

North Pacific Fishery Management Council

Clement V. Tillion, Chairman
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Agenda Item #10
February 22-23, 1979

MEMORANDUM

DATE: February 19, 1979

TO: Council Members, Scientific & Statistical Committee
and Advisory Panel

FROM: Jim H. Branson, Executive Director 

SUBJECT: March 2nd Release of Reserves in Gulf of Alaska

The second release of reserves to TALFF is scheduled for March 2nd. The Council should make a recommendation at this time on the amount of reserves which should be held in abeyance or released.

(Background)

1. The final regulations implementing the special joint venture reserve concept (50 CFR 672.20) were published in the Federal Register on December 1, 1978. The first release of reserves (J/V reserves and regular [20% of OY] reserves have been combined) occurred on January 17, 1979, and is contained in Volume 44, No. 16 pages 4684-5-6 of the Federal Register. The Federal Register notice advertising this meeting announced the Council's intent to consider this matter.

(Current)

2. The current status of the reserve balance, TALFF's, and reserve-amounts-available-for-release are contained in a table prepared by National Marine Fisheries Service - Juneau, dated February 15.

(Appendix 2A)

3. The remaining reserve amounts--by fishing area--can be found on Table I of Appendix 3A. A quick summary for pollock, cod, sablefish, and POP is as follows:

<u>Area</u>	<u>Metric Tons</u>			
	<u>Pollock</u>	<u>Cod</u>	<u>Sablefish</u>	<u>POP</u>
Shumagin	33,900	2,047	700	675
Chirikof	32,325	862	600	675
Kodiak	24,300	3,315	900	1,200
Yakutat	7,425	952	1,200	1,875
Southeastern	2,400	322	700	1,500

4. The projected U.S. catch by species and area can be divided into joint venture and non-joint venture requests. We have received two requests for large amounts of bottomfish from joint venture operators. No new information is available regarding the potential U.S. catch destined for domestic processors.

a. The American Fisheries Corporation (KMIDC) in a letter to Harry Rietze dated February 10, 1979, projects its catch from March 1, through November 31, 1979 as 89,080 metric tons to 101,985 metric tons. The projection identified 14 vessels including their overall length and horsepower and the amount each is expected to catch. We can only assume that approximately 85% of this amount will be pollock, the remaining bycatch as yet unspecified (KMIDC, 1978).

b. The Marine Resources Company, Inc., projects their 1979 joint venture catch in the Gulf of Alaska to be approximately 6,000 metric tons as follows:

Alaska pollock	2,000 metric tons
Pacific cod	1,900 metric tons
Pacific ocean perch	1,400 metric tons
Sablefish	400 metric tons
Other species	300 metric tons

They plan to begin fishing around May 1, 1979.

c. We have no new information to indicate that the domestic harvest destined for U.S. processors is different than the DAH in the plan.

5. The theoretical amount available to domestic fishermen is the DAH plus the reserve. These amounts are contained in table 62 and table I in Appendix 5A. A summary table, however, for pollock, cod, POP, and sablefish is shown below:

Total Available to Domestic Fishermen

	<u>DAH</u>	<u>Reserves Remaining</u>
Pollock	14,200	100,350
Cod	15,500	7,498
POP	1,100	5,925
Sablefish	4,000	4,100

6. The domestic catch to date should be in the ADF&G report--Agenda Item 4. It was not ready prior to the development of this agenda item and so is not attached.

7. DAH as set in the FMP includes only the domestic shore based processor estimates. The 'processor preference' amendment to the FCMA combined with the language of the permit restrictions to KMIDC (Agenda Item #14) implies that a joint venture fishery will be only on the reserve amounts available. Re-assessment of current domestic processing capacity (and intent) may change the original DAH estimates downward. If that is the case the presumption is that the difference (original DAH estimate - updated DAH estimates) would also be available to a J/V fishery.

8. The total foreign catch to date has been insignificant. With one exception, no country has taken more than 13% of their TALFF in any fishing area. The exception is pollock in the Kodiak area where the U.S.S.R. has taken 45% of a 140 metric ton TALFF. It does not appear that withholding the March 2nd release to TALFF would prevent any foreign fishing operation from continuing.

We have been asked by Paul MacGregor, representing the North Pacific Longline Gillnet Association, to release to TALFF the eligible portions of the reserves for sablefish and cod. That letter is attached as Appendix 8A.

9. The amount currently available for release from the reserve to TALFF is in Appendix 9A--the NMFS February 15, Status of Allocations table.

10. At the November 30 - December 1 Council meeting, the Council unanimously recommended the release to TALFF of 25% of the reserve in January, excluding sablefish. The Council also recommended that the March 2nd release be withheld, but yielding full discretion to the Regional Director, NMFS to take appropriate action in March.

Attachments

MIH

GULF OF ALASKA GROUND FISH FISHERY
 (Metric Tons)

APPENDIX 2A

SPECIES	ORIGINAL				JANUARY RESERVE RELEASE			MARCH RESERVE RELEASE		
	OY	DAH	RESERVE	TALFF	RESERVE RELEASE	RESERVE BALANCE	REVISED TALFF	AVAILABLE FOR RELEASE	RESERVE BALANCE ^{1/}	REVISED TALFF ^{1/}
Pollock	168,800	14,200	133,800	20,800	33,450	100,350	54,250	33,450	66,900	87,700
Cod	34,800	15,500	10,000	9,300	2,502	7,498	11,802	2,502	4,996	14,304
Flounders	33,500	7,200	9,700	16,600	2,425	7,275	19,025	2,425	4,850	21,450
Pacific Ocean Perch	25,000	1,100	7,900	16,000	1,975	5,925	17,975	1,975	3,950	19,950
Rockfish	7,600	2,000	3,500	2,100	875	2,625	2,975	875	1,750	3,850
Sablefish	13,000	4,000	4,100	4,900	0	4,100	4,900	2,050	2,050	6,950
Atka Mackerel	24,800	0	5,500	19,300	1,375	4,125	20,675	1,375	2,750	22,050
Squid	2,000	0	1,000	1,000	250	750	1,250	250	500	1,500
Other	16,200	500	4,700	11,000	1,175	3,525	12,175	1,175	2,350	13,350
Total	325,700	44,500	180,200	101,000	44,027	136,173	145,027	46,077	90,096	191,104

^{1/} If full March release is made.

2/6/79 (1979)

RULES AND REGULATIONS

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TABLE I.—Gulf of Alaska Groundfish Fishery: TALFF and Reserve¹ by Species and Fishing Area for 1978/1978

(Metric tons)

FISHING AREAS²

Species		Shumagin	Chirikof	Kodiak	Yakutat	Southeast	Total
Pollock	TALFF	18,300	17,475	13,100	3,975	1,400	54,250
	Reserve	33,900	32,325	24,300	7,425	2,400	100,350
Pacific Cod ³	TALFF	3,253	1,438	5,185	1,448	478	11,802
	Reserve	2,047	862	3,315	952	322	7,498
Flounders	TALFF	5,950	1,500	6,775	3,650	1,150	19,025
	Reserve	2,250	600	2,625	1,350	450	7,275
Pacific Ocean Perch (POP)	TALFF	1,925	1,925	3,800	5,625	4,700	17,975
	Reserve	675	675	1,200	1,875	1,500	5,925
Other Rockfishes ⁴	TALFF	125	125	175	1,300	1,250	2,975
	Reserve	75	75	225	1,200	1,050	2,625
Sablefish	TALFF	1,300	800	1,400	1,400	0	4,900
	Reserve	700	600	900	1,200	700	4,100
Atka Mackerel	TALFF	3,650	3,000	13,175	850	0	20,675
	Reserve	750	600	2,625	150	0	4,125
Squid	TALFF	250	250	250	250	250	1,250
	Reserve	150	150	150	150	150	750
Other Species ⁵	TALFF	3,325	2,750	3,675	1,550	875	12,175
	Reserve	975	750	1,125	450	225	3,525

¹The TALFF's specified in this table may be modified during the year if reserves are apportioned to TALFF.

²See Figure 3 of Appendix II to Section 611.9 for description of fishing areas.

³Of the total Pacific Cod TALFF, only 4,691 metric tons may be caught west of 157° W. longitude.

⁴The category "other rockfishes" includes all rockfishes other than Pacific ocean perch.

⁵The category "other species" includes all species of fish except (A) the other fish listed in the table; and (B) shrimp, scallops, salmon, steelhead trout, Pacific halibut, herring, and Continental Shelf fishery resources.

3. 50 CFR 672.20 is amended by replacing Table I—OPTIMUM YIELD AND RESERVES with the following:

§ 672.20 General limitations.

(a) * * *

TABLE I.—Optimum Yield and Reserves

(Metric tons)

FISHING AREAS

Species		Shumagin	Chirikof	Kodiak	Yakutat	Southeast	Total
Pollock	OY	57,000	54,400	40,800	12,500	4,100	168,800
	Reserve	33,900	32,325	24,300	7,425	2,400	100,350
Pacific Cod	OY	9,600	4,100	15,300	4,300	1,500	34,800
	Reserve	2,047	862	3,315	952	322	7,498
Flounder	OY	10,400	2,700	12,000	6,300	2,000	33,500
	Reserve	2,250	600	2,625	1,350	450	7,275
Pacific Ocean Perch (POP)	OY	2,700	2,700	5,200	7,900	6,500	25,000
	Reserve	675	675	1,200	1,875	1,500	5,925
Other Rockfish	OY	300	200	600	3,400	3,100	7,600
	Reserve	75	75	225	1,200	1,050	2,625
Sablefish	OY	2,100	1,400	2,400	3,400	3,700	13,000
	Reserve	700	600	900	1,200	700	4,100
Atka Mackerel	OY	4,400	3,600	15,800	1,000	0	34,800
	Reserve	750	600	2,625	150	0	4,125
Squid	OY	400	400	400	400	400	2,000
	Reserve	150	150	150	150	150	750
Other Species [*]	OY	4,400	3,600	5,000	2,100	1,100	16,200
	Reserve	975	750	1,125	450	225	3,525

* Includes all stocks of finfish except: (1) those listed above; and (2) salmon, steelhead trout, and Pacific halibut.

[FR Doc. 79-2159 Filed 1-22-79; 8:45 am]

December 5, 1978

Walter T. Pereyra
Vice-President and General Manager
Marine Resources Co., Inc.
4215 21st Avenue, West
Suite 206
Seattle, Washington 98199

Dear Wally:

Thanks for your letter of November 27th to Chairman Tillion outlining your recent hake fishery off the West Coast and your plans for the Gulf of Alaska for 1979. Because the letter came at the beginning of the Council meeting, in the great press of other business it was not formally considered although most of them did have a chance at least to scan it.

As you note in your letter I expect that the current reserves and DAH's are sufficient to take care of your proposed operation in 1979. The Council moved to hold all sablefish reserves from release at the meeting last week, and I would expect that they will probably hold on to Pacific cod reserves until a better pattern in the joint ventures is established.

I expect the Council to give some serious consideration to the sablefish fishery in the Gulf of Alaska, particularly as to whether it should be allowed for a directed trawl fishery and/or a bycatch species in trawl fisheries in general. That should come fairly soon, however, well before your operation would start next spring.

Again, thank you for keeping the Council up to date on your operation and plans. We all realize that forecasting fishing operations is a chancy business at best and therefore appreciate your continuing careful objective consideration of anticipated catches and quotas.

Best regards,

Jim H. Branson
Executive Director



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November 27, 1978

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 investment 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 MT
Pacific Cod	1900 MT
Pacific Ocean Perch	1400 MT
Sablefish	400 MT
Other species	300 MT

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
Vice-President and General Manager
Marine Resources Co., Inc.

WTP:ar

cc: Terry Leitzell
Harry Rietze
Dr. Dayton Alverson
Dr. Donald Bevan
Jim Branson
Bert Larkins
Sig Jaegar
Henry Haugen

PROPOSED RULES

TABLE 62.—Derivation of Foreign Allowable Catch (FAC)¹ for Gulf of Alaska Groundfish in 1978-79
(In thousand metric tons)

Species	OY	Reserve	Additional reserve for possible J/V ventures	DAH	FAC ²
Pollock.....	168.8	33.8	100.0	14.2	20.8
Cod.....	34.8	7.0	-3.0	15.5	29.3
Flounders.....	33.5	6.7	3.0	7.2	16.6
Pacific Ocean perch.....	25.0	(4.9)	3.0	1.1	16.0
Other rockfish.....	7.6	1.5	2.0	2.0	2.1
Sablefish.....	13.0	2.6	1.5	4.0	4.9
Atka mackerel.....	24.8	5.0	.5	0	19.3
Squid.....	2.0	.4	.5	0	1.1
Other species.....	18.2	3.2	1.5	.5	11.0
Totals.....	325.7	65.1	115.0	44.5	101.1
Total reserve.....		180.1			

¹Initial FAC may be increased as reserve is apportioned during year.

²The area landward of the 500-m isobath and west of 157° west longitude is designated as a longline fishery for Pacific cod.

Proposed amendments to regulations 50 CFR 672: (Revise Table I, page 50 CFR Part 672 (43 FR 17243) and 50 CFR 672: (Revise Table I, page 50 CFR 611.92 (43 FR 17013), 17243, to read as follows:

TABLE I—Metric Tons
(OY/Reserve/DAH Schedule, by area, in thousand metric tons)

Species	Shumagin	Chirikof	Kodiak	Yakutat	Southeast	Total
Pollock:						
OY.....	57.0	54.4	40.3	12.5	4.1	168.8
Reserve.....	45.2	43.1	32.4	9.9	3.2	133.8
DAH.....	4.8	4.6	3.4	1.1	.3	14.2
Cod:						
OY.....	9.6	4.1	15.3	4.3	1.5	34.8
Reserve.....	2.73	1.15	4.42	1.27	.43	10.0
DAH.....	4.3	1.8	6.8	1.9	.7	15.5
Flounders:						
OY.....	10.4	2.7	12.0	6.4	2.0	33.5
Reserve.....	3.0	.8	3.5	1.8	.6	9.7
DAH.....	2.2	.6	2.6	1.4	.4	7.2
Pacific Ocean perch:						
OY.....	2.7	2.7	5.2	7.9	6.5	25.0
Reserve.....	.9	.9	1.6	2.5	2.0	7.9
DAH.....	.1	.1	.2	.4	.3	1.1
Other rockfish:						
OY.....	.3	.2	.6	3.4	3.1	7.6
Reserve.....	.1	.1	.3	1.6	1.4	3.5
DAH.....	.1	Trace	.2	.9	.8	2.0
Sablefish:						
OY.....	2.1	1.4	2.4	3.4	3.7	13.0
Reserve.....	.6	.4	.7	1.1	1.2	4.1
DAH.....	.1	Trace	.1	.8	3.0	4.0
Atka mackerel:						
OY.....	4.4	3.6	15.8	1.0	0	24.8
Reserve.....	1.0	.8	3.5	.2	0	5.5
DAH.....	0	0	0	0	0	0
Squid:						
OY.....	.4	.4	.4	.4	.4	2.0
Reserve.....	.2	.2	.2	.2	.1	.9
DAH.....	0	0	0	0	0	0
Other species:						
OY.....	4.4	3.6	5.0	2.1	1.1	18.2
Reserve.....	1.3	1.0	1.5	.8	.3	4.7
DAH.....	.1	.1	.2	.1	Trace	.5

MUNDT, MacGREGOR, HAPPEL, FALCONER & ZULAUF

ATTORNEYS AT LAW

J. H. ZULAUF
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February 14, 1979

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Mr. Harry Rietze
Director, Alaska Region
National Marine Fisheries Service
Box 1668
Juneau, Alaska 99802

Re: March 2, 1979 Reapportionment of Pacific cod
and Sablefish (blackcod) Reserves under the
Gulf of Alaska Groundfish Fishery Management
Plan.

Dear Mr. Rietze:

This office represents the North Pacific Longline-Gillnet Association (the "NPL-GA"). The purpose of this letter is to comment on the second mid-season reapportionment of reserves under the above-referenced fishery management plan (the "FMP"), and to request that the entire portion of Pacific cod (25%) and sablefish (50%) reserves now eligible for reapportionment be released as scheduled on March 2, 1979.

According to regulations published on December 1, 1978, the Regional Director is to reapportion excess reserves to their respective TALFFs (total allowable levels of foreign fishing) at four (4) mid-season intervals unless "he determines that the amount concerned, when added to the unapportioned reserve amounts, will be harvested" by U.S. fishermen during the remainder of the fishing year. Factors relevant to the Regional Director's determination include actual U.S. catch and effort to date as compared to previous projections, and projections of U.S. catch and effort during the remainder of the fishing year.^{1/} For the reasons set forth below, we believe that an analysis of those factors dictates a full and complete reapportionment of eligible Pacific cod and sablefish reserves at this time.

^{1/} For a more complete discussion of the reserve concept and the reserve-reapportionment mechanism, please refer to our letter to you of December 13, 1978 regarding the first mid-season reserve reapportionment.

FEB 18 1979

FEB 12 1979

Pacific Cod Reserves

The FMP sets 1979 Pacific cod DAH at 15,500 mt. In addition, 10,000 mt. were set aside as a reserve to supplement DAH in the event domestic catch exceeded expectations. Of that initial reserve amount, 7,500 mt. remain in reserve as of this date.^{2/} The March 2, 1979 reapportionment would shift an additional 2,500 mt. (25% of the original 10,000 mt. reserve) of those reserves to the Pacific cod TALFF.

As mentioned above, the Pacific cod reserves would be necessary for domestic purposes only if U.S. catch levels exceeded the 15,500 mt. DAH level projected for 1979. Although no final catch figures are yet available for last December and January, the first two complete months of operation under the FMP, preliminary indications are that there has been no significant domestic effort on Pacific cod in the Gulf of Alaska so far this fishing year.^{3/} Indeed, there is little, if any, evidence that U.S. catch in 1979 will be any larger than it was in 1978--700 mt. or, approximately 5% of the projected DAH levels.^{4/} Based on the failure of the domestic Pacific cod fishery to develop, it is clear that the Pacific cod reserves--at least that portion of the reserves covered by the pending reapportionment--are not and will not be necessary for domestic purposes. For that reason, we respectfully request that the full 25% Pacific cod reserve reapportionment be made as scheduled.

^{2/}Pursuant to the first mid-season reapportionment, 2,500 mt. of Pacific cod reserves were released for reapportionment to the TALFF on January 15, 1979.

^{3/}Small amounts of catch have apparently been reported from the Kodiak area, but it is not clear what species or quantities were involved. The catches do appear, however, to be insignificant in size.

^{4/}The only other source of a significant increase in domestic catch of Pacific cod - the U.S./foreign pollock joint venture, which originally anticipated a 3,000 mt. Pacific cod bycatch, is still in the planning stages and has conducted very little in the way of fishing operations so far this year. Even if it were to operate at full capacity for the balance of 1979, its bycatch of Pacific cod would still leave domestic catch on the species far below DAH.

Sablefish Reserves

As of March 2, 1979, 50% of the Sablefish reserves in the Gulf of Alaska will be eligible for reapportionment.^{5/} Of those reserves, 3400 mt. are held in the Shumagin, Chirikof, Kodiak and Yakutat statistical areas--areas west of 140° W longitude. As the remainder of the reserves, 700 mt., are held in the Southeast, an area which is closed to foreign longliners, we will direct these comments to the reserves held in the area West of 140° W longitude.

As mentioned above, reserves are necessary for domestic purposes only to the extent domestic effort exceeds the FMP's DAH projections. Although no specific information is yet available as to what the domestic catch of sablefish has been in the relevant areas during the first two months of the FMP's fishing year, there is no indication that domestic effort will increase over what it was in 1978. This is confirmed by preliminary reports which indicate that little, if any, domestic effort is taking place outside of Southeast. As the FMP's DAH levels in the Shumagin, Chirikof, Kodiak and Yakutat statistical areas are already set at levels which are greatly in excess of the 1978 catch;^{6/}

^{5/}At the time of the first mid-season reapportionment on January 2, 1979, the Council had under consideration a proposal to reduce the OY for sablefish below the 13,000 mt. level provided in the FMP. Due to the Council's desire to preserve adequate levels of the resource in the event a downward adjustment in OY was necessary, the Council decided to defer the January 2nd reapportionment of sablefish reserves until the OY question was settled. Subsequently, at its last meeting, the Council unanimously voted to retain the 13,000 mt. OY for sablefish as originally provided in the FMP. The Council's action thereby released the sablefish reserves for regular reapportionment as provided in the regulations. The March 2 reapportionment will, therefore, involve 50% of the sablefish reserves--25% as scheduled for March 2, and the 25% deferred from January.

^{6/}The 1,000 mt. DAH for the areas West of 140° longitude is nearly 1,000 times larger than the 1.08 mt. of Sablefish taken by domestic fisheries from those areas in 1978.

Mr. Harry Rietze
February 14, 1979
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and, as there is no indication that domestic catch in those areas will significantly increase in 1979, it is clear that the reserves--at least those portions of the reserves which are subject to the pending reapportionment--will be necessary for domestic purposes. This is particularly true when considering that the reapportionment in question involves only one-half of the sablefish reserves. Thus, even if the reapportionment goes through as scheduled, 1,700 mt. of sablefish will remain in reserve in the event that some unexpected and dramatic increase in domestic fishing effort does occur.

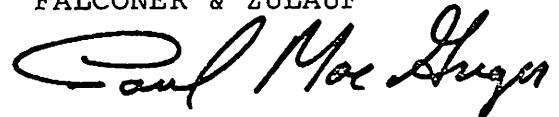
Conclusion

Based on the most currently available U.S. catch information, it is clear that domestic catch and effort on Pacific cod and sablefish has not and will not exceed DAH projections. For that reason, the eligible portions of the reserves will not be necessary to supplement DAH on either of those species and should be reapportioned as required by the regulations.

If you have any question concerning these comments, please do not hesitate in giving us a call.

Very truly yours,

MUNDT, MacGREGOR, HAPPEL,
FALCONER & ZULAUF



Paul MacGregor

WPM:bk

cc: Mr. Jim Branson
Mr. Mark Hutton
Mr. Y. Okazaki

GULF OF ALASKA GROUND FISH FISHERY
(Metric Tons)

APPENDIX 9A

SPECIES	ORIGINAL				JANUARY RESERVE RELEASE			MARCH RESERVE RELEASE		
	OY	DAH	RESERVE	TALFF	RESERVE RELEASE	RESERVE BALANCE	REVISED TALFF	AVAILABLE FOR RELEASE	RESERVE ^{1/} BALANCE	REVISED ^{1/} TALFF
Pollock	168,800	14,200	133,800	20,800	33,450	100,350	54,250	33,450	66,900	87,700
Cod	34,800	15,500	10,000	9,300	2,502	7,498	11,802	2,502	4,996	14,304
Flounders	33,500	7,200	9,700	16,600	2,425	7,275	19,025	2,425	4,850	21,450
Pacific Ocean Perch	25,000	1,100	7,900	16,000	1,975	5,925	17,975	1,975	3,950	19,950
Rockfish	7,600	2,000	3,500	2,100	875	2,625	2,975	875	1,750	3,850
Sablefish	13,000	4,000	4,100	4,900	0	4,100	4,900	2,050	2,050	6,950
Atka Mackerel	24,800	0	5,500	19,300	1,375	4,125	20,675	1,375	2,750	22,050
Squid	2,000	0	1,000	1,000	250	750	1,250	250	500	1,500
Other	16,200	500	4,700	11,000	1,175	3,525	12,175	1,175	2,350	13,350
Total	325,700	44,500	180,200	101,000	44,027	136,173	145,027	46,077	90,096	191,104

^{1/} If full March release is made.

Marine Resources Co., Inc.

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November 27, 1978

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 harvest 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 MT
Pacific Cod	1900 MT
Pacific Ocean Perch	1400 MT
Sablefish	400 MT
Other species	300 MT

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,

Wally

Walter T. Pereyra
Vice-President and General Manager
Marine Resources Co., Inc.

WTP:ar

cc: Terry Leitzell
Harry Rietze
Dr. Dayton Alverson
Dr. Donald Bevan
Jim Branson
Bert Larkins
Sig Jaegar
Henry Haugen

REVISED GULF FMP FIGURES
(Jan. 1979)

		Shum.	Chirk.	Kod.	Yak.	S.E.	Total
Pollock	OY	57	54.4	40.8	12.5	4.1	168.8
	RES	33.9	32.325	24.3	7.425	2.4	100.35
	DAH	4.8	4.6	3.4	1.1	0.3	14.2
	FAC	18.3	17.475	13.1	3.975	1.4	54.25
Cod	OY	9.6	4.1	15.3	4.3	1.5	34.8
	RES	2.047	.862	3.315	.952	.322	7.498
	DAH	4.3	1.8	6.8	1.9	0.7	15.5
	FAC	3.253	1.438	5.185	1.448	.478	11.802
Flounder	OY	10.4	2.7	12.0	6.4	2.0	33.5
	RES	2.25	.6	2.625	1.35	.45	7.275
	DAH	2.2	0.6	2.6	1.4	0.4	7.2
	FAC	5.95	1.5	6.775	3.65	1.15	19.025
POP	OY	2.7	2.7	5.2	7.9	6.5	25.0
	RES	.675	.675	1.2	1.875	1.5	5.925
	DAH	0.1	0.1	0.2	0.4	0.3	1.1
	FAC	1.925	1.925	3.8	5.625	4.7	17.975
Rockfish	OY	.3	.2	.6	3.4	3.1	7.6
	RES	.075	.075	.225	1.2	1.05	2.625
	DAH	0.1	0	0.2	0.9	0.8	2.0
	FAC	.125	.125	.175	1.3	1.25	2.975
Sablefish	OY	2.1	1.4	2.4	3.4	3.7	13.0
	RES	.7	.6	.9	1.2	.7	4.1
	DAH	0.1	0	0.1	0.8	3.0	4.0
	FAC	1.3	.8	1.4	1.4	0	4.9
Atka mackerel	OY	4.4	3.6	15.8	1.0	--	24.8
	RES	.75	.6	2.625	.15	--	4.125
	DAH	0	0	0	0	0	0
	FAC	3.65	3.0	13.175	.85	0	20.675
Squid	OY	.4	.4	.4	.4	.4	2.0
	RES	.15	.15	.15	.15	.15	.75
	DAH	0	0	0	0	0	0
	FAC	.25	.25	.25	.25	.25	1.25
Other	OY	4.4	3.6	5.0	2.1	1.1	16.2
	RES	.975	.75	1.125	.45	.225	3.525
	DAH	0.1	0.1	0.2	0.1	0	0.5
	FAC	3.325	2.75	3.675	1.55	.875	12.175
TOTAL	OY	91.3	73.1	97.5	41.4	22.4	325.7
	RES	41.522	36.637	36.465	14.752	6.797	136.173
	DAH	11.7	7.2	13.5	6.6	5.5	44.5
	FAC	38.078	29.263	47.535	20.048	10.103	145.027

STATEMENT BEFORE THE
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
AT ANCHORAGE, ALASKA, JANUARY 25, 1979
BY MARINE RESOURCES COMPANY

I am here today on behalf of Marine Resources Company, a Washington corporation, which is the fishing joint-venture between Bellingham Cold Storage and the Soviet Union Ministry of Fisheries.

I wish to address an action which was taken at the Council's December meeting concerning the Gulf of Alaska Groundfish FMP which may substantially affect the interests and proposed experimental operations of Marine Resources Company. I underscore may because the plan, its amendments and the regulations of the Secretary are ambiguous, or at least difficult to understand, regarding the use of the Joint Venture Reserve. The Gulf Groundfish Plan development and implementation process was a lengthy one, complicated by amendments and the uncertain status of joint venture operations. Indeed, Marine Resources Company was not able to specifically inform the Council of its plans until late in November. It is the reduction of the Joint Venture Reserve for sablefish, of which MRC learned by the December Council newsletter, that concerns us. The reduction is from 1500 MT to 500 MT.

The Marine Resources' Proposal for Gulf of Alaska operations is in a letter to the Council from Wally Pereyra which was distributed at the December meeting. That proposal, in capsule form, is

for one or two U.S. harvest vessels to conduct a multi-species trawl fishery and deliver their catch of 6000 MT of all species to one or two Soviet BMRT-type processors. The principal species would be Pacific cod and POP (1900 and 1400 MT respectively) -- species for which MRC can presently find an export market. The quantities of pollock (2000 MT), and lesser amounts of sablefish and other species (400 and 300 MT respectively) are projected by-catch levels anticipated in their directed fishery on Pacific cod and POP. Lack of experience and catch data from U.S. trawlers working in the Gulf makes it very difficult to be precise in making these projections. To reiterate, it is not proposed to target on pollock or sablefish, but rather to attain the multi-species catches inherent in the use of trawl gear to harvest Pacific cod and POP. The operation would be limited to the Shumagin and Chirikof areas.

The reason for our concern is obvious. We have projected that U.S. fishermen harvesting for our company could take up to 400 MT of sablefish. This, when taken with the KMIDC operation directed at pollock, leaves a very slight margin before attainment of this level of harvest of sablefish will cause a complete shutdown of American trawl operations.

In voicing this concern, we have made an assumption against our interest. If this is not a valid assumption, we may not have a problem.

Assumption. The J/V reserve will act as a limitation on the amount of fish taken by the joint venture operations.

- This is not stated in the FMP or implementing regulations. In fact, the preamble to the Final Regulations published December 1, 1978 indicated the purpose for the reserve is to withhold FAC from the foreign fishery until it can be established with some certainty that that portion of the optimum yield will not be utilized by U.S. fishermen fishing for joint ventures. Still there is a concern that the Council in reviewing the joint venture permit applications will find the J/V reserve a suitable limit for harvests by joint venture operations. If in fact the Council intends to account joint venture harvests to the overall Domestic Annual Harvest plus reserves, we would not be as concerned about the reduction in the total Sablefish DAH by one thousand metric tons by the Council to achieve optimum yield.

If our adverse assumption holds true, and we hope it does not, we would have further concerns as follows. If the joint venture reserve is allocated by management area, as is the combined reserve, the projected U.S. harvest by MRC operations would be severely limited. This is because we propose to operate in only two of the five management areas. By illustration, if the

500 MT J/V reserve for sablefish is allocated to the five management areas in the same proportion as the combined reserves, joint ventures fishing in Shumagin and Chirikof would be entitled to only 120 MT of this species.

We've imagined the worst, but we thought it would be wise to express our concerns in this way. We believe the limitations on our operation ought to be those expressed in the Act, i.e. the portion of U.S. harvested fish not utilized by U.S. processors, and, of course, the overall effort by the Council to achieve optimum yield.

We would request that the same concerns be considered in the Council's consideration of changes in the Pacific cod joint venture reserve at this meeting. Pacific cod is a directed fishery for MRC and we would be very troubled by limitation of this nature.

Finally I'd like to point out to the Council, although I'm sure it has been said before, a stated purpose of the FCMA is "to encourage development by the United States fishing industry of fisheries which are currently underutilized or not utilized by United States fishermen, including bottomfish off Alaska". FCMA [§]2 (b) (6). This purpose is echoed as an objective of the Groundfish FMP itself. Alaska Groundfish FMP [§]8.1 (c). Obviously,

by-catch limitations which would adversely impact the economics of developing U.S. trawl fisheries on underutilized resources in a U. S. sense, would not be consistent with this stated purpose of the FCMA.

Marine Resources Company appreciates this opportunity to be heard by the Council.