

M E M O R A N D U M

TO: Council, SSC and AP Members
FROM: Jim H. Branson
Executive Director
DATE: November 28, 1983
SUBJECT: Joint Venture Operations

ACTION REQUIRED

Information only.

BACKGROUND

The total joint venture catch off Alaska through November 5, 1983 was 348,677 mt. In the Gulf of Alaska through November 5, 1983, joint ventures harvested 138,728 mt which was over 95% pollock. All operations were completed in the Bering Sea/Aleutians by October 1, and harvested 209,949 mt including 149,013 mt pollock, 34,228 mt flatfish, 14,351 mt Pacific cod, and 10,512 mt Atka mackerel. General summaries are given below.

1. Marine Resources Company - U.S.S.R.
(1983 request: 104,000 mt)

Pollock operations ran from April 22 to July 8 and caught 15,800 mt (of a 16,000 mt target) using five catchers delivering to one processor, mainly in the Unimak Pass area though the operations went as far north as the Pribilofs.

The yellowfin sole fishery began on February 15 and ended on August 26 with a catch of 36,500 mt of sole and cod using eight catchers and five processors in the area between Unimak Pass and Dillingham.

The Atka mackerel fishery began on April 17 and ended on August 31 with a catch of 19,450 mt using one processor, the SULAK, and seven catchers in the Seguam Pass area.

Marine Resources Company now has an operation fishing for Pacific cod, sole and Atka mackerel in the Kodiak area. It began on November 17 and will continue into 1984 using 2-3 processors and six catchers from Kodiak. The harvest goal is about 7,000 mt.

2. Universal Seafoods/Nippon Suisan
(1983 request: 78,000 mt)

The first half of this operation ran from January 22 to March 23 and caught 33,000 mt of pollock from Shelikof Strait using six catchers and three processors.

The second half commenced on June 19 and ended on September 15 with a catch of 45,000 mt, mainly pollock, using seven catchers and two processors outside Dutch Harbor.

3. Westward Trawlers/Taiyo Fishery Company
(1983 request: 45,000 mt)

Pollock operations in Shelikof Strait ran from February 1 to March 31 and caught 28,597 mt that was 99.8% food grade pollock. Four catchers and two processors were used.

Operations continued on June 19 in the Unimak Pass area using two processors and seven catchers. This operation ended on September 14 with a catch of approximately 38,000 mt, mainly pollock.

4. Jeff Hendricks and Associates/Hoko Fishing Company
(1983 request: 26,000 mt)

Pollock operations began in the Unimak Pass area on April 6 and ended on July 20 with a catch of 31,487 mt, mainly of pollock, using six catchers and two processors.

5. Peter Pan Seafoods/Nichiro Gyogyo
(1983 request: 11,600 mt)

Pollock operations in Shelikof Strait ran from January 24 to late March and caught almost the entire quota of 11,600 mt using two catchers and one processor.

6. Whitney-Fidalgo Seafoods/Kyokuyo
(1983 request: 20,000 mt)

Pollock operations took 11,324 mt from Shelikof Strait between February 23 and March 15 using two catchers and one processor. Operations resumed on June 11 in the Bering Sea using three U.S. trawlers delivering to one processor. The operation ended on August 10 having caught 14,915 mt, mainly pollock.

7. Fish Producers Associates/Korea Wonyang Fisheries
(1983 request: 32,000 mt)

Pollock operations in Shelikof Strait began on February 12 and caught over 31,000 mt by May 21, using six Korean processors and eight U.S. trawlers full-time, and an additional ten U.S. trawlers on a part-time basis.

8. J.V. Fisheries, Ltd./North Pacific Joint Fishing Committee (ROK)
(1983 request: 18,000 mt)

The Shelikof Strait fishery caught 17,925 mt pollock from February 23 to March 29 using six catchers and three processors.

A yellowfin sole fishery using the Han Jin Ho purchased 2,851 mt of cod and sole from three U.S. trawlers during July and August.

A second yellowfin sole fishery began on June 12 and by September 24, caught about 3,500 mt of sole and cod using one processor and three U.S. catchers in the area from Bristol Bay to Unimak Pass.

9. North Pacific Corporation/Marine Enterprise Company (ROK)
(1983 request: 8,600 mt)

The operation began in Shelikof Strait on March 2, moved to the Bering Sea near Dutch Harbor in mid-April, and then south of Unimak using one foreign processor and two U.S. trawlers. Operations ended on September 28 with a total catch just over 4,000 mt, mostly of Pacific Ocean perch, rockfish, and Atka mackerel.

10. Alaska Contact/Highly Enterprise Corp (Taiwan)
(1983 request: 4,000 mt)

The operation commenced on July 21 and by November 19 using two processors and four catchers harvested 2,713 mt which was about 85% cod and flatfish. Operations were conducted in the Kodiak area and eastward around Gore Point. They will continue fishing toward the 4,000 mt goal until late December.

11. West German Joint Venture
(1983 request: 8,360 mt)

No joint ventures operated in 1983.

12. Pribilof-Highly Sea Products/Highly Enterprise (Taiwan)
(1983 request: 6,000 mt)

Operations will not commence until 1984.

13. Alaska Salt Fish Corporation/Bacaladera Vasca (Spain)
(1983 request: 12,000 mt)

Operations will not commence until 1984.

14. Portugal

This operation has fished in State waters around Kodiak and has taken 567 mt of Pacific cod since early November.



Alaska Contact Ltd.

MEMORANDUM

TO: Jim Campbell, Chairman
North Pacific Fishery Management Council

FROM: Alaska Contact Ltd.

RE: 1983 TAIWAN-ALASKA JOINT VENTURE OPERATIONS REPORT

In July of this year Chong Shing Ocean/Highly Enterprise Corporation began a joint fishing venture with Alaskan trawl fishermen to harvest Pacific cod, walleye pollock and various species of flounder, sole and rockfish in the Gulf of Alaska. The venture consists of three (3) Taiwanese processing vessels and six (6) Kodiak-based U.S. trawlers ranging in length from 58 feet to 96 feet and from 350 hp. to 500 hp.

BENEFITS TO ALASKA

This particular joint venture created an opportunity for smaller boats of limited range and capacity to participate actively in the joint venture fishing program that has heretofore been open only to larger boats. This opportunity is especially welcomed in a year when customary target species are declining dramatically. Whereas a venture such as this one, of limited daily processing capacity, is likely to prove uneconomical for larger catcher boats, it offers lucrative and steady employment to the local Kodiak fleet. This joint venture is the first in the Fishery Conservation Zone utilizing smaller Alaskan boats exclusively.

The positive economic impact is not limited to the fishermen, however, as local Kodiak and Alaskan businesses are recipients of many dollars spent by the foreign processing and U.S. harvesting vessels for supplies, fuel, parts and other provisions.

In addition, this is the first sustained effort by U.S. fishermen to locate and commercially harvest the flatfish resource in the Kodiak area. This new commercially viable fishery is currently stimulating interest in the domestic shore-side processing of flatfish. Development of such a domestic fishery is clearly the result of this joint venture and promises year-round employment for the Kodiak fleet and local shoreside processing plants.

From the outset, this joint fishing venture has been a learning experience for all participants. The U.S. fishermen have had to develop a new fishing strategy and prospect for new grounds. This venture was particularly risky for the Taiwanese partners who, at the outset did not have firm markets; indeed, many of the species purchased from the U.S. fishermen were totally unfamiliar to the Taiwanese consumer. Although market development is a long term and expensive task, the Taiwanese partners have enjoyed a measure of success that encourages them to continue.

EXAMPLES OF COOPERATIVE PARTNERSHIP

Throughout the venture, the performance of the Taiwanese partners has been excellent both aboard ship and in Taipei. Comparing this operation to others naturally leads one to rate it well. The partners have worked easily together from the outset. Many problems that have proven troublesome in other ventures, have been little or no problem in this venture. For example, resolving disputes concerning broken codends and lost fish is not an easy matter in any joint venture. When such an incident occurred for the first time with one of the Taiwanese vessels, it was possible to agree on amounts lost and to apply a species composition formula from previous deliveries that satisfied all parties. Similarly, comments and requests from catcher boat skippers regarding ship handling during codend transfers have been accepted and readily complied with by the processors.

Upon two occasions, when the Alaska Contact Ltd. representative was called away from the Chief Dragon 101, the U.S. fishermen suggested that the captain of the Chief Dragon 101 evaluate the catches himself, rather than find a temporary replacement for the Alaska Contact Ltd. representative. All operations ran smoothly; the U.S. fishermen were pleased with the speed and accuracy of the catch reports during these periods.

It should be noted that since the outset of fishing activity, the Taiwanese have insisted (and Alaska Contact Ltd. and U.S. fishermen have agreed) that in case of insolvable disputes over catch numbers, the amounts and weight recorded by the National Marine Fisheries Service observer would prevail. To date, this measure has been employed only once.

On all these Taiwanese processing ships, catch from individual tows is kept separate in order to insure correct allocation of the catch to individual fishing boats. In order to accommodate this need, and to prevent the mixing of fish, the Taiwanese have agreed to adapt their normal operating

procedures by holding a full codend on deck until the previous haul is processed. The steady development and maintenance of a good working relationship has led to the strong spirit of cooperation and commitment that now exists between the partners of this joint venture.

TAIWANESE OPERATING PROCEDURES

Honesty and integrity have been questioned with respect to the Taiwanese partner. This is a sensitive topic; nonetheless, it is one that needs to be dealt with directly. Based on the experience of this particular joint venture, the honesty and integrity of the participating Taiwanese is above reproach.

All but one of the Alaska Contact Ltd. representatives have had prior NMFS observer experience. Each is familiar with procedures on fishing vessels of many different nations. Additionally, each of the Taiwanese vessels has had NMFS observers aboard. The consensus of this group is that the Taiwanese vessels are significantly easier to work on than other foreign vessels because of their operating procedures. Several examples are as follows:

First, all bookwork is done on the bridge, openly. The quartermaster or third officer brings numbers of processed fish from the factory. These numbers and recovery rates are entered into the fishing log after each haul. All computations and log entries are open to examination at any time upon request of the NMFS observer or the joint venture representative.

Second, the captains of the foreign vessels require recovery rate tests more often than the joint venture representative does. They are done at least once a week to reflect accurately, the changes in fishing. Chong Shing Ocean/Highly Enterprise Corporation allows the ships to use their own data, rather than requiring them to use an inflated company figure.

Third, an atmosphere of trust and mutual acceptance is present on all the ships. The joint venture representative is welcome at any time without prior warning anywhere on the ship, including the fish holds. There is no change in procedure when an NMFS observer or joint venture representative enters the factory or arrives on the bridge. From past experiences of the observer/representative group, such total openness is unusual.

Fourth, the Taiwanese, on their own accord, are keeping complete and accurate records of the following:

- a. Prohibited Species. There is an officer on deck responsible for counting and recording weights. This is done precisely and not by estimate. Furthermore, all parties have been impressed with the care and concern demonstrated by the Taiwanese fishermen in returning prohibited species to the sea as quickly and gently as possible.
- b. Sablefish. Throughout the venture, extreme care was taken by the Taiwanese to monitor the sablefish catch accurately. When the sablefish quota was reached, every incidentally caught sablefish was collected, weighed and returned to the sea. The weight of these discards was recorded in the daily fishing log.
- c. Other Non-target Species. According to NMFS officials in Seattle, other countries and companies typically use eyeball estimates in order to arrive at their discard figures. Taiwanese officers sample any hauls that NMFS observers or joint venture representatives do not, using NMFS customary and well-defined procedures. Thus, uniformity and accuracy is assured for the reporting of all non-targeted species.

The above examples demonstrate some of the reasons for the bond of trust that exists between the Taiwanese and American joint venture partners.

CONCLUSION

It is clear that all rules and regulations of the FCMA have been observed scrupulously, because the Taiwanese processing vessels have been under close scrutiny by the U.S. fishermen, Alaska Contact Ltd. representatives, NMFS observers and the U.S. Coast Guard, in the form of daily over-flights.

The joint venture fishing permit for 1983 was granted to the Taiwanese by the United States with the understanding that they would remain free of any violations within the U.S. Fishery Conservation Zone. Since the beginning of this venture in July, the Taiwanese and their vessels have performed flawlessly. They have received only excellent reports from all NMFS observers who have been on board the ships. A strong, trusting relationship has developed between Chong Shing Ocean/Highly Enterprise Corporation and Alaska Contact Ltd. All parties look forward to continuing this most successful joint venture in 1984 and beyond.

For verification of the above, please contact:

Mike Haggren, Owner, FV Defiant
Al Burch, Owner, FV Dawn, FV Dusk

c/o Alaska Draggers Association
Box 991
Kodiak, Alaska 99615
(907) 486-3910

or,

Observer Program
Northwest and Alaska Fisheries Center
2725 Montlake Blvd., East
Seattle, Washington 98112
(206) 442-4990