

North Pacific Fishery Management Council

APPENDIX I

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Date

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ADVISORY PANEL REPORT

The Advisory Panel of the North Pacific Fishery Management Council met on Wednesday, February 21 in the Windsor Room, Sheffield House Hotel and on Thursday in the Council offices in Anchorage. A roster of members attending is attached.

The Panel began with a report from Al Comiskey of the National Weather Service (NWS) on NWS events and activities that may affect marine activities in the North Pacific. The important activities described were: 1) The development of radio facsimile transmissions from Kodiak with USCG radio transmitting equipment. The material to be transmitted is provided by the NWS and includes surface pressure analyses, sea surface conditions, cloud patterns, ice conditions, etc. 2) The other important activities will be the formation of a special NWS marine services unit for the specific purpose of improving weather services to the mariner. Mr. Comiskey emphasized that input from the marine community was needed to assist the NWS in the development of improved services. For instance, is there a need for continuous HF broadcasts of marine information on a dedicated frequency? What marine area should be given special attention? Is the sea ice forecast service in the Bering Sea adequate?

The Panel then addressed the following agenda items.

Agenda item #6 - U.S. Coast Guard Report

Lt. Cmdr. Pete Busick reported for the U.S. Coast Guard on the seizures of the Japanese vessels the Tsuda Maru and the Fukiu Maru, noting that both vessels had been on the fishing grounds for only nine and three days respectively. Each had more fish than recorded in the logs when they were seized.

The Advisory Panel unanimously expresses its appreciation for the job being done by the U.S. Coast Guard patrol at sea.

Agenda Item #18 - Contracts

A review of the steering committee meeting for the Computerized Fishery Information contract with ADF&G was given by Mark Hutton. The Panel generally discussed the quality of fish ticket data and the data gathering and retrieval capabilities of the State and Council but had no specific comments or recommendations except they would like a presentation by the contractor at the meeting next month in Juneau.

Agenda Item #12 - Alaska Board of Fisheries Actions that affect Council FMP's

The Advisory Panel reviewed the February 20 memo from Jim Branson dealing with some of the actions of the Alaska Board of Fisheries at their December meeting. The Panel discussed all of the recommendations of the Board as they related to the troll salmon FMP, the Bering Sea herring FMP, the Bering Sea and Aleutian Islands groundfish plan, and the Tanner crab plan. Of particular interest to the Panel was a major recommendation by the Board that there be no domestic trawling for herring outside 3 miles and north of 56° N. latitude. To a lesser degree the Panel also expressed some concern over the interpretation of data presented for the proposed herring savings time-area closure in the Bering Sea to foreign trawling.

The discussion by the Panel on the domestic herring trawl closure centered around several points: 1) There is a favorable world market for herring as a food fish. 2) There is a need to allow exploratory U.S. trawlers for certain research purposes. 3) Should U.S. trawlers be excluded given the possibility of a weather-related zero harvest of herring near shore and a major expanded foreign trawl fishery for herring offshore? 4) What are the ramifications of mixed stock fisheries?

The Panel felt it had inadequate information to base a decision on to accept or reject the Board of Fisheries recommendations to the Council on these issues. The Panel, therefore, wishes to inform the Council that it has taken this item under consideration, it will continue a timely review of the subject, and has requested additional information and a presentation scheduled for the March Council meeting in Juneau.

Agenda Item #11 - Gulf of Alaska Groundfish FMP Amendments

The Advisory Panel considered all three amendments proposed, listened to an excellent presentation by Bert Larkins for the Gulf management plan drafting team, and also discussed some of the details of the proposed amendments with the attorney for the North Pacific Longline Association, Mr. Paul MacGregor.

Regarding the Davidson Bank proposal, the Panel fully explored the potential for the developing U.S. fishery in the area. Supporting the premise that this was an area of high potential for the U.S. catching and processing industry, representatives of Pacific Pearl, NEFCO, Peter Pan, and APA indicated an immediate processing capability and market for all cod and sablefish that could be taken. For example, Mr. Jensen told the Panel that Pacific Pearl will utilize two longline vessels between Dutch Harbor and Sand Point for cod and sablefish year-round. Captain Edward "Buster" Shaishnikoff (Sand Point) spoke of a developing trawl fishery principally for bait. In two months he has caught 500,000 pounds, 60% of which was cod. Captain Shaishnikoff indicated that the fishery began with no boats last year and has expanded into four full-time draggers. Also, there were indications that New England Fish Company was negotiating with a local group in Dutch Harbor to establish a bottomfish plant for cod in that area.

On behalf of the North Pacific Longline and Gillnet Association, Paul MacGregor told the Panel that options A and B were designed to avoid gear conflict and that they, as well as Bob Alverson, preferred option B. Mr. MacGregor pointed out that foreign longlining had not jeopardized the stocks in this area and this request was only for the status quo of a year ago. Mr. MacGregor pointed out that last year only 71 tons had been reported caught by domestic fishermen with only two reported boats. Responding to questions he pointed out that the proposed two vessels in that area would be allowed (by the Longline Association) a total of 1,078 metric tons of cod, 506 metric tons sablefish total.

To quote the most compelling argument, the Panel listened to Captain Shaishnikoff when he told them "that Davidson Bank presented the richest fishing ground available to U.S. fishermen in that area, and that given a change in processing characteristics beyond what is present now, the fishery would explode."

The Advisory Panel, based on the testimony and their original feeling that the area should be protected to afford U.S. fishermen an opportunity to develop in an area of rich mixed fisheries, unanimously rejected the proposal.

The Advisory Panel listened to Mr. Bert Larkins as he presented the results of a special working group who met in Seattle last week to discuss the proposal for the foreign longline directed cod fishery landward of 500 meters between 140° and 157° W. longitude. In summary, Larkins told the Panel that foreign trawl fisheries in the Gulf required approximately 5% cod as an incidental catch for the fishery to occur. Mr. Larkins also told the Panel that a savings of approximately \$500,000 (¼ million pounds of halibut) would occur if a cod catch of 10,000 mt were taken by foreign longliners as opposed to foreign trawl. Larkins also told the Panel that as a practical matter it would be difficult to implement an amendment to this year's FMP which would reallocate or redistribute TALFF among countries, among gear types. He stated however that if any of the 15,000 mt of cod DAH is unused by the domestic fishery and transferred to TALFF, that amount could be specified for foreign longliners.

Several members of the Panel argued that while the idea of displacing foreign trawl vessels with directed cod longline fisheries was a good one, the actual end result might be more effort landward of 500 meters. Others felt that the directed longline cod fishery should be contemplated for a 1980 change to the FMP, as there were obvious benefits in having major cod allocations taken by directed cod fisheries.

The Panel adopted the following motion. "If Pacific cod DAH is reallocated to TALFF, then we recommend to the Council that this amount be designated for a directed Pacific cod foreign longline fishery rather than a trawl fishery." The inference is that the intent of the Panel lies in the motion, while the mechanics of the motion remain in the hands of the Council.

Regarding amendment #3, the Panel recommends unanimously that the OY in the Gulf of Alaska for Atka mackerel be increased by 2,000 mt to 26,800 mt all of which be apportioned to the newly combined Yakutat-Southeast area and designated for incidental catch only.

Agenda Item #10 - March 2 release of reserves in the Gulf of Alaska

The Panel considered the memo from Jim Branson dated February 19 regarding the March 2nd release of reserves in the Gulf of Alaska. The Panel understood that the Council would make a recommendation to the regional director concerning the potential release of reserves to TALFF and wished to make some comments. First, the Panel found some confusion surrounding the processor preference amendment as it related to the Gulf groundfish FMP. The confusion was in terms of the presumed relationship between the plan's DAH and the processor preference mandated DAH and domestic annual processing capacity (DAP). The Panel discussed issues relating to the determination of reserves in the Gulf plan. In practice it appeared to be a surplus amount available above what could be processed by U.S. processors as expressed in the earlier estimate of DAH. Under the following assumptions, the Panel unanimously recommends to the

Council that all of the proposed 25% reserve amount be withheld until the May 2 release. The Panel assumes the following. 1) That the reserve amount does in fact reflect surplus available to domestic fishermen above what can be caught minus what can be processed. 2) That the reserve must be reallocated to DAH for the actual allocations to occur for domestic fishermen involved in joint ventures. 3) That the opportunity to comment on proposed joint ventures in the Gulf of Alaska will bring about the most accurate assessment of the potential domestic catch.

Portions of this agenda item related directly to agenda item #14, joint ventures, and should be considered in light of actions taken regarding the joint ventures applications.

Agenda Item #14 - Joint Ventures

The Panel considered part of this agenda item late Wednesday afternoon and again on Thursday morning. Consideration of this item sparked a series of impromptu presentations which included Mr. Ed Furia, Mr. Jim Sealy, Mr. Pete Harris from New England Fish Company, Mr. Scott Stafne, Mr. Ted Evans for Marine Resources, Inc. and Mr. Paul MacGregor. Mr. Ted Evans presented the joint venture proposal by Marine Resources, Inc. Messrs. Sealy, Furia and Harris discussed New England Fish Company's view of the Marine Resources proposal as well as joint ventures in general. Mr. Scott Stafne commented on the U.S. processing capacity for sablefish. The points brought up by New England Fish Company centered around a request for "due process" in determining new DAH, DAP, and JV surplus figures for the Gulf groundfish plan. In addition, Mr. Harris told the Panel that NEFCO as well as several other companies would buy all the Pacific cod, POP, and sablefish that would be delivered to them at a more competitive price than was offered in joint ventures. NEFCO requested, also, that a strong statement of intent of the processor preference was needed in the Gulf groundfish FMP and that some action should be contemplated by the Council concerning protection of processors, i.e., time and area restrictions.

Insofar as the Marine Resources proposal was to buy Pacific Ocean perch, cod, and sablefish among other species from U.S. fishermen, enough evidence was presented to the Panel to indicate that no sablefish, cod, or Pacific Ocean perch be allowed to be taken in a joint venture operation such as the one proposed by Marine Resources. The Advisory Panel recommends rejection of the Marine Resources applications.

A minority report recommending approval of the applications was filed by two Advisory Panel members and is attached.

The Advisory Panel met Thursday morning until 10 o'clock at the Council office and discussed the general issue of joint ventures and the specific issue of the permit restrictions proposed for the Korean joint venture processing vessels Book Neung and Soo Gong No. 51.

The Panel's discussion was very involved and covered alot of ground. However, four or five of the major topics will be identified here which led to the recommendations at the end of this report.

First, the Panel wished to give a fair assessment of any joint venture operation in the Gulf of Alaska, but is concerned that the joint venture applicants need to establish a more credible record of fishing participants. That is to say, that the Panel still does not feel that an indication of the numbers of vessels, their capabilities, their home ports, and their plans were made available in sufficient detail to analyze any surplus domestic harvesting capacity. The Panel did generally feel that the NMFS fact finding survey would help.

Secondly, the Panel discussed the concept of time and area restrictions on joint ventures with specific reference to a proposal by New England Fish Company for an area restriction around Kodiak. Some Panel members felt that this type of an area restriction was an appropriate protection to afford the developing U.S. industry while others felt it would be unduly restrictive to a U.S. fisherman who would have to travel farther to sell his catch to a foreign processor.

Third, the Panel considered the broad issue of the timing of the allocation to be allocated to joint ventures and discussed whether the permit should have a basic time-quota restriction and a restriction to allow only a percentage of available reserve available for harvest each quarter. This will be pursued by the Foreign Permit Review Committee. No conclusion was reached by the Panel on this subject.

Fourth, the Panel discussed the upcoming DAH reassessment working group meeting and would like to have Sig Jaeger, Al Otness, Shari Gross, Keith Specking, and Rick Lauber participate as they felt the continuing reassessment of DAH and DAP provided a very critical factor in the understanding and planning for not only joint ventures but also for release of reserves to TALFF.

Fifth, the Panel discussed the concept of catch composition in a joint venture operation and expressed some concern over a carte blanche permit which would allow joint ventures to harvest -- among other species --- cod and sablefish which in the opinion of the Panel can be fully processed by the domestic shore-based industry.

The Panel has therefore adopted the following three motions. 1) The Advisory Panel recommends to the Council that it recommend to the Secretary of Commerce that as a part of all permits there be the condition that the NMFS must establish that an excess catching capacity does exist in the fishery and that there is in fact a demonstrated intent to

harvest the resource. 2) The Panel recommends that the restrictions applied to joint venture operations not allow the foreign processor to operate landward of 12 miles under any circumstance. This was not unanimous and was adopted as a 5 to 4 vote. 3) The Panel recommends the joint venture conditions and restrictions that applied to joint ventures during 1978 i.e., the incidental by-catch percentage restrictions (including the Council-adopted .5% blackcod restriction) be attached to the KMIDC restrictions.

MINORITY REPORT OF ADVISORY PANEL

Marine Resources Company Joint Venture permit application should be approved.

- 1) An additional marketing opportunity for U.S. fishing vessels for the catching of the OY of underutilized species is presented by this proposal.
- 2) The venture provides a bridging mechanism for learning improved fishing and delivery systems.
- 3) This project represents an initial step toward the ultimate displacement of foreign fishing by domestic fishermen.
- 4) MRC represents a viable level of experience by domestic fishermen in this new catching and delivery system.

PRESENTED BY: Shari Gross
Sig Jaeger

Advisory Panel meeting
February 21, 1979

Members present:

Keith Specking
Joe Demantle, Jr.
A. W. "Bud" Boddy
Truman Emberg
Chuck Jensen
Shari Gross
Robin Chlupach
Jack Phillips
Ray Lewis
Sig Jaeger
Don Rawlinson
Al Otness
Ed Linkous