

M E M O R A N D U M

TO: Council, SSC, and AP Members
FROM: Jim H. Branson
Executive Director
DATE: July 13, 1982
SUBJECT: Joint Venture Update

ACTION REQUIRED

The following representatives will give reports or be available to answer questions:

- (a) Mick Stevens for Marine Resources Company/Soviet and the Whitney-Fidalgo/Kyokuyo joint ventures*
- (b) Clinton Atkinson for Jeff Hendricks/Hoko*
- (c) Joe Gnagey for Westward Trawlers/Taiyo*
- (d) Richard Lenahan for Taiwanese operations*

BACKGROUND

Joint ventures have harvested 45,956 mt in the Bering Sea/Aleutian Islands area through June 26. The final catch for the Gulf of Alaska stands at 74,503 mt.

Additional information is provided below. U.S.-Japanese industry discussions on June 7-9 in Seattle resulted in the Japanese committing to buy 120,000 mt of groundfish between June 1, 1982 and May 31, 1983 and 200,000 mt between June 1, 1983 and May 31, 1984. The four Japanese joint ventures originally requested 60,000 mt for 1982 and to date have harvested about 50,000 mt. Further written information on all joint ventures will be distributed under this tab as it becomes available.

1. Marine Resources Company's Soviet Joint Venture (1982 request: 96,000 mt)

Mick Stevens will report. The yellowfin sole fishery is using nine trawlers in Bristol Bay near Port Moller. The Atka mackerel fishery is using three trawlers at Seguam Pass.

2. Mrs. Paul's Polish Joint Venture (1982 request: 24,300 mt)

Operations began on March 20 and ended on June 30 with a total harvest of about 7,000 mt. Four Polish receiving vessels and up to five U.S. trawlers were used. The operations have moved to off Canada where a directed allocation was granted.

3. West German Joint Venture (1982 request: 15,420 mt)

This operation ran from February 27 to May 16. It finished with 4,000 mt (2,500 mt cod and 1,500 mt pollock) fishing north of the Aleutians with four U.S. trawlers.

4. Fish Producers Associates/Korea Wonyang Fisheries Company
(1982 request: 30,000 mt)

Operations ended on April 25 with a total harvest of 32,000 mt mainly of pollock. A final written report was distributed at the May Council meeting.

5. J.V. Fisheries/North Pacific Joint Fishing Operation Committee (ROK)
(1982 request: 16,500 mt)

Operations ended on April 20 with a total harvest of 16,321 mt from Shelikof Straits. A final report was distributed at the May Council meeting.

- 6 Westward Trawlers/Taiyo Fishery Company (1982 request: 20,000 mt)

Joe Gnagey will be available for questions. Fishing was completed in early May with a total harvest over 17,000 mt.

7. Universal Seafoods/Nippon Suisan (1982 request: 20,000 mt)

Their second joint venture commenced on June 7 in the Bering Sea with U.S. trawlers Starward and Neahkahnne and should continue through August 5. The catch through July 3 was 3,000 mt and the operations have moved to near the Pribilof Islands. Their first joint venture this year concluded on April 20 after 47 days and a catch of 9,908 mt.

8. Whitney-Fidalgo Seafoods/Kyokuyo (1982 request: 10,000 mt)

This operation should end around July 15. Mick Stevens will report.

9. Jeff Hendricks and Associates/Hoko Fishing Company
(1982 request: 10,000 mt)

Clint Atkinson will report. The operations ended on July 6 with a catch of 11,632 mt, primarily pollock.

10. Taiwanese Operations

Richard Lenahan of Advance Vessel Agency will report.



Universal Seafoods, Ltd.

15110 N.E. 90th St.
P.O. Box 94
Redmond, WA 98052
(206) 881-8181

July 16, 1982

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

Dear Mr. Branson:

The second joint-venture of 1982 commenced on June 7th, as mentioned in my letter of May 11th.

This joint-venture is now proceeding with three vessels: The 335 ft. surimi factory trawler, HARUNA-MARU, the 122 ft. crabber-trawler, F/V STARWARD and the 109 ft. crabber-trawler, F/V NEAHKAHNIE.

Our initial plan for this joint-venture is as follows:

Period: 60 days (June 7 to August 5)
Delivery amount: 9,000 MT
Fishing ground: Northern waters off Unimak Island in Bering Sea.

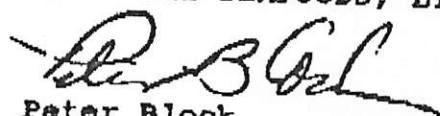
We have harvested approximately 3,000 MT, of mainly targeted pollock species, up to July 3rd.

The catch rate is down from last year due in part to weather and equipment problems and we are making efforts to increase the catch rate and the delivery amount.

Thank you for your interest and please feel free to call me if you have any questions.

Sincerely,

UNIVERSAL SEAFOODS, LTD.


Peter Block
Vice President

HOKO FISHING CO., LTD.

1111 - 3rd AVENUE • SUITE 2845
SEATTLE, WASHINGTON 98101
PHONE (206) 624-5551

TELEX NO.
32-8836 HOKO CO. SEA

July 16, 1982

North Pacific Fishery Management Council
Post Office Box 3136DT
Anchorage, Alaska 99501

Dear sirs:

As requested in the Council's letter of June 16th, we are very pleased to provide the following brief summary of our 1982 United States-Japan joint Alaska pollock fishery.

Japanese Company
Hoko Fishing Company
No. 2-4, 1-chome, Tsuki-ji
Chuo-ku
Tokyo, Japan

Name and Size of the Processing Vessel
Chikubu Maru

111 meters
5,460 gross tons

American Company
Jeff Hendricks and Associates
816 Fourth Street
Anacortes, Washington 98221

Names and Sizes of the Fishing Vessels

M/V Altair	194 gross tons
M/V Americus	199 gross tons
M/V Alyeska	198 gross tons
M/V Antares - destroyed by fire	
M/V Ocean Dynasty/Pan Alaska - Replacement for the M/V Antares	199 gross tons

Type of Fishing Gear

Mid-water trawl only

Beginning Date of Fishing

GMT 0000, May 19, 1982

Area of Fishing

May 19 to June 25 - Unimak

54-10N to 55-15N lat
164-50W to 169-40W long

June 26 to July 6 - Pribilof

56-20N to 57-35N lat
167-00W to 169-40W long

End of Fishing

GMT 0600, July 6, 1982

Operating Days	
Fishing	42 days
Cargo transfer	4 days
Unfishable weather	3 days
Total	49 days

Composition of Catch	
Alaska pollock	11,593.346 mt
Cod	37.371 mt
Pacific Ocean perch	0.100 mt
Sablefish	0.235 mt
Flounders	0.787 mt
Total	11,631.839 mt

Catch per Fishing Area	
Unimak	8,120.4 mt
Pribilof	3,511.4 mt
Total	11,631.8 mt

Average Catch per Day 237.4 mt


Average Catch per Boat per Day 59.3 mt

Hoko Fishing Company is pleased with this year's joint fishing operation: It was our first year to undertake a joint fishing operation within the US extended fishing zone and it was the first year for Jeff Hendricks and Associates to trawl for Alaska pollock in the Bering Sea. Although the M/V Antares was destroyed by fire just prior to the beginning of the season and there were minor mechanical and other difficulties during the first week or so of fishing, these problems were quickly resolved by those managing the fishing operation and especially through the efforts of the crews of the fishing vessels.

We believe that there are several factors that have been largely responsible for obtaining the favorable results this year - avoidance of problem areas, wherever possible, in the original agreement, the pre-season meetings and discussions, both in Seattle and aboard the fishing vessels, between the captain and the chief officer/master fisherman of the Chikubu Maru and the captains of the fishing vessels and the managers of the fleet, the placing of two representatives of Jeff Hendricks and Associates aboard the Chikubu Maru to direct the fishing operation and to coordinate their effort with the processing vessel's needs, and most important, a continuing spirit of cooperation between the two groups throughout the season.

We are attaching a copy of a telex from Jeff Hendricks and Associates to Hoko Fishing Company expressing their satisfaction with this year's operation and their appreciation for the assistance provided the fishing fleet by Captain Oda and others aboard the Chikubu Maru.

Sincerely yours,


Clinton E. Atkinson
Consultant and Advisor
Hoko Fishing Co., Ltd.

Telex/TWX
western union

CEATKINSON SEA

BURGESS B SEA

HOKO FISHING COMPANY SEATTLE

ATT: CLINT ATKINSON

I AM PLEASED TO ACKNOWLEDGE COMPLETION OF OUR 1ST N SUCCESSFUL JOINT VENTURE WITH UR COMPANY. OUR CREWMEN HAVE RECENTLY RETURNED HOME TO ANACORTES N HAVE REPORTED THAT THEY ARE VERY HAPPY WITH THE NEW OPERATION N AWAIT BEGINNING ANOTHER AS SOON AS POSSIBLE.

WE WOULD LIKE TO GIVE SPECIAL COMMENDATION TO CAPT. ODA N THE CREW OF THE CHIKUBU MARU FOR THEIR HELP N WILLINGNESS TO PASS ON FISHING EXPERTISE TO INSURE THE OPERATION'S SUCCESS.

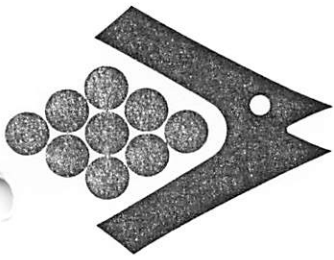
THANK YOU, MR. IWASAWA, FOR HOKO'S SINCERE INTEREST IN THE SUCCESS OF OUR OPERATION N I LOOK FORWARD TO PREPARING FOR OUR 1982/83 PRE-JOINT VENTURE TALKS.

SINCERELY YOURS

JEFF HENDRICKS

REPLY TWX 910-444-4036 (BURGESS B SEA) ATT:JHA-434

CEATKINSON SEA



**WHITNEY-FIDALGO
SEAFOODS, INC.**

2360 WEST COMMODORE WAY
BOX C99308, SEATTLE, WA. 98199
PHONE (206) 285-0300 TELEX 32-8886

July 15, 1982

Mr. Clarence G. Pautzke
North Pacific Fishery Management Council
P. O. Box 3136DT
Anchorage, Alaska 99510

RE: Ohtori Maru Joint Venture

Dear Mr. Pautzke:

I flagged your file to make sure to let you know what was going on with our parent company's joint venture before your July 21-22 council meeting.

Our joint venture is progressing very well. By the time of your meeting, the 10,000 metric ton catch quota should have been met.

As of July 10th, the venture had collected 8,502 metric tons of pollock and 19 tons of other catch.


Fishing was generally around the Unimak-Probilof areas and our three joint venture trawlers, GOLDEN FLEECE, SEA WOLF and MARGARET LYNN, all have done well with minimum down time due to breakdowns.

It appears this will have been a success for all concerned.

If we may be of any additional assistance, please call.

Very truly yours,

WHITNEY-FIDALGO SEAFOODS, INC.


Rick Bliler

RB;dmo

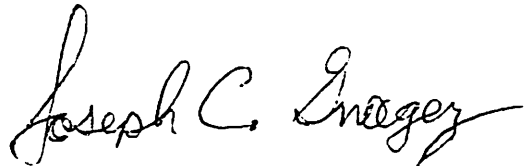
cc: Mr. Y. Nimura

TESTIMONY BEFORE THE NORTH PACIFIC FISHERY
MANAGEMENT COUNCIL, JULY, 1982

Good morning, Mr. Chairman. My name is Joe Gnagey and I'm reporting in behalf of Westward Trawlers, Inc.

Our joint-venture operation with Taiyo Fishery Company, Ltd., concluded on June 5, 1982, with a total seasonal catch of approximately 17,000 metric tons. For the Bering Sea portion of this season, food grade pollock comprised 98.5% of the catch.

Three catcher vessels, the Half Moon Bay, California Horizon, and the Mary Lou were fishing for us at the close of the season. Mid-water gear was used exclusively to minimize impacts on benthos and incidental catch of prohibited species. The result was, in our view, a very successful effort to target on just food grade pollock.



Joseph C. Gnagey

PRIBILOF-HIGHLY SEAPRODUCTS, INC.
P.O. BOX 409
ANCHORAGE, ALASKA 99502

July 21, 1982

REPORT TO THE NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

1.0 FORWARD

Pribilof-Highly Seaproducts, Inc., a joint-venture corporation representing the interests of St. George Tanaq Corporation of Alaska and Highly Enterprise Corporation of Taiwan, is now midway through its second year of operation.

Pribilof-Highly was established as a vehicle to enable the parties to achieve certain mutually desired objectives. The St. George Aleuts, faced with the phased withdrawal of federal support, must turn to the Bering Sea fishing industry for their primary means of support. On the otherhand, the Highly Enterprise Corporation seeks a dependable supply of fish, especially higher value species. This venture is aimed at the accomplishment of the objective of both parties through the purchase and operation of American vessels, and the training of Aleut crews. Because St. George has not had sufficient capital to purchase substantial vessels, a key part of the venture agreements call for a program of capital formation derived from contributions by Highly Enterprise pursuant to their Bering Sea fishing effort. Whereas Highly Enterprise can fish under the general Taiwan allocation, critical to this joint venture program, and the factor which generates capital contributions for the future purchase of American vessels, is the availability of supplemental allocations of sablefish, pacific cod, flounders and turbot.

2.0 REPORT

The following will report the joint-venture program's progress to date.

2.1 FISHING EFFORT

Due to difficulties in obtaining vessel permits earlier this year, Highly was not able to begin fishing activities until June. There are now two Highly vessels engaged in fishing operations. Following is a summary of catches by species as of July 19, 1982:

<u>SPECIES</u>	<u>HIGHLY VSLS</u>	<u>ALL TAIWAN VSLS</u>
Flounders	22.6 MT	34.5 MT
Turbots	53.6	65.5
Other species	10.7	18.3
Squid	7.6	14.3
Pollock	2302.6	2749.5
Pacific cod	116.8	217.5

2.1 FISHING EFFORT (Continued)

<u>SPECIES</u>	<u>HIGHLY VSLS</u>	<u>ALL TAIWAN VSLS</u>
Sablefish	37.6 MT	47.8 MT
Yellowfin Sole	3.3	6.3
Rockfish	0.8	0.9
Pacific Ocean Perch	<u>2.5</u>	<u>2.7</u>
	1558.1 MT	33157.3 MT

2.2 TRAINING PROGRAM

Last summer four Aleuts spent five weeks aboard the M/V GOLDEN DRAGON NO. 1 as part of a fisheries training program. Three of the trainees dropped out at the end of the tour. The fourth, Greg McGlashan, has continued his training at Clatsop Community College in Astoria, Oregon.

This summer plans have again been made to conduct a training program at sea. Under the leadership of Greg McGlashan, three trainees have been recruited and will spend four weeks aboard a Highly vessel. A copy of the training program is attached. Its objective is more to acquaint young men with life and work at sea in the fisheries than to provide an intensive training program, and thereby to discover which young men have interest and aptitude in the high seas fisheries.

2.3 CAPITAL FORMATION AND VESSEL ACQUISITION

This part of the program is behind schedule, due principally to lost fishing effort in 1981 because of equipment failures and initial difficulties in obtaining vessel permits. The basis for contributions into the capital fund has been re-negotiated to take account of such fluctuations, and all contributions into the fund are now current.

According to the revised capital contribution schedule it is now expected that sufficient funds to purchase the first vessel will be on hand by this time next year.

3.0 SPECIAL ALLOCATION REQUEST (BERING SEA AREAS)

As has been stated to the Council before, there is little domestic market in Taiwan for pollock. Likewise, yellowfin sole is considered an undesirable species. As mentioned before, contributions to the capital fund for the purchase of American vessels is generated by supplemental allocations of certain species in the mix, i.e. sablefish, Pacific cod, turbot and flounders. This was reflected in the 1981 species mix through supplemental allocations, and we request the Council's support in obtaining the same allocations this year for the following species.

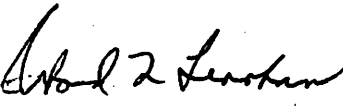
3.0 SPECIAL ALLOCATION REQUEST (BERING SEA AREAS) Continued

<u>Species</u>	<u>Add'l Requested Amt</u>
Sablefish	250 MT
Pacific cod	500 MT
Flounders	500 MT
Turbots	250 MT
Total	<u>1500 MT</u>

4.0 SUMMARY

While there have been some problems and delays in this venture, the parties remain committed to it, and St. George very much wants to see the original objective achieved.

Additionally, for the Council's information, St. George has made considerable progress toward obtaining a boat harbor designed to support a shore based fishing and processing industry. We ultimately want to see vessels purchased by the joint-venture corporation delivering catches to our own shore based facilities.


Michael B. Jones
General Manager

Attachment (1)

Pribilof-Highly SeaProducts, Inc.

(draft)

1982 SUMMER ALEUT FISHERIES TRAINING PROGRAM

Program Objectives

1. To enable Greg McGlashan to satisfy his summer quarter requirements at Clatsop Community College by spending a portion of the summer at sea aboard a Highly fishing vessel.
2. To give selected St. George young men some experience at sea to discover who has aptitude and interest in high seas fisheries.

Recruitment

1. Up to three trainees roughly between the ages of 18 and 20 will be recruited.
2. Greg McGlashan will be responsible for recruitment at St. George.

Funding

1. The training budget will be finalized immediately after the number of trainees is known.
2. Pribilof-Highly will endeavor to secure public funding to cover all, or as much training expenses as possible. Pribilof-Highly will itself cover any shortfall in public funding availability.

Wages and Benefits

1. Greg McGlashan, who will be the field person in charge of training, will receive a wage of \$3,000.00 per month, prorated for the period in which he is actively engaged in the training program.
2. The trainees will each receive a stipend of \$50.00 per day while in training status.

3. No benefits, other than wages and stipends, will be included unless required by law.

Schedule

- 82.07.02 Review and adoption of training program by Board of Directors with such modifications as the Board may adopt.
- 82.07.07 Greg McGlashan travels to St. George to commence recruitment.
Determine availability of public funding.
- 82.07.14 End recruitment period.
- 82.07.16 Establish budget.
- 82.07.19 Complete funding arrangements.
Commence one week orientation class to be organized and given by Greg.
Purchase provisions.
- 82.07.21 Provisions shipped to St. George.
- 82.07.24 Greg and trainees picked up by Highly vessel.
- 82.08.21 Trainees return to Island.
- 82.08.23 Commence two day review and evaluation session with trainees, conducted by Greg.
- 82.08.25 Complete above review.
Applications for admission to Clatsop Community College for continuing program by any interested and motivated trainees.
Funding applications to support Clatsop program submitted to Pribilof School District.
- 82.09.01 Funding commitments obtained.
Greg and any trainees leave en route to Astoria for winter program.

Learning Objectives

The intent of this summer program is to acquaint the trainees with the various operations important to a mid-sized freezer/trawler. The objective is not intensive

training, but rather to enable Pribilof-Highly and the trainees themselves to discover who has aptitude and interest in such areas as high seas vessel operations, fishing and processing. The following specific learning objectives will be addressed.

basic seamanship (St. George orientation class & aboard vessel)
deck procedures for setting and hauling nets (watch before doing)
fish processing
rope splicing
vessel courtesy
basics of navigation
engineering basics

Methodology

1. Greg McGlashan will organize and present a one week orientation program at St. George before the trainees board the vessel.
2. The vessel captain will be advised by Highly to accomodate Greg and the trainees and to support the objectives of the program by assigning appropriate personnel to work with Greg and the trainees in seeing that the Aleuts are well treated and given opportunities to learn guidance and instruction.
3. Greg will act as liaison between the trainees and the captain and other vessel personnel to ensure clear communications and coordination.

Provisions

The following personal provisions will be issued to the Aleuts before boarding the vessel.

sleeping bag and pillow - COTTON
1 pr sleevelets
1 pr knee boots
1 set raingear with hat
patching kit
4 prs gloves: 2 processing, 2 deck
1 medical kit/2 men
1 bottle tylenol
15 seasick tablets

1 box assorted band aids/2 men
1 wash bowl/man for baths
1 bottle Pepto Bismol/man
laundry detergent
bath towels & wash clothes (3/man)
3 tubes tooth paste/man
4 thermal tops/man
4 prs work pants & shirts/man (heavy cotton or wool)
4 pr boot socks/man
1 zippered heavy (warm) work coat/man

In addition to the personal provisions listed above, Greg will be responsible for providing a complete list of edibles for himself and trainees.

SUPPLEMENTAL DESCRIPTIONS RELATING TO JOINT VENTURE

between

Chong Shing Ocean Enterprise Corp., Taiwan

and

Swiftsure Fisheries, U.S.A.

1. Chong Shing, Taiwan provides:
 - (1) Chief Dragon 737, processing boat, for receiving fish from U.S. flag vessel.
 - (2) Sea Light, stern trawler, for direct fishing and/or receiving fish from U.S. flag vessel.
 - (3) Golden Dragon No. 1, stern trawler, for direct fishing and/or receiving fish from U.S. flag vessel.
 - (4) Highly 303, processing/transport vessel.
 - (5) Highly 707, processing/transport vessel.

2. Swiftsure Fisheries, U.S.A. provides:
 - (1) U.S. flag fishing vessel "Royal American", mid water and bottom trawler, length 105 ft., arranged by Swiftsure Fisheries, an affiliate of Koniag, Inc., Alaska.
 - (2) Additional U.S. vessel(s) to be nominated by Swiftsure Fisheries.

3. Principal contacts in the United States with Owners/Operators:
 - (1) Mr. Chris Aaro, Jr.
Swiftsure Fisheries
Suite 502, Queen Ann Square
200 West Mercer St.
Seattle, Washington 98119
Phone: (206) 284-9860
Telex: 32-1013

 - (2) Mr. Conan Huang
Dragon (North America) Inc.
2208 143rd Place S.E., Vine-Maple
Bothell, Washington 98011
Phone: (206) 743-6090
Telex: 152937

4. Gulf of Alaska, & Bering Sea, Including:

<u>Area Code</u>	<u>Names</u>
61	Shumagin
62	Chirikof
63	Kodiak
64	Yakutat
54	Bering Sea Area IV

5. 5 months (from August 1st 1982 through December 31, 1982)

6. The harvested fish, processed or not, will not be exported to the United States.

<u>Species</u>	<u>From U.S. Vessel</u>	<u>Taiwan Vessel</u>	<u>Total</u>
All flounder	500 MT	600 MT	1100 MT
Pollock	1000 MT	2000 MT	3000 MT
Pacific Cod	4000 MT	-----	4000 MT
Others	200 MT	100 MT	300 MT
Total	<u>5700 MT</u>	<u>2700 MT</u>	<u>8400 MT</u>

8. Prohibited species to be returned to sea.
For each species, the limit of granted quota shall be closely watched by the master of the trawler as not to harvest over limit.
All catches, either round or processed, shall be sorted and stored in the holds.

9. The U.S. vessel(s) delivers the cod ends to the Chong Shing vessel.

10. (1) Chief Dragon 737 to receive fish from U.S. vessel exclusively.
(3) Golden Dragon No. 1 and (2) Sea Light to receive fish from U.S. vessel(s) partially and to engage in direct fishing partially.

Both receive fish from U.S. vessel(s) and directly harvested, shall be moved from above vessels, deck to deck, to the transport vessels
(4) Highly 303 and/or Highly 707.

11. Estimated price levels are:

All flounders	U.S.\$510/MT
Pollock	120/MT (14 Inches & up)
Pacific Cod	250/MT