

M E M O R A N D U M

TO: Council, SSC, and AP members

FROM: Clarence Pautzke
Executive Director



DATE: September 21, 1988

SUBJECT: Foreign Allocations

ACTION REQUIRED

Review availability of groundfish for foreign directed fisheries.

BACKGROUND

The Japanese North Pacific Longline Association has requested the Council consider allocating Pacific cod to TALFF for their association based on their cooperation in Western Alaska projects and in fisheries research.

Last December the Council determined that the Bering Sea and Aleutian Islands groundfish available harvest would be fully utilized by U.S. fishermen. The latest NMFS projection of U.S. needs for 1988 was considered under agenda item B-3. The Council needs to determine if any groundfish is available for foreign allocation. A copy of the President's certification of Japan for whaling is under C-8(a).

THE WHITE HOUSE

Office of the Press Secretary
(Santa Barbara, California)

For Immediate Release

April 6, 1988

TEXT OF A LETTER FROM THE PRESIDENT
TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
AND THE PRESIDENT OF THE SENATE

April 6, 1988

Dear Mr. Speaker: (Dear Mr. President:)

On February 9, 1988, Secretary of Commerce C. William Varsity certified under Section 201(e) of the Magnuson Fishery Conservation and Management Act of 1976, as amended (Packwood-Magnuson Amendment) (16 U.S.C. 1821(e)) and Section 8 of the Fisherman's Protective Act of 1967, as amended (Pelly Amendment) (22 U.S.C. 1978), that Japan has conducted whaling activities that diminish the effectiveness of the International Whaling Commission (IWC) conservation program. This letter constitutes my report to the Congress pursuant to subsection (b) of the Pelly Amendment.

The certification of the Secretary of Commerce was based on the issuance by the Government of Japan of permits to its nationals, allowing them to kill southern Hemisphere minke whales for research purposes, despite a 1987 resolution adopted by the IWC. This resolution recommended that Japan not issue permits until uncertainties in their scientific research proposals were resolved. A revised Japanese research proposal had been reviewed by a special meeting of the IWC Scientific Committee and had not succeeded in satisfying the Committee that the defects in the research program had been cured.

Shortly after the Secretary's certification, the IWC adopted a second resolution on February 14, 1988, recommending that Japan not proceed with its revised research program. Japan has continued its whaling activities notwithstanding this second resolution.

Given the lack of any evidence that Japan is bringing its whaling activities into conformance with the recommendations of the IWC, I am directing the Secretary of State under the Packwood-Magnuson Amendment to withhold 100 percent of the fishing privileges that would otherwise be available to Japan in the U.S. Exclusive Economic Zone. Japan has requested the opportunity to fish for 3,000 metric tons of sea snails and 5,000 metric tons of Pacific whiting. These requests will be denied. In addition, Japan will be barred from any future allocations of fishing privileges for any other species, including Pacific cod, until the Secretary of Commerce determines that the situation has been corrected.

The sanctions being imposed are the strongest possible under the Packwood-Magnuson Amendment. The immediate and prospective effects of a 100 percent reduction of fishing allocations, coupled with Presidential review in the near future, is the most effective means of encouraging Japan to embrace the IWC conservation program. Therefore, I will not

more

(OVER)

impose at this time the sanctions available under the Tolly Amendment against Japanese fish products imported into the United States. I am asking Secretary Verity, in cooperation with Secretary Shultz, to monitor Japanese whaling practices during the next few months and to report to me no later than December 1, 1988.

I also am directing the Secretary of Commerce and the Secretary of State to continue consultations with our IWC partners to ensure that we bring to a halt all whaling that diminishes the effectiveness of the IWC's conservation program, specifically including that under Japan's contested research program. Our actions taken today and in the future should encourage all nations to adhere to the conservation programs of the IWC.

Sincerely,

RONALD REAGAN

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T R A N S L A T I O N

I am writing to you on behalf of the citizens of Shiogama, Miyagi-Prefecture, Japan . Shiogama is the home port for two distant water longliners whose fishing and livelihood have solely depended on the fishin operations in the US 200 milezone. These longliners' contributions to development and expantion of the local economy have been great.

As you aware, however, their fishig operations in the US waters have been suspended since the North Pacific Fisheries Management Council in December recommended Zero TALFF for the beginning of 1988.

Compelled by the graveness of the situation, I personally sent a latter to Mr. James O. Campbell which I strongly urged the Council to allocate Pacific Cod to the Japanese longliners as soon as the sufficient surplus is identified because if this no allocation aituation continues, not only would the crew of the two NPL vessels based at Shiogama lose their jobs but also the local economy of our area would be severly affected.

Both the longliners and I have since been most anxiously looking forward to receiving some allocation to the NPL to date , our expectations being based upon the reactions we sensed from the people responsible in the allocation process that after careful reassessment of DAH during the course of the year and if surplus is identified , the NPL would be looked upon favorably in high recognition of its significant contribution to development of fisheries in the rural villages of Alaska.

I would certainly appreciate your kind understanding of the situation as outlined above and respectfully solicit your continued support for the earliest possible allocation to the NPL after to fish Pacific Cod in the US waters. For, in that way , I sincerely belive the truly amicale relations between our two nations will be realized.

Respectfully yours,
Originally signed and sealed by

Yuzo Utsumi, Mayor
Shiogama, Miyagi-Prefecture
Japan

K U S H I R O C I T Y

7-5 Kurogane-cho, Kushiro
Hokkaido 085 Japan

September 7, 1988

Dear Mr. Peterson:

Mr. Masayuki Takeda, Manager, Department of Fisheries, Prefecture of Hokkaido, Japan, is visiting your country. On this occasion, I have requested Mr. Takeda to hand you my autograph letter. On behalf of the citizens of Kushiro (Hokkaido, Japan), I would like to take the liberty of writing this to you in search of your understanding and cooperation.

The Kushiro City's economy is extensively dependents on "longline fishing" within the 200 sea-mile zone in your country. At the present time, twenty-two long-liners fish and operate at the Kushiro port as its base, and they largely contribute to the economy in this area.

Past January, at the North Pacific Fishery Management Council meeting in your country, I explained the impoverished condition of rural economy, which was caused by the zero allotment of the Total Allowable Level of Foreign Fisheries (TALFF) to Japan in your zone.

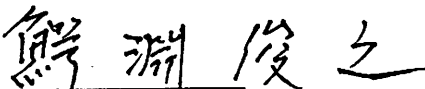
As you know, the TALFF to Japan is still zero. Therefore, not only fishermen but also the related workers in this business really expect you to take action to this matter.

We all hope that you and other RC members will give us thoughtful consideration in order to release again the quota of foreign fisheries as soon as possible.

We really appreciate your sensitivity to our situation and feeling. Thank you for your effort in this respect.

It is also my hope that you will enjoy good health and maintain your high energy.

Sincerely yours,


Toshiyuki Wanibuchi, Mayor

T R A N S L A T I O N

I am writing to you on behalf of the citizens of Isinomaki, Miyagi-Prefecture, Japan. Ishinomaki is the home port for two distant water longliners whose fishing and livelihood have solely depended on the fishing operations in the US 200 mile zone. These longliners' contributions to development and expansion of the local economy have been great.

As you aware, however, their fishing operations in the US waters have been suspended since the North Pacific Fisheries Management Council in December recommended Zero TALFF for the beginning of 1988.

Compelled by the graveness of the situation, I personally sent a letter to Mr. James O Cambell which I strongly urged the Council to allocate Pacific Cod to the Japanese longliners as soon as the sufficient surplus is identified because if this no allocation situation continues, not only would the crew of the two NPL vessels based at Ishinomaki lose their jobs but also the local economy of our area would be severely affected.

Both the longliners and I have since been most anxiously looking forward to receiving some allocation to the NPL to date, our expectations being based upon the reactions we sensed from the people responsible in the allocation process that after careful reassessment of DAH during the course of the year and if surplus is identified, the NPL would be looked upon favorably in high recognition of its significant contribution to development of fisheries in the rural villages of Alaska.

I would certainly appreciate your kind understanding of the situation as outlined above and respectfully solicit your continued support for the earliest possible allocation to the NPL after careful reassessment of DAH so that the NPL members will be able to fish Pacific Cod in the US waters. For, in that way, I sincerely believe the truly amicable relations between our two nations will be realized.

Respectfully yours,
Originally signed and sealed by

Shinjiro Hiratsuka, Mayor,
Ishinomaki, Miyagi-Prefecture,
Japan

T R A N S L A T I O N

I am writing to you on behalf of the citizens of Otaru, Hokkaido, Japan. Otaru is the home port for one distant water longliner who fishing and livelihood has solely depended on the fishing operation in the US 200 mile zone. Longliner's contributions to development and expansion of the local economy have been great.

As you are aware, however, her fishing operations in the US waters have been suspended since the North Pacific Fisheries Management Council in December recommended Zero TALFF for the beginning of 1988.

Compelled by the graveness of the situation, I personally sent a letter to Mr. James O. Campbell which I strongly urged the Council to allocate Pacific Cod to the Japanese longliners as soon as the sufficient surplus is identified because if this no allocation situation continues, not only would the crew of the NPL vessel based at Otaru lose their jobs but also the local economy of our area would be severely affected.

Both the longline and I have since been most anxiously looking forward to receiving some allocation to the NPL to date, our expectations being based upon the reactions we sensed from the people responsible in the allocation process that after careful reassessment of DAH during the course of the year and if surplus is identified, the NPL would be looked upon favorably in high recognition in the rural villages of Alaska.

I would certainly appreciate your kind understanding of the situation as outlined above and respectfully solicit your continued support for the earliest possible allocation to the NPL after careful reassessment of DAH so that the NPL members will be able to fish Pacific Cod in the US waters. For, in that way, I sincerely believe the truly amicable relations between our two nations will be realized.

Respectfully yours,
Originally signed and sealed by
Masaaki Araya, Mayor,
Otaru, Hokkaido, Japan

T R A N S L A T I O N

I am writing to you on behalf of the citizens of Wakkanai, Hokkaido, Japan. Wakkanai is the home port for one distant water longliner who fishing and livelihood have solely depended on the fishing operations in the US 200 mile zone. Longliner's contributions to development and expansion of the local economy have been great.

As you are aware , however, her fishing operations in the US waters have been suspended since the North Pacific Fisheries Management Council in December recommended Zero TALFF for the beginning of 1988.

Compelled by the graveness of the situation, I personally sent a letter to Mr. James O. Campbell which I strongly urged the Council to allocate Pacific Cod to Japanese longliners as soon as the sufficient surplus is identified because if this no allocation situation continues, not only would the crew of the NPL vessel based at Wakkanai lose their jobs but also the local economy of our area would be severely affected.

Both the longliner and I have since been most anxiously looking forward to receiving some allocation to the NPL to date, our expectations being based upon the reactions we sensed from the people responsible in the allocation process that after careful reassessment of DAH during the course of the year and if surplus is identified, the NPL would be looked upon favorably in high recognition of its significant contribution to development of fisheries in rural villages of Alaska.

I would certainly appreciate your kind understanding of the situation as outlined above and respectfully solicit your continued support for the earliest possible allocation to the NPL after careful reassessment of DAH so that the NPL members will be able to fish Pacific Cod in the US waters. For, in that way, I sincerely believe the truly amicable relations between our two nations will be realized.

Respectfully yours,
Originally signed and sealed by,
Tatsuo Hamamori, Mayor
Wakkanai, Hokkaido
Japan

T R A N S L A T I O N

I am writing to you on behalf of the citizens of Abashiri, Hokkaido, Japan. Abashiri is the home port for one distant water longliner who fishing and livelihood have solely depended on the fishing operations in the US 200 mile zone. Longliner's contributions to development and expansion of local economy have been great.

As you are aware, however, her fishing operations in the US waters have been suspended since the North Pacific Fisheries Management Council in December recommended Zero TALFF for the beginning of 1988.

Compelled by the graveness of the situation, I personally sent a letter to Mr. James O. Campbell which I strongly urged the Council to allocate Pacific Cod to Japanese longliners as soon as the sufficient surplus is identified because if this no allocation situation continues, not only would the crew of the NPL vessel based at Abashiri lose their jobs but also the local economy of our area would be severely affected.

Both the longline and I have since been most anxiously looking forward to receiving some allocation to the NPL to date, our expectations being based upon the reactions we sensed from the people responsible in the allocation process that after careful reassessment of DAH during the course of the year and if surplus is identified, the NPL would be looked upon favorably in high recognition of its significant contribution to development of fisheries in the rural villages of Alaska.

I would certainly appreciate your kind understanding of the situation as outlined above and respectfully solicit your continued support for the earliest possible allocation to the NPL after careful reassessment of DAH so that the NPL members will be able to fish Pacific Cod on the US waters. For, in that way, I sincerely believe the truly amicable relations between our two nations will be realized.

Respectfully yours,
Originally signed and sealed by
Tetsuro Ando, Mayor,
Abashiri, Hokkaido,
Japan

*By
Paul
Keely C-8*

JOHN C. STENNIS, MISSISSIPPI, CHAIRMAN

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United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

FRANCIS J. SULLIVAN, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

September 27, 1988

John G. Peterson
Interim Chairman
North Pacific Fishery
Management Council
605 West 4th Avenue
Anchorage, AK 99501

Dear John:

The North Pacific Fishery Management Council took an historic step earlier this year when they set the TALFF allocation for both the Bering Sea and Gulf of Alaska at zero for 1988. In many ways, this action was the realization of one of the primary goals of the Magnuson Fishery Conservation and Management Act that I helped to enact over twelve years ago. As a participant in this process I am pleased with the progress of Americanization.

Encouraging development assistance to new American fisheries was another goal of the Magnuson Act, and it was to this end that TALFF allocations were sometimes used. As the Council is well aware, there have been several cooperative development projects undertaken between villages in western Alaska and the Japanese North Pacific Longline Association (NPL), which have continued through this year in spite of the absence of a TALFF allocation of Pacific cod to the NPL.

On January 11, 1988, I wrote a letter commending the Council for your commitment to conduct an ongoing assessment of the availability of surplus resources that might be transferred to TALFF. Since that time the NPL have honored the commitments they made to help fishermen in western Alaska. In addition, the United States government has certified the Japanese under the provisions of the Pelly Amendment for their decision to undertake research whaling. As a result of the certification, the President has ordered a 100% reduction in any TALFF allocation to Japan.

John G. Peterson
North Pacific Fishery Management Council
September 27, 1988
Page 2

Notwithstanding the President's decision, I am writing in support of an allocation of surplus cod to the NPL. They have honored their commitments, and I feel this action should not go unreturned if a surplus is available. Should the Council decide to make an allocation to the NPL, I will do my best here in Washington to seek a Presidential exception to reduce the 100% restriction to the 50% reduction in TALFF allocations mandated by law.

I appreciate the Council's consideration of this matter.

With best wishes,

Sincerely,



TED STEVENS

cc: Paul Kelly, Esq.

ATTACHMENT A

P-COD SURPLUS IN WESTERN GULF OF ALASKA

A. Analysis of Surplus:

West GOA DAH	19,000.0	mt
West GOA DAP Catch 1st & 2nd Quarter	<2,782.0>	mt
West GOA NMFS Survey 3rd & 4th Quarter	<4,045.0>	mt
West GOA JV Catch	< 0.6>	
	<hr/>	
West GOA Surplus	12,172.4	mt

B. Analysis of DAH in West Gulf of Alaska

1. JVP W/GOA Quota P-cod	6,000.0	mt
JVP Catch	.6	mt
	<hr/>	
Balance	5,999.4	mt
Note: JV fishing stopped in W/GOA		
2. DAP W/GOA Quota P-cod	13,000.0	mt
1st Quarter Catch	< 628.0>	mt
2nd Quarter Catch	<2,154.0>	mt
3rd Quarter Projection per NMFS	<1,100.0>	mt
4th Quarter Projected Catch per NMFS	<2,945.0>	mt
	<hr/>	
Balance of P-cod West GOA	6,173.0	mt

C. Restrictions on Operations

1. Avoid Davidson Banks
2. Western Area Only
3. 900 Tons Catch Each Vessel
4. Fishing Only Inside 200 Meter Contour

D. Bycatch

1. Bycatch Rate

Pollock	2.9%
Flounders	1.09%
Thornyheads	0.002%
Other Species	3.4%

PSC

Sablefish	0.001%
Other Rockfish	0.0001%
POP Complex	0.0012%
Pacific Halibut	1.49%

(Note: Mortality rate is 25% resulting
in actual bycatch of .37%)

2. Bycatch Need

Pacific Cod Catch Level	12,000 mt	6,000 mt
Pollock	348 mt	174 mt
Flounders	131 mt	66 mt
Thornyheads	1 mt	1 mt
Other Species	408 mt	204 mt

PSC CAP

Sablefish	30 mt	15 mt
Other Fish	10 mt	6 mt
POP Complex	6 mt	3 mt

Pacific Halibut	179 mt	90 mt
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(Note: Mortality rate is 25%, reducing
true halibut bycatch)

ATTACHMENT B

NPL REQUEST

A. BSA

1. Operational Area.
55°N \mp Northward, 168°W \mp Westward.
2. Bycatch Rate & Need \mp PACIFIC COD

	<u>RATE</u>	<u>15,000 mt</u>	<u>10,000 mt</u>	<u>5,000 mt</u>
Pollock	2.9%	435 mt	290 mt	145 mt
Other F/Fish	0.2%	30 mt	20 mt	10 mt
Other Fish	3.4%	510 mt	340 mt	170 mt
Arrowtooth	0.8%	120 mt	80 mt	40 mt
Sablefish	0.02%	3 mt	2 mt	1 mt
Turbot	0.09%	14 mt	9 mt	5 mt
Other Rockfish	0.002%	1 mt	1 mt	1 mt
POP	0.0002%	1 mt	1 mt	1 mt
Atka	0.0001%	1 mt	1 mt	1 mt
Y.Sole	0.00004%	1 mt	1 mt	1 mt
		1,116 mt	745 mt	375 mt

* bycatch rate based on 1987 NPL catch data

** Operational restriction same as 1987 NPL proposal.

LAW OFFICES
KELLY & PATTERSONPAUL D. KELLY
JOHN B. PATTERSON2263 SPENARD ROAD
ANCHORAGE, ALASKA 99503
(907) 258-6777
FAX (907) 279-9216

September 30, 1988

John Peterson, Chairman
North Pacific Fishery Management Council
605 W. 4th Ave.
Anchorage, AK 99501

RE: TALFF Request

Dear Chairman Peterson:

The North Pacific Longline Association of Japan (NPL) is hereby requesting release of surplus Pacific cod to talff. This request is supported by the pages which are attached to this letter which analyze the surplus availability.

PROJECT REPORT

When the NPL lost its talff in December 1987, NPL made a difficult decision to continue with its projects in Western Alaska. At the January, April, and June Council meetings, the NPL was encouraged by various members of the Council to continue the Western Alaska projects. At the same time, it was the understanding of the NPL that if a surplus developed the Council would carefully review the status of Pacific cod and allocate any true surplus. As a result the projects went forward. These projects are noted below.

1. NORTON SOUND JOINT VENTURE. On June 10, 1988, the NPL sent two vessels to purchase all of the production of salmon by the villages of Elim, Koyuk, and Golovin. The fishermen were able to sell all of their product and were paid according to a price schedule negotiated by the fishermen.

2. NUNIVAK AND NELSON ISLAND FISHERY DEVELOPMENT. The Qaluyaat Fishermen's Association (QFA), Kokechik Fishermen's Association (KFA), and the Bering Sea Fishermen's Association (BSFA) entered into a project agreement with the NPL for further development of the groundfish fishery in the Nelson and Nunivak Island area. The operation began June 14, 1988, and continued through July 15, 1988. Three technicians from the NPL worked with the local fishermen providing training and research on fishing methods, fish quality control, and processing techniques.

Chairman Peterson
September 30, 1988
Page 2

The technicians also continued their research on resource assessment. Research was conducted on the optimum vessel size for the fishery and types of fishing techniques necessary to increase yield. Finally, the NPL entered into a loan agreement to enable the local people to expand their fishing capability by the lease or purchase of a larger vessel.

3. ATKA. The NPL agreed to provide a loan guarantee to assist the Atka Fishermen's Association (AFA) in the purchase of a larger vessel costing approximately \$400,000. This vessel is necessary to allow the local fishermen to expand their ability to participate in the local fisheries which are taking place at their local fishing grounds. Future assistance is planned in the area of fishing technology, marketing and other technical assistance. The AFA is presently attempting to locate a suitable vessel.

4. COD IMPORT QUOTA. The NPL has been providing free of charge to U.S. processors a Pacific cod I.Q. In the past, U.S. processors were concerned about their ability to sell their fish into the Japanese market without a cod I.Q. The NPL has been providing free of charge a cod I.Q. to any U.S. company which makes a request for such assistance. The present level of the program is in excess of 6000 tons which has already been provided U.S. companies.

5. U.S.-JAPAN RESOURCE SURVEY CRUISE. The NPL has cooperated with the Northwest Alaska Fishery Center in Seattle whereby the NPL provides a vessel to conduct a research cruise of the Bering Sea and Gulf of Alaska. The research cruise began May 17th and is scheduled to terminate October 17, 1988. This cruise has been an annual project and provides significant information necessary for the development of resource assessment data for the management of the North Pacific Fishery.

SURPLUS AVAILABILITY

The NPL has identified two areas of the North Pacific where Pacific cod is available as surplus. In the Western area of the Gulf of Alaska, 12,194 tons are clearly available as surplus to the needs of DAH. These figures are analyzed in the pages which accompany this letter. Briefly, a DAH of 19,000 tons was established at the beginning of the year. First and second quarter DAP catch was 2761 tons. The JV fisheries were closed with .6 tons of catch. The third and fourth quarter projected needs for DAP are 4045 tons. Consequently, there is a clear surplus.

With respect to the Bering Sea/Aleutians, the original DAP at the beginning of 1988 was 91,000 tons. By the means of

Chairman Peterson
September 30, 1988
Page 3

successive reallocations of DAP to JVP, the DAP has been reduced to 75,000 tons. At the beginning of the third quarter, a clear surplus in access of 31,000 tons existed. Third and fourth quarter JVP needs are minimal. The primary concern is the request of the DAP. A request was made to the NMFS to categorize DAP request as trawl or longline request. NMFS has not provided the requested information. At present, the market for trawl cod has continued to remain poor and has discouraged a directed trawl fishery on cod. On the other hand, the longline cod price has remained steady and has climbed since the beginning of 1988. The cod prices are analyzed in an attached report provided by Clint Atkinson. There will clearly be a surplus of Pacific cod in the Bering Sea because there is no market for trawl cod. In addition, projecting the catch rates of DAP processors from prior years shows that catch trends for DAP processors will continue at a low level. Pacific cod is primarily a bycatch of other fisheries in the last two quarters of the year.

MARKET

Submitted with this letter is a copy of the June 1988, report by Clint Atkinson with an update. The study clarifies that the cod market for longline fish has continued at a strong level since the beginning of the year. On the other hand, trawl cod continues to demand a low price which does not favor a directed DAP fishery for the remainder of 1988. Even more importantly, the study demonstrates that an allocation of Pacific cod to the NPL results in an allocation of a product that does not compete with the U.S. production of trawl cod. The longline cod is sold into a specialized market. The trawl cod is sold into a different market which has a separate price structure. The product does not compete with the NPL cod.

In the final analysis, an allocation to the NPL which would be calculated at an approximate 50% recovery rate results in a very low level of product going into the Japanese market. At the same time, this small amount of allocation provides a return to the NPL for its commitment to continued fisheries development in the State of Alaska and Western Alaska.

WHALING SANCTIONS

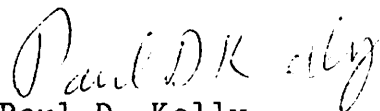
At the present time, the President has imposed a 100% sanction on any talff to be released to Japan. If a talff is recommended, the President has discretionary authority under the Magnuson Act to reduce the sanction to 50%. Should the countries of Japan and the United States undertake action to resolve the whaling issue and should the Secretary of Commerce determine that

Chairman Peterson
September 30, 1988
Page 4

"significant movement" towards resolution of the whaling problem has been achieved, then the sanctions could be further reduced to zero.

In conclusion, the NPL requests that the Council allocate surplus Pacific cod. The NPL has acted in good faith, carrying through on its commitment to the continued development of Western Alaska fisheries and to assistance to the U.S. industry both through the I.Q. program and through the research program. The NPL only ask that its request be considered in this light.

Sincerely,



Paul D. Kelly
North Pacific Longline
Association

PDK:bmz

Juneau, Alaska

16-Jun-88

Filename: GOA88CUR (with notepad)

Current Gulf of Alaska 1988 Apportionme

Species	Area 1/	Species Code	TAC	DAP	JVP	Reserve
Pollock	W/C	701	90,000	89,500	500	0
	E		3,000	3,000	0	0
	(Total)		93,000	92,500	500	0
Pacific cod	W	702	19,000	13,000	6,000	0
	C		60,800	55,750	5,050	0
	E		200	200	0	0
	(Total)		80,000	68,950	11,050	0
Flounders	W	129	1,600	1,550	50	0
	(Total)		23,000	15,950	7,050	0
Other rockfish	W	849	4,850	4,850	0	0
	C		7,100	7,100	0	0
	E		4,850	4,850	0	0
	(Total)		16,800	16,800	432 *	0
Pelagic shelf rockfish	W	849	550	550	0	0
	C		2,350	2,350	0	0
	E		400	400	0	0
	(Total)		3,300	3,300	0	0
Demersal Shelf rockfish 4/	SEO		660	660	0	0
Thornyheads	G+W	749	3,750	3,700	50	
Sablefish	W	703	4,060	4,060	0	0
	C		12,540	12,540	0	0
	W.YK		4,900	4,900	0	0
rockfish 4/						
Thornyheads	G+W	749	3,750	3,700	50	
Sablefish	W	703	4,060	4,060	0	0
	C		12,540	12,540	0	0
	W.YK		4,900	4,900	0	0
More [Y,n]? y	E.YK/SE		6,500	6,500	0	0
	(Total)		28,000	28,000	188 *	0
Other sp 4/	G+W		12,426	10,926	1,500	0
	TOTAL		260,936	240,786	20,150	0

Pacific halibut PSC

4,240

240

Footnote: * = Groundfish PSC limits, which are not part of the totals.

SEP 02 '88 13:40 N.M.F.S. - AK(907)586-7131

ATTN: PAUL KELLY -

filed this 3 days in a row - P. 1/1/88
 wasn't working JS

31-Aug PACIFIC COD, THIRD AND FOURTH INDUSTRY REQUESTS AND NMFS PROJECTIONS, BY CATEGORY AND QUARTER: AUGUST SUR 1988

TOTAL REQUESTS										TOTAL NMFS PROJECTIONS															
QTR	BERING SEA		ALEUT. ISLAND		BSA	WEST GULF		CENTRAL GULF		EAST GULF	GOA	ALASKA	QTR	BERING SEA		ALEUT. ISLAND		BSA	WEST GULF		CENTRAL GULF		EAST GULF	GOA	ALASKA
1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0
3	32,623	200	32,823	1,350	12,015	0	13,365	46,188				3	21,073	200	21,273	1,100	8,015	0	9,115	30,388					
4	28,439	520	28,959	3,195	33,207	25	36,427	65,386				4	22,827	520	23,347	2,945	24,297	25	27,177	50,524					
TOT	61,062	720	61,782	4,545	45,222	25	49,792	111,574				TOT	43,900	720	44,620	4,045	32,222	25	36,292	80,912					

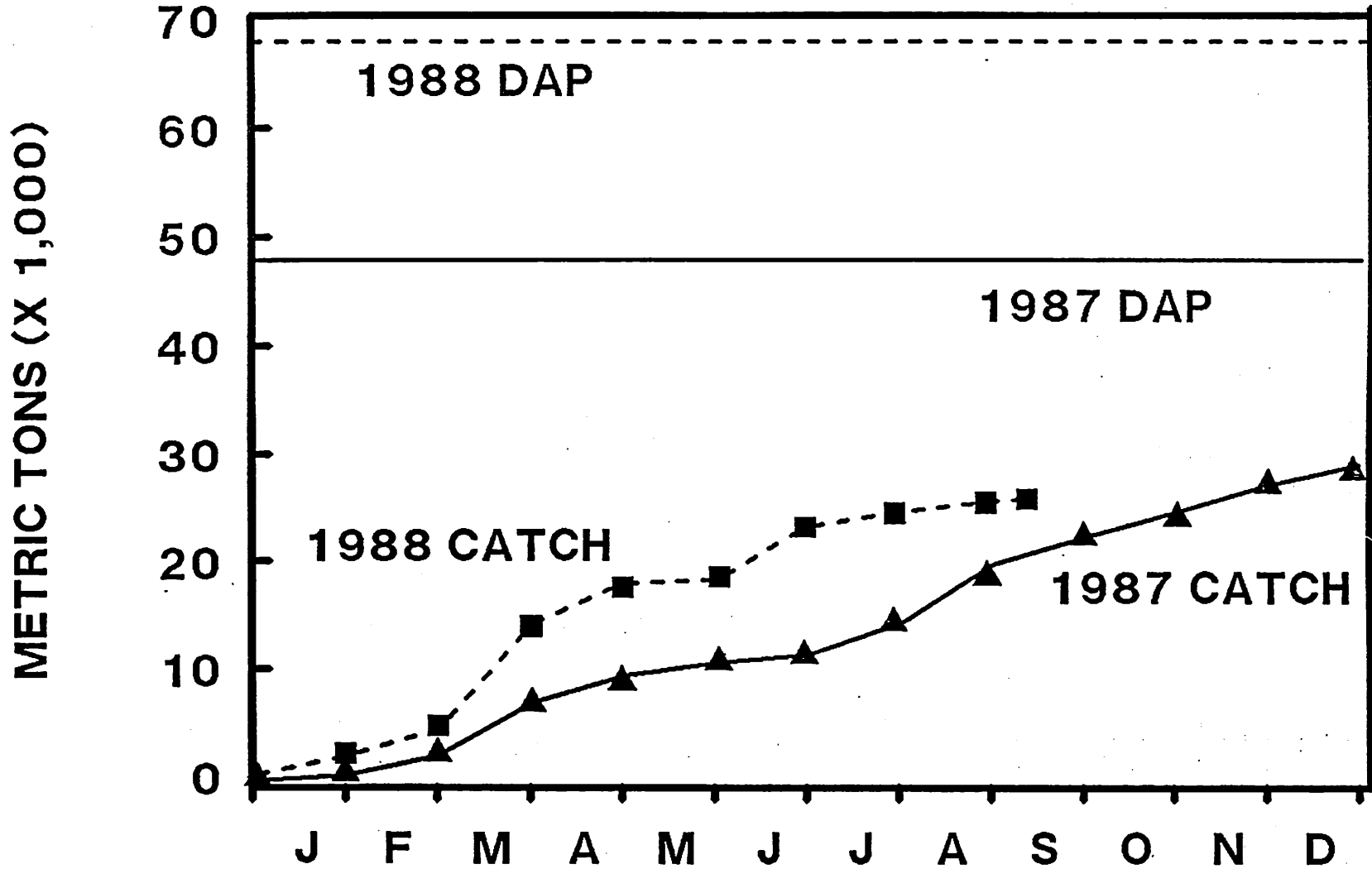
SHORESIDE REQUESTS										SHORESIDE NMFS PROJECTIONS															
QTR	BERING SEA		ALEUT. ISLAND		BSA	WEST GULF		CENTRAL GULF		EAST GULF	GOA	ALASKA	QTR	BERING SEA		ALEUT. ISLAND		BSA	WEST GULF		CENTRAL GULF		EAST GULF	GOA	ALASKA
1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0
3	2,300	100	2,400	100	7,315	0	7,415	9,815				3	2,300	100	2,400	100	7,315	0	7,415	9,815					
4	2,800	100	2,900	800	16,412	25	17,237	20,137				4	2,800	100	2,900	800	13,412	25	14,237	17,137					
TOT	5,100	200	5,300	900	23,727	25	24,652	29,952				TOT	5,100	200	5,300	900	20,727	25	21,652	26,952					

FLOATERS REQUESTS										FLOATERS NMFS PROJECTIONS															
QTR	BERING SEA		ALEUT. ISLAND		BSA	WEST GULF		CENTRAL GULF		EAST GULF	GOA	ALASKA	QTR	BERING SEA		ALEUT. ISLAND		BSA	WEST GULF		CENTRAL GULF		EAST GULF	GOA	ALASKA
1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0
3	30,023	100	30,123	1,250	4,200	0	5,450	35,573				3	18,773	100	18,873	1,000	200	0	1,200	20,073					
4	18,854	100	18,954	1,400	14,500	0	15,900	34,854				4	15,104	100	15,204	1,150	8,500	0	9,650	24,854					
TOT	48,877	200	49,077	2,650	18,700	0	21,350	70,427				TOT	33,877	200	34,077	2,150	8,700	0	10,850	44,927					

NEW FLOATERS REQUESTS										NEW FLOATERS NMFS PROJECTIONS															
QTR	BERING SEA		ALEUT. ISLAND		BSA	WEST GULF		CENTRAL GULF		EAST GULF	GOA	ALASKA	QTR	BERING SEA		ALEUT. ISLAND		BSA	WEST GULF		CENTRAL GULF		EAST GULF	GOA	ALASKA
1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0
3	300	0	300	0	500	0	500	800				3	0	0	0	0	500	0	500	500					
4	6,785	320	7,105	995	2,295	0	3,290	10,395				4	4,923	320	5,243	995	2,295	0	3,290	8,533					
TOT	7,085	320	7,405	995	2,795	0	3,790	11,195				TOT	4,923	320	5,243	995	2,795	0	3,790	9,033					

DAP CATCH

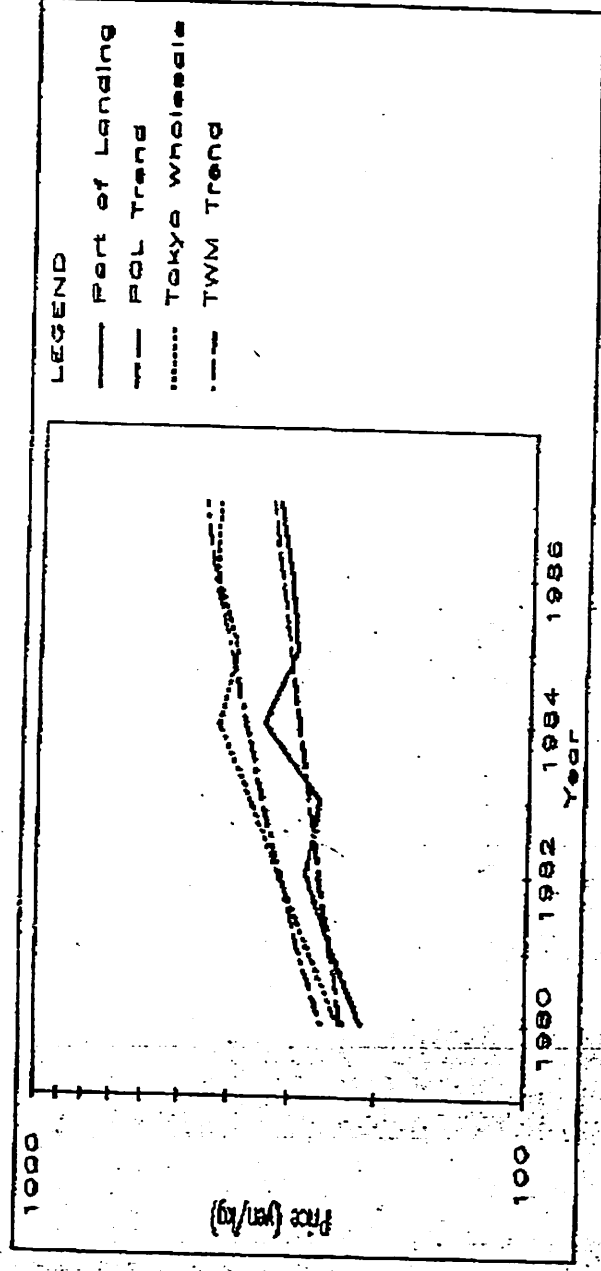
GOA PACIFIC COD



Additional Information on the Japanese Cod Market

At the June meeting of the North Pacific Fishery Management Council, a report and testimony was presented pointing out certain characteristics of the Japanese market for cod - most important was the negligible effect of Japan's supply of cod on the port-of-landing and Tokyo wholesale market prices, and the difference in use and prices between trawl and longline-caught cod. In the interim period, I have been able to obtain additional material to supplement the information given in the previous report

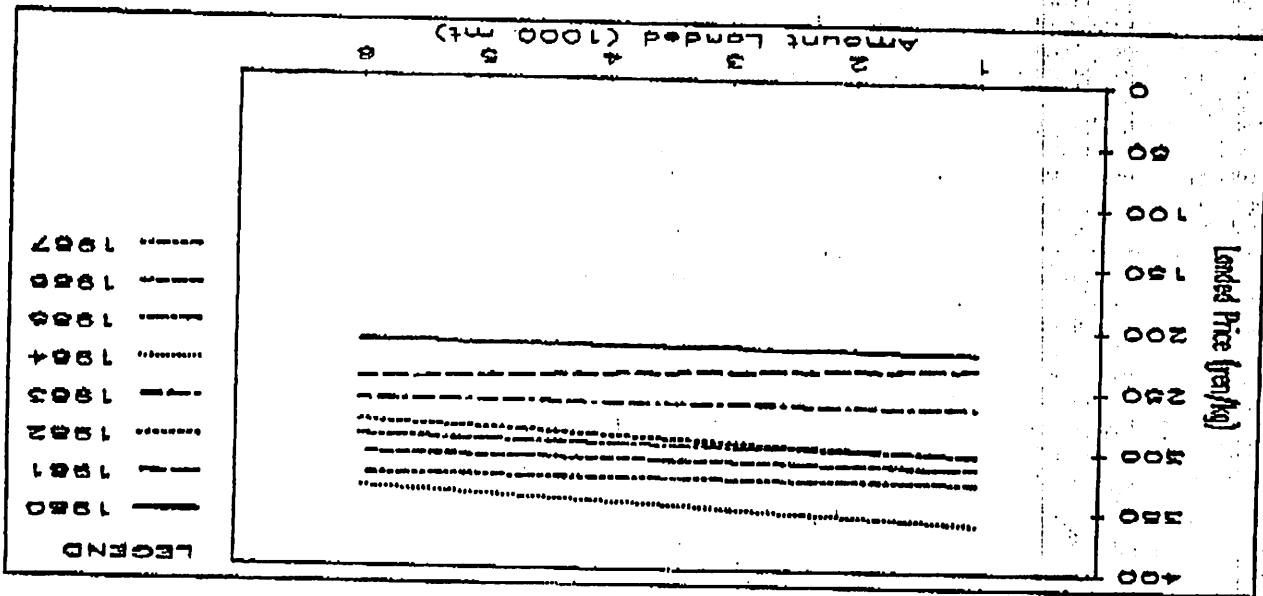
1. The trend of Port of Landing/Tokyo wholesale market prices. Missing from the previous report is a review of the trends in both the landed price and Tokyo wholesale market price since 1980. In order to partially compensate for the cumulative effect of inflation and other long term factors, these data, as shown below, have been plotted on a semi-log scale.



Although detailed statistics on imports/exports of cod are not available, there is a strong indication that the break in prices between 1984 and 1985 was due to an increase in imports - whatever the cause, inventory increased from 12,400 mt in 1984 to 19,600 mt in 1985, indicating that the 1984 price was too high for the market. Although difficult to verify without proper trade statistics, there is some indication that the drop in price could be related to an influx of imports of trawl-caught fish first from the JV fisheries and later from our own factory trawlers.

3. Mabuwa and the need for a supply of quality cod. There are two methods used for preparing mabuwa. The head and viscera are removed, the fish carefully washed, and then cut on either side of the backbone and the backbone removed. Either the belly is left intact and the fillets "butterfied", or the fillets separated to form three pieces (two fillets and the backbone). The fillets are then thoroughly washed and immersed in a brine solution (8-14% Baume) for 4 to 17 hours. The fillets are then removed, carefully washed, drained, and marketed either in portions or whole.

Within the limitations of data available for the years 1980 to 1987, there is nothing in these additional statistics and analyses that would change the conclusions reached in the previous report, "...a decrease in the supply of cod does not result in an increase in the price of cod in Japan."



2. Relation between landings and price. Because of the importance attached to the effect of supply on price, four additional years of data (completing the period of 1980 through 1987) have been added to the chart presented in the previous report. Further, the monthly distribution of these prices from year to year was completely random. The results confirm the previous conclusions: With the exception of 1981, the other seven years show only a very slight, almost negligible decrease in price with an increase in supply. In all cases, the difference was less than one cent per pound per ton of product.

- 3 -

The fillets must be blemish free, that is, no dark areas from internal bleeding, no deep scars or other damage to the flesh.

When available, the processors prefer fresh longline-caught cod from coastal waters and when not available, will accept frozen cod from the other longline fisheries. Trawl-caught cod, because of the pressure in the cod-end and mass handling, are generally bruised and not suitable for processing into mabuwa. Thus, longline-caught cod obtain a higher price (as pointed out in the previous report) and occupy a special niche in the Japanese cod market, quite separate from trawl-caught cod.

4. Recent prices for trawl- and longline-caught cod. The following table summarizes the September prices paid in Ishinomaki for frozen cod imports from two US boats, a trawler and a longliner. These prices are "delivered Japan", and include custom duty, insurance, and other import and local handling charges. The prices are comparable to the port of landing prices referred to earlier in this report.

Size (no./ case)	US Trawler (9/2/88)			Size (lbs/ fish)	US Longliner (9/22/88)		
	Cases	Weight (kg)	Price (Y/kg)		Cases	Weight (kg*)	Price (Y/kg)
4-6	393	8055	280	7/over	126	2079	402
7-8	668	13133	285	5-7	200	3300	408
9-10	162	3029	275	5-7	200	3300	406
11-15	424	7420	215	5-7	302	4983	405
16-20	151	175	151	3-5	500	8250	382
26-30	1	20	100	3-5	402	6633	380

* A case will weigh between 16 and 17 kg; have used 16.5 kg/case to determine total weight of each lot.

This is a good illustration of the difference in price between trawl- and longline-caught fish. Converting to equivalent sizes, the present price for these lots of longline-caught cod averages about 44 percent higher than the price for trawl-caught fish.

The price of cod generally increases in the late fall, when the weather becomes cooler and the consumption of fish increases. Based on the monthly port of landing prices from 1980 through 1987, the peak price that we would expect to occur in one of the next three months would be about 10 percent higher than the September price.

- 4 -

5. Amount of cod used by the mabuwa processors. I am still searching for an estimate of the amount of cod that is used each year by the mabuwa processors. The one year where data is available (probably 1983), about 18,000 mt of mabuwa was produced in Japan, equivalent to 21,000 mt of H&G product or about 44,000 mt of raw fish.

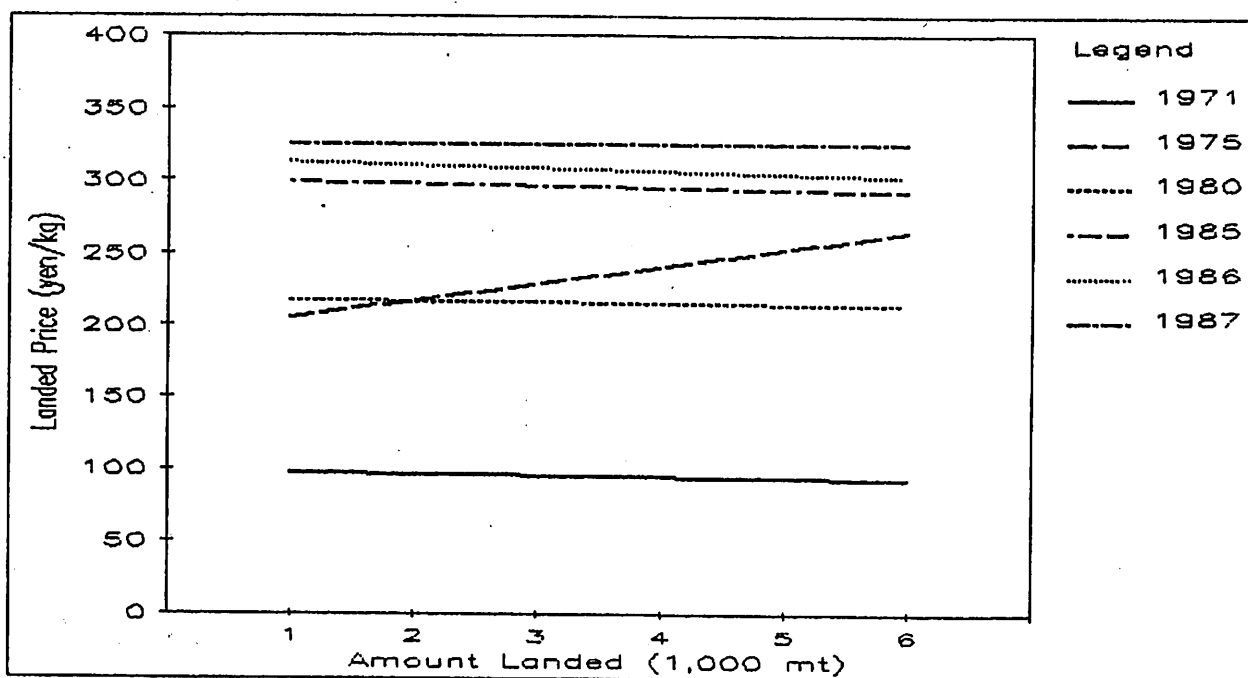
September 25, 1988
Clinton E. Atkinson
Fishery Consultant and Advisor

The Japanese Market for Cod.

With the growth of the United States high seas fisheries in the North Pacific, a number of questions have arisen regarding the Japanese market for groundfish. The most recent problem involves that of cod and hopefully, these few comments may help clarify some of these questions.

1. Japan's supply of cod. In the last two years, both the United States and Japan have expanded their fishery statistics so that it is now possible to obtain a "first" estimate of the total supply of cod being consumed in Japan. The results of the compilation of the landings, imports and exports and inventories for 1986 and 1987 is shown in Table 1, the various values converted to raw fish weight for comparison. Although some refinement of the data will be necessary, this preliminary estimate of total domestic supply of cod in Japan shows a decrease of about 12,200 mt in 1987 from 1986. From these estimates, we can assume that the annual domestic supply of cod in Japan is about 115,000 to 125,000 mt per year (raw fish weight) and of this amount, only about 23,000-25,000 /yr (raw fish weight) from the United States (i.e., US JV and domestic cod products from the North Pacific).

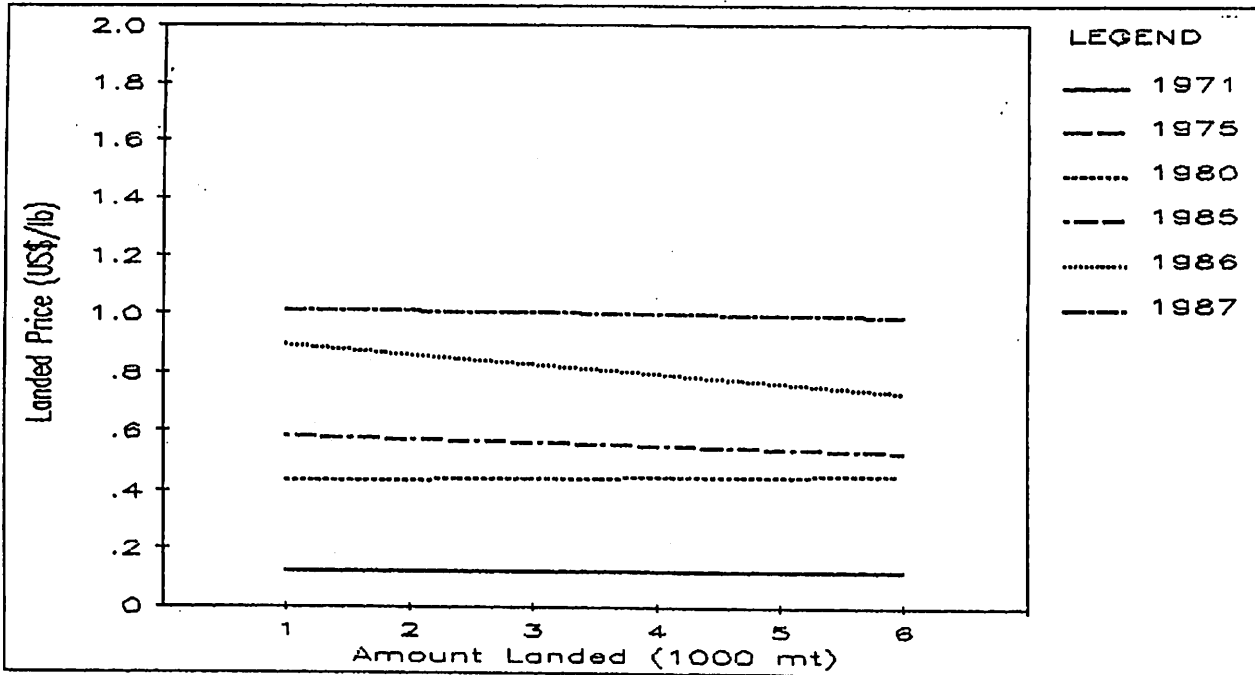
2. Relation between landings and price. One of the problems that is attracting much attention at the present time is the relationship between the supply and the price, best measured by the record of landings at the 51 major ports in Japan. Because of the limited time, I have examined 6 years of landing/price information, plotted the data and determined the trend by least squares. The results are shown in the following chart:



- 2 -

Although four of the six years do show a slight increase in price with a decrease in landings, the difference is very, very small - somewhere between one tenth of a cent to 3 cents per pound per 1,000 metric ton of landings.

These same data have been converted from yen/kg to US\$/lb in the following chart to see what effect changes in the rate of foreign exchange might have on the slopes of the trend lines. The most significant change occurred in 1986 when the yen-dollar rate rapidly fell but even so, the difference is still insignificant.

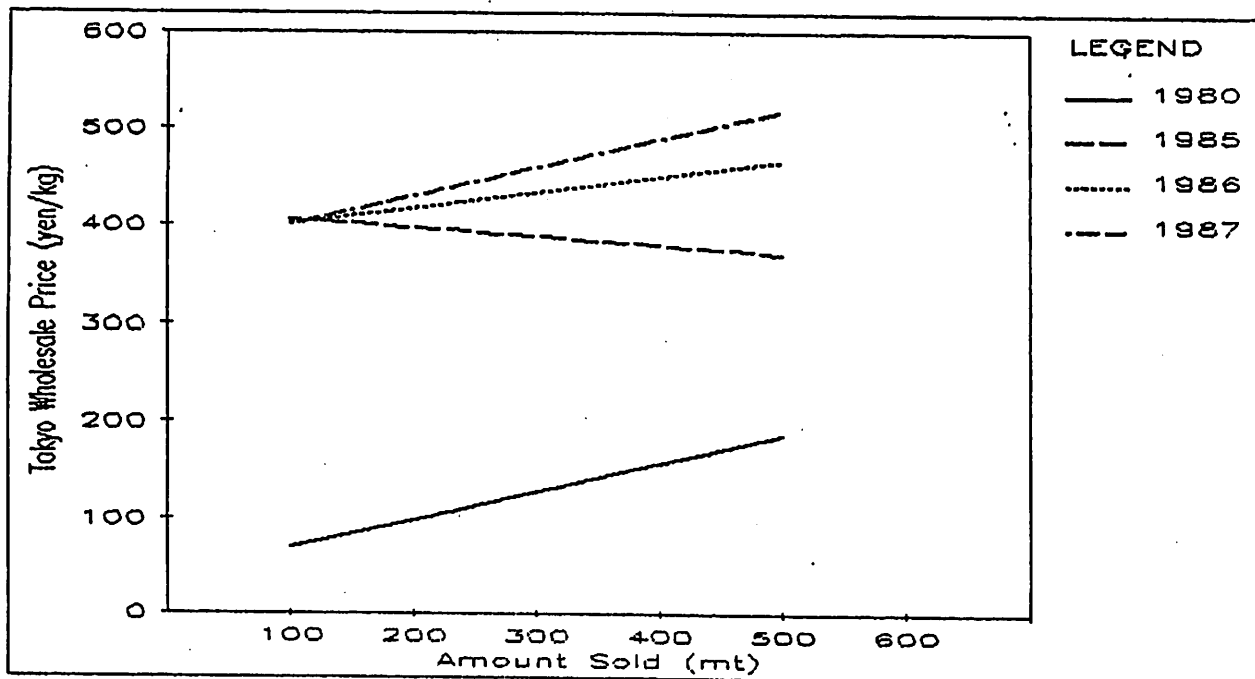


Finally, for reference, a summary of these changes in price due to decreased landings is given below:

Year	Change in Price per 1,000 Metric Tons	
	yen/kg	US\$/lb
1971	0.7	0.001
1975	- 11.8	n/a
1980	0.8	-0.004
1985	1.2	0.010
1986	1.8	0.034
1987	0.4	0.004

From the above, it is quite clear that a decrease in the supply of cod does not result in an increase in the price of cod in Japan.

3. Relation between Tokyo wholesale market sales and price. For comparison, four years of sales/price information from the Tokyo wholesale market has also been examined. Here the picture is just the opposite. For three of the four years, the greater the amount sold, the higher the price. What happens in the consumer wholesale market, such as Tokyo, however, is that the seller will hold the product in storage until the price is right and then sell in quantity.



4. The difference in price between trawl and longline-caught cod. Information received from Japanese industry sources shows a difference in price between longline and trawl caught frozen cod. In 1986 the landed price for all frozen cod at the major ports was 307 yen/kg while the price for longline-caught cod was 325 yen/kg. Similarly, in 1987 the price for all frozen cod at major ports was 325 yen/kg while the price for longline-caught cod was 344 yen/kg. The real difference in price, however, is much greater: Since about 40 percent of the total landings of cod are taken by longline, the price received for their fish would significantly increase the total price shown for the major ports landing.

Recently, information was received from the Tokyo wholesale market that provides a more reliable schedule of prices for longline and trawl-caught frozen cod - a difference ranging from 70 to 120 yen/kg.

Longline and Trawl, January thru April, 1988.

Size*	Tokyo Wholesale Price (yen/kg)		Difference
	Longline	Trawl	
4-6	370	300	70
7-8	380	310	70
9-10	370	290	80
11-12	350	250	100
13-15	340	250	90
16-20	295	200	95
21 or more	280	150	130

* Number of Fish per pan.

Further, as you will note in the attached page from a recent issue of Bill Atkinson's News Report (BANR), longline cod fill a very special niche in the Japanese market. They are preferred by the Japanese processors for mabuwa (a lightly salted cod) and the trawl-caught cod have scars marks that produce an inferior product. Accordingly, the mabuwa processors are very concerned about the present shortage of longline-caught cod.

4. The substitutability of Atlantic cod. In the past, some mention has been made of the substitutability of Atlantic cod for Pacific cod in the Japanese market. At the present time, very little Atlantic cod is being imported into Japan and the price is lower than that for the Pacific cod. In March 1988, the asking price for H&G Atlantic cod in the Tokyo wholesale market was 260 yen/kg but the quality was poor and the final price was only 150 to 200 yen/kg.

There are other cod-like fish that are now being taken in some quantity from the southern waters. Although of poorer quality and lower price, hoki from off New Zealand and the southern hake from Chile/Argentina are both considered to be acceptable substitutes for the Pacific cod.

June 21, 1988
 Clinton E. Atkinson
 Fishery Consultant and Advisor

Table 1. An Estimate of Japan's Supply of Cod
(raw fish weight*, metric tons)

Item	1986	1987
Initial Inventory	30900	20600
Total Landings	100500	110000
Imports		
US JV (H&G)	11400	9900
US Domestic (fillets)	14000	13100
Korea (fillets)	7700	500
Taiwan (fillets)	500	0
USSR (H&G)	800	0
Total	34400	23500
Final Inventory	20600	26500
Total Supply	127400	115200

* Raw fish weights obtained from recovery rates of 60 percent for H&G and 28 percent for fillets; inventory a mix of product, mostly H&G, recovery rate estimated at 55 percent.