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Mr. Clement V. Tillion, Chairman North Pacific Fishery Management Council P.O. Box 3136 DT Anchorage, AK 99510

Dear Clem:

Several months ago Jim Branson asked me to inform the Council as soon as possible on our plans for next year. Unfortunately, due to our involvement with the Pacific Whiting (hake) fishery and numerous other commitments, it has not been possible for us to formulate our 1979 proposal before now. I hope this delay hasn't created any major difficulties for the Council in their deliberation on the Gulf of Alaska Groundfish FMP.

Before giving you our projected "numbers" for 1979, I feel it would be helpful to briefly review what we accomplished with regard to developing a U.S. Pacific Whiting fishery this past fall.

The experimental "joint venture" Pacific Whiting fishery

The "joint venture" Pacific Whiting fishery, involving two American trawlers and two Soviet processing boats (BMRT-type), was successful and provided answers to most of our questions. Total deliveries did not reach our expectations due to a late start and some start-up problems. Nevertheless, over a period of about a month and a quarter we received 895.1 metric tons of Pacific Whiting.

Cooperation between American and Soviet fishermen was excellent which contributed to this success. Considerable effort was directed at perfecting the codend transfer system, working out the logistics of a joint operation, and experimentally processing the whiting. Our joint efforts really bore fruit the last ten days when one of the trawlers averaged 41.3 MT per day with daily deliveries ranging from 8.8 to 73 MT.

Based on the demonstrated success of this year's operation together with increased interest it has generated among fishermen, we are planning a substantially larger fishery next year. We have requested the Pacific Council and NMFS to set aside 30,000 MT of Pacific Whiting and 1500 MT of jack mackerel. We and the fishermen involved feel confident that this is a realistic projection of our harest for next season.

Marine Resources Company's projection for 1979 Gulf of Alaska Groundfish Fishery

Although the considerable experience we gained this past year on Pacific Whiting will help us in putting together a successful high-volume fishery on Gulf of Alaska and Bering Sea groundfish, the information and experience is not totally transferable. For this reason we feel it is probably wise to carry out an experimental operation next season in the Gulf. Only one or two American boats together with one or two Soviet processors would be involved. This would allow all parties to better understand the distribution and availability of the groundfish species on which we would target, make changes if necessary in the method of transferring codends, experimentally process and market the various species, establish catch rates, etc.

Accordingly as it now stands, we plan to carry out an experimental groundfish fishery in the Western Gulf of about six months' duration starting when the weather improves about 1 May. We project a catch target of about 6000 metric tons broken down as follows:

	Alaska Pollock	2000	TM
	Pacific Cod	1900	MT
	Pacific Ocean Perch	1400	MT
	Sablefish	400	MT
	Other species	300	TM

You will note that we have backed away somewhat from our commitment to Alaska pollock and instead plan to target on the entire underutilized groundfish complex in the Gulf. There are several reasons for this shift in emphasis. First, our experience in marketing pollock has not been encouraging due to import restrictions and a shift in the world market to other whitefish species (e.g. whiting) with changes in the price and availability of pollock. Second, we recognize that in order to provide an attractive groundfish market to U.S. fishermen, we must be in a position to receive their entire groundfish catch, not just one or two species.

DAH, Reserve and Release Provision in FMP

For the reasons mentioned previously, we were not in a position to give any reasonable estimates of our projected 1979 operations at the time of Council and NMFS deliberations on the 1978-79 FMP. We did, though, informally communicate our interest to do something in the Gulf this next year to Jim Branson, some of your Council members, and NMFS. During the FMP development process we were not overly concerned because it was obvious that the flexibility being built into the plan was sufficient to take care of our limited needs.

Although I believe there is sufficient reserve in the plan to take care of our projected experimental operation this summer, I am somewhat concerned by the accelerated re-allocation schedule of unused reserve back to TALFF. As the Plan now stands, the majority of the reserve could be committed or re-allocated to TALFF before we ever get into operation. For this reason I would hope that the Council would keep our intended interests in mind during your bi-monthly reserve deliberations on recommendations to the Regional Director.

For our part please be assured we will do everything possible to keep the Council appraised of our plans as they develop. We feel that it is imperative that domestic users, ourselves included, are realistic in their annual projections of intended operations.

Yours sincerely,

Walter T. Pereyra

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Vice-President and General Manager

Marine Resources Co., Inc.

WTP:ar

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