

M E M O R A N D U M

TO: Council, SSC and AP Members
FROM: Jim H. Branson
Executive Director
DATE: March 13, 1986
SUBJECT: Legislative Update

ACTION REQUIRED

Review and decide whether to support a proposal from Pacific Seafood Processors Association.

BACKGROUND

There has been no movement on the reauthorization bills held over from last year. The House will not consider passage of H.R. 1533 until the Senate reports its reauthorization bills out of Committee. The Senate Commerce Committee is still at an impasse regarding the matter of phase out.

The Council has been asked by the Pacific Seafood Processors Association to consider a proposal that would phase out directed foreign fishing by 1988, establish a "cap" on JVP, and reaffirm U.S. processor preference provisions of the MFCMA. A copy of this proposal was included in the March 7, 1986 Council mailing and is attached as item C-1(a).

Fisheries legislation other than amendments to the MFCMA have been recently introduced in Congress. S. 1981 [item C-1(b)] introduced by Senators Murkowski, Stevens and others, would establish a 6.5% tariff on imported surimi blocks. No committee action has as yet been scheduled for this bill.

The Senate Committee on Commerce, Science and Transportation will conduct a hearing on April 17 in Washington, DC to take comments on S. 2138 introduced by Senator Stevens and H.R. 2935 introduced by Representatives Breaux, Young, and others. S. 2138 would establish a 15-member National Fisheries Marketing Council funded by the Fisheries Loan Fund. H.R. 2935 would allow the U.S. fishing industry to form seafood marketing councils funded by self-imposed assessments. Copies of these bills may be obtained at the Council office.



PACIFIC SEAFOOD PROCESSORS ASSOCIATION
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March 3, 1986

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

Dear Jim:

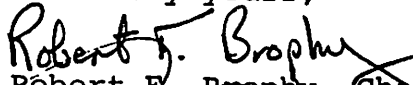
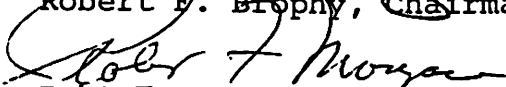
The purpose of this letter is to focus discussion and subsequent action on a proposal that will assist the United States to fully realize the economic benefits from the fisheries resources of the North Pacific. The proposal consists of three equally important issues:

- 1.) Legislatively mandate that all foreign directed fishing, (TALFF) be terminated by 1988.
- 2.) A legislatively mandated JVP allocation will be established, a percentage of the total allowable catch, TAC. The JVP allocation will not exceed a specific percentage of the TAC as a multi-species aggregate, individual species percentages may vary.
- 3.) Recognition of the existing allocation system within the MFCMA, commonly known as the US processor preference amendment.

The Pacific Seafood Processors Association firmly believes that this three tier approach mandated by Congress with oversight responsibility by the North Pacific Fishery Management Council will allow the United States access to the markets available which will make full utilization of these valuable fisheries resources possible. With market access at a cost competitive level, capital will be made available to build the infrastructure needed to process, store and ship the groundfish products of the North Pacific. This enormous infrastructure will create thousands of jobs and generate a substantial tax base for the State of Alaska and the United States.

We would appreciate Council consideration of this proposal at the March meeting.

Sincerely yours,


Robert F. Brophy, Chairman

Robt F. Morgan, President

99TH CONGRESS
1ST SESSION

S. 1981

To provide a duty on surimi.

IN THE SENATE OF THE UNITED STATES

DECEMBER 18 (legislative day, DECEMBER 16), 1985

Mr. MURKOWSKI (for himself, Mr. STEVENS, Mr. HEINZ, Mr. GRASSLEY, and Mr. MCCLURE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide a duty on surimi.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. DUTY ON SURIMI.

4 (a) Subpart D of part 3 of schedule 1 of the Tariff
5 Schedules of the United States is amended by inserting after
6 item 113.15 the following new item having the same indenta-
7 tion as "Fish sticks" in the superior heading to item 113.20:

113.17	Surimi in blocks	6.5% ad val.	1.25¢ per lb. + 6.5% ad val.
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1 (b) Subpart D of part 3 of schedule 1 of the Tariff
2 Schedules of the United States is amended by inserting after
3 the heading the following:

4 "Subpart D headnote:

"1. Any article described in item 113.17 which is also described in
any other item of these schedules shall, notwithstanding
any other provision of these schedules, be subject
to duty at the greater of the applicable rates of duty
set forth in such items."

5 **SEC. 2. EFFECTIVE DATE.**

6 The amendments made by this Act shall apply to arti-
7 cles entered, or withdrawn from warehouse, for consumption
8 after the date that is 15 days after the date of enactment of
9 this Act.

○

DATE: March 18, 1986

TO: Larry Cotter, Chairman
Advisory Panel, NPFMC

FROM: The Loyal Opposition (~~F~~ ^{Wood} Smirer)

SUBJECT: A.P. Minority Report - Legislated Phaseout

The Council agenda contains no specific reference to the question of legislated phaseout of directed foreign fishing or limitation of joint ventures. As a consequence of this omission it is difficult to make fully-informed comment at the last minute. The minority feels that the Council should defer action on this proposal until the June meeting, to allow fair comment on this highly controversial issue.

Last summer the Alaska Pacific Seafood Industry Coalition (APSIC) reached agreement on a scheduled phaseout of foreign fishing and a division of the excess TALFF between harvesters and processors. This program was specifically designed to be implemented over a period of several years, to allow businesses to plan an orderly transition. The proposal failed to gain adequate support in Washington, D.C. to become law.

Subsequent developments show clearly that such legislation is unnecessary:

1. Directed foreign fishing has been reduced even faster than was contemplated;
2. Projected total U.S. harvest has risen in proportion to the reduction in TALFF;
3. Projected U.S. processing has risen at a rate greater than the rate of increase in joint venture processing;
4. The U.S. factory trawler fleet is expected to double its numbers by the end of 1986;
5. Domestic trawlers are for the first time delivering substantial amounts of pollock and cod to domestic shoreside processors, and it is anticipated that such deliveries will increase rapidly; and
6. The combined growth of shoreside and at-sea processing will effectively limit the growth of joint ventures, in the very near future.

In short, there is no need to amend the Magnuson Act to accelerate the "Americanization" of the groundfish fisheries off Alaska. A healthy mix of harvesting and processing alternatives is now available, and further developments should be guided by economics - not by statutes and regulations.

Mr. Larry Cotter
March 18, 1986
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Under these circumstances, a Manguson Act amendment is not likely to be enacted. Any such proposal would precipitate a bitter conflict, and would serve no purpose.

We respectfully request that the Council refrain from recommending the proposed amendment to Congress.

Attachment.

North Pacific Fishery Management Council

James O. Campbell, Chairman
Jim H. Branson, Executive Director

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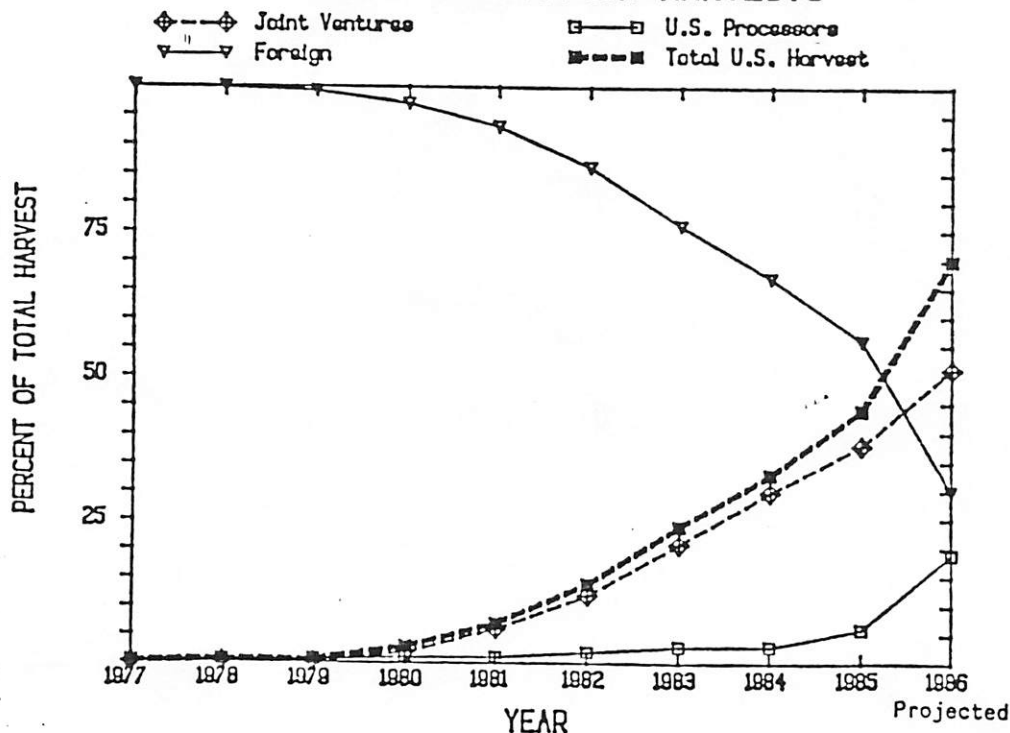
NEWSLETTER

12/20/85

Stage Set for Banner Year in U.S. Groundfish Fisheries

Next year will be a milestone in the development of the U.S. groundfish fisheries off Alaska. For the first time U.S. harvesters will garner about 70% of the total groundfish catch, far exceeding that available to foreign fleets. U.S.-processed catch (DAP) should be triple the performance in 1985. Joint ventures (JVP) will break the one million metric ton mark.

ALASKA GROUNDFISH HARVESTS



These were the projections presented by U.S. fishermen and processors to the North Pacific Fishery Management Council meeting in Anchorage last week. It is estimated that U.S. industry will catch and process about 460,000 mt off Alaska. U.S. harvesters will deliver another 1.1 million metric tons to foreign processors. The total U.S. harvest of 1.5-1.6 million metric tons will be more than twice the tonnage available for foreign fisheries. The lion's share of the foreign fisheries will be in the Bering Sea management area; only a small foreign longline fishery for cod will be permitted in the Gulf of Alaska in 1986. Decisions made by the Council on groundfish and other issues for 1986 are detailed in the following articles.