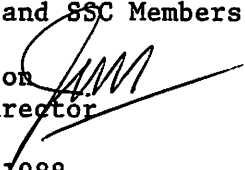


M E M O R A N D U M

TO: Council, AP and SSC Members

FROM: Jim H. Branson 
Executive Director

DATE: January 13, 1988

SUBJECT: Foreign Vessel Permit Conditions

ACTION REQUIRED

Recommendation on whether to condition permits to restrict joint ventures from targeting on roe-bearing rock sole before April 15.

BACKGROUND

In December the Alaska Factory Trawlers Association asked the Council to use permit conditions to restrict joint ventures from targeting on roe-bearing rock sole in the Bering Sea before April 15. The Advisory Panel recommended such a restriction until April 1. The Council asked that the issue be placed on the January agenda because there had not been any notice of the issue prior to the December meeting.

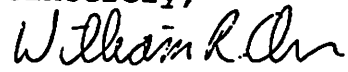
AFTA submitted a late proposal on December 23, 1987 to include this issue in the 1988 amendment cycle. Their proposed amendment is item C-7(a) under this tab. It will be discussed further under agenda item D-2.

Vessel permits would have to be amended to restrict joint ventures, a procedure which requires notice in the Federal Register. The nation whose vessels are involved, the owners of the affected vessels, their representatives, the agencies specified, and the public may submit written comments on the proposed changes for 30 days. After the comment period, the Assistant Administrator would make a final decision regarding the changes and provide the final changes to the nation whose vessels are affected, through the Secretary of State. It is unlikely conditions could be applied before mid-March or later.

fishery. However, a long-term solution to this situation is preferred, and the amendment process provides that solution.

Attached you will find our amendment proposal. We hope that you will take the action necessary to have it included for consideration during this amendment cycle. Thank you for your assistance.

Sincerely,



William R. Orr
Director, Government Affairs

processors.

Enforcement costs would not be expected to increase significantly, and any increase could be offset by collection of fines. Foreign processors already are required to have observers monitor deliveries, and the observers currently identify the amount of rock sole delivered. If there is any increase in cost, this is likely to be outweighed by benefits to DAP.

Are there alternative solutions: The obvious alternative is to condition joint venture permits such that targeting on rock sole is prohibited prior to April 1. While this is an attractive alternative, it is short-term and would be revisited each year. A long-term solution is preferred.

Supportive Data & Other Information: NMFS has information on foreign, JV and DAP catch of rock sole. The Atkinson News Report, issue 227 (December 9, 1987), provides insight on recent production and market conditions.

Signature:





United States Department of State

AGENDA C-1
SUPPLEMENTAL

*Bureau of Oceans and International
Environmental and Scientific Affairs*

Washington, D.C. 20520

December 23, 1987

Dr. William E. Evans
Assistant Administrator for Fisheries
National Marine Fisheries Service
1825 Connecticut Avenue, N.W.
Washington, D.C. 20235

Dear Bill:

I am writing with regard to the recent North Pacific Fishery Management Council recommendation on permit conditions for foreign vessels operating in the U.S. exclusive economic zone (EEZ). As you are aware, at its December 8-11 meeting, the Council recommended that all foreign vessels which operate in the same calendar year in both the U.S. EEZ and the international waters of the Bering Sea should be willing to accept U.S. observers during their operations in international waters. The Department shares the Council's concern over the increased fishing activities in the donut and supports all efforts to address this issue, including the concept of an observer program.

We would, however, appreciate a clarification of the procedures which are required to implement permit conditions. It is our understanding that proposed permit conditions are generally provided for public review and comment well in advance of implementation. Because U.S. joint ventures could be adversely affected by the proposed condition, we would support submission of the Council recommendation for public comment. This action would also allow foreign governments sufficient time to provide their comments on the proposal.

We also note that Polish and Chinese representatives at the December Council meeting stated they would consider accepting U.S. observers on some vessels. It may be possible to arrange for an interim observer program early next year with these and other countries fishing in the donut. In addition, we may have

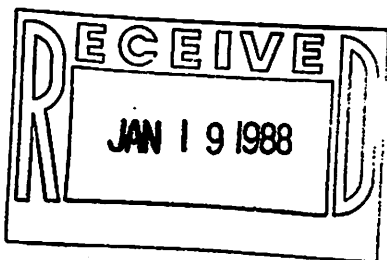
an opportunity to explore the observer issue in greater detail during our talks with the Soviet Union, the other country whose exclusive economic zone surrounds the donut area. As you are aware, we plan to consult with the Soviet Union on the donut issue in the near future.

I look forward to working with you on this issue.

Sincerely,



Edward E. Wolfe
Deputy Assistant Secretary
Oceans and Fisheries Affairs



January 18, 1988

Mr. James Campbell, Chairman
North Pacific Fisheries Management Council
P.O. Box 103136
Anchorage, Ak. 99510

Dear Mr. Campbell,

I am an owner/operator of a vessel currently engaged in a joint venture operation for Rock Sole with roe. In this operation are two catchers and two small Japanese processors, each with a NMFS observer onboard. This generates a substantial amount of much needed information on this developing fishery.

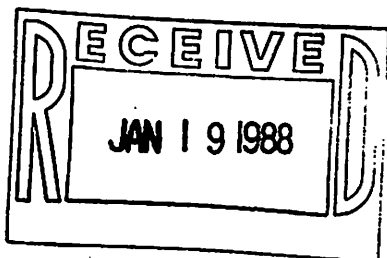
It has been said that a JV operation for Rock Sole with roe would flood a very limited market, to the detriment of the catcher/processor segment of our industry. However, the market for this product in Japan has increased by approximately 50% in each of the last 2 years. In my opinion, a market that is less than 5 years old with a growth curve like that, cannot be called "very limited." From a biological standpoint, this species would have to be termed "under utilized," as the OY has never been reached. We are harvesting these fish at their highest value; which would certainly have a favorable effect on our balance of trade.

I realize our days as JV operators are numbered, but I feel it would be premature to lock us out of this rapidly developing fishery at this time. Thank you for your consideration.

Sincerely,

Mark D. Chandler

Mark D. Chandler
F/V Topaz
P.O. Box 116
Kodiak, Ak. 99615



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