

EXECUTIVE DIRECTOR'S REPORT

Many of the actions the Council took in December will have to be reviewed at this meeting as a result of the industry-to-industry talks between the U.S. and Japan in December. Those negotiations affected the amounts of JVP and DAP needed this year. We have attempted to lay out those changes as clearly as possible so that your review can go quickly. We don't have the copying facilities or data resources that we have in Anchorage, so much of the material you will work with will have to be handwritten. We do have overhead projector facilities that will aid in following the discussion. Because of those changes in joint ventures and the unresolved bycatch problems in several areas, all joint venture permits issued thus far are valid for only 45 or 60 days. We will need to review many of those and develop recommendations for reissuance.

I have absolutely no reason to hope that we can finish before Friday afternoon when the first planes leave, around 4:30 p.m. It will take careful organization and long hours to make it by then.

Chairman Campbell attended a Council Chairmen's meeting in Washington, DC, the 22nd through 24th of this month. A brief report on that meeting is Attachment B-1(a).

We need to establish a meeting schedule for 1986 at this meeting if we're to book space. Attachment B-1(b) is a proposal based on our schedule for the past several years; it includes only five meetings, much the same as this year.

The Pacific Council has asked us to write our Congressional delegation requesting prompt ratification of the recently initialed U.S.-Canada agreement. they also sent thank-you letters to Ted Kronmiller and Don Collinsworth for their part in the negotiations. Do you wish to do the same?

The 1985 Fish Expo will be held in Seattle October 16-19. Sea Grant is again orchestrating an Alaska fisheries presentation and is willing to foot the bill for booth space if the Council wishes to participate with them, the Alaska Department of Fish and Game, Alaska Fishery Development Foundation, etc again as we did in 1983. Our costs would be for travel and, depending on how many people we send to staff the booth and how many Council members are able to attend, will run somewhere between \$3,800 and \$5,000. We found that it was very valuable in 1983 to have a Council member in attendance and those who were able to be there were kept very busy talking to Expo attendees. We think it was productive in input from the industry in 1983 and recommend that we do it again, assuming that the FY/86 budget allows that sort of thing.

We have not been able to prepare the material for a series of community roundtables on managing the halibut resource as requested by the Council in December. We have asked for a programmatic grant to prepare material and pay for part of the travel and staffing for those roundtables and have some expectation of getting it. In any case, it appears that it will take some time to do a proper job of developing an objective presentation. I believe

it's also vital to expand those discussions to as many communities as we can possible cover, time permitting. The best timing would seem to be after the fishing season this year, probably starting in late September and running through the first half of November.

Don Rosenberg has sent in a proposal for a Year of the Oceans scientific roundtable to be held in Alaska this summer. That submission is Attachment B-1(c). We've had no response as yet from the Committee.

Other attachments under this agenda item include the usual status report on fishery management plans [B-1(d)] and a discussion paper on the future of the herring market by Vidar Wespestad [B-1(e)].

And to end this report on a downbeat, the President has promulgated a new Executive Order, No. 12494, [Attachment B-1(f)] which will require a forecast of regulatory action any agency expects to do during the course of the year. We'll have to justify the proposals and then anything that comes up that wasn't included in the original submission will have to be justified both for why there should be one and why it wasn't included. We don't know yet exactly what kind of a road block this is going to be, but I think that's the proper category in which to assign it.

OMB

REPORT ON CHAIRMEN'S MEETING
Washington, DC
January 21-23, 1985

Chairman Campbell and I spent January 22-24 in Washington, DC, meeting with the other Council chairmen and executive directors and discussing MFCMA reauthorization and Council operations with various government officials. The meeting was held in response to a request by Congressmen Breaux and Young for information from the Councils on reauthorization and Council operations.

The group met with staffers of the Senate Commerce Committee, Mr. Douglas Ginsburg, Administrator of the Office of Information and Regulatory Affairs for the Office of Management and Budget (OMB), Anthony J. Calio, Acting Administrator of NOAA, Judge Hugh Dolan, the Administrative Law Judge for the Department of Commerce, and Congressmen Breaux and staffers of the House Committee on Merchant Marine and Fisheries, as well as other House staff members. In addition, the group visited the National Wildlife Federation and discussed habitat policies and their inclusion in the Act with Mr. Rudolph A. Rosen, Fisheries Resource Specialist for that organization.

The meetings were generally productive and if not productive, at least interesting. It was apparent that the officials in OMB with whom we discussed our problems with plan reviews and Executive Order 12291 did not have a clear idea of the role of the Regional Councils or their status in government. They have been assuming that we have had the same feedback from their deliberations and opinions as the Commerce staff they work with, which, of course, has not always been the case. The Councils' plea for more specific information on the rationale used by OMB when reviewing Council action may bring results; only time will tell. We do need more and closer contact with OMB when they question the contents and reasons for Council documents. If Council actions are to have strong advocates it's apparent they will have to come from the Councils.

Mr. Calio, Acting Administrator of NOAA since John Byrne's resignation, is expected to be the Administrator and is currently the only serious contender for that post. He told the Council chairmen that he supports the Regional Council system, but felt that Councils were sidestepping major issues. When asked to identify those major issues he was unable to do so, nor was Bill Gordon who was also present at the meeting. He finally agreed to identify those "major issues" in a later communication with the Council. Calio said that the Administration was probably going to propose cutting the number of Regional Councils to four, reducing the number of members on those remaining, and eliminating compensation for Council members. He averred that he liked those ideas. The reduction in the number of Councils is an idea that's been heard before from other sources within the Administration. The general scheme would be to have one East Coast Council that would meet the Gulf Council some place in the Carolinas, the Pacific Council would absorb the Western Pacific Council, and the North Pacific Council would apparently remain unchanged. Exactly how the membership of those Councils would be changed was never made clear. The Caribbean and the Western Pacific Council might remain in existence as commissions with most of their work absorbed by the Gulf and Pacific Councils, respectively.

Bill Gordon, at that same meeting, suggested that there was a need to have the MFCMA define territorial waters the same as state internal waters, apparently to allow more leeway for internal water joint ventures; that individual amounts ought to be allowed for joint venture operations; that the Council should be allowed free access to foreign data; the foreign allocation reduction formula now in the Act should be dropped, and that the requirement to give only 50% of an available allocation at the first of the year was causing operational problems.

They expect to have their proposals together in the near future, route them through Commerce, and have them to Congress by mid-March.

The staff group we talked to from the Senate Commerce Committee appeared to be supportive of the Council system as they have in the past. Their intention is to let the House take the lead on reauthorization and build on their initial efforts. When discussing budget, they did not believe that NOAA would be attacked by the Senate for their very stringent budget cuts; that will be a change from the past when the Senate has carried most of the burden of restoring the fishery budgets.

The meeting with the House subcommittee staff and Congressman Breaux was quite productive. The date for the first oversight hearing has been set for March 26 which conflicts with a Council meeting. Congressman Breaux said that his committee staff had prepared a discussion paper which he had not yet seen but expected to review by the end of the week and have available to us within another two weeks or so. He itemized a number of things expected to be on that discussion paper. They included many of the same items listed by Calio in our earlier discussion: reduce the number of Councils, etc. He included a review of the credentials of Council members with an eye to making sure that the number of people representing states was balanced and that the interests of individual states were reflected in the Council composition. He said that they intended to do some fundamental research on the constitutional validity of the Council's regulatory function. This is obviously in response to an opinion by the Department of Justice last fall (you received copies) that said the Councils could not make regulations because not all of their members were Presidential appointments. He wanted to know if the Councils needed new or additional tools beyond those already available within the Magnuson Act and said that the basic question was how to make a viable industry out of the fishing business.

Chairman Campbell and I had an opportunity to discuss reauthorization with the Alaska delegation on Thursday, the last day of our stay. They are uniformly supportive of the Council.

The Congressional contacts we worked with were generally receptive to the idea of a separate funding system for the Councils that would allow more Council input into budget development and take us out of the NMFS-NOAA system which has always saved the most drastic cuts in their budgets for the Council. They were all interested in our reaction to an amendment to the Act that would put a date certain phase-out for foreign fishing. They also wanted to know if there would be some help in being able to grant allocations for more than one year at a time - would it improve our ability to maximize the value of those allocations to the U.S.?

We received requests for several things from those we contacted. The Senate would like a paper on this Council's game plan for foreign phase out and whether that requires a change in the Act to specify a date, while the House side wanted a "story book" on Council accomplishments, and all asked for substantive Council comment on reauthorization and our cooperation as they developed that material.

PROPOSED COUNCIL MEETING DATES FOR 1986

January 8-10	Juneau (w/Board) -
March 26-28	Anchorage (w/Board) -
May 21-23	Anchorage Kodiak
September 24-26	Anchorage
December 3-5	Anchorage

Sept 1981

STATUS OF FISHERY MANAGEMENT PLANS

1. Salmon FMP

The Council and the Alaska Board of Fisheries will consider salmon management proposals for the 1985 season. There will be an overview of the recently completed U.S.-Canada Salmon Treaty as well as staff reports and public testimony. Any plan amendments that may be required will be up for final Council consideration at the March meeting.

2. Herring FMP

No action is scheduled for the February meeting. The Bering-Chukchi Sea Herring Fishery Management Plan was approved by the Council on September 28, 1983 for Secretary of Commerce review. In May 1984, however, the Council decided to take no further action on the plan until more scientific data become available. The data needed include winter and summer stock distribution and composition as well as offshore biomass estimates. On December 11, 1984, the Council requested the Secretary of Commerce to implement a data collection plan.

3. King Crab FMP

No action is required at this meeting other than to set the date of the Board/Council public hearing in Seattle.

The King Crab FMP became effective December 2, 1984 but final implementing regulations will not be published until late 1985 or early 1986.

4. Tanner Crab FMP

Tanner crab is not on the Council's agenda for this meeting.

The FMP's most recent amendment, #9, was partially approved by NMFS on August 24, 1984. NMFS approved the section revising MSY and ABC, "conditionally" approved broadening the Regional Director's authority to set seasons using biological, social, and economic data using rule-related notices and a 30-day comment period, and disapproved broadening the Regional Director's field order authority to make inseason adjustments. The Regional Director has been asked to clarify the "conditional" approval and provide alternative language for the disapproved section.

5. Gulf of Alaska Groundfish FMP

The Council will review proposed changes to the fishery management plan, consider how the recent U.S./Japan industry fisheries agreement affected the Council's actions taken in December, clarify the Council's decisions in December on bycatch limits on sablefish, Pacific ocean perch, and other rockfish for joint venture trawlers in the Gulf, and discuss bycatch problems in all trawl fisheries. The Council also will consider passing an emergency regulation to make the sablefish fishery east of 147°W longline only.

6. Bering Sea/Aleutian Islands Groundfish FMP

The Council will review proposed changes to the fishery management plan, effects of the U.S./Japan agreement, and a voluntary U.S.-foreign industry agreement restricting foreign fishing in the Fishery Development Zone north of Unimak Pass in 1985.

#FILE (NPFC0010)HERRING/OUTLOOK ON NWAFC
OUTLOOK FOR HERRING MARKETS IN THE 1980'S AND 1990'S

Vidar G. Wespestad
Northwest and Alaska Fisheries Center
7600 Sandpoint Way NE
Bin C 15700
Seattle, WA 98115

The purpose of this report is to try to combine and summarize recent developments in the status of major herring stocks and projected changes in market conditions due to increased supplies of herring. Most of the material in this summary was taken from industry trade journals, newsletters and government reports. If the reader wishes to consult original documents Fishing News International, Atkinson Newsletter, ICES working group documents and Norges Fiskegang contain most of the material included in this report.

In the 1950's and 1960's the Atlanto-Scandia herring stocks fished between Iceland and Norway constituted the largest herring fishery in the world with harvests between 1 to 2 million t. In the late 1960's and early 1970's this stock along with many other major herring stocks collapsed from overfishing. The fishery was closed in the mid 1970's and harvests were limited to a by-catch of 20,000 t. In 1983 a large year class was observed for the first time and in 1984 good recruitment was again observed. With increased recruitment and a gradual increase in abundance due to the closure, Norway increased the allowable catch to 38,000 t in 1984 and the quota for 1985/86 is anticipated to be 40,000-50,000 t. When the 1983 year-class matures in 1987/88 the stock size will be about 3 million t. As other year classes recruit to the population it is expected that the population will increase to the target population of 5 million t. from which a sustainable harvest of 1.5 million t. is believed possible. The virgin stock size of Norwegian herring is estimated to have been 15-20 million t.

In Iceland two smaller stocks of the Atlanto-Scandia group, the Icelandic spring and summer spawning herring are rebuilding following closure in the early 1970's. Fishing has been allowed on summer spawners in southwest Iceland since 1975 and yield has been a steady 45,000-50,000 t. In 1983 yield was 58,000 t. and in 1984 65,000 t. The outlook in Iceland is for continued improvement in stocks.

In the North sea herring have shown a dramatic recovery in recent years. Catches are expected to increase to 400,000 - 500,000 t. by 1985 and the long term sustainable yield is estimated to be about 800,000 t. The Baltic Sea has been steadily producing around 450,000 t., but yield may decrease to around 400,000 t. in the future. For other small stocks in Europe the aggregate sustainable yield is estimated to be 200,000 t.

Herring catches in the northwest Atlantic in recent years have been between 150,000 - 200,000 t. In eastern Canada the government has started a program to buy some herring from processors because of the developing herring glut. Canada plans to sell the herring to the USSR in hopes of developing new markets.

Pacific herring are predominately harvested for roe for export to Japan. Herring from British Columbia have traditionally dominated the Japanese roe market. In recent years the U.S. has exported between 30,000 - 40,000 t. of Pacific herring to Japan. Most of these herring have been harvested off Alaska and only a small amount from California, Oregon and Washington. The harvest in British Columbia is expected to be decreased over the next few years since recruitment has been at a sustained low level for southern British Columbia stocks.

One unknown in the Japanese roe market is the potential import of herring roe from the USSR. A large herring fishery occurred in Soviet waters in the northwestern Pacific Ocean until the late 1960's when stocks collapsed. Soviet stocks are reported to be increasing in abundance and small (ca. 500 t.) exports to Japan have been reported.

Another factor in the roe market is the substitution of Atlantic herring roe for Pacific herring roe. Pacific herring is preferred for its texture and taste. However, Atlantic herring roe is gaining acceptance in Japan. In 1984 2,400 t. of roe was imported from eastern Canada of which 1,800 was mature roe. The wholesale price of Atlantic herring roe is \$7.42/lb compared to \$10-14 for Pacific herring roe. The fishing industries in Norway and Iceland are also exploring entering the Japanese market to increase the value of future herring harvests.

The remarkable recovery of herring stocks in the northeast Atlantic is rapidly altering the market structure that developed in the 1970's when stocks were nearly extinct. If complete recovery occurs the sustained yield of herring in the 1990's will be between 3-4 million t. Already there is a surplus of herring in the traditional markets. The portion of the Norwegian herring harvest utilized for food was estimated to average 245,000 t. in the 1950's. Germany with the worlds largest herring processing industry producing over 600 different herring products has had a steady demand of 200,000 t./year. Aggregate world demand for herring food and roe products is estimated to be much less than present or future harvest levels. As a consequence much of the herring harvest will go to meal production. In Norway some or all of the meal may be utilized in aquaculture to produce salmon or other fish species.

The future of herring fisheries in Alaska is clouded. If Atlantic herring roe is fully acceptable in the Japanese market then prices may decrease to the point that it will be unprofitable to continue existing fisheries. The Japanese demand for herring roe is about 10,000 t./year or about 100,000 - 120,000 t. of whole roe bearing herring. The conservatism of the Japanese market toward the acceptance of Atlantic herring roe along with potentially reduced herring harvests in British Columbia indicate favorable conditions for Alaska roe herring harvests for the short term. However, an increase in either of the above will be detrimental. Of course the potential for herring roe exports from the USSR must also be taken into any account of future herring markets. For food herring present markets for Alaska products is even more limited. The one potential demand item is Bering Sea herring in the Japanese market. Japanese buyers are acquainted with the product and demand is strong for large fat herring.

Prediction of events in the future is always difficult and events do not usually develop as predicted. However, given the kinds and magnitude of changes outlined above it is inconceivable that there will not be major impacts on Alaskan herring fisheries. The roe fisheries are the last of all the Pacific herring fisheries and markets may be met by the time Alaskan fisheries occur. Increased utilization of Atlantic herring roe may reduce the price to the point that it becomes economically inefficient to harvest Alaskan herring for roe. Food herring from Alaska are already priced out of the European market because of the increased availability in Europe and the high shipping costs from Alaska. The likely markets for Alaska herring in the future will be for food and bait in Asia and the U.S. Japan currently imports food herring from North America. The question is there room for growth in this market and in other Asian countries. Canadian plans to export to the USSR suggest that a potential for markets there currently exist. In the U.S. the bait market exists but there is also potential for gourmet herring specialty items. Basically, new and innovative products will likely be required to maintain the viability of Alaska herring fisheries in the future.

*

Federal Register

Vol. 50, No. 5

Tuesday, January 8, 1985

Presidential Documents

Title 3—

The President

Executive Order 12498 of January 4, 1985

Regulatory Planning Process

By the authority vested in me as President by the Constitution and laws of the United States of America, and in order to create a coordinated process for developing on an annual basis the Administration's Regulatory Program, establish Administration regulatory priorities, increase the accountability of agency heads for the regulatory actions of their agencies, provide for Presidential oversight of the regulatory process, reduce the burdens of existing and future regulations, minimize duplication and conflict of regulations, and enhance public and Congressional understanding of the Administration's regulatory objectives, it is hereby ordered as follows:

Section 1. General Requirements. (a) There is hereby established a regulatory planning process by which the Administration will develop and publish a Regulatory Program for each year. To implement this process, each Executive agency subject to Executive Order No. 12291 shall submit to the Director of the Office of Management and Budget (OMB) each year, starting in 1985, a statement of its regulatory policies, goals, and objectives for the coming year and information concerning all significant regulatory actions underway or planned; however, the Director may exempt from this Order such agencies or activities as the Director may deem appropriate in order to achieve the effective implementation of this Order.

(b) The head of each Executive agency subject to this Order shall ensure that all regulatory actions are consistent with the goals of the agency and of the Administration, and will be appropriately implemented.

(c) This program is intended to complement the existing regulatory planning and review procedures of agencies and the Executive branch, including the procedures established by Executive Order No. 12291.

(d) To assure consistency with the goals of the Administration, the head of each agency subject to this Order shall adhere to the regulatory principles stated in Section 2 of Executive Order No. 12291, including those elaborated by the regulatory policy guidelines set forth in the August 11, 1983, Report of the Presidential Task Force on Regulatory Relief, "Reagan Administration Regulatory Achievements."

Sec. 2. Agency Submission of Draft Regulatory Program. (a) The head of each agency shall submit to the Director an overview of the agency's regulatory policies, goals, and objectives for the program year and such information concerning all significant regulatory actions of the agency, planned or underway, including actions taken to consider whether to initiate rulemaking requests for public comment; and the development of documents that may influence, anticipate, or could lead to the commencement of rulemaking proceedings at a later date, as the Director deems necessary to develop the Administration's Regulatory Program. This submission shall constitute the agency's draft regulatory program. The draft regulatory program shall be submitted to the Director each year, on a date to be specified by the Director, and shall cover the period from April 1 through March 31 of the following year.

(b) The overview portion of the agency's submission should discuss the agency's broad regulatory purposes, explain how they are consistent with the Administration's regulatory principles, and include a discussion of the significant regulatory actions, as defined by the Director, that it will take. The overview should specifically discuss the significant regulatory actions of the agency to revise or rescind existing rules.

(c) Each agency head shall categorize and describe the regulatory actions described in subsection (a) in such format as the Director shall specify and provide such additional information as the Director may request; however, the Director shall, by Bulletin or Circular, exempt from the requirements of this Order any class or category of regulatory action that the Director determines is not necessary to review in order to achieve the effective implementation of the program.

Sec. 3. Review, Compilation, and Publication of the Administration's Regulatory Program. (a) In reviewing each agency's draft regulatory program, the Director shall (i) consider the consistency of the draft regulatory program with the Administration's policies and priorities and the draft regulatory programs submitted by other agencies; and (ii) identify such further regulatory or deregulatory actions as may, in his view, be necessary in order to achieve such consistency. In the event of disagreement over the content of the agency's draft regulatory program, the agency head or the Director may raise issues for further review by the President or by such appropriate Cabinet Council or other forum as the President may designate.

(b) Following the conclusion of the review process established by subsection (a), each agency head shall submit to the Director, by a date to be specified by the Director, the agency's final regulatory plan for compilation and publication as the Administration's Regulatory Program for that year. The Director shall circulate a draft of the Administration's Regulatory Program for agency comment, review, and interagency consideration, if necessary, before publication.

(c) After development of the Administration's Regulatory Program for the year, if the agency head proposes to take a regulatory action subject to the provisions of Section 2 and not previously submitted for review under this process, or if the agency head proposes to take a regulatory action that is materially different from the action described in the agency's final Regulatory Program, the agency head shall immediately advise the Director and submit the action to the Director for review in such format as the Director may specify. Except in the case of emergency situations, as defined by the Director, or statutory or judicial deadlines, the agency head shall refrain from taking the proposed regulatory action until the review of this submission by the Director is completed. As to those regulatory actions not also subject to Executive Order No. 12291, the Director shall be deemed to have concluded that the proposal is consistent with the purposes of this Order, unless he notifies the agency head to the contrary within 10 days of its submission. As to those regulatory actions subject to Executive Order No. 12291, the Director's review shall be governed by the provisions of Section 3(e) of that Order.

(d) Absent unusual circumstances, such as new statutory or judicial requirements or unanticipated emergency situations, the Director may, to the extent permitted by law, return for reconsideration any rule submitted for review under Executive Order No. 12291 that would be subject to Section 2 but was not included in the agency's final Regulatory Program for that year; or any other significant regulatory action that is materially different from those described in the Administration's Regulatory Program for that year.

Sec. 4. *Office of Management and Budget.* The Director of the Office of Management and Budget is authorized, to the extent permitted by law, to take such actions as may be necessary to carry out the provisions of this Order.

Sec. 5. *Judicial Review.* This Order is intended only to improve the internal management of the Federal government, and is not intended to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers or any person.

Ronald Reagan

THE WHITE HOUSE,
January 4, 1985.

[FR Doc. 85-825

Filed 1-4-85; 4:05 pm]

Billing code 3195-01-M

Editorial note: The President's memorandum of Jan. 4, 1985, for the heads of executive departments and agencies on the development of the administration's regulatory program is printed in the *Weekly Compilation of Presidential Documents* (vol. 21, no. 1).

11
C
I
L
N
C
P
L
L
P
E
P
V
U
O
L
P
T
FE
1-
21
42
72
91