

11/30/78
Public hearings -

APPENDIX N

AMERICAN FISHERIES CORPORATION

2414 Susitna Drive, Anchorage, Alaska 99503

November 30, 1978

North Pacific Fishery Management Council
Suite 32
333 West 4th Avenue
Post Office Mall
Anchorage, Alaska 99501

Subject: November 30, 1978 report on progress of the KMIDC/
Davenny pollock joint venture in Gulf of Alaska

Gentlemen:

This will report to you on the progress of our project since your last meeting. As we reported at that time, we established a pilot delivery operation in early November with one catcher boat, operated by Ben Paz of Unalaska. The weather was lousy and Paz dragged up a considerable amount of rocks and halibut his first few drags. However, it didn't take him long to determine that the project as conceived was economically feasible from his point of view. The conclusion of KMIDC was also favorable. Koreans, like their Japanese friends, have expressed considerable skepticism concerning the ability of American fishermen to catch pollock. Their skepticism was dispelled as a result of the November pilot project.

Paz delivered a total of 9 cod ends during the period November 7-16. The breakdown of deliveries is set out in the chart which appears on the following page. Note that the quantity caught increased dramatically over the four day period with the last drag yielding 14 metric tons.

These results have been reported to the Fisheries Attache in the Korean Embassy in Washington who has reported or is in the process of reporting them to the National Fisheries Service in Juneau as provided in the KMIDC permits.

CHART OF DELIVERIES BY JOSEPHINE CAROLYN TO SOO GONG #51

DURING NOVEMBER 1978

PILOT PROJECT IN GULF OF ALASKA

Date	Pollock	Cod	Flounder	P.O.P.	Rock Fish	ATKA Mackrel	Others	Total	Area	No. of Deliveries
Nov. 7	0.010	3.540	0.440	0.100	0.260	-	0.400	4.750	A61	2
Nov. 14	3.590	0.470	1.040	-	0.070	0.010	0.050	5.230	"	1
Nov. 15	12.600	1.040	1.100	-	0.200	-	0.060	15.000	"	3
Nov. 16	<u>17.500</u>	<u>1.600</u>	<u>2.620</u>	<u>0.140</u>	<u>0.110</u>	<u>0.160</u>	<u>0.170</u>	<u>22.300</u>	"	<u>3</u>
Total	33.700	6.650	5.200	0.240	0.640	0.170	0.680	47.280*		9
Percentage	71.28%	14.07%	11.00%	0.51%	1.35%	0.36%	1.43%	100.00%		

Note: in Units of M/T

*last drag 14 M/T

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We experienced some delay in getting this information to the Korean Embassy and therefore the Korean Embassy experienced delay in getting it to NMFS in Juneau. American Fisheries Corporation bears the blame for this. We were so involved in the excitement of getting our unique operation going after two years of struggle, we neglected routine things such as providing data weekly to the Korean Embassy in Washington so that it could report weekly to NMFS in Juneau as provided in the KMIDC permits. Our failure to comply has been brought to our attention both formally and informally by NMFS. We believe that in the future reports will be routinely processed by everyone involved. As we are all aware, statistics demonstrating the success of our joint venture project, while of interest to many, are of the most benefit to us as they establish our right, and more particularly, the right of the American fishermen associated with us, in future years to have bottomfish allocated to the American rather than the foreign quota.

The most significant result of the pilot project was the confirmation of what we had heard from a variety of sources concerning the relationship of daylight to the pollock fishery. Pollock school on the bottom during daylight hours only. After that they disperse as well as rise. Thus, a pollock fishery is only minimally feasible during the depths of the winter even without taking into consideration the adverse weather conditions prevailing in the Gulf of Alaska from November through February. From this conclusion we have tentatively moved to the larger policy determination that our joint venture pollock fishery in the Gulf of Alaska will shortly develop into a March through October fishery with maximum quantity deliveries occurring during the months with the longest daylight hours.

Although this March to October fishery will probably become our pattern as of the end of October 1979, in this our first year we plan to start a commercial scale operation on or about January 15, 1979. We are doing this in part because we have uncovered a substantial amount of enthusiasm among fishermen both in Alaska and in the Pacific Northwest. We are also doing it because we feel threatened by the NMFS proposal to cut the joint venture quota by 25% on January 2 and March 2 (see the Federal Register of October 6, pp. 46349-46353). Adverse weather and small catches notwithstanding, the early months of 1979 are critical in establishing the credibility of our long talked of proposal. We realize that

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only if we get going with 5 or 6 boats in mid-January and continually add to the U. S. catcher fleet (with periodic additions to the Korean processing fleet) will we be able to protect the quota which has been allocated to us.

On this we need your affirmative support and assistance at the NMFS and Secretary of Commerce levels. After you have heard the report of Jeff Johnson, our fleet manager, concerning the developing enthusiasm of some Kodiak fishermen and the dramatic and enthusiastic reception with which he was met in Washington and Oregon two weeks ago and seen our film footage of the Josephine Carolyn in operation and after you have reviewed the attached copy of my letter to Mr. Terry Leitzell of November 14, I urge that you resolve to send a letter to the Secretary of Commerce urging her to postpone the effective date of the proposed 25% Reserve reallocation regulations until after the April 1979 council meeting. 25% reallocations could then be done in late April, May, June and July if our fishermen fail to catch what we believe they will.

As I said in my letter to Mr. Leitzell, the issue is one of basic fairness and justice to the American fishermen for whose benefit Congress passed the FCMA in 1976. These men need decent weather, time to get organized with their nets in place, and time to arrange their financing, crews and schedules. Most of all they need longer days. Two drags a day (which is what Ben Paz estimates was the best he could do in November, December and even January) is just not enough to make pollock fishing economically feasible even with the efficiencies involved in cod end delivery at sea.

These are American fishermen, the people who worked for the passage of the FCMA and for whose benefit Congress enacted the FCMA. Some are from Alaska and some are from adjacent states. You should not yield to the pressures no doubt being directed your way from a variety of sources to so quickly take away from them a portion of the 133,000 metric tons which in August of this year you allocated to joint venture deliveries and which only takes effect tomorrow.

As I remember it, you added 100,000 metric tons to the joint venture reserve with the condition that you would review our progress regularly. Since that time we have been

reporting to you regularly. You probably know more about the internal and external affairs of American Fisheries Corporation than you know of any other fishing operation under your management. We will continue to give you monthly reports until we have established our credibility with you with the processing industry and with fishermen of the Pacific Northwest. Thereafter we will report to you as regularly as you may care to hear us.

In the meantime we must once again beg for more time for our fishermen to get started. If they can only make two drags a day and if the pollock are only on the bottom in schools during the daylight hours, there is not much that KMIDC or American Fisheries Corporation or the fishermen involved can do to provide you with dramatic delivery statistics in the next few months. But surely the statistics set out above, showing an average per drag increase in four days and nine drags of from 2.4 MT per drag to 7.6 MT per drag (with the last drag yielding 14 MT alone), suggest that American fishermen are not going to have a lot of trouble harvesting 10 tons (the capacity of the cod ends which will be used in our project) per drag for as many drags as the daylight hours will permit. Even if you have doubts on this conclusion, the language of the FCMA requires that you resolve those doubts in favor of U. S. fishermen rather than in favor of foreign fishermen.

Finally, it must be pointed out that the foreign fleets don't need the fish in the early months of 1979. The attached graph is based upon statistics provided me by the National Fisheries Service on pollock harvested by foreign fleets in the Gulf of Alaska during 1977 and 1978. The end of April is soon enough to make the initial cut, if, indeed, a cut appears appropriate.

American Fisheries Corporation remains convinced that if we have until the end of April of this year our fishermen will be able to persuade you and the Regional Director of the National Fisheries Service that they are fully capable of harvesting all or virtually all of the 133,800 MT pollock reserve as well as most of the by catch reserve allocated to them in the present version of the Gulf of Alaska Ground Fish Fishery Management Plan for the period 1978-October, 1979. We implore you to support us and, more importantly our fishermen, on this point and to use your persuasive powers with the Secretary of Commerce to defer


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the "first cut" under the proposed regulations until the end
of April, 1979.

Yours very truly,

AMERICAN FISHERIES CORPORATION

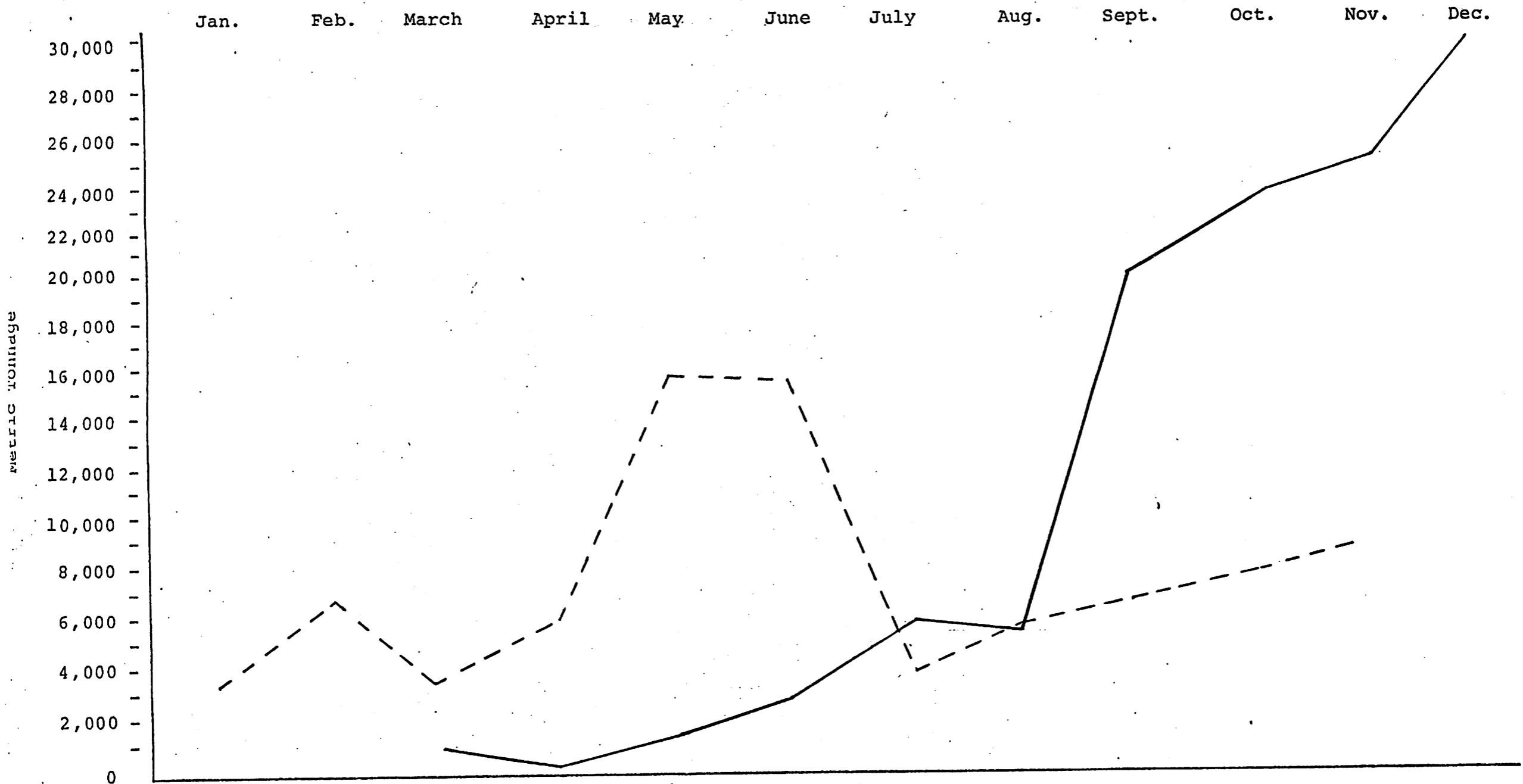
By


Robert C. Ely

RCE/sg

POLLOCK HARVEST BY FOREIGN FLEETS
IN GULF OF ALASKA

Data obtained from National Marine Fisheries Service



Data for Jan. and Feb. 1977 unavailable

Month

Year: ——— 1977
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