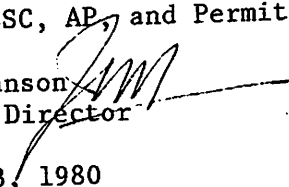


MEMORANDUM

TO: Council, SSC, AP, and Permit Review Committee

FROM: Jim H. Branson 
Executive Director

DATE: December 3, 1980

SUBJECT: Foreign permit applications and allocations

ACTION REQUIRED

1. Review permit applications from ships with violations since March, 1977; recommend approval or disapproval.
2. Review permits from Polish ships in light of their performance - gear conflicts and violations.
3. Make recommendations on St. George Tanaq request for greater allocation for Taiwan so they can conduct a joint venture with them.
4. Make recommendation on request by All Marine Products for additional allocation to Japan of 50,000 mt of pollock for a joint venture in surimi production and marketing.
5. Review request from Nordstern (West Germany) for 1981 allocation of 63,200 mt.
6. Review request for a Soviet allocation to allow Soviet catcher/processors in joint ventures to augment their catch.

BACKGROUND

1. We have received two joint venture applications from Japanese ships: the ZUIYO MARU NO. 3 (JA-81-0331) and the KONGO MARU (JA-81-0341). The ZUIYO MARU NO. 3 is operated by Taiyo Fishing Company. Their American partner is Pan Alaska Fisheries. The KONGO MARU is operated by Nippon Suisan. Their American partner is Universal Seafoods. The ZUIYO MARU NO. 3 had a penalty of \$4,000 levied in 1977 for failure to return prohibited species (Tanner crab) to the sea in a timely manner and for retaining 35 pounds of salmon. Otherwise both ships are clean.

I have held all of the applications from Polish ships for Council review because of their history of gear conflicts in the Gulf of Alaska and because there have been four violations by Polish ships in 1980: two for improper handling of prohibited species, one for under-logging (still not settled), and one for the retention of prohibited species (salmon - also not settled).

West Germany has one permit application for the FREIDRICH BUSSE (GE-81-0010). The BUSSE has one citation -- conducting fishery support in a closed area. That case is still not settled.

There are applications from six Republic of Korea ships which have been cited for violations since March, 1977; however, only one of those occurred in 1980.

SEO YANG HO	KS-81-0002	October 6, 1979	Underlogging
PUNG YANG HO	KS-81-0004	October 6, 1979	Underlogging

These two cases were settled together for a total penalty of \$400,000.

CHEOG YANG HO	KS-81-0003	February, 1979	Mis-handling prohibited species; settled for \$5,000
HEUNG YANG HO	KS-81-0006	June, 1978	Improper logging; Penalty-\$5,000
DONG WON NO. 31	KS-81-0053	June, 1979	Improper logging; Penalty-\$22,500
HEUNG YANG HO		June, 1980	Mis-handling prohibited species and improper logging; case pending. (2nd violation by this ship)

There are 23 permit applications from Japanese ships which have committed violations since March, 1977. Details of those violations are in D-1(a).

<i>1980 violations</i>	EIKYU MARU NO. 86	JA-81-0302	(2 violations)
	CHUYO MARU NO. 21	JA-81-0418	
	CHUYO MARU NO. 22	JA-81-0419	
	EBISU MARU NO. 38	JA-81-0423	
	SHOSHIN MARU NO. 21	JA-81-0453	
	KUMANO MARU NO. 15	JA-81-0534	
	RYUHO MARU No. 38	JA-81-0557	
	SHINNICHI MARU NO. 38	JA-81-0563	
	KOYO MARU NO. 17	JA-81-0902	
	KAIYO MARU NO. 8	JA-81-1137	
	AKEBONO MARU NO. 2	JA-81-1154	
	SHOYO MARU	JA-81-1394	
	KAIYUN MARU NO. 65	JA-81-2010	

Four applications have been received from Taiwanese vessels with previous violations -- two of them in 1980.

SEA LIGHT	TW-81-0001	Failure to return prohibited species in a timely manner; penalty-\$15,584.
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GOLDEN DRAGON NO. 1 TW-81-0004

Failure to accurately report time and position of fishing operations and fished after reporting they had stopped. Penalty-\$15,000. This violation occurred in 1978; this is the ship that St. George Tanaq intends to use in their joint venture operation with the Taiwanese.

3. St. George Tanaq is trying to put together a joint venture with the Highly Company of Taiwan, employing a Taiwanese factory stern trawler, the GOLDEN DRAGON NO. 1, to train Alaskans and develop the expertise and economic rationale for building a similar ship for St. George. They are asking for Council endorsement of an additional 9,000 tons in 1981 to Taiwan for this operation. Their material is attachment (b).

4. All Marine Products, a Los Angeles-based company, is asking for Council endorsement of an additional allocation to Japan of 50,000 mt of pollock for a venture they are putting together with the Japanese to produce surimi and sell it in Japan. Their operation is explained in attachment (c).

5. Guenter Conradus, on behalf of Nordstern of West Germany, has requested endorsement of 1981 allocations to West Germany of 63,200 mt. Breakdown by species is attachment (e). We have received only one application from West Germany to date, for the FRIEDRICH BUSSE, although we were told at the September meeting that they were going to ask for a permit for a second ship that would also work with American fishermen in a joint venture as well as catching fish on its own.

6. We have received a request from one American fisherman working with Marine Resources Company to recommend a small allocation for the Soviets so that catcher/processors working with American fishing vessels would be able to fish on their own when there was not enough catching capacity from American boats [attachment (f)].

Additional Attachments

- D-1(g) Letter to Morris Busby, Asst. Secretary of State for Oceans and Fisheries Affairs, from Don Young regarding allocations.
- D-1(h) Telegram from Allen Beardsley, Mayor of Kodiak, to Jim Branson regarding gear conflicts in the crab fishery.
- D-1(i) Terms and Conditions of Approval of Applications for Vessel Permits to Fish Within the Fishery Conservation Zone of the United States, dated October 9, 1980.
- D-1(j) (Permit Review Committee Only) Permit applications requiring committee review.



U.S. DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
P. O. BOX 1668 - JUNEAU, ALASKA 99802
LAW ENFORCEMENT

AGENDA D-1(a)
December, 1980

November 28, 1980

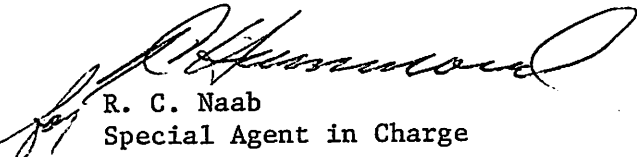
Mr. Jim H. Branson, Executive Director
North Pacific Fishery Management Council
P.O. Box 3136DT
Anchorage, AK 99510

Dear Jim:

Japanese and Taiwanese vessels listed in your letters of November 3, 4, 18, and 24 have been checked based on the guidelines we outlined earlier. Vessels with serious violations with paid or anticipated penalties in excess of \$3,000 are listed on the enclosed sheets with an explanation of each violation.

Please note that your letters of November 3 and 4 have permit number JA-81-0002 assigned to both the KYOWA MARU NO. 11 and MARINE ACE. The KATSUYAMA MARU should be permit number JA-81-0833, not JA-81-0883. Finally, the call sign for the SEA LIGHT should be BYIX instead of EYIX.

Sincerely,


R. C. Naab
Special Agent in Charge

Enclosure

JAPAN

<u>Vessel Name</u>	<u>Call Sign</u>	<u>Permit Number</u>	<u>Type</u> ^{1/}	<u>Violation Date</u>	<u>Penalty</u> ^{2/} <u>Amount</u>	<u>Description</u>
AKEBONO MARU NO. 2	JLCK	JA-81-1154	NOV	7/9/80	\$5,000 (P)	Failure to maintain accurate DCCL by recording processing weight rather than round weight.
CHOYO MARU NO. 21	JREK	JA-81-0418	FS	8/12/80	\$250,000 (B)	Overlogging flounder, pollock, and other species to cover underlog of squid, Pacific cod, sablefish, mackerel, rockfish, and turbot.
CHOYO MARU NO. 22	JREZ	JA-81-0419	FS	8/17/80	\$250,000 (B)	Overlogging flounder, pollock, and other species to cover underlog of squid, Pacific cod, sablefish, mackerel, rockfish, and turbot.
EBISU MARU NO. 38	JRCI	JA-81-0423	FS	10/16/80	\$300,000 60-day permit suspension	Gross underlogging (133.6 m.t., or 47.6%).
EIKYU MARU NO. 2	JJTH	JA-81-0299	NOV	3/24/77	\$9,250	Fishing inside 12 miles of the Alaska Coast on two occasions.
EIKYU MARU NO. 11	JFES	JA-81-0300	NOV	9/8/79	\$10,000 (P)	Failure to maintain accurate DCCL by using inaccurate product recovery rate resulting in approximately 19 percent underlog.
EIKYU MARU NO. 82	JGUV	JA-81-0607	NOV	5/27/79	\$7,500	Underlogging the catch by 30 m.t. or 10 percent.

^{1/}NOV - Notice of Violation; FS - Vessel seizure.

^{2/}P - Proposed penalty; B - Bond amount.

JAPAN

<u>Vessel Name</u>	<u>Call Sign</u>	<u>Permit Number</u>	<u>Type</u> ^{1/}	<u>Violation Date</u>	<u>Penalty Amount</u> ^{2/}	<u>Description</u>
EIKYU MARU NO. 86	JLNU	JA-81-0302	NOV	2/21/80 9/9/80	\$7,500 (P) \$7,500 (P)	Failure to return prohibited species to the sea in a timely manner and gaffing halibut and salmon.
FUKUI MARU NO. 8	JDYN	JA-81-0542	FS	2/18/79	\$225,000	Failure to accurately log catches by overlogging pollock, squid, and flounders to hide underlog of herring.
FUKUYOSHI MARU NO. 8	JAPO	JA-81-0624	FS	9/27/79	\$215,000 45-day permit suspension	Gross underlogging (68.8 m.t., or 25.3%).
KAIUN MARU NO. 65	7LVY	JA-81-2010	FS	2/3/80	\$300,000 (B)	Gross underlogging (137.5 m.t., or 35.5%).
KAIYO MARU NO. 53	JCAY	JA-81-0464	FS	6/4/79	\$250,000 (B) 9-month permit suspension forfeit catch	Gross underlogging (126 m.t., or 68%) and retention of 11 m.t. of halibut.
KAIYO MARU NO. 8	JPJK	JA-81-1137	NOV	4/5/80	Proposal pending	Observer on board independent crab pot vessel found three cases of record manipulation, erasures, etc. Case remains open.
KOYO MARU NO. 7	JJLY	JA-81-0902	NOV	4/5/80	Proposal pending	Observer on board independent crab pot vessel reported logbook manipulation. Case remains open.
KUMANO MARU NO. 15	7KLX	JA-81-0534	FS	3/16/80	\$300,000	Overreporting pollock to cover underlog of turbot and sablefish.
NIITAKA MARU	JDZN	JA-81-0289	NOV	2/7/79	\$5,000	Unlawful obstruction of U.S. observer where observer was prevented from using radio transmissions to submit reports.

JAPAN

<u>Vessel Name</u>	<u>Call Sign</u>	<u>Permit Number</u>	<u>Type</u> ^{1/}	<u>Violation Date</u>	<u>Penalty</u> ^{2/} <u>Amount</u>	<u>Description</u>
RYUHO MARU NO. 38	8JWZ	JA-81-0557	FS	12/7/79	\$215,000 45-day permit suspension	Gross underlogging (47 m.t., or 24%);
			FS	10/24/80	\$415,000 (B)	Overlogging Pacific cod to cover underlog of sablefish.
RYUYO MARU	JQET	JA-81-0280	NOV	5/31/78	\$3,770	Failure to return prohibited species to the sea and gaffing halibut and crab.
SASHI MARU NO. 22	JRZL	JA-81-0477	FS	2/23/78	\$200,000	Trawling in a closed area.
SHINNICHI MARU NO. 38	JBRT	JA-81-0563	FS	9/6/80	\$250,000 (B)	Overlog of pollock to cover underlog of Pacific ocean perch.
SHOSHIN MARU NO. 21	JCNY	JA-81-0453	FS	9/8/80	\$250,000 (B)	Gross underlogging (17.1 m.t., or 23%).
— SHOYO MARU	JAOK	1394 JA-81-0429	FS	9/10/80	\$250,000 (B)	Overlogging pollock and other species to cover underlog of sablefish, rockfish, turbot, squid, and Pacific cod.
TENYO MARU NO. 25	JQNZ	JA-81-0618	NOV	3/22/77	\$13,750	Failure to give advance notice of start of fishing operations - 17 counts.
TSUDA MARU	JFTB	JA-81-0337	FS	1/26/79	\$700,000 permit suspension	Failure to accurately log catches of pollock, Pacific cod, squid and flounders.
ZUIYO MARU NO. 3	JKFQ	JA-81-0331	NOV	3/23/77	\$4,000	Failure to return prohibited species of Tanner crab to the sea in a timely manner and retention of 35 pounds of salmon.

TAIWAN

<u>Vessel Name</u>	<u>Call Sign</u>	<u>Permit Number</u>	<u>Type</u> ^{1/}	<u>Violation Date</u>	<u>Penalty Amount</u> ^{2/}	<u>Description</u>
GOLDEN DRAGON NO. 1	BVHY	TW-81-0004	NOV	4/25/78	\$15,000 (P)	Failure to accurately report time and position fishing operations ceased, and found fishing after giving a cease message.
			FS	2/7/80	\$40,000	Gross underlogging (69 m.t. or 30%).
HIGHLY NO. 301	BVMV	TW-81-0002	FS	9/1/77	\$335,000	Retention of non-allocated species.
			FS	8/19/79	\$250,000	Failure to maintain accurate catch log by recording product weights not round weight and misrecording correct species composition.
HIGHLY NO. 302	BYGM	TW-81-0003	FS	8/19/79	\$250,000	Failure to maintain accurate catch log by recording products weights not round weight and misrecording correct species composition.
TAI CHANG NO. 1 (renamed SEA LIGHT)	BYIX	<i>TW-81-0001</i>	NOV	1/23/80	\$15,584	Failure to return prohibited species to the sea in a timely manner.

logging. Further investigation later resulted in an additional charge of fishing in a closed area. The case was handled as a civil action and recently resulted in a settlement of \$22,500.

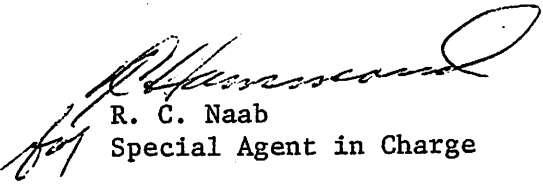
Application PL-81-0004, Polish stern trawler PERSEUS. In February of this year, this vessel was issued a Report of Violation for improper handling of prohibited species. The case is pending as a civil action.

Application PL-81-0009, Polish stern trawler WALEN. In February 1980, this vessel was issued a Report of Violation for improper handling of prohibited species. The case which is being handled civilly is pending.

Application PL-81-0050, Polish stern trawler KOLIAS. In February 1980, this vessel was seized for underlogging its catches. The case is being handled through the U.S. Attorney's office and is pending.

Application GE-81-0010, West German stern trawler FRIEDRICH BUSSE. In October 1980, this vessel was issued a Report of Violation for engaging in fishery support activities in a closed area. The case is pending.

Sincerely,



R. C. Naab
Special Agent in Charge

ST. GEORGE TANAQ CORPORATION

ST. GEORGE ISLAND • ALASKA • 99660

AGENDA D-1(b)
December, 1980

November 24, 1980

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

Re: St. George Tanaq/Highly Enterprise
Joint-Venture Allocation Request.

Dear Mr. Branson:

Attached for your information and transmittal to the Council members is a copy of the bottomfish allocation and species mix request we have forwarded to the Department of State and Commerce. You will note that the allocation request has been increased to 9,600 m.t., for 1981. The increase from 4,000 m.t., is due primarily to an addition of 5,000 m.t., of pollock in response to recommendations by several fisheries experts who point out that the amounts of cod, flounders, sole, turbot etc., desired by the Taiwanese cannot be taken without catching a very large volume of pollock, so we have adjusted the total allocation request and species mix accordingly.

Development of our joint-venture agreements and discussions with State and Commerce Department representatives have gone very well. We are therefore requesting formal action by the Council this session (December 10-12) in the form of a positive recommendation that the bottomfish allocation for Taiwan be increased as outlined in the attached letter.

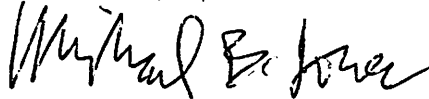
To recap, the key objectives and provisions of the joint-venture agreement are:

- (a) The joint-venture corporation intends to purchase American built vessels for joint fishing operations in the Bering Sea;
- (b) The joint-venture corporation will lease the 1,900 gross ton stern trawler "Golden Dragon No. 1" from Highly Enterprise for the purpose of beginning immediate joint operations;
- (c) Half of the vessel profits will be escrowed as a capital fund for the future purchase of American constructed vessels.

- (d) Jobs and training for Aleut Americans will be provided, 10 in year one and 18 in year two.
- (e) The St. George Tanaq Corporation will own 75% of the joint-venture corporation stock.

The short and long term benefits that this project is expected to bring to the people of St. George and other Aleut Americans are very substantial. A positive recommendation by the Council at this time will enable joint operations to begin in early January. Representatives of St. George Tanaq and Highly Enterprise Corporations will be available to discuss the project and allocation request with the Council in Anchorage.

Sincerely,



Michael B. Jones
Development Consultant

MBJ:jlg
Enclosure

cc: St. George Tanaq Board of Directors

RONALD G. BIRCH*
HAL R. HORTON*
WILLIAM H. BITTNER*
W. BRUCE MONROE*
SUZANNE C. PESTINGER*
LLOYD V. ANDERSON*
GREGORY C. TAYLOR*
RODNEY B. CAIGMAN*
MICHAEL R. SPAAN*
JOSEPH M. CHOMSKI*
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CAROL A. JOHNSON*
GERALD D. STOLTZ*
RONALD E. NOEL*
JOSEPH W. EVANS*
WINSTON S. BURBANK*
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JAN S. OSTROVSKY*
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DOUGLAS J. SERDAHELY*
JACK D. CLARK*
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PAUL H. GRANT*
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*ADMITTED IN D.C.

LAW OFFICES

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711 GAFFNEY ROAD
FAIRBANKS, ALASKA 99701
(907) 452-1666

November 17, 1980

Dr. James Storer
Director, Office of Fisheries Affairs
OES/OSA, Room 5806
Department of State
22nd & C Streets, N.W.
Washington, D.C. 20520

Dear Dr. Storer:

At the November meeting held at the State Department regarding our proposed joint venture with Highly Enterprises, we were encouraged to make a final decision as to our species mix and our allocation needs, and to submit our decision — at least informally — to Washington at the earliest possible date. We are so doing with this letter.

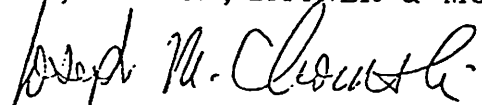
Please be advised that St. George Tanaq Corporation and Highly Enterprises of Taiwan, after discussing the question of species mix, now request an increased allocation for Taiwan in order to conduct a training and employment mission for Aleutian Americans and to facilitate the future purchase of American fishing vessels.

The increased allocation for bottomfishing for Taiwan in the Bering Sea should be as follows:

	<u>mt</u>
Pacific Cod	1000
Flounder	1000
Yellow Fin Sole	200
Sable Fish	400
Turbot	200
Atka Mackerel	50
Rockfish	50
Pollock	6000
Pacific Ocean Perch	200
Squid	200
Miscellaneous	300
	<hr/>
TOTAL	9600

Sincerely,

BIRCH, HORTON, BITTNER & MONROE



Joseph M. Chomski
On behalf of Michael Jones
St. George Tanaq Corporation

JMC:brk

cc: R.N. Tsai
Carmen Blondin
Raymond Arnaudo
Bob Nordstrom
Doug McCaleb
Steve Perles
Rod Moore

PRESENTATION

To

THE NORTH PACIFIC FISHING MANAGEMENT COUNCIL

By

ST. GEORGE TANAQ CORPORATION

DECEMBER 10, 1980

MR. CHAIRMAN AND MEMBER OF THE COUNCIL.

I AM ANTHONY MERCULIEF, CHAIRMAN OF THE BOARD OF THE ST. GEORGE TANAQ CORPORATION. I HAD NOT INTENDED TO BE HERE TODAY BECAUSE WE ARE HAVING OUR ANNUAL SHAREHOLDERS MEETING AT ST. GEORGE AND IT'S IMPORTANT FOR ME TO BE THERE. WHEN I HEARD YESTERDAY MORNING BY PHONE THAT THE COUNCIL HAS SOME QUESTIONS ABOUT THE VALUE OF OUR PROPOSAL I CHARTERED A FLIGHT TO COLD BAY AND ARRIVED HERE LAST NIGHT. I AM HERE TO PERSONALLY TELL YOU THAT THE OBJECTIVES OUTLINED IN THIS PROGRAM ARE EXTREMELY IMPORTANT TO THE PEOPLE OF ST. GEORGE. WE ARE FACED WITH A SITUATION IN WHICH OUR ONLY SOURCE OF INCOME, THE FUR SEAL HARVEST, HAS BEEN TERMINATED AND THE EMPLOYMENT FUNDING STILL PROVIDED BY THE FEDERAL GOVERNMENT MAY BE TERMINATED AS WELL. THE EFFECTS OF SUCH AN ACTION WOULD DESTROY OUR COMMUNITY. WE CAN ONLY PROTECT AGAINST THIS POSSIBILITY BY BEGINNING NOW TO DEVELOP NEW INDUSTRIES THAT WILL PROVIDE ALTERNATIVE JOBS AND INCOME IN THE FUTURE. IF WE WAIT UNTIL GOVERNMENT EMPLOYMENT AT ST. GEORGE IS TERMINATED IT WILL BE TOO LATE TO DEVELOP PROJECTS THAT CAN QUICKLY REPLACE SUCH SUBSTANTIAL LOST INCOME.

THE ONLY RESOURCES THAT ARE AVAILABLE TO US ARE THE BERING SEA FISHERIES. FOREIGN TRAWLERS AND LARGE CRAB BOATS ARE A FREQUENT SIGHT AROUND OUR ISLAND. WE TOO WANT TO BECOME INVOLVED IN THIS FISHERY WITH BOATS LARGE ENOUGH

FOR ALL WEATHER CONDITIONS.

WE RECOGNIZE THAT WE ARE NOT EXPERIENCED IN THE MANAGEMENT OF A FISHING COMPANY AND THE OPERATION OF LARGE VESSELS, BUT WE WANT TO BEGIN NOW TO MOVE TOWARD THAT OBJECTIVE BECAUSE IF AND WHEN OUR JOBS AT ST. GEORGE ARE LOST WE WILL HAVE AN ENTERPRISE THAT CAN PROVIDE JOBS AND INCOME FOR OUR PEOPLE AS WELL AS PROFITS THAT OUR CORPORATION CAN USE AS SEED FUNDS FOR OTHER PROJECTS AND FOR DISTRIBUTION TO OUR SHAREHOLDERS.

OUR REQUEST TO THE COUNCIL IN SUPPORT OF AN ALLOCATION FOR TAIWAN IN THE AMOUNT OF 9,600 METRIC TONS IS THE CULMINATION OF TWO YEARS OF EFFORT ON ST. GEORGE'S PART AND THE EXPENDITURE OF NEARLY \$100,000 IN EXPENSES AND LEGAL FEES. WE CANNOT ENTER THE BERING SEA FISHERIES FROM OUR PRESENT POSITION WITHOUT THE HELP OF A PARTNER WHO IS EXPERIENCED IN HARVESTING AND PROCESSING AND WHO CAN PROVIDE MARKETS. AS A SMALL CORPORATION WE WERE ALSO FACED WITH THE PROBLEM OF INADEQUATE CAPITAL FOR THE PURCHASE OF LARGE AND EXPENSIVE FISHING VESSELS. AFTER UNSATISFACTORY DISCUSSIONS WITH DANISH, JAPANESE AND KOREAN FIRMS WE FOUND IN HIGHLY ENTERPRISE CORPORATION OF TAIWAN A PARTNER WITH WHOM WE COULD REACH THE AGREEMENTS THAT WE FELT WERE NECESSARY TO ACHIEVE OUR OWN OBJECTIVES. WE WANT TO OWN COMBINATION BOATS AND HIGHLY ENTERPRISE WANTS A DEPENDABLE SUPPLY OF SEAFOOD FOR THEIR MARKETS IN TAIWAN AND THE FAR EAST.

WE WANTED A PARTNER WHO WOULD HELP US IN THE PURCHASE OF AMERICAN BUILT COMBINATION BOATS. HIGHLY HAS AGREED TO PARTICIPATE IN VESSEL OWNERSHIP AND TO ASSIST IN MEETING FINANCING REQUIREMENTS. WE WANTED A PARTNER WHO WOULD TAKE SERIOUSLY OUR DESIRE TO PROVIDE OPPORTUNITIES AND ENCOURAGEMENT AND TRAINING FOR OUR PEOPLE TO BECOME INVOLVED IN THE FISHING INDUSTRY. HIGHLY ENTERPRISE HAS BEEN WILLING BEYOND OUR EXPECTATIONS TO PROVIDE TRAINING OPPORTUNITIES IN EVERY ASPECT OF THE FISHING INDUSTRY INCLUDING MANAGEMENT, ACCOUNTING, MARKETING, NAVIGATION AND ENGINEERING AS WELL AS HARVESTING AND PROCESSING.

WE DO NOT EXPECT THAT OUR PEOPLE ARE IMMEDIATELY GOING TO APPLY FOR DOZENS OF JOBS AND IT DOES NOT BOTHER US IF AT FIRST WE HAVE FEW APPLICANTS AND WE HAVE TO HIRE OTHER PEOPLE TO RUN OUR OPERATION. WHAT IS IMPORTANT TO US IS THAT WE GET A FISHING INDUSTRY STARTED AND THAT THE OPPORTUNITIES AND JOBS AND TRAINING BE THERE WHEN OUR PEOPLE NEED IT. WE ARE LOOKING TWENTY YEARS INTO THE FUTURE AND AS GOVERNMENT ✓ EMPLOYMENT MAY BE REDUCED AND LOST WE EXPECT THAT MORE AND MORE OF OUR PEOPLE WILL BECOME INTERESTED IN OUR FISHING INDUSTRY. WE DO NOT EVEN EXPECT LARGE PROFITS IN THE FIRST FEW YEARS. BUT WE THINK THAT WORLD MARKETS FOR SEAFOOD WILL INCREASE AND THAT EFFICIENT COMBINATION BOATS BUILT IN THE 1980's WILL BE COMPETITIVE AND PROFITABLE IN THE 1990's.

WE CAN BEGIN OUR RECRUITMENT AND TRAINING PROGRAM.

IN ORDER TO LEASE HIGHLY ENTERPRISE'S TRAWLER IT IS NECESSARY FOR US TO HAVE AN ALLOCATION FOR TAIWAN. WE WISH IT WERE POSSIBLE TO SOMEHOW GET THE ALLOCATION DIRECTLY TO OUR JOINT VENTURE CORPORATION, BUT WE UNDERSTAND THAT FOREIGN ALLOCATIONS ARE GIVEN ONLY GOVERNMENT TO GOVERNMENT. WE HAVE HAD TWO MEETINGS WITH THE U.S. STATE DEPARTMENT AND REPRESENTATIVES OF THE GOVERNMENT OF TAIWAN TO ASSURE THAT THE ALLOCATION WE'RE ASKING FOR WILL GO ONLY TO OUR PROJECT. SOME PEOPLE HAVE ASKED WHY DON'T WE LEASE AN AMERICAN BOAT. OUR ANSWER IS THAT THE GOLDEN DRAGON NO. 1 IS AVAILABLE IMMEDIATELY AND WE KNOW THAT THE VESSEL IS PROFITABLE FOR TAIWAN MARKETS AND WE HAVE GUARANTEES THAT WE WILL GET FROM IT THE FUNDING WE NEED FOR OUR TRAINING PROGRAM AND RESERVE FUND. AND OUR PLANS TO LEASE THE GOLDEN DRAGON NO. 1 ARE TEMPORARY AND WE NEED THE ALLOCATION FOR ONLY TWO YEARS, AFTER WHICH WE EXPECT TO BE IN BUSINESS WITH AMERICAN BOATS.

MR. CHAIRMAN AND MEMBERS OF THE COUNCIL, THIS PROJECT IS VERY IMPORTANT TO THE PEOPLE OF ST. GEORGE. THE ALLOCATION WE'RE ASKING FOR IS VERY SMALL COMPARED WITH THE TOTAL FOREIGN FISHING ALLOCATION, BUT THE IMMEDIATE AND LONG RANGE BENEFITS TO THE PEOPLE OF ST. GEORGE ARE VERY LARGE.

WE CAN BEGIN OUR RECRUITMENT AND TRAINING PROGRAM.

IN ORDER TO LEASE HIGHLY ENTERPRISE'S TRAWLER IT IS NECESSARY FOR US TO HAVE AN ALLOCATION FOR TAIWAN. WE WISH IT WERE POSSIBLE TO SOMEHOW GET THE ALLOCATION DIRECTLY TO OUR JOINT VENTURE CORPORATION, BUT WE UNDERSTAND THAT FOREIGN ALLOCATIONS ARE GIVEN ONLY GOVERNMENT TO GOVERNMENT. WE HAVE HAD TWO MEETINGS WITH THE U.S. STATE DEPARTMENT AND REPRESENTATIVES OF THE GOVERNMENT OF TAIWAN TO ASSURE THAT THE ALLOCATION WE'RE ASKING FOR WILL GO ONLY TO OUR PROJECT. SOME PEOPLE HAVE ASKED WHY DON'T WE LEASE AN AMERICAN BOAT. OUR ANSWER IS THAT THE GOLDEN DRAGON NO. 1 IS AVAILABLE IMMEDIATELY AND WE KNOW THAT THE VESSEL IS PROFITABLE FOR TAIWAN MARKETS AND WE HAVE GUARANTEES THAT WE WILL GET FROM IT THE FUNDING WE NEED FOR OUR TRAINING PROGRAM AND RESERVE FUND. AND OUR PLANS TO LEASE THE GOLDEN DRAGON NO. 1 ARE TEMPORARY AND WE NEED THE ALLOCATION FOR ONLY TWO YEARS, AFTER WHICH WE EXPECT TO BE IN BUSINESS WITH AMERICAN BOATS.

MR. CHAIRMAN AND MEMBERS OF THE COUNCIL, THIS PROJECT IS VERY IMPORTANT TO THE PEOPLE OF ST. GEORGE. THE ALLOCATION WE'RE ASKING FOR IS VERY SMALL COMPARED WITH THE TOTAL FOREIGN FISHING ALLOCATION, BUT THE IMMEDIATE AND LONG RANGE BENEFITS TO THE PEOPLE OF ST. GEORGE ARE VERY LARGE.

THIS PROJECT WAS INITIATED BY ST. GEORGE AND IS FOR OUR PEOPLE. WE HAVE BEEN TOLD BY THE FEDERAL GOVERNMENT THAT WE CAN NO LONGER MAKE OUR LIVING BY THE FUR SEAL HARVEST. THIS ALLOCATION REQUEST IS ESSENTIAL TO GETTING OUR FISHING INDUSTRY OFF THE GROUND. PLEASE DON'T DENY THIS CHANCE TO DEVELOP A FISHING INDUSTRY.

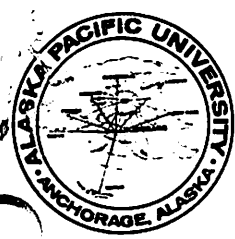
MR. CHAIRMAN, WITH ME ARE SEVERAL PEOPLE WHO HAVE WORKED TO ASSIST ST. GEORGE IN THE DEVELOPMENT OF THIS PROGRAM. MIKE SPAAN IS THE ATTORNEY FOR OUR JOINT-VENTURE CORPORATION, PRIBILOF-HIGHLY SEAPRODUCTS, INC. BOB SPITZFADEN IS ST. GEORGE'S OWN ATTORNEY AND HIS ROLE HAS BEEN TO ADVISE US AS TO WHAT IS IN ST. GEORGE'S BEST INTERESTS. ED PHILEMONOF IS A FELLOW BOARD MEMBER FROM ST. GEORGE TANAQ. ED McGLASHAN IS OUR FIRST TRAINEE RECRUIT AND WILL BE ACTIVE IN RECRUITING OTHER TRAINEES. CONAN HUANG IS HERE PRESENTING HIGHLY ENTERPRISE AND MIKE JONES HAS WORKED WITH US SINCE THE BEGINNING AS OUR PROJECT MANAGER. I AM SURE THAT BETWEEN US WE WILL BE ABLE TO RESPOND TO ANY QUESTIONS THE COUNCIL MIGHT HAVE.

PRIBILOF-HIGHLY SEAPRODUCTS, INC.
DEVELOPMENT BUDGET
YEAR ONE

Funding for the following Development Budget for the first year of operations will be generated by proceeds from the sale of 10% to 15% of fish caught.

Assumption: 7,000 M/T will be sold at an average price of \$650/^{MT}month for gross income of \$4.55 million. Gross revenues from the sale of 13% of 7,000 M/T fish will be pledged to the J-V Corporation account to fund the following budget.

1.	Management and legal expenses		150,060.
2.	Aleut Training Program		
	a) 10 Trainees at 8 credit hours ea. x \$75/credit hour	6,000	
	b) 10 students at \$175/wk. room and board at 20 weeks	35,000	
	c) Wages - 10 trainees at \$5.00/hr. at 1010 hrs. (1/2 yr) - at sea	50,500	
	d) Wages - 10 trainees at \$3.85/hr. 1/2 yr. - shore time	38,885	
	TOTAL TRAINING BUDGET	130,385	130,385
3.	St. George Tanaq Services Contract		50,000
4.	Capital Reserve Fund for American vessel down payment requirements		<u>250,000</u>
	TOTAL DEVELOPMENT BUDGET FOR YEAR 1		<u><u>\$580,445</u></u>



SUMMARY

The program is centered in the on-the-job training to be received. The deckhands, Mates and Engineer trainees will have a need for a basic course in Seamanship and Navigation. The attached course outline provides for that. The positions in accounting, operations, and marketing will require individualized instruction. This will be accomplished through PLATO, under the overall supervision of our Business Administration staff. We can also provide an introduction to conversational Taiwanese through our Language department.

The first phase of the program then will consist of the following:

1. Needs assessment of the trainees, and construction of individualized programs for each student.
2. One month session. Sea trainees will take the Seamanship course; the business students will begin the individual programs. All students will take the language course.
3. Sea training begins
4. As the students rotate from their sea duty, they will reenter their more formal instruction via PLATO or independent study. Further instruction or changes in the individual plans will be based on evaluations provided by the students, as well as their instructors (especially the vessel officers).

COMMENT

Alaska Pacific University is very interested in assisting in the development of a sound realistic training program aimed at enhancing the goals of the Alaskan Native. This particular venture is one that holds great promise in this area.

The program as outlined, indicates that access to entry level positions will be made available for on-the-job training by the Taiwanese. The University will assist in a number of ways to help the individual capitalize on that training. There will be an on-going assessment of the strengths and weaknesses of individuals in the program with regard to their own goals. We will develop a scholastic strengthening plan for them to execute in conjunction with their on-board training.

Of necessity, much of this will be individualized. Fortunately, since we have a computer assisted instruction system (PLATO), it is possible for students to proceed at their own pace, and at the times of their choosing. This seems ideal considering the planned rotation of the students. The modules available range from high school topics on through Analytic Accounting and Management by Objectives. The Seamanship and Navigation courses will be

based on the traditional texts and courses, using such texts as Chapman and Dutton. Since the students will be directly involved in these tasks aboard ship, the opportunity to study and review should greatly enhance the

experiential component. Where students have trouble with fundamental concepts, the computer assisted instruction can be very helpful with drill and review pursued at the individual students' own pace.

In the event that a student is interested in pursuing in-depth training in refrigeration or diesel mechanics, the assessment will provide the guidelines to follow in seeing that the student receives proper preparatory training before being placed in the pertinent school or training program.

All of these efforts will be monitored in conjunction with the responsible parties of the corporation, and a steering committee will be so established. The University's goal will be to see that the student proceeds as rapidly as is consistent with his capability, as well as the aims of the corporation. Where a student wishes to pursue a topic or field not available to him here, we will assist in placing that student where his needs can best be met.

9 Dec. 1980

NAVIGATION AND SEAMANSHIP

Course Outline

Lesson No.	Topic	Reading	
		U.S.C.G.	Chapman
1	Introduction	1,2,3	1
2	Magnetism; Use of the compass	7	13,14
3	Basic Piloting; Use of charts and other marine publications	2,7	17,18
4	Terminology; Dead Reckoning; Use of <u>Coast Pilot</u> , tide and current tables	2	2,19,20
5	Piloting: position determination, plotting problems		21
6	Rules of the Road, Legal Aspects	4,5	2,4
7	Rules of the Road, Navigation Aids	5,6	5,15
8	Navigation Aids	6	16
9	Seamanship; Boat Handling; Weather Interpretation of weather data	3,11	8,9,12
10	Marine Electronics; Use of the Radio, Radar, Fathometer	12	25
11	Marine Mechanics	8	
12	Marlinspike Seamanship; net repair	9	11
13	Safety; First Aid		

TROY, MALIN & POTTINGER

PROFESSIONAL CORPORATION
1801 CENTURY PARK EAST, 16TH FLOOR
LOS ANGELES, CALIFORNIA 90067

TELEPHONE: (213) 553-4441
TELEX: 69-1737
CABLE: TROMALAW

December 2, 1980

ACTION	ROUTE TO	INITIAL
	WASHINGTON OFFICE	
	TROY, MALIN & POTTINGER PROFESSIONAL CORPORATION 1300 19TH STREET, N. W., SUITE 300 WASHINGTON, D. C. 20036	
	TELEPHONE: (202) 828-1900 TELEX: 89-590 CABLE: TROMALAW D. C.	
	EUROPEAN OFFICE	
	BOYNTON M. RAWLINGS RODNEY W. BURTON 53, AVENUE MONTAIGNE 75008 PARIS, FRANCE	
	TELEPHONE: 225-54 40 256-14 00 TELEX NO. 280023	
DEC 3 1980		

RONALD H. MALIN
JOSEPH F. TROY
RONALD M. RESCH
BOYNTON M. RAWLINGS
HERBERT E. SCHWARTZ
WILLIAM J. FEIS
J. STANLEY POTTINGER
LEE M. POLSTER
SANFORD J. HILLSBERG
WARREN L. DENNIS*
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PHYLLIS A. SIEGEL
RODNEY W. BURTON*
DAVID J. WOHLBERG

A. CHARLES WILSON, OF COUNSEL

*NOT ADMITTED IN CALIFORNIA

BY AIR EXPRESS

Mr. Jim H. Branson
Executive Director
North Pacific Fishery Management Council
333 West Fourth Avenue
Anchorage, Alaska 99510

Re: All Marine Products, Inc.

Dear Mr. Branson:

Enclosed please find 60 copies of All Marine Products proposal to be distributed to Council members.

If you have any questions prior to our meeting next week, please do not hesitate to contact us.

Very truly yours,

Katsumi Tanaka
Katsumi Tanaka

KT/lS

Enclosures

cc: Sarah C. Carey, Esq.
Troy, Malin & Pottinger
Washington, D.C.

**ALL MARINE PRODUCTS, INC. - PROPOSAL TO
DEVELOP U.S. CAPABILITY TO HARVEST AND
PROCESS ALASKAN POLLACK**

All Marine Products, Inc., a California corporation whose principals have extensive experience in international fishing, proposes a two-year development project that will give the U.S. fishing industry the capacity to harvest Alaskan pollack and process it into surimi for sale to Japan or in the United States. The project involves the transfer of advanced Japanese fishing technology to the U.S. over a two-year period.

Specifically, All Marine proposes to charter a Japanese flag factory-trawler ship for a two-year period that will harvest 45-50,000 tons of Alaskan pollack in the Bering Sea and process it at sea into surimi (9,000 tons per year) for sale in Japanese markets. The sales will be direct from the Japanese vessel to Japanese buyers. The factory ship will be equipped with the latest Japanese technology and will be operated by Japanese fishermen specialized in pollack harvesting and processing. The Japanese company that has agreed to participate in this venture has agreed that its crew will train Americans for the 8-10 key positions necessary to manage the vessel's operations. One aspect of the training will be instruction in Japanese quality control techniques (thereby insuring a product that will meet Japanese marketing standards).

Within twelve months of the commencement of the charter, assuming that the venture is a successful one, All Marine will begin construction of a similar factory-trawler ship for introduction into the U.S. fishing fleet. The \$25 million 5,700 G/T vessel will be built in a U.S. shipyard in accordance with the latest Japanese technology (see Appendix A for a description of the vessel). Once the vessel is operational, it will be staffed by the trainees trained on the Japanese charter ship and by an all American crew. Operating out of Alaska, the vessel will produce surimi from pollack, which All Marine will market principally in Japan. All ^{though} the primary goal of the first few years of operation of the U.S. vessel will be to gain significant entre into the Japanese surimi market, an important secondary goal will be the development of a U.S. market for surimi and related products.

To meet the requirements of the charter and to overcome domestic problems related to the technology transfer, the Japanese will need an additional allocation of Alaskan pollack of up to 50,000 tons for 1981. NOAA officials have made it clear that this allocation will be recommended only if it is dedicated to the All Marine fisheries development project; farther, if the Japanese use the allocation for other purposes, NOAA is prepared to retaliate with future reductions in Japanese allocations. It should be noted that although the Japanese will share 60% of the profits of the venture during the first two years while their technology is being transferred to the U.S. company, once the new vessel is operational, all of the

profits and proceeds will be retained in the U.S. for further investment in the U.S. fishing industry.

Background: Alaskan pollock is an underutilized species in the Bering Sea, according to NOAA definition. At present, the U.S. has extremely limited factory-trawler capability for harvesting and processing Alaskan pollock into surimi. All

Marine's preliminary market analyses indicate that because of the substantial unmet demand for surimi in Japan, it will be able to compete successfully with Japanese sellers of the same product. During the two-year development period, the surimi will be sold from the Japanese vessel to markets in Japan; this means that the surimi will not be subject to import quotas or tariffs. Thereafter, it is All Marine's expectation that it will be in an excellent position to assume the same markets, only under a U.S. export program. All Marine has obtained a virtual market guarantee from a Japanese buyer. In addition to the Japanese markets, All Marine intends to meet with major U.S. food producers to explore U.S. markets. development efforts for surimi. The fish meal is of high protein content, can be used for a broad variety of dishes and is relatively inexpensive. All Marine anticipates that a modest U.S. market can be developed over a two to five year period. As noted above, All Marine intends to begin construction of the U.S. vessel after the first year of the charter. The construction will be financed through a variety of sources.

All Marine is hopeful that the U.S. government will assist it (and the Japanese will cooperate) in seeking the elimination of all barriers to U.S. surimi exports to Japan.

These include: proceeds from the operation of the charter (All Marine's projections show that it will generate roughly \$4 million in profits in the first year of operation of the pollack/surimi project -- even sharing the profits on a 60-40 split with the Japanese); proceeds from All Marine's other ventures; ²/ equity investments by U.S. partners; and, possibly, a fishing vessel obligation guarantee from NOAA.

This project has a strong likelihood of success because of the unique backgrounds of the principals. All Marine is owned and operated by nationalized Americans of Korean descent (one principal is in the process of achieving eligibility for U.S. citizenship; the others are already citizens). Prior to emigrating to the U.S., the All Marine founders had extensive fishing experience in Korea that included the operation of a major fishing corporation with vessels all over the world. The catch from these vessels was frequently sold in Japanese markets and the All Marine principals have long standing commercial relations with the Japanese fishing industry. It is their goal to assist U.S. fisheries in the development of a specialized fishing capability in regard to Alaskan Pollack in order to make them competitive with Japanese and Korean surimi producers.

All Marine's current net worth is in excess of \$1.5 million. The Corporation is operating one Black Cod factory-trawler that, after the first year, will generate \$1,072,000 in annual profits (before taxes); it will have a second Black Cod factory ship of comparable size operational in less than a month. These vessels are known as Rose Sharon I and II.

FEASIBILITIESA. General Information of 5,000 G/T class Factory-Trawler Ship.

1. Length overall.....	106.3 meters
Breadth.....	17.6 meters
Depth.....	6.6 meters
2. Gross Ton.....	5,700 G/T
3. Main Engine.....	6,000 S.P. x 1 set
Auxiliary Engine.....	1,000 S.P. x 3 sets
4. Generator.....	850 KVA x 3 sets
5. Fuel Tank Capacity.....	2,000 T
6. Fish Hold Capacity.....	3,000 m/tons
7. Crew.....	65 men
8. Processing Capacity (Raw Fish).....	300 tons/day
9. Gross Production.....	40 tons/day

B. Vessel Operation Schedule.

	<u>Per Trip</u>	<u>Per Year</u>	<u>Remarks</u>
Return trip	10	30	Returns port and fishing grounds
Moving	5	15	
Fishing & Processing Operation	75	225	
Unloading and Roll-Out	10	30	
Preparative	5	15	
Annual Maintenance	5	15	
Reserved for Others	5	15	
TOTAL	100	305	

REMARKS:

1. Fishing Base: Kodiak, Alaska.
Fishing Grounds: Fishing Sea within radius of 1,000 miles from Fishing Base.
2. Three trips of fishing operation per year.

C. Production Schedule.

UNIT: M/T

<u>Product/Period</u>	<u>Per Trip</u>	<u>Per Year</u>
Raw Fish (Alaska Pollock)	15,000	45,000
Finished Product (Surumi)	3,000	9,000

REMARKS:

1. The latest model of Surumi processing machineries have been developed to recover the Surumi products with maximum 23% out of raw fish, however 20% recovery is expected when utilizing the existing Surumi plant on vessel.

D. Surumi Sales Plan.

UNIT: U.S.\$

<u>STG/Period</u>	<u>Per Day</u>	<u>Per Trip</u>	<u>Per Year</u>
Surumi	41,640.00	3,123,000.00	9,369,000.00
Total	41,640.00	3,123,000.00	9,369,000.00

REMARKS:

1. Price of First Class Surumi processed on vessel is \$1,465.00, C & F Japan. To convert into FOB U.S. Port Price, deduct with following charges:

- a. Tariff -- 5%
- b. Others -- 7%
- c. Freight Charge -- \$210.00/ton

Total: \$425.00

FOB U.S. Port Price is \$1,041.00.

2. Reference: Daily Fisheries News Published on July 25, 1980, and exchange rate Y225 = \$1.00.

APPLICATION FOR VESSEL PERMITS
TO RECEIVE UNITED STATES HARVESTED
FISH FROM VESSELS OF THE UNITED STATES

AGENDA D-1(d)
December, 1980

No. A-81-0331

In accordance with the provisions of the Fishery Conservation and Management Act of 1976, as amended, the Government of JAPAN hereby submits this application for permits for vessels under its jurisdiction to receive United States harvested fish from vessels of the United States within the Fishery Conservation Zone of the United States during the year 1981.

Fishing Vessel Identification Forms will be submitted in support of this application. The fisheries, species, and amounts of United States harvested fish desired to be received by vessels of the JAPAN flag are as follows:

Fishery	Species	Total Tonnage Requested For Each Species (MT)
BSA & GOA	POLLOCK	6,000
	PACIFIC COD	225
	BY CATCH SPECIES (PACIFIC OCEAN PERCH, YELLOWFIN SOLE, OTHER FLOUNDERS, ----- ETC.)	775
	TOTAL	7,000

Detailed descriptions of the methods of operation proposed for each fishery requested are attached and form a part of this application.

Submitted: Oct 16, 1980
(Date)

Hiso Katagiri
(Signature)
Counselor
Embassy of Japan
(Title)

NOV 7 1980

FISHING VESSEL IDENTIFICATION FORM

NO: JA-8-0331

- (1) VESSEL NAME: ZUIYO MARU NO.3 (2) CALL SIGN: JKFQ
 (3) HULL NMBR: TK1-685
 (4) VESSEL TYPE: STERN TRAWLER (5) LENGTH : 102
 (6) GROSS TONS: 3038 (7) NET TONS: 1395 (8) MAX SPEED: 13
 (9) OWNERS NAME: HAKODATE KOKAI GYOGYO CO., LTD. (13-19, OMACHI, HAKODATE, HOKKAIDO, JAPAN)

OPERATOR: TAIYO FISHERY CO., LTD. (1-1-2, OTEMACHI, CHIYODA-KU, TOKYO, JAPAN)
 ADDRESS:

(10) PROCESSING EQUIPMENT: SURIMI PLANT, FISH MEAL PLANT, FILLET MACHINE & HEADER,
FISH OIL PLANT, FLASH FREEZER

(11) HOLD CAPACITY (IN CUBIC METERS):

HOLD #1: 1166 HOLD #2: 1180 (FISH MEAL HOLD) HOLD #3: 266 HOLD #4: _____

(12) FISHERIES FOR WHICH PERMIT IS REQUESTED:

FISHERY	TARGET SPECIES	GEAR	ACTIVITY		
			CATCH	PROCESS	OTHER
BSA	POLLOCK		X	X	X
	PACIFIC COD		X	X	X
	BY CATCH SPECIES	BOTTOM TRAWL	X	X	X
	(PACIFIC OCEAN PERCH, YELLOWFIN SOLE, OTHER FLOUNDERS, ----- ETC.)	MID-WATER TRAWL OFF-THE BOTTOM TRAWL			
GOA	POLLOCK		X	X	X
	PACIFIC COD		X	X	X
	BY CATCH SPECIES	BOTTOM TRAWL	X	X	X
	(PACIFIC OCEAN PERCH, OTHER ROCKFISH, OTHER FLOUNDERS, ----- ETC.)	MID-WATER TRAWL OFF-THE BOTTOM TRAWL PELAGIC TRAWL			

(13) HAS THIS VESSEL EVER FISHED WITHIN THE U.S. FCZ?
 YES X NO _____ (IF YES, LIST PERMIT NUMBER(S) JA-80-0331)

(14) ARE FISHING ACTIVITIES REQUESTED IN SUPPORT OF VESSELS OF THE U.S.?
 (If yes, attach supplemental sheet showing fishery, species
 YES X NO _____ quantities, dates, locations and specific activities requested.)

(SPECIFICATIONS OF FISHING ACTIVITIES IN SUPPORT OF US VESSELS WILL BE
 NEGOTIATED WITH U.S. FISHERMEN)

NOV 7 1980

(1) NUMBER AND TYPE OF FOREIGN VESSELS TO BE EMPLOYED

A STERN TRAWLER M/V "ZUIYO MARU NO.3" WITH THE FOLLOWING
EQUIPMENT AND NECESSARY CARRIER VESSELS

EQUIPMENT	QUANTITY	CAPACITY
TRAWL FISHING GEARS	1 SET	
SURIMI PLANT	1 SET	30 T/D
FISH MEAL PLANT	1 SET	50 T/D (ROUND FISH)
FISH OIL PLANT	1 SET	5 T/D
FILLET MACHINE & HEADER	1 SET	
FREEZER	1 SET	50 T/D

(2) NUMBER AND TYPE OF VESSELS OF THE UNITED STATES FROM WHICH UNITED STATES HARVESTED FISH WILL BE RECEIVED

4-5 BOTTOM / MID-WATER TRAWLER VESSELS (40-50M) WITH MORE
THAN 1,000 HP

(3) NAME AND ADDRESS OF PERSON OR COMPANY WITHIN THE UNITED STATES WHO WILL BE THE PRINCIPAL CONTACT WITH OWNERS / OPERATORS OF VESSELS OF THE UNITED STATES

PAN ALASKA FISHERIES INC.
CASTLE & COOKE BUILDING
FISHERMEN'S TERMINAL
SEATTLE WASHINGTON 98107
U.S.A

(4) GEOGRAPHICAL AREA IN WHICH VESSELS WILL OPERATE

STATISTIC AREA NOS 51, 52 AND 54 (BERING SEA / ALEUTIAN ISLANDS)
AND CENTRAL AND WESTERN STATISTIC AREAS (GULF OF ALASKA) IN THE
U.S. FCZ.

NOV 7 1980

(5) MONTHS DURING WHICH VESSELS EXPECT TO OPERATE

3 MONTHS FROM AN EARLIEST MONTH POSSIBLE IN 1981 AFTER REACHING AGREEMENT WITH PAN ALASKA FISHERIES INC.

(6) BY SPECIES & QUANTITY, THE PROCESSED PRODUCTS & ULTIMATE EXPECTED MARKET OF UNITED STATES HARVESTED FISH, INCLUDING QUANTITIES WHICH ARE TO BE EXPORTED TO THE UNITED STATES.

ALL PRODUCT MADE UNDER THIS VENTURE WILL BE AIMED FOR DOMESTIC CONSUMPTION AND MARKETED IN JAPAN.

(7) BY SPECIES QUANTITY OF INCIDENTAL CATCH TO BE RECEIVED

INCLUDED IN THE SPECIES LIST IN PAGE 1.

(8) PROCEDURES TO BE EMPLOYED TO MINIMIZE THE AMOUNT OF INCIDENTAL CATCH RECEIVED BY FOREIGN VESSELS & THE DISPOSITION OF INCIDENTAL CATCH BY SPECIES

"ZUIYO MARU NO.3" IS A SURIMI TRAWLER TARGETTING CHIEFLY ON POLLOCK AND WILL NOT OPERATE IN THE AREA WHERE THE POSSIBILITY OF HIGH INCIDENTAL CATCH IS EXPECTED.

WE ALSO WILL INSTRUCT THE U.S. FISHERMEN IN TERMS OF THE FISHING GEARS AND FISHING METHOD TO ENABLE THEM TO MINIMIZE THE AMOUNT OF THE INCIDENTAL CATCH TO AS GREAT AN EXTENT AS PRACTICABLE. ALL PROHIBITED SPECIES CAUGHT INCIDENTALLY WILL BE IMMEDIATELY RETURNED TO THE SEA ACCORDING TO FOREIGN FISHING REGULATIONS § 611. 13.

(9) METHOD OF TRANSFER FROM VESSELS OF THE UNITED STATES TO FOREIGN VESSELS

THE CATCHES WILL BE TRANSFERRED FROM THE U.S. FISHING VESSELS TO THE PROCESSING VESSEL BY DETACHABLE CODEND.

NOV 7 1980

(10) RELATIONSHIP TO OTHER FISHING OPERATIONS

PROCESSING VESSEL WILL WORK PRIMARILY WITH AMERICAN VESSELS BUT DURING PERIODS OF INSUFFICIENT TRANSFERS BEFORE THE COMPLETION OF THIS VENTURE AND ANYTIME AFTER ITS COMPLETION, SHE WILL ENGAGE IN FISHING OPERATIONS FOR HERSELF UNDER HER OWN QUOTA.

(11) BY SPECIES, APPROXIMATE PRICE (U.S. DOLLARS PER M.T.) TO BE PAID FOR UNITED STATES HARVESTED FISH

THE PRICE FOR EACH SPECIES WILL BE NEGOTIATED WITH THE U.S. FISHERMEN WITH DUE CONSIDERATION TO THAT ESTABLISHED IN THE CURRENT J/V OPERATIONS.

NOV 7 1980

APPLICATION FOR VESSEL PERMITS
 TO RECEIVE UNITED STATES HARVESTED
 FISH FROM VESSELS OF THE UNITED STATES

Continuation of
 AGENDA D-1(d)
 December, 1980

No. JA-81-0341

*1-100
 Council*

In accordance with the provisions of the Fishery Conservation and Management Act of 1976, as amended, the Government of JAPAN hereby submits this application for permits for vessels under its jurisdiction to receive United States harvested fish from vessels of the United States within the Fishery Conservation Zone of the United States during the year 1981.

Fishing Vessel Identification Forms will be submitted in support of this application. The fisheries, species, and amounts of United States harvested fish desired to be received by vessels of the JAPAN flag are as follows:

Fishery	Species	Total Tonnage Requested For Each Species (MT)
BSA	POLLOCK	6,000
&		
GOA	BY CATCH SPECIES	1,000
	PACIFIC COD	225
	PACIFIC OCEAN PERCH	775
	OTHER ROCK FISH	
	YELLOW FIN SOLE	
	FLOUNDERS etc	
	TOTAL	7,000

Detailed descriptions of the methods of operation proposed for each fishery requested are attached and form a part of this application.

Submitted: October 16, 1980
 (Date)

Hisako Katagiri
 (Signature)

Counselor
Embassy of Japan
 (Title)

NOV 1980

NO: JA-81-0341

FISHING VESSEL IDENTIFICATION FORM

- (1) VESSEL NAME: KONGO-MARU (2) CALL SIGN: JJSM
 (4) VESSEL TYPE: STERN TRAWLER /FACTORY SHIP (3) HULL NMBR: F01-221
 (5) LENGTH : 102M
 (6) GROSS TONS: 3249 (7) NET TONS: 1742 (8) MAX SPEED: 16
 (9) OWNERS NAME: NIPPON SUISAN KAISHA LTD.

ADDRESS: 6-2 OTEMACHI 2-CHOME CHIYODA-KU TOKYO JAPAN

- (10) PROCESSING EQUIPMENT: SURIMI PLANT, FLASH FREEZER
FISH MEAL PLANT, FISH OIL PLANT

(11) HOLD CAPACITY (IN CUBIC METERS):

HOLD #1 376 HOLD #2 1483 HOLD #3 524 HOLD #4 714 (fish-meal only)

(12) FISHERIES FOR WHICH PERMIT IS REQUESTED:

FISHERY	TARGET SPECIES	GEAR	ACTIVITY		
			CATCH	PROCESS	OTHER
BSA & GOA	POLLOCK	} BOTTOM/ } MID-WATER } TRAWLGEAR	} x	} x	} x
	BY CATCH SPECIES				
	PACIFIC COD				
	PACIFIC OCEAN PERCH				
	OTHER ROCK FISH				
	YELLOW FIN SOLE				
	FLOUNDERS etc				

(13) HAS THIS VESSEL EVER FISHED WITHIN THE U.S. FCZ?
 YES x NO (IF YES, LIST PERMIT NUMBER(S) JA-80-0341)

(14) ARE FISHING ACTIVITIES REQUESTED IN SUPPORT OF VESSELS OF THE U.S.?
 YES x NO (If yes, attach supplemental sheet showing fishery, species quantities, dates, locations and specific activities requested.)

Specifications of fishing activities in support of U.S. vessels will be negotiated by Universal Seafoods Ltd with U.S. fishermen.

(1) NUMBER & TYPE OF FOREIGN VESSELS TO BE EMPLOYED.

ONE STERN TRAWLER/FACTORY SHIP "KONGO-MARU"
EQUIPPED TO PRODUCE SURIMI, FROZEN ROUND, FILLET, HEADED &
GUTTED, FISH MEAL AND FISH OIL PLANT, AND NECESSARY CARRIER VESSELS.

(2) NUMBER & TYPE OF VESSELS OF THE UNITED STATES
FROM WHICH UNITED STATES HARVESTED FISH WILL BE
RECEIVED.

4-6 LARGE (OVER 100 Feet) COMBINATION BOTTOM/MIDWATER TRAWL
VESSELS WITH NOT LESS THAN 1000 HP.

(3) NAME & ADDRESS OF COMPANY WITHIN THE UNITED
STATES WHO WILL BE PRINCIPAL CONTACT WITH OWNERS/
OPERATORS OF VESSELS OF THE UNITED STATES.

UNIVERSAL SEAFOODS LTD
P.O. BOX 94 15110 N.E. 90TH STREET REDMOND
WASHINGTON 98052

(4) GEOGRAPHICAL AREA IN WHICH VESSELS WILL OPERATE

FISHERY CONSERVATION ZONE AND AREAS PERMITTED BY U.S.
REGULATIONS IN GULF OF ALASKA CENTRAL, WESTERN, EASTERN
STATISTICAL AREAS AND IN BERING SEA & ALEUTIAN ISLANDS AREAS
51, 52, 54.

(5) MONTHS DURING WHICH VESSELS EXPECT TO OPERATE

3 MONTHS FROM AN EARLIEST MONTH POSSIBLE IN 1981 AFTER
REACHING AGREEMENT BETWEEN U.S. FISHERMEN AND UNIVERSAL
SEAFOODS LTD.

(6) BY SPECIES & QUANTITY, THE PROCESSED PRODUCTS & ULTIMATE
EXPECTED MARKET OF UNITED STATES HARVESTED FISH, INCLUDING
QUANTITIES WHICH ARE TO BE EXPORTED TO THE UNITED STATES.

NOV 4 1980

SPECIES WILL BE PROCESSED ONBOARD KONGO-MARU INTO PRODUCTS GIVEN IN (1) ABOVE, QUANTITIES OF PRODUCT BY EACH TYPE WILL BE DEPENDENT UPON MARKET CONDITIONS.

PRODUCTS WILL BE SOLD BY NIPPON SUISAN KAISHA LTD PRIMARILY FOR DOMESTIC CONSUMPTION.

(7) BY SPECIES QUANTITY OF INCIDENTAL CATCH TO BE RECEIVED.

INCLUDED IN THE SPECIES LIST IN PAGE 1.

(8) PROCEDURES TO BE EMPLOYED TO MINIMIZE THE AMOUNT OF INCIDENTAL CATCH RECEIVED BY FOREIGN VESSELS & THE DESPOSITION OF INCIDENTAL CATCH BY SPECIES.

"KONGO-MARU" IS A SURIMI TRAWLER TARGETING ON POLLOCK AND WILL NOT OPERATE IN AREAS WHERE HIGH INCIDENTAL CATCH IS EXPECTED.

WE WILL INSTRUCT THE U.S. FISHERMEN IN TERMS OF FISHING GEARS AND METHOD TO ENABLE THEM TO MINIMIZE THE AMOUNT OF INCIDENTAL CATCH TO AS GREAT AN EXTENT AS PRACTICABLE.

ALL PROHIBITED SPECIES CAUGHT INCIDENTALLY WILL BE IMMEDIATELY RETURNED TO THE SEA IN ACCORDANCE WITH THE FOREIGN FISHING REGULATION SEC.611.13.

(9) METHOD OF TRANSFER FROM VESSELS OF THE UNITED STATES TO FOREIGN VESSELS

CATCHES WILL BE TRANSFERRED FROM U.S. CATCHING VESSELS TO THE PROCESSING VESSEL BY DETACHABLE COD-END.

(10) RELATIONSHIP TO OTHER FISHING OPERATIONS

PROCESSING VESSEL WILL WORK PRIMARILY WITH AMERICAN VESSELS BUT DURING PERIODS OF INSUFFICIENT TRANSFERS BEFORE THE COMPLETION OF THIS VENTURE AND ANYTIME AFTER ITS COMPLETION, SHE WILL ENGAGE IN FISHING OPERATIONS FOR HERSELF UNDER HER OWN QUOTA.

NOV 4 1980

(11) BY SPECIES, APPROXIMATE PRICE (U.S. DOLLARS PER M.T.)
TO BE PAID FOR UNITED STATES HARVESTED FISH.

PRICES FOR INDIVIDUAL SPECIES WILL BE NEGOTIATED BY UNIVERSAL
SEAFOODS LTD WITH U.S. FISHERMEN.

Page three
6 October 1980

TO: Jim Branson
FROM: Guenter Conradus

<u>Bering Sea</u>	<u>MT</u>
Pacific Cod	8,000
Yellow Fin Sole	1,000
Greenland Turbot	1,700
Other Flounders	2,000
Pollock	40,000
Ocean Perch	500
Table Fish	200
Squid	200
Atka Mackerel	200
Other Finfish	1,000
Rockfish	600
 <u>Aleutian</u>	
Pollock	3,000
Pacific Cod	4,000
Ocean Perch	400
Table Fish	200
Rockfish	200
	<hr/>
	63,200

Additional quantities of 6,000 tons of cod, 4,000 tons of pollock, 100 tons of Atka Mackerel, 100 tons of ocean perch and 100 tons of other fish were made for the Gulf of Alaska region. This request came as an afterthought since the vessel which would cooperate with the Alaska Draggers Association must have the ability to fish when Alaskan boats cannot deliver because of bad weather or when they are engaged in other fisheries such as shrimping.



AGENDA D-1(f)
December, 1980

Received: November 3, 1980

Dear Mr. Branson,

As one of the American fishermen involved in the US/USSR joint venture engaged in harvesting underutilized speices, I am writing to urge you to reconsider and support a small quota for the USSR processor vessels involved in the joint venture.

This would enable them to keep more processors on the fishing grounds and would eliminate this last years biggest problem for the U.S. fishermen, that being the fact that there were not enough processors on the grounds and boats were on limits. What looked to be a very good year for U.S. fishermen turned out to be a disaster. With so few processors our American boats were assured of bad fishing days, mediocre days, and of never having a good day.

Because of the high cost of operating a mid-water boat (fuel being the leading cause of high cost) many of the boats (myself included) had to drop out of the fishery and go back to traditional markets.

The U.S. fisherman to survive must be able to fish. If there are not enough processors and boats must be on limits there is no way the joint venture fishery will survive. We don't feel we should be penalized by our government because of what is happening in Afganistan or anywhere else. Please reconsider and give our USSR processors a small quota -- it will assure the U.S. fishermen of a good joint venture fishery next year.

Thank You,

/s/ Daniel A. Heasley
Owner/Operator F/V Mistasea
Box 175
Ihvaco, Wash. 98624

DON YOUNG
CONGRESSMAN FOR ALL ALASKA

COMMITTEES:
INTERIOR AND INSULAR
AFFAIRS

MERCHANT MARINE AND
FISHERIES

Congress of the United States

House of Representatives

Washington, D.C. 20515

October 30, 1980

TELEPHONE 907/225-5265
DISTRICT OFFICES
115 U.S. FEDERAL BUILDING ANCHORAGE, ALASKA 99501 TELEPHONE 907/279-1587
202 U.S. FEDERAL BUILDING FAIRBANKS, ALASKA 99701 TELEPHONE 907/456-6949
NOV 3 1980

Honorable Morris Busby
Assistant Secretary of State for
Oceans & Fisheries Affairs
U.S. Department of State
Washington, D.C. 20520

Dear Secretary Busby:

As you are aware, decisions will shortly be made on the allocations of fish to foreign nations within our 200 mile Fishery Conservation Zone (FCZ) for the 1981 fishing season. Since a number of nations have expressed interest in receiving allocations, and because many of these allocations will be made for fisheries off Alaska, I would like to comment on a number of items that have come to my attention.

First, let me express my pleasure at the news that the Department has agreed to adopt the "Fish & Chips" diplomacy that many of us have supported over the years. By tying allocations of surplus fish to the benefits that will be received by the U.S. fishing industry, we will have a tremendous opportunity to promote full development of our domestic fishing industry. The fact that you have chosen to adopt this posture prior to the passage of the various fisheries development bills which contain expanded TALFF criteria is certainly to your credit.

It is my understanding that three nations (the Republic of Korea, the Federal Republic of Germany, and Taiwan) are all engaged (or soon will be) in various working relationships with U.S. fishermen and processors. The Republic of Korea has conducted an over-the-side joint fishing venture operation with a number of U.S. fishermen for some years. The Federal Republic of Germany has recently begun a combined program of training and fish purchases with U.S. fishermen and processors. Taiwan is currently negotiating

a training program with the St. George/Tanaq Corporation in Alaska. Although there are still some problems regarding the structure of the training program and Taiwan's actions regarding commercial whaling that still must be solved, it appears that the program may be ready to start in 1981. I would therefore suggest that these three nations be given favorable treatment when allocations are considered. However, such treatment should be based on the performance of these nations in regard to benefits to the U.S. fishing industry. We have seen too many promises that have been forgotten once allocations are made.

A number of other nations will doubtlessly be requesting allocations in spite of their poor performances. For example, for the second year in a row, Polish vessels have allowed their fishing activities to conflict with U.S. vessels near Kodiak. In spite of the fact that Poland was cooperative in removing the vessels once the severity of the situation was explained to them, I do think that an adjustment in the Polish allocation should be made to underscore the concerns expressed by U.S. fishermen. In addition, there is continuing competition between U.S. harvesters and processors seeking to develop the groundfish fishery by gaining greater access to U.S. markets and Polish companies that harvest fish within our FCZ and then export that fish to the U.S. We cannot develop our own industry if the State Department continues to ignore this serious aspect of competition. For these reasons, I would urge that the Polish allocation be substantially lowered.

Japan presents another problem that has not been recognized by the U.S. government. Since the middle of August, 1980, six Japanese vessels have been seized for serious violations of the FCMA in the waters off Alaska. The only response that I have ever received from Japan about these violations is that they are "regrettable." While I certainly agree with that statement, expressions of regret do not compensate for the fact that Japan is violating both our domestic laws and the fishing agreement between the U.S. and Japan. Last year, a large part of the Japanese allocation was held in reserve during negotiations between our countries over increased market access for U.S. fish products. At the close of the negotiations, the allocation was released, along with a portion of the surplus that was created due to the President's reaction to the Soviet invasion of Afghanistan. To date, I have found little if

any indication that the agreement has resulted in increased sales of U.S. fish products to Japan. It is time that Japan, which harvests the lion's share of fish in our FCZ, is given fair notice that violation of our laws and treaties to the detriment of U.S. fishermen and processors will not be tolerated. The best way to make this clear is to drastically cut the Japanese allocation.

A third problem involves the European Economic Community. Currently, the EEC is considering the re-imposition of tariffs on salmon imports. Although this is obviously not as serious a problem as the others mentioned above, given the fact that the EEC has announced its intention to repeal the tariff completely in the next few years, I still think that mention should be made of the difficulties that the tariff would impose on the marketing of salmon in Europe. As you know, Alaska currently depends on the Asian market to a great extent for the sale of salmon. For some time, fishermen and processors have expressed interest in greater access to the European market. Indeed, some Alaskan companies already have made substantial inroads in Europe. It would therefore be important to our U.S. industry that tariffs on salmon be kept as low as possible.

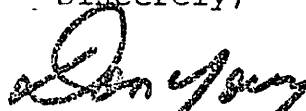
The last country that represents a major problem is Mexico. For a number of years, Mexico has received allocations of groundfish off Alaska, ostensibly in exchange for favorable treatment for our shrimp and tuna industries. I note that this favorable treatment has not occurred. Further, I would point out that fishing in our FCZ is a privilege, not a guaranteed right. There is no reason for Mexico, or any other nation, to acquire such a privilege absent some benefit to the U.S. fishing industry. I see absolutely no reason to give Mexico an allocation at this time, an opinion that is shared, I believe, by a number of members of the North Pacific Fishery Management Council.

Finally, the question of reserves should be dealt with carefully and in cooperation with the North Pacific Fishery Management Council. If, for example, our policies towards the Soviet Union change, or other nations desire allocations in exchange for definite benefits to U.S. fishermen and processors, than some mechanism must be available to insure that fish can be properly allocated. The most logical way to accomplish this is by maintaining a proper sized reserve

category. While I will defer to the North Pacific Council on the appropriate numbers, I do think that you should not be too hasty in allocating all of the fish immediately.

Again, let me express my continued support for the policy of allocating according to benefits received. In reading over the above, you will find, I believe, that all of the actions I have suggested are fully justified by such a policy. I look forward to your favorable response to these suggestions.

Sincerely,



DON YOUNG

Congressman for all Alaska

DY:rhm

October 14, 1980

To: Jim Branson

The Kodiak City Council would like to alert you to their dissatisfaction with the Department of State and Department of Commerce over foreign fishing encroachment. Again the Polish trawl vessels have caused extensive damage to domestic gear, resulting in many thousands of dollars of lost product and fishing time on grounds awaiting replacement gear. Please consider the local fisherman and his means of survival prior to renewal of the permits to the Polish fleet.

Allen Beardsley
Mayor, City of Kodiak

National Oceanic and Atmospheric Administration
Department of Commerce

Terms and Conditions of Approval of Applications for
Vessel Permits to Fish Within the Fishery Conservation Zone
of the United States

In accordance with the provisions of the Fishery Conservation and Management Act of 1976, the Government of the United States of America requires foreign nations to accept applicable terms and conditions before permits for foreign vessels to fish within the Fishery Conservation Zone of the United States, or beyond that zone for anadromous species or Continental Shelf Fishery Resources subject to the jurisdiction of the United States, may be issued. Approval of the applications submitted by the Government of the Republic of Korea for 1981 will be subject to the following:

CONDITIONS AND RESTRICTIONS

The Government of the Republic of Korea will ensure that fishing by its flag vessels is conducted in accordance with requirements of any applicable fishery management plan, or preliminary fishery management plan, and the regulations (as amended) promulgated to implement any such plans.

The Government of the Republic of Korea will ensure that fishing by its flag vessels is conducted in accordance with the terms and conditions of the Agreement of the United States of America and the Government of the Republic of Korea signed January 4, 1977.

The Government of the Republic of Korea will ensure that fishing by its flag vessels is conducted in accordance with permits which may be issued and does not exceed any applicable allocations.

The Government of the Republic of Korea will ensure that an agent is appointed and maintained within the United States who is authorized to receive and respond to any legal process issued in the United States to an owner or operator of a vessel operating under a permit.

OCT 9 1980

Date

E. Craig Felber

for
Terry L. Leitzell
Assistant Administrator
for Fisheries

OCT 07 1980