2,300 mt) (\$150/mt) = \$345,000, assuming a 500 mt AIC for foreign trawlers. However, with domestic ex-vessel prices for sablefish in the vicinity of \$1,500/mt dressed (or \$1,050/mt round equivalent), if the reduction in TALFF of 2,800 mt spurred an increase of at least 330 mt in domestic harvests, the gain in gross ex-vessel revenues would exceed the reduction in foreign fee receipts.

6. In terms of gains to the nation, the best strategy for Gulf of Alaska sablefish may well be to eliminate the directed foreign fishery, even if only part of it is taken in the immediate future as additional catches by the American fleet, and the total catch of sablefish declines.

7. There may be some rebound, or induced, effects of an elimination of the directed foreign fishery. Japanese purchases of herring by vessels of the longline-gillnet association may be reduced; whether the net effects of this are negative is unknown. The sablefish resource research conducted by the association may be halted; what losses this would cause, if it occurred, are hard to measure.

STAFF COMMENTS ON THE ALLOCATION OF SABLEFISH

The Council has received a substantial body of testimony regarding the proposed 1984 catch levels of sablefish, virtually all of which advocates a greatly reduced, or zero, TALFF. The arguments made to support such a position are several, and include:

1. There currently exists more than enough capacity in both the harvesting and processing sectors, particularly with the demise of crab fishing and the greatly accelerated catches in halibut fisheries.
2. The Japanese longline fishery effectively competes with the American sablefish industry in the Japanese market.
3. Japanese fishing for sablefish keeps both stock size and average fish size smaller than would otherwise be without foreign fishing pressure.
4. Japanese fishing adversely affects American operations because of grounds preemption and gear conflict.

While many commentators have requested complete elimination of TALFF, this action would probably cause severe operational problems to foreign groundfish fisheries, because they do take small quantities of sablefish incidentally. It seems more reasonable to consider just the elimination of directed foreign fishing for sablefish, given that this will be most of the foreign catch, and it will not threaten the conduct of foreign groundfish operations. Thus, in this discussion only the latter will be considered.

It may be helpful to the Council to discuss some aspects of these arguments and the tradeoffs involved with sablefish allocation, particularly in light of the regulatory and legislative environment within which Council decisions are made.

A. Capacity

There is no question that events in other fisheries affect the capacity available for sablefish, both in the harvesting and processing sectors. There is equally no doubt that events in several other Alaska fisheries have combined to make fishermen and processors search actively for alternative sources of revenue and product supply.

There is virtually no 1983-84 king crab fishery, because of severely depressed stocks. Catches and ex-vessel revenue from king crab fisheries are a fraction of what they were in 1980. Gross ex-vessel revenues from king crab were nearly \$200,000,000 in 1980; projections for 1983 are that it may approach \$30,000,000. Prospects in the Tanner crab fishery, though not quite so catastrophic financially, are nonetheless poor.

While the health of halibut stocks has been good, the crab situation and Council discussion of limited entry have caused dramatic increases in halibut fishery participation and effort, with the result that halibut seasons are much shorter than they were even a few years ago. The increased halibut effort appears to have been the product of a shift from other fisheries (such as crab) and new entrants to fishing with a speculative motive.

Salmon stocks are generally quite strong (chinook being the notable exception), though some processors anticipate moderate catch levels this year, in contrast to the recent historic high catches. Thus, even in the salmon fisheries, there may be a relative downturn in catches and process volume in the upcoming year. While salmon earnings at ex-vessel and wholesale may not be adversely affected (depending upon price responses), the lower catches and production volume may translate to additional capacity available for sablefish.

Another aspect of the problem is the financial pressure many fishermen and processors face, especially in light of the high rates of interest prevalent in the late 1970s and early 1980s. A number of factors have combined to make modern fishing rather capital-intensive, and borrowing costs have soared with the levels of interest rates. For many fishermen, making boat payments has become a major motivation of the search for alternative sources of income.

Processors with heavy capital investment cannot afford to let their plants sit idle, since full capacity utilization is crucial to their financial viability.

All of these factors have combined to create a rather intense interest in alternatives to traditional fisheries, and sablefish appears to many to be a primary candidate for expansion of American harvest and processing activity. The testimony that the Council has before it is one indication of the interest.

There is an important distinction between capacity and actual purchases, of course. Whether or not latent capacity available for sablefish harvesting and processing actually results in full domestic utilization of the resource in the FCZ waters depends on several factors which influence the determination of price. However, as Brophy (1983) points out, consideration of price is conspicuously absent from the allocation procedures in the Magnuson Act, for reasons set out in the legislative history of the Act. As a result, the determination of TALFF in sablefish, as in other fisheries is based upon:

"The level representing that portion of the optimum yield of such fishery that will not be harvested by vessels of the United States as determined in accordance with the provisions of this Act...".  
Section 201(d)(2)(A).

In accordance with procedures in the Magnuson Act, NMFS conducts surveys of processors to estimate levels of DAH and DAP for each upcoming year. For 1984, this procedure resulted in projections of DAH equal to 980 mt in the Western Gulf, 790 mt in the Central Gulf, and 565 mt in the W. Yakutat district (see Table 1). The DAH for the E. Yakutat and Southeast Alaska areas are set equal to the OY, reflecting the fact that the American industry fully utilizes the sablefish resource in that area; OY, in turn, is equal to ABC in each area, which is expressed as a range. Thus, for the E. Yakutat area, DAH is 850-1,135 mt, while for the Southeast area it is 470-1,435 mt. Since there is no TALFF proposed for these areas, they are of less interest in the consideration of allocations, and the focus of the discussion will be on the Western, Central, and W. Yakutat areas.

Because the DAH in the western areas of the Gulf has been projected to be less than the OY, TALFFs are proposed. They are 356 mt in the Western area,



TABLE 1. Projected allocations of sablefish for 1984 in FCZ waters off Alaska.

Sablefish	1984 Proposed TAC/OY <sup>a/</sup>	Projections for 1984				1983 Estimates	
		DAH		Reserve	TALFF	DAH	
		DAP	JVP			DAP	JVP
<b>Bering Sea and Aleutian Islands</b>							
Bering Sea	3,740	2,600	100	-- <sup>b/</sup>	539	100	50
Aleutian Islands	<u>1,600</u>	<u>50</u>	<u>100</u>	--	<u>1,210</u>	<u>0</u>	<u>70</u>
<b>Total Bering Sea and Aleutian Islands</b>	5,340	2,650	200	--	1,749	100	120
<b>Gulf of Alaska</b>							
Western	1,670	930	50	334	356	120	150
Central	3,060	680	110	612	1,658	286	50
W. Yakutat	1,680	565	0	336	779	200	0
E. Yakutat	850-1,135	850-1,135	0	--	0	300	0
S.E. Outside	<u>470-1,435</u>	<u>470-1,435</u>	<u>0</u>	--	<u>0</u>	<u>2,100</u>	<u>0</u>
<b>Total Gulf of Alaska</b>	7,730-8,980	3,495-4,745	160	1,282	2,793	3,006	200

a/ Total Allowable Catch is used in the Bering Sea/Aleutian Islands, while OY applies to the Gulf of Alaska.

b/ No reserve is calculated for the Bering Sea/Aleutian Islands area.

1,658 mt in the Central area, and 779 mt in the W. Yakutat area, for a total proposed TALFF of 2,793 mt Gulf-wide. This is in addition to a reserve, equal to 20% of the OY, set aside for unanticipated expansion in the domestic fleet; the total reserve for the Gulf is 1,282 mt.

It can be readily seen from the compilation in Table 2 that the combined projected process capacity indicated by commentors on 1984 sablefish management far exceeds what is available. Four plants in four different communities in western Alaska indicate an ability to service vessels delivering some 2,000 mt per week; at that rate the Western Gulf OY could be taken in less than six days. Even assuming an actual sablefish process volume of only 10% of the capacity expressed by commentors, it would require only about eight weeks for the entire OY to be taken. The DAP estimated by NMFS for this region is 930 mt, and an additional reserve of 334 mt is available, out of a total OY of 1,670 mt. Should unforeseen (at the time of the NMFS estimate) market developments provide a greater than anticipated impetus to the sablefish industry, the extra 690 mt of reserve and TALFF seemingly could be processed in less than four weeks, again assuming actual utilization of sablefish is only 10% of the capacity expressed by the four commentors.

The largest OY (3,060 mt) of any Gulf management area is in the Central area, as is the largest proposed TALFF (1,658 mt). A very rough estimate of planned 1984 purchases by two companies (three plants) which commented on sablefish is 1,018 mt; other companies with plants that process sablefish commented, indicating an interest in reducing or eliminating TALFF, but provided no figures for planned 1984 purchases. Capacity figures provided for three of four plants in the area owned by commentors indicate that, if conditions were sufficiently favorable, these plants would (if they could) accept nearly 10,000 mt, or triple the area's OY.

In the Eastern Gulf, estimates of planned 1984 purchases provided for four plants of six mentioned in comments total to 1,724 mt. Regarding capacity estimates provided by commentors, figures for four plants were in terms of annual process volume, while a volume per day was provided for two others, which makes estimating a total difficult. Annual process volume for the four was 7,080 mt, while combined volume per day was 145 mt for the other two.

TABLE 2. Projections of actual purchases and processing capacity for sablefish by commentors on the 1984 sablefish allocations.<sup>a/</sup>

Area	Commentor	Projected 1984 Purchases	Projected 1984 Capacity
<b>Western Gulf</b>			
Dutch Harbor	Sea Alaska <sup>?</sup>		680 mt/wk
Chignik	Sea Alaska <sup>?</sup>		454 mt/wk
King Cove	Peter Pan		32 mt/day (except June)
<u>Sand Point</u>	<u>Pelican Seafoods</u>		<u>100 mt/day</u>
Total Western Gulf			2,058 mt/wk
<b>Central Gulf</b>			
Homer	Seward Fisheries	(≥ 1983: 53 mt)	
Seward	Seward Fisheries	(≥ 1983: 339 mt)	85 mt/day
Cordova	Ocean Beauty	340 mt	2,400 mt/yr <sup>c/</sup>
Kodiak	Ocean Beauty	454 mt	3,200 mt/yr <sup>c/</sup>
<u>Kodiak</u>	<u>Alaska Pacific</u>	<u>224 mt<sup>b/</sup></u>	
Total Central Gulf		1,410 mt	5,600 mt/yr + 85 mt/day <sup>d/</sup>
<b>Eastern Gulf</b>			
Yakutat	Ocean Beauty	227 mt	1,600 mt/yr <sup>c/</sup>
Juneau	Ocean Beauty	454 mt	3,200 mt/yr <sup>c/</sup>
Ketchikan	Ocean Beauty	227 mt	1,600 mt/yr <sup>c/</sup>
Sitka	Seafood Producers Coop		680 mt/yr
Sitka	Sitka Sound	(≥ 1983: 816 mt)	45 mt/day
Pelican	Pelican Seafoods		100 mt/day
<u>Petersburg</u>	<u>Petersburg Fisheries</u>	<u>(≥ 1983: 253 mt)</u>	
Total Eastern Gulf		1,977 mt	7,080 mt/yr + 145 mt/day <sup>d/</sup>

a/ The breakdowns in this table should be considered fairly speculative, since they were extracted from comments received in response to a general request for comments on sablefish management. It represents only those entities who chose to comment, as opposed to a comprehensive industry survey; several processors proposed eliminating TALFF but did not provide purchase or capacity information.

b/ Based on information on 1981-83 purchases and plans for 1984; projected at one-half the 1982-83 growth rate. Based on the 1982-83 growth rate, projected purchase would be 494 mt.

c/ Estimate for all Alaska facilities was 12,000 mt; this was prorated based on planned 1984 purchases.

d/ Because commentors expressed their capacity in different units (days vs. years), no attempt was made to convert.

Several comments on the foregoing are in order. First, they should be taken more as an indication of the interest which industry has in sablefish, and less as a prediction of next year's domestic sablefish production. It is a compilation of capacity and purchase information in letters to the Council over the past several weeks. Not all processors who requested reductions of TALFF mentioned any production figures; undoubtedly not everyone who processes sablefish commented. One of the more important factors upon which capacity depends is price, and price in turn is influenced by substitution relationships in harvesting, processing, and consumption. Arguably, the planned purchases are better predictions of the 1984 DAP than are the capacity figures; a point worth noting, though, is that even the highly incomplete accounting of planned purchases listed in Table 2, which includes just three companies, nearly totals to the low estimate of the range of DAP estimated for 1984, and is 40% of the Gulf-wide OY. Potential capacity given by commentators is several times greater than the Gulf-wide OY.

Turning to the harvesting side, an active interest in sablefish has been indicated by three fishermen's organizations, including one which listed 16 vessels with sablefish plans for 1984, and several individual fishermen have written. A processor provided a partial list of 10 vessels which have expressed interest in sablefish operations out of Seward. A Kodiak processor reported a 400+% increase in sablefish deliveries between 1982 and 1983 under a program whereby halibut vessels laying up between openings fish for sablefish; participation by vessels of the Seattle and Southeast Alaska halibut fleets is expected in 1984.

One of the significant problems with developing American sablefish fisheries in the Central and Western Gulf has been the large distances between the western grounds and Southeast Alaska processors. With so many processors in the Central and Western Gulf showing an active interest in accepting sablefish deliveries, these problems may be substantially reduced. Brophy noted that the average distance traveled from grounds to port was 160 miles for thirteen deliveries made by longliners delivering to his Seward plant. The amount of interest shown by American fishermen will depend on the prices offered, their alternatives for generating income, expected catch rates from sablefish, and

their costs. So many important factors about which we have relatively little data will determine the actual 1984 harvests that it is difficult to speculate intelligently.

However, the problem of capacity in the American fleets as it relates to the OY and TALFF can be approached in a slightly different fashion. Since alternatives are so bleak in other fisheries for many operators, there seems to be a tremendous latent capacity for blackcod, a species which now supports considerable foreign fishing. The Council must be concerned that it not inadvertently dampen the movement of American fishermen into sablefish. Given the uncertainty about how rapid this movement will be, one can look at how much unanticipated fishing effort would be required to harvest the reserves and TALFF, given an educated guess about what the average catch rate will be.

Informed sources estimate that a reasonable average catch per day on the Central and Western grounds is 1,000 large ( $\geq 5$  lb) fish, and that the mix of large to small ( $< 5$  lb) fish is about 2/3-1/3. Considering only the large fish catch, this would translate to a catch rate of over 2 mt per day. Table 3 calculates the amount of unanticipated American effort which it would take to fully harvest the reserve and TALFF in addition to the proposed 1984 DAH, for the 2 mt average catch per day and a higher (2.5 mt/day) and lower (1.5 mt/day) estimate. If, for example, market conditions and events in alternative fisheries resulted in an unanticipated increase in the sablefish fleet of 10 vessels, and each caught 2 mt of sablefish per day, each vessel would have about 35 days of fishing before the entire OY was reached. If 30 additional vessels began fishing sablefish, each could fish only 12 days before the TALFF and reserves would be exceeded.

It should be emphasized that the estimates in Table 3 apply to the taking of the entire TALFF. It appears that about 500 mt (a high estimate) of sablefish would be needed as by-catch by foreign fleets in order not to disrupt ground-fish operations, based on 1983 rates. Thus, an unanticipated increase in American catches of only 2,300 mt, instead of 2,800 mt, would result in full elimination of the foreign directed sablefish fishery. They tend to be over-estimates of what would be required to fully replace the foreign directed fishery for this reason.

Table 3. Amount of unanticipated domestic effort which (days per vessel) would result in full domestic utilization of sablefish.

<u>Assumed Catch Rate</u>	<u>Number of Additional Vessels</u>		
	<u>10</u>	<u>30</u>	<u>50</u>
Western Gulf: Reserves + TALFF = 690 mt			
1.5 mt/day	46	15	9
2.0 mt/day	35	12	7
2.5 mt/day	28	9	6
Central Gulf: Reserves + TALFF = 2,270 mt			
1.5 mt/day	151	50	30
2.0 mt/day	114	38	23
2.5 mt/day	91	30	18
West Yakutat: Reserves + TALFF = 1,115 mt			
1.5 mt/day	74	25	15
2.0 mt/day	56	19	11
2.5 mt/day	45	15	9

The comparisons in Table 3 provide a reference point with which to evaluate the likelihood of American involvement in the sablefish industry growing more rapidly than is anticipated by the 1984 DAH estimates. Given the pool of halibut and crab vessels, the loss of income from crab fishing and the decrease in length of halibut seasons, and the relative ease and low cost of entry into longlining, it may not be unreasonable to expect that as many as 30, or even 50, additional vessels may decide to longline for sablefish in 1984. Given that we are talking about unplanned for effort, the numbers in Table 3 suggest that if such an increase does occur, it wouldn't have to be a very large increase to quickly harvest the entire OY; thus, the risks of inadvertently curtailing American effort involved by granting a TALFF should be carefully weighed.

#### B. Market Considerations

Virtually the entire world catch of sablefish is taken by fleets of the USA, Japan, Canada, and the overwhelming majority of catch comes from waters of the Northeast Pacific and the East Central Pacific. (Table 4 presents catch data by nation.) Japanese fleets take a small catch in waters of the Northwest Pacific though this is in the American FCZ, and the bulk of their catch in the Northeast Pacific. World catch has declined fairly steadily from nearly 51,000 mt in 1973 to a catch in 1981 of 27,000 mt; in every year since 1973 at least 75% of the world catch has been taken in the Northeast Pacific.

The predominant market for sablefish is Japan, though there is a growing U.S. market, and Taiwan is a buyer of some significance (Atkinson, 1983). Information on the Japanese market for sablefish is somewhat harder to come by than it is for salmon or herring, since it is a somewhat less utilized species and is less prominent in the Japanese government's published statistics. Efforts to gather more complete information about sablefish markets have been initiated; though we don't have a very complete picture of the Japanese markets, some broad trends in Tables 4 and 5 are of interest to the question here.

TABLE 4. Catches of sablefish by nation, 1973-1981. <sup>a/</sup>

Year	World Catch (mt)	USA		Japan		Canada		USSR	
		Catch (mt)	% of World	Catch (mt)	% of World	Catch (mt)	% of World	Catch (mt)	% of World
1973	50,600								
1974	43,953	7,091	16	34,155	78	407	1	2,300	5
1975	42,334	8,744	21	31,641	75	755	2	1,194	3
1976	41,395	7,978	19	31,813	77	643	2	961	2
1977	34,513	11,511	33	21,917	64	856	2	229	1
1978	24,668	13,239	54	10,700	43	667	3	19	0
1979	32,494	21,973	68	8,675	27	1,681	5	159	0
1980	20,248	10,034	50	6,742	33	2,849	14	447	2
1981	26,724	13,023	49	9,169	34	4,440	17	25	0

Source: FAO

<sup>a/</sup> It is difficult to reconcile differences in statistics published by different nations and agencies; the differences are not large but they are persistent. Thus, some caution is required in interpreting these data, though the broad trends they indicate are probably quite reliable.



TABLE 5. Sablefish: Japan auction price and volume, 1975-1982.

<u>Year</u>	<u>Metric Tons</u>	<u>Yen/Kilo</u>
1975	16,315	344
1976	16,430	375
1977	16,288	557
1978	10,124	630
1979	7,795	734
1980	5,981	583
1981	6,423	629
1982	7,418	739

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Source: Tokyo-To Chuo Oroshiuri Ichiba Nenpo  
(provided by Bill Atkinson)

One striking feature of Table 4 is the decline in share of world catch by Japan, from a high of 75-78% in 1974-76 to about 33% in 1980 and 1981, and the commensurate increases in USA and Canada catch shares. This shift has occurred because of the general decline in apparent sablefish abundance and the assertion by both Canada and the U.S. of management authority over fishery resources within their jurisdiction.

Japan clearly has not been able to replace its lost sablefish catches through increased catches elsewhere. Thus, either they have been forced to meet demand by importing more, or consumption has dropped off because of the drastic decline in "domestic" sablefish supply (Japanese fleet catches in distant waters). The higher price a restriction in supply would cause would also tend to cause substitution away from sablefish and toward other products. Undoubtedly, both have occurred, and both actions have potentially significant implications for American interests.

First, the 2,793 mt proposed 1984 TALFF for the Gulf of Alaska is not trivial. It is some 10% of the world catch, and represents roughly 30% of the Japanese catch. The first law of demand (that price is inversely related to quantity), the fact that the Gulf TALFF is non-trivial, and the absence of other sources of supply suggest strongly that if no directed foreign sablefish fishery is allowed, it will put upward pressure on price in the Japanese market. The restriction in supply will probably make the Japanese more inclined to import sablefish than they would otherwise be; the upward pressure on price should enhance the position of U.S. processors selling to Japan. This in turn, of course, would probably provide a boost to domestic harvest and processing operations in their effort to increase catches.

Thus, viewed simply, if no foreign catches of sablefish are permitted in the Gulf next year, the sablefish supply schedule in the Japanese market will be shifted upward and leftward, causing an increase in price. Consumption will drop off somewhat, and the Japanese will be forced to increase imports to increase their supply of sablefish. They could attempt to buy elsewhere, but Canada is the only other supplier of sablefish of any significance, and based on the relative magnitude of 1981 catches, there is a question whether or not it would be physically possible for the Japanese to replace all their supply

from Canada. Thus, Japanese buyers will probably be forced to turn to American sources of supply. This would benefit development of American harvesting and processing by increasing the propensity of the Japanese to purchase domestic sablefish products, and the upward pressure on price should further enhance the financial feasibility of American operations.

How significant these effects may be is subject to question, given our lack of knowledge about sablefish markets. If there are close substitutes in consumption for sablefish in the Japanese markets available in substantial quantities, the upward pressure on price may be very weak. If there is an ability on the part of Japanese buyers to collude, even eliminating the directed foreign fishery which would restrict supply to the Japanese market, access to that market may not be greatly improved. However, if evidence from the elimination of foreign fishing for Tanner crab is any indication, Japanese buyers are not that monolithic.

C. Considering the tradeoffs in light of the regulatory environment

A look at the world supply of sablefish suggests that reducing or eliminating directed foreign fishing for sablefish in the Gulf of Alaska will have beneficial effects on the development of the U.S. sablefish industry. However, such an action would necessarily impose costs on the foreign industries affected, particularly the Japanese longline fleet. If their fishing were curtailed next year, there might be some dislocation in the scramble to redeploy men and vessels on other grounds. It cannot be argued that such problems are unanticipated, however, since provisions in the Magnuson Act itself and the Gulf Groundfish Plan have served clear notice of American intent regarding groundfish in general and sablefish in particular.

In its statement of findings, purposes and policies in the Magnuson Act, Congress declared that "a rational program for the development of fisheries which are underutilized or not utilized by the United States fishing industry, including bottomfish off Alaska, is necessary" [Section 2(a)(7)] and that the purpose of Congress is "to encourage the development by the United States fishing industry of fisheries which are currently underutilized or not

utilized by United States fishermen, including bottomfish off Alaska, and to that end, to ensure that optimum yield determinations promote such development." [Section 2(b)(6)].

Furthermore, the Gulf of Alaska Groundfish FMP, approved in April of 1978, states that "this species (sablefish) is of special importance in the development of a domestic groundfish fishery in the Gulf of Alaska" (page 6-4). This passage was recently strengthened in Amendment 11 to the FMP, adopted by the Council in July of 1982 and approved in October of 1983, so that it now reads:

"Sablefish - Because this species is of special importance in the development of a domestic groundfish fishery in the Gulf of Alaska, the objective of the sablefish management regime is to promote the development of the domestic sablefish fishery Gulf-wide." (page 6-4).

As a result of these repeated notices to foreign nations regarding American intent, it is difficult to accept that any Council decision on reducing or eliminating the directed foreign fishery for the Gulf is unanticipated. There is no doubt that costs will be imposed on the fleets of foreign nations, but prudent planning for this contingency has undoubtedly prepared the foreign longline fleets to avoid catastrophic dislocation.

Furthermore, NOAA policy regarding the weights assigned to the benefits and costs to those affected by a fishery management rule is quite specific regarding impacts on foreign nations. The accounting stance is a national one, meaning that the only relevant costs and benefits to be weighed in the evaluation of a fishery management rule are those which affect American society. In its proposed revision to NOAA Directive 21-24, "Procedures for Development of Regulations,"<sup>1/</sup> NOAA states its policy regarding how rules and regulations are to be interpreted with respect to the major laws applicable to fishery management decisions, Executive Order 12291 and the Regulatory Flexibility Act. The

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<sup>1/</sup> The revised NDM 21-24 was to be implemented in June 1983, but information indicates that it has not yet been finalized. Nevertheless, it is the only statement of NOAA policy on analyzing regulations under Executive Order 12291 and the Regulatory Flexibility Act, since the existing NDM 21-24 was put in place in June 1979, before either law was enacted.

Executive Order is designed to ensure that regulations are based on adequate information and that the benefits of a regulation outweigh the costs. It requires that proposed regulations be analyzed to determine whether or not their effect on the economy is "major." The Regulatory Flexibility Act is intended to ensure that the burdens imposed by Federal regulations are designed to fit the scale of businesses affected, so that regulations which impose "a significant economic impact" on a "substantial number of small entities" are clearly identified.

In Section 2.02, Policy Requirements for Rules pertaining to Executive Order 12291, "NOAA interprets the general policy requirements of the Order to mean the following: (a) Regulatory objectives and priorities should be established with the aim of maximizing net benefits to the United States...". In Section 5, Regulatory Impact Policies and Procedures, further guidance is provided on the determination of whether or not a regulation is "major" in its impact on the economy. In this section, NOAA states that "Impacts that affect persons or entities outside the United States, with minimal rebound effects in the U.S. economy, may be disregarded in deciding whether a rule is 'major'."

A similar philosophy holds for analyses of the effects of regulations under the Regulatory Flexibility Act. In Section 5.03(2), NOAA states that "Foreign businesses, organizations, and governmental jurisdictions are not counted as 'small entities,' because the act was intended to protect small entities of the United States." The intent clearly is to establish that a national accounting stance is to be used in the weighing of the benefits and costs of a regulation, and that effects on foreign nations are relevant only to the extent that they rebound to the U.S.

The potential costs to the U.S. of eliminating the directed foreign fishery for sablefish in the Gulf of Alaska in the Bering Sea appear to arise in two areas: (1) any loss in foreign fees which results from reduced foreign harvest of sablefish; and (2) rebound effects to the American economy.

With respect to foreign fees, it is difficult to argue that there is any long-term loss to the U.S. from a reduction in fee receipts. Section 204(b)(10) of the Magnuson Act states that fees shall be "at least in an

amount sufficient" to cover the portion of Magnuson Act costs attributable to foreign fishing, and NOAA has elected to collect only the minimum amounts required under the law. (This is done through a fee schedule which is evaluated annually.) Thus, by definition, there can be no long-term net loss from reduced foreign harvest of a species, since in a subsequent year NOAA shall adjust fee schedules to accommodate changes in the Magnuson Act costs attributable to foreign fishing and changes in the aggregate foreign harvests.

It may be argued that some short-term net loss is involved with a Council decision to eliminate the Gulf directed foreign sablefish fishery, because the 1984 fee schedule has already been set, and it includes some anticipated Gulf of Alaska sablefish harvests. Also, it is probable that any reduction in sablefish TALFF, and commensurate reduction in foreign fees for 1984, will not be compensated for by a reduction in management costs. The proposed 1984 fee for sablefish is \$150/mt, and the proposed 1984 TALFF is 2,800 mt. Roughly 500 mt of sablefish is an upper estimate of the needs of foreign groundfish trawlers for an AIC; thus, a 2,300 mt reduction would eliminate the foreign directed fishery. Thus, it would appear that there might be as much as  $(2,300 \text{ mt})(\$150/\text{mt}) = \$345,000$  loss to the U.S. from eliminating TALFF, since it is likely that management costs will not decrease.

This should be discounted heavily, for several reasons. First, the estimation methods employed to set the foreign fee schedules are somewhat imprecise. For example, in the 1984 fee schedule, the estimate of foreign sablefish catch off Alaska was 8,905 mt, when the proposed 1984 TALFF for the Bering Sea/Aleutian Islands and Gulf areas combined is only 4,542 mt. Thus, even if the entire proposed 1984 sablefish TALFF were taken, fee revenues would be short  $(8,905 \text{ mt} - 4,542 \text{ mt})(\$150/\text{mt}) \doteq \$650,000$ .

Another reason the apparent one-year net loss in fees should be discounted is that it is unclear whether NOAA has the authority to revise fee schedules in-season to accommodate reduced foreign catches, or whether shortfall or surpluses from prior years are used in computing the fee schedule for a given year.

Finally, with domestic sablefish prices currently in the \$1,500/mt (dressed) range, if the elimination of TALFF spurred increased domestic landings of 330 mt,<sup>2/</sup> the increased ex-vessel revenues to domestic longline fishermen would exceed the losses in fee receipts. The important implication here is that there can be significant gains to the U.S. if the TALFF is eliminated and only a fraction (15-20% given current conditions) of it is taken by the domestic fleet. Thus, it may be that eliminating TALFF completely and having a substantial portion go unharvested because the domestic industry cannot immediately absorb it all is preferable to permitting a continued TALFF to ensure that catches are maximized.

A second area of concern is rebound effects. It is difficult to foresee any significant trade repercussions from eliminating the Gulf sablefish TALFF. There is some concern that Japanese purchases of herring may fall off if vessels of the Japanese Longline and Gillnet Association do not receive a sablefish allocation, since a number (7 or 8) of the vessels of that Association have purchased herring in addition to their sablefish activities, and without a sablefish allocation it may not be cost-effective to make the transoceanic trip to buy herring. The likelihood of this occurring cannot be assessed at this point, nor can the consequences if it does occur. There could well be some beneficial consequences for domestic herring processors, but the way that would affect price determination is, at this point, unclear. It is important to remember that there would still be a TALFF of 1,700 mt for sablefish in the Bering Sea/Aleutian Islands area.

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<sup>2/</sup> Assuming a conversion (round-dressed) factor of 0.7, the round equivalent price per metric ton would be \$1,050. A harvest of 330 mt would result in gross ex-vessel revenues of over \$345,000, or more than the lost fee receipts for a 2,300 mt reduction in TALFF.

Gulf of Alaska  
SABLEFISH

Summaries of Additional Comments as of December 2, 1983

1. Kelly Brennan, fisherman, Seattle, WA  
States that between social conflicts, gear loss, and already overcrowding on the grounds, we cannot afford to have foreign boats catching our somewhat limited supply of sablefish and then controlling the world market. He would like TALFF cut by 1/2 and eliminated by 1986.
2. Larry Cotter, International Longshoremen's and Warehousemen's Union  
Requests elimination of sablefish TALFF in 1984. Based on careful analysis of the potential domestic processing capacity for sablefish.
3. Ed Wyman, Sterling Seafoods, Inc., M/V Alaska Star  
Will buy sablefish from 6-8 fishing vessels. Needs market opportunities in Japan which he says is curtailed due to direct allocations to Japan. Requests elimination of TALFF for sablefish in 1984.
4. Robert F. Morgan, Pacific Seafoods Processors Association, Seattle  
Says that one cannot predict that U.S. industry will harvest 100% of sablefish OY, but domestic harvest will be so high that a foreign allocation cannot be justified. Fish not caught in 1984 can be banked for later years.
5. Larry C. Farnen, City Manager, City of Homer  
Wants elimination of sablefish TALFF in 1984. Local fleets planning to fish more sablefish, due to decline in shellfish and conditions in halibut fishery.
6. Bob Blake, Cordova Aquatic Marketing Association, Cordova, AK  
Supports elimination of sablefish and Pacific cod TALFFs in 1984. Processors need more of these species due to decline in crab stocks.



November 11, 1983

North Pacific Fisheries  
Management Council  
P. O. Box 103136  
Anchorage, Alaska 99510

Dear Council Members:

I am writing in regard to the Japanese longliners and trawlers targeting on domestic sablefish stocks.

We have a few areas of sablefish population within Cape Muzon in Southeast Alaska and Unimak Pass in Southwestern Alaska.

These areas of denser population are small and easily targeted on by both American and Japanese sablefish boats.

As I am heavily invested in sablefish harvesting through fishing operations between two vessels of over 70 feet, within the boundaries of the areas inside of West and Southwest Alaska, I appeal to your sense of fairness and good judgement during these meetings in limiting the harvesting of sablefish by foreign trawlers and longliners from 140° west to Unimak Pass.

Our own on-shore processors, like ICICLE SEAFOODS, INC., are perfectly capable and extremely competitive in buying and marketing sablefish.

Since the foreigners were removed a couple of years ago from Southeast Alaska sablefish harvesting, domestic longliners have been doing much better and are filling the quota themselves at a surprising rate.

These boats need to expand to the west where immediately they run into the foreigners again just past Yakutat, Alaska, 140° west.

It has been proven that our sablefish operations are consistently more productive per unit of effort than the Japanese.

It's conceivable that we'll be as formidable as the foreigners on our sablefish stocks within the next two years.

Between social conflicts, gear loss, and already over-crowding on the grounds, we cannot afford to have foreign boats catching our somewhat limited supply of sablefish and then controlling the world market.

North Pacific Fisheries  
Management Council  
November 11, 1983

There is going to be a massive sablefish effort launched during the season of 1984, by domestic longline boats.

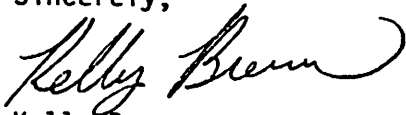
This coming season should find the Japanese cut to half of their last years allotment within the boundaries of 140° west and Unimak Pass, Southwestern Alaska, with final elimination of all foreign sablefish harvesting within this area by 1986.

I would like to add that ICICLE SEAFOODS, INC. is trying to expand their involvement in the sablefish industry, along with all other shore based processors in Alaska and need your support, along with the fishermen, in dealing with this problem.

This letter was written and prepared by Kelly Brennan for the benefit of the National Marine Fisheries Council.

I am a member of Fishing Vessels Owners Association in Seattle and am actively involved with sablefish harvesting.

Sincerely,

  
Kelly Brennan

:wfk





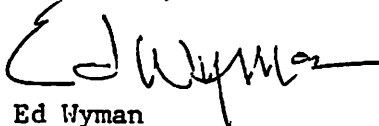
but the Japanese market is the largest and unhindered access to it would help develop the U.S. fishery for sablefish in areas west of Yakutat.

It is expected that some of these crab boats, as well as the existing U.S. longline fleet, will participate in this fishery during 1984 in areas west of Yakutat. A number of other crab vessels could be expected to join in the fishery after the upcoming season if market conditions exist. Elimination of the TALFF for sablefish, would be beneficial to American fishermen, processors and the general sablefish populations in these areas that are presently being fished heavily by foreign fleets.

In conclusion, we urge the Council to pursue a course of action at your December 7-8 meeting that will eliminate the TALFF for sablefish in all waters of the Gulf of Alaska west of Yakutat. The time is right for this move and we would hope to see the foreign fleets removed as soon as possible.

Travel and business conflicts prevent me from attending the meeting in Anchorage but I would like to request that our comments be entered in the record.

Sincerely,

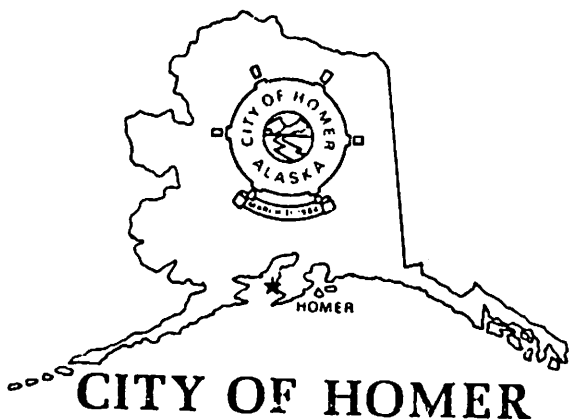


Ed Wyman  
General Manager

cc: Greg Baker, Director, Alaska Fisheries Development Office  
Senator Ted Stevens



Box 335  
Homer, Alaska 99603



REPLY TO:

- City Hall  
Ph. (907) 236-8121
- Port of Homer  
Ph. (907) 236-8597
- Harbor Master  
Ph. (907) 236-8959
- Public Works Dept.  
Ph. (907) 236-8120
- City Engineer  
Ph. (907) 236-6368

November 7, 1983

North Pacific Fisheries Management  
Council  
P. O. Box 103136  
Anchorage, Alaska 99510

Re: Foreign Allocation of Sablefish -  
Gulf of Alaska

Gentlemen:

The City of Homer supports Icicle Seafoods and other processors' proposal to have all of the sablefish TAC (total allowable catch) in the Gulf of Alaska harvested by domestic fishermen and processors.


With the decline in shellfish harvests, local fishermen and processors are looking to other fisheries to keep their operations going.

In addition to local processors' support, the new Homer dock facility will help provide the support and needs of servicing a longline sablefish fleet (ice, cold storage facility, dock space, etc.).

With the increased effort and shorter fishing periods, several local longline fishermen plan to fish for sablefish before, between and after the halibut periods. With the decline in shellfish, this increased sablefish effort is welcomed and needed in Homer and other ports in Alaska.

Again, we support the elimination of foreign harvest of sablefish in the Gulf of Alaska.

Very truly yours,

  
Larry C. Farnen  
City Manager

LCF/pb

# Cordova Aquatic Marketing Association, Inc.

*Producers of Aquatic Products*

(907) 424-3447  
(907) 424-7473

P. O. Box 359  
CORDOVA, ALASKA 99574

October 26, 1983

North Pacific Fisheries Management Council  
P.O. Box 103136  
Anchorage, Alaska 99510  
Attn: Jim Branson

Dear Jim,

I have recently talked to Mr. Don Giles of Icicle Seafoods on the subject of a proposal they are submitting to the NPFMC. They are attempting to have all of the black cod and grey cod TAC in the Gulf of Alaska turned over to the domestic fisherman and processors.

Our organization whole heartedly supports this concept. While Cordova isn't a heavy cod fishing port, some cod is processed here at various times. With the lack of tanner crab seasons now, I'm sure that the local processors are looking for other products to help their plants keep going and I understand Seward Fish is opening a new market for fishermen also.

Quite a few of our larger boats do presently long line for halibut and are interested in cod. They have not been able to put together a solid and consistent market. This looks like an opportunity for some of them.

Again, we support the elimination of foreign harvest of cod in the Gulf of Alaska.

Sincerely,

*Bob Blake*

Bob Blake  
President



Gulf of Alaska  
SABLEFISH

Summary of Comments Received as of 11/23/83

1. Rance Morrison, Groundfish Biologist, ADF&G, Central Region  
Reports on sablefish catch and fishing areas in 1983: 305,000 lbs from the Middleton Island Area, between 144°W longitude and 147°W longitude; 100,000 lbs from the Portlock Bank area between 148°W longitude and 152°W longitude. Seward Fisheries hopes to process 5,000,000 lbs (approx. 2300 mt) in 1984.
2. Jim Blackburn, Groundfish Biologist, ADF&G, Kodiak  
Reports on research on cod, pollock, and sablefish. Includes information on the size of sablefish in commercial landing and gear conflicts with foreign fishing gear reported by domestic longline fishermen.
3. R.E. McLachlan, Sea Alaska Products, Inc.  
Reports on Sea Alaska Products, Inc. sablefish processing capacity: 1,500,000 lbs/week at Dutch Harbor/floating facilities; 1,000,000 lbs/week at Chignik facility.
4. Robert D. Alverson, Fishing Vessel Owners' Association  
Information on 16 vessels planning to fish sablefish in the Central Gulf of Alaska in 1984. Request that there be no foreign sablefish fishing.
5. Charles L. Christensen, Petersburg Vessel Owners' Association  
Requests a totally domestic sablefish fishery in the Gulf of Alaska.
6. Dan Seavey, fisherman, Seward, Alaska  
Requests no foreign sablefish fishery east of the Trinity Islands.
7. Lloyd V. Guffey, Peter Pan Seafoods, Inc.  
Maintains an interest to process sablefish in 1984, due to bleak future for king crab and Tanner crab. Except during June, their King Cove plant can process 70,000 lbs/day sablefish.
8. J.G. Lecture, Seafood Producers Cooperative  
Requests no foreign sablefish allocations. Maintains that Japanese sablefish allocations have the effect of keeping prices low for U.S.-produced product sold in Japan.
9. Don Koenigs, Mayor, City of Petersburg  
Requests a completely domestic sablefish fishery in 1984.

10. Donald W. Grippls, Mayor, City of Seward  
Requests no sablefish TALFF in 1984. U.S. sablefish fishery contributes significantly to local economy of Seward.
11. Gary Roderick, President, Petersburg Chamber of Commerce  
Requests that foreign and joint venture quotas of sablefish be reduced to benefit domestic users. Refers to marketing development activities and potential for increased domestic utilization of sablefish.
12. William S. Gilbert, Northwest Fisheries Association  
Requests that regulations permit only a domestically harvested and processed sablefish fishery in 1984, and that sufficient domestic harvesting and processing exists to accomplish this.
13. C.K. Mitchell, Alaska Fisheries Development Foundation  
Requests the elimination of sablefish TALFF, based on investigations showing growing confidence that domestic processors and harvestors will fully utilize the entire Gulf of Alaska sablefish OY.
14. Arnold Einmo, Dory Seafoods  
Would like no foreign sablefish fishing east of the Trinity Islands and a foreign incidental catch only westward of the Trinity Islands.
15. Victor W. Horgan, Jr., Ocean Beauty Seafoods, Inc.  
Provides a schedule of estimated 1984 groundfish landings by location; 6,000,000 lbs for Kodiak, including 1,000,000 lbs of sablefish.
16. Harold Thompson, Sitka Sound Seafoods  
Would like sablefish TALFF and JVP eliminated. Has successfully sold 1,800,000 lbs of sablefish in Japan and maintains that U.S. processors can replace production from the foreign longline fleet in the Japanese market.
17. Craig Priebe, Alaska Pacific Seafoods, Inc.  
Says that halibut fishermen are delivering more blackcod to Kodiak while waiting for halibut openings and that growth in deliveries from 1982 to 1983 shows potential for increased sablefish deliveries in 1984.
18. Cass M. Parsons, United Fishermen of Alaska  
Requests no TALFF for Pacific cod in the Gulf of Alaska and Bering Sea/Aleutian Islands area in 1984.
19. Bruce Mitchell, Pelican Cold Storage Co.  
Provides information which demonstrates that if there is no sablefish TALFF in 1984, Japan would have to buy from U.S. processors in order to meet market demand.

20. Mark Lundsten, Deep Sea Fishermen's Union

Urges elimination of foreign sablefish fishery east of 140°W longitude.

21. William S. Gilbert, Ocean Beauty Seafoods, Inc.

Estimates 1984 production capability of 12,000 mt. Says that the world sablefish resource is located in the U.S. FCZ and off Canada, and that the Japanese have purchased much Canadian sablefish to meet their demand and to not encourage growth of U.S. sablefish harvesting and processing.

J BURGESS  
11810 PULARE WAY  
MARYVILLE WA 98270 01AM



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NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL  
PO BOX 103136  
ANCHORAGE AK 99510

ACTION	ROUTE TO	INITIAL
	Exec. Dir.	J
	Deputy Dir.	
	Admin. Off.	
	Gen. Sec.	
	Asst. 1	
	Asst. 2	
	Asst. 3	
	Asst. 4	
	Asst. 5	
	Sec./Typist	

DEAR COUNCIL MEMBERS,

I AM OWNER OF A 65 FOOT LONGLINER F/V PEGUASUS. I PLAN TO FISH BLACK COD WEST OF 140 DEGREES IN THE 84 SEASON.

I BELIEVE THAT WITH ACCESS TO THIS AREA, WITHOUT DIRECT FOREIGN COMPETITION, AND WITH THE RECENT INTRODUCTION OF MORE EFFECTIVE GEAR TYPES, THIS CAN BECOME A MUCH NEEDED PRINCIPLE FISHERY TO SUPPLEMENT HALIBUT. I FEEL MY NEEDS WOULD BE AROUND 300,000 POUNDS IN THAT AREA IN 84.

I WOULD ALSO LIKE TO VOICE MY HOPE THAT A HALIBUT MORATORIUM OF SOME FORM BE ENACTED THIS WINTER TO PROTECT THAT FISHERY AS WE KNOW IT NOW. SINCERELY,  
BRAD OLDFIELD

1306 EST

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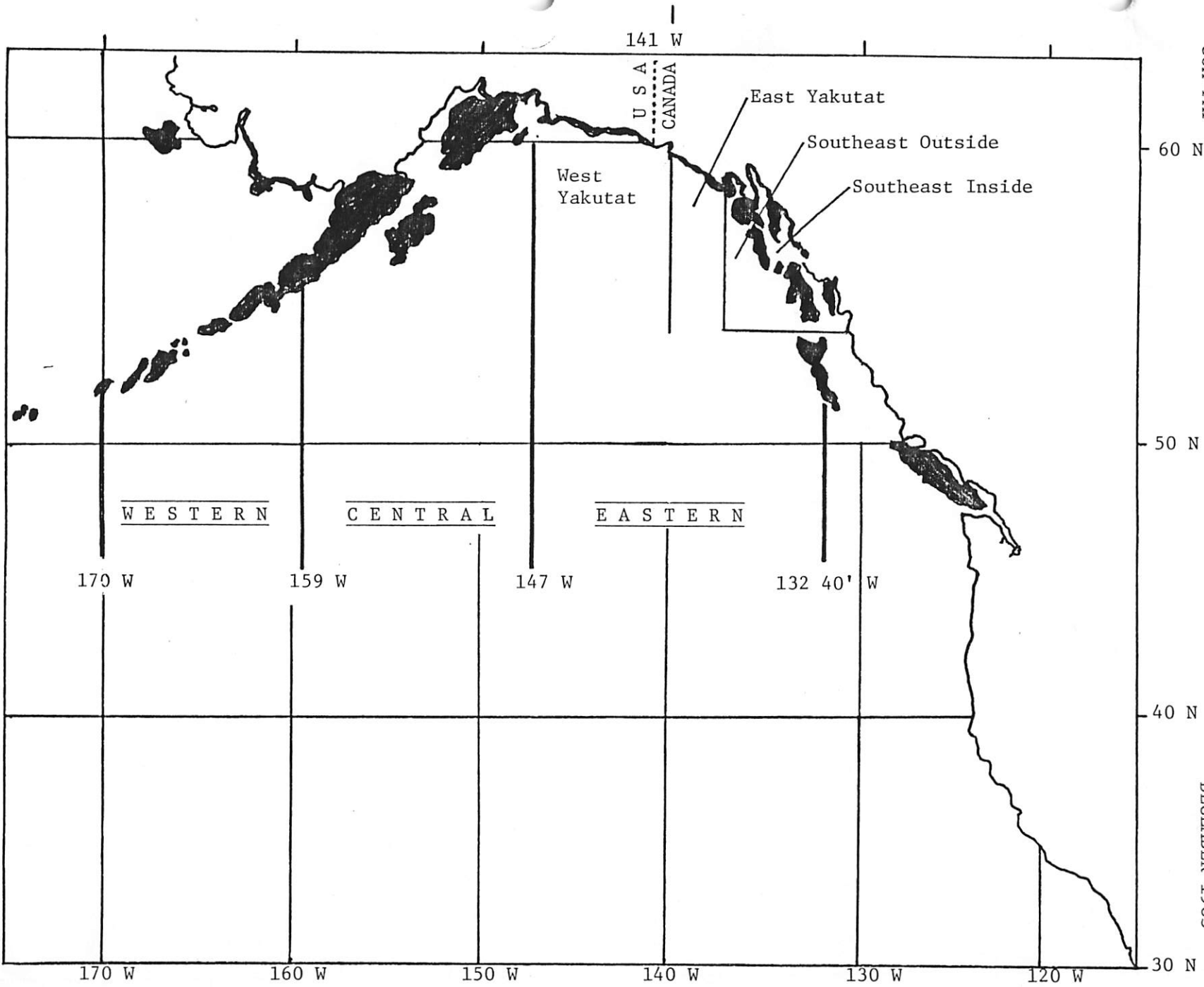


Figure 1 -- Regulatory Areas of the Gulf of Alaska (FMP)

3-1a

Revised 83-11



November 29, 1983

Mr. James Branson, Executive Director  
North Pacific Fishery Management Council  
605 West 4th Avenue  
Anchorage, Alaska 99510

Re: Sablefishing in western areas:

Dear Jim:

I had a conversation with John Winther several days ago and he asked me if I had been contacted about the marketing of sablefish, primarily referring to remarks made by someone that the processors had been polled and that the opinion was there could be a problem with marketing increased amounts.

Our experience is that we are selling more sablefish each year, as evidenced by some 850,000# of eastern-cut sent to Japan and about 1,000,000# to the U. S. domestic market in 1983. Our firm was not contacted on the matter to my knowledge on problems arising from increased production.


It is obvious that a better quality sablefish is being marketed now than in former years, due primarily to shortened trips and better care by the fishermen and processors. We restrict our trips to 8 days, but some are still allowing longer trips that I feel is a hinerance to a good quality controlled product.

My sincere belief is that the Gulf of Alaska should be held for the exclusive fishing rights of the United States fleet. With Kodiak, Homer and Seward now in the processing of sablefish, the need for the boats to run across for a market is not necessary. If some boats did elect to come across with their product, we would be willing to purchase more and would anticipate no problem in marketing, again providing the quality is up to our standards.

I am also a strong advocate of preserving the southeast sable fishing to long line only, as I am certain that the quality far exceeds the trawl or pot caught, as evidenced by our customer's preference for the former method of fishing.

One other concern the Council should be aware of is the fishing of stocks during the spawning periods. We have experienced difficulty with these spawn fish, and the fishery should not be allowed when this condition exists.

I hope this finds you well, Jim, and my next time in Anchorage I will try to drop by your office for a visit.

Sincerely,  


T. E. Thompson, President



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Approved: \_\_\_\_\_  
Special Agent in Charge

Special Agent in Charge

Whereas the \_\_\_\_\_  
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