



A BRIEF REPORT ON NOAA TRADE NEGOTIATIONS

March-April 1980

In May 1979 the Administration announced a new policy in which the Federal Government would enter into a partnership with the United States fishing industry to develop its capacity to harvest, process, and market the bulk of the 1.6 million metric tons fished by foreign countries in the U.S. Fisheries Conservation Zone (FCZ).

A key part of this fisheries development initiative is to assist industry to develop export markets in countries which are currently fishing in our waters, by gradually replacing foreign harvested fish with fish caught by U.S. fishermen and subsequently exported abroad. A policy has since been developed and is now being implemented which links foreign fishing allocations to a willingness on the part of the fishing country to provide greater access for U.S. seafood exports into its markets. This policy was first used during a NOAA trade mission to Japan in November 1978 and was a factor in the Japanese willingness to concede some tariff reductions to the U.S. during the MTN negotiations.

Despite this mission, very few sales to Japan of "under-utilized species" actually took place during 1979, prompting

the Department of Commerce to encourage the Department of State last fall to withhold 40,000 metric tons of Alaskan pollock from the 1980 Japanese allocation in an effort to convince the Japanese (1) that the United States was serious about the linkage between trade and allocations, and (2) that unless trade barriers were reduced and actual purchases of underutilized species increased, further fishing allocations could also be reduced.

The President's decision in January to withhold some 300,000 metric tons of fishing quotas from the Soviet Union during 1980 provided NOAA with an expanded opportunity for pursuing the policy of linking fishing quotas with expanded trade for U.S. seafood exports. Richard Frank, the Administrator of NOAA, led trade negotiation missions to Spain, Italy, and Japan in March and April of 1980, and Terry Leitzell, the Assistant Administrator for Fisheries, led a smaller mission to the Federal Republic of Germany and the European Economic Community (EEC) in late March. These missions stressed that the United States was committed to developing its capacity to harvest, process, and market its underutilized species, and that countries which were prepared to assist in this endeavor by (1) lowering trade barriers, and (2) encouraging their industry to expand its commercial ties with U.S. industry, particularly through purchase of U.S. exports, would receive favorable consideration in the allocation of fishing quotas

in the U.S. FCZ. Conversely, countries which were unwilling to encourage U.S. exports through these measures would receive less favorable consideration.

European Economic Community

In the EEC, NOAA requested tariff reductions in certain target species (squid, herring, mackeral, pollock, monkfish, skate) and in other more traditional export products, (eels, salted salmon, hake, and crabs) to expand U.S. market opportunities. The Italians agreed to raise the NOAA request in the EEC council and exhibited interest in commercial joint venture arrangements with the U.S. industry as well as in actual purchase of U.S. product. An Italian sales mission the week following their talks actually purchased a sizable amount of squid from one firm in the mid-Atlantic area. Other business opportunities with Italian firms are being pursued by U.S. industry. Based on this initial positive response, NOAA is supporting Italy's request for a reasonable share of the 1980 Atlantic squid allocation.

The FRG, while unwilling to raise the NOAA tariff request within the Community on its own initiative, has been actively encouraging its industry to enter into a variety of commercial ventures with U.S. firms. In response to a specific offer made by a major German firm, NOAA is supporting a German request for a small allocation of Alaska groundfish from the Soviet quota for the remainder of 1980. If export sales of

the target species materialize as anticipated, Alaskan fishing quotas could be provided to the FRG in the future as well.

While there is no opportunity to negotiate tariff concessions within the Community at this point in time, we are continuing to explore the opportunities for 1981. The Community is currently engaged in negotiations of a similar nature with the Canadians and would like to conclude the Canadian round before negotiations with any additional countries are explored.

In discussions with EEC representatives in Washington in late April, NOAA set the stage for the possibility of more formal negotiations later this year and NOAA staff are beginning to think through what strategies should be pursued. NOAA has coordinated fully with the United States trade representative's office which is supporting NOAA in this effort.

Spain

NOAA engaged in relatively extensive negotiations with Spain regarding removal of non-tariff trade barriers, particularly around the import licensing system, in return for which the Spanish requested a significant share of the Atlantic squid quota and an opportunity to enter Alaskan fisheries in cod, pollock, and flatfishes. NOAA is on the verge of a bilateral agreement with Spain on these issues whereby U.S. exporters will receive automatic licensing approval in target species up to agreed upon amounts, and Spanish industry will

make genuine efforts to import from the U.S., even if that entails the Spanish providing technical assistance to U.S. industry to produce product of adequate quality and form.

Japan

Japan has the largest foreign fishing quota in the FCZ and also is the largest importer of U.S. seafood products, most of which are in the traditional, fully developed species such as salmon. Since the 1978 mission, NOAA policy has been to open up the Japanese market to the underutilized species by requesting tariff reductions and modifications in the import quota and licensing system, which currently operates to impede U.S. exports to Japan.

The most recent series of talks focused primarily on modifying the import quota system, particularly by encouraging the Japanese to permit as quota holders those firms or entries which are most likely to purchase product from the U.S. (i.e., supermarket chains, processors, other institutional buyers), rather than restricting these quotas to trading and fishing companies. The Japanese indicated they might be willing to consider some type of modifications but no specific proposals regarding change have yet emerged from the Japanese side. Therefore, NOAA is recommending to the State Department as follows:

1. To continue to withhold the 40,000 metric tons from the 1980 allocation in the Bering Sea. Also, the

Japanese are likely to receive a smaller share of the Soviet allocation than their traditional fishing allocations would have provided them, unless improvements in the trade negotiations or actual commercial sales actually occur.

2. To allocate less than a proportionate share of squid to Japan, compared with the 1979 allocation.

Industry/Congressional Consultations

Consultations are now being held with Congressional, Regional Management Council, and industry representatives to discuss the proposed allocations, including the issue of new nations fishing off Alaska.

Congressional support of the linkage between trade and allocations has been strong and Senator Magnuson and Congressman Breaux have made it clear to the Department of State that unless trade factors are an important consideration in the allocation decisions they will push legislation to require the linkage. At this point the State Department is very supportive of this policy.

Coordination with the International Trade Administration

Negotiations will continue through 1980 and 1981 with the European Community, Japan, and Spain, and are likely to begin with Korea, Poland, Portugal, and Norway. The Administration is committed to ensuring that the linkage between trade and foreign access to fishing opportunities in the U.S.

200-mile zone remain an important factor in the allocation .
of foreign fishing quotas in the future.

Prepared by: Martha O. Blaxall
Chief, Office of Fishery
Utilization and Development
NMFS, Washington, D.C.



DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

May 8, 1980

MEMORANDUM

TO: FILE

FROM: OES/OFA R.L. ^{RL}Cashdollar

SUBJECT: Fisheries Enforcement Statistics for 1979

In an attempt to put some of the mass of available statistics on enforcement efforts into a meaningful form for the purpose of assessing compliance standards of foreign nations, I have developed the following tables. The raw statistics were provided by NMFS Enforcement (Bill Lutton), and reflect combined enforcement efforts by both the Coast Guard and NMFS.

In this effort to rank order the participating nations by levels of compliance, I have shown gross figures (total number of vessels that actually fished within the US FCZ, total numbers of citations and violations issued, and total numbers of vessels seized). However, these numbers by themselves may be misleading, as they do not indicate overall levels of effort expended by each nation. A useful indicator of this overall level of effort is reflected in the figures reported as Days on the Grounds. This term is defined as the number of vessel days a particular nation has expended within the FCZ, not simply the number of vessels present during the year, or the number of permits issued. I have taken these Days on Grounds (D/G) figures, and divided them by the total number of citations, violations, and seizures that individual nations accumulated in 1979 in order to arrive at a figure that shows the number of vessel days within the FCZ that a nation has accumulated for each citation/violation/seizure issued. (Note: the D/Gs accumulated for support and transport vessels were separated out and not used in determining rank order, as it was felt that they were not true measures of fishing effort. These support D/Gs are listed in parenthesis on the following page for information purposes.)

The purpose of this effort was an attempt to reduce this data to a form which will allow a more direct comparison of one nation to the next, irregardless of overall levels of effort expended, and gross numbers of vessels utilized. Be careful about quoting the figures shown as hard and firm. For the most part, the citation/violation figures used are for unprocessed reports. They have yet to go through the mandated adjudication process where some may be dismissed or altered. The figures listed are most useful only in identifying general enforcement performance levels. The figures used are for 1979. Figures for 1980 to date are as of yet too tentative for use in identifying any meaningful trends.

1979 FOREIGN FISHING VESSEL ENFORCEMENT STATISTICS

<u>NATION</u>	<u>VSLs in FCZ</u>	<u>DAYS on GRNDS</u>	<u>CITATIONS</u>	<u>VIOLATIONS</u>	<u>SEIZURES</u>
JAPAN	396	54,696 (2905)*	14	133	6
USSR	106	8288 (462)*	15	33	0
SPAIN	46	2562	35	15	1
KOREA	31	3828 (687)*	1	3	3
MEXICO	17	2264	21	9	1
POLAND	17	1908 (86)*	3	7	0
ITALY	13	1064	10	77**	0
TAIWAN	3	205	0	0	2
IRELAND	1	23	0	0	0
ROMANIA	1	53	0	0	0

*Support/Transport vessel Days on Grounds (Not used in following computations)

**One vessel accounted for all 77 violations on a single boarding

RANK ORDERING OF NATIONS BASED ON NUMBER OF DAYS ON THE GROUNDS
ACCUMULATED FOR EACH CITATION ISSUED
(Largest NR = best record of compliance)

<u>NATION</u>	<u>D/G FOR EACH CITATION ISSUED</u>
JAPAN	3907
KOREA	3828
POLAND	636
USSR	553
MEXICO	108
ITALY	106
SPAIN	73

Note: No citations were issued for Romania, Ireland, or Taiwan. All boardings of Taiwanese vessels eventually led to their seizure.

RANK ORDERING OF NATIONS BASED ON NUMBER OF DAYS ON THE GROUNDS
ACCUMULATED FOR EACH VIOLATION ISSUED *
(Largest NR = best record of compliance)

<u>NATION</u>	<u>D/G FOR EACH VIOLATION ISSUED</u>
KOREA	1276
JAPAN	411
POLAND	273
MEXICO	256
USSR	251
SPAIN	171
ITALY	14 **

* No Violations were issued for Romania, Ireland, or Taiwan.
All boardings of Taiwanese vessels eventually resulted in seizure.

** All Italian Violations were accumulated by a single vessel.

RANK ORDERING OF NATIONS BASED ON NUMBER OF DAYS ON THE GROUNDS
ACCUMULATED FOR EACH VESSEL SEIZURE *
(Largest Nr = best record of compliance)

<u>NATION</u>	<u>D/G FOR EACH VESSEL SEIZED</u>
JAPAN	9116
SPAIN	2562
MEXICO	2264
KOREA	1276
TAIWAN	102

* No vessels from the USSR, Poland, Italy, Ireland, or Romania
were seized during 1979.