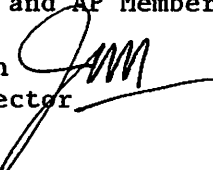


M E M O R A N D U M

TO: Council, SSC, and AP Members
FROM: Jim H. Branson 
Executive Director
DATE: July 14, 1981
SUBJECT: Update on Joint-Ventures off Alaska

ACTION REQUIRED

1. *Report by John Schmiedtke on the West German operations.*
2. *Additional summaries of other joint-ventures are given below.*

SUMMARY

In addition to the West German operations, joint-venture fisheries were conducted by two Japanese companies, the Soviets, and Koreans.

1. Nippon Suisan and Universal Seafoods

Two trawlers, American No. 1 and Muir Milach, fished for 37 days beginning June 1 in the Gulf of Alaska. Dick Pace said the operation was successful; 6,200 mt of pollock and 300 mt of incidental species were caught. Details will be available in the near future.

2. Taiyo and Pan Alaska Fisheries

Fishing commenced on April 11 and ended on June 1. See synopsis on Agenda Item B-5(a).

3. Korean Joint-Venture

Seven U.S. trawlers delivered about 17,000 mt of pollock to four Korean processors before leaving the grounds on June 6. Problems encountered in the joint-venture are discussed in Agenda Item B-5(b), a letter from the Fleet Captain of the U.S. trawlers to Kronmiller of the State Department.

4. Soviet Joint-Venture

A report from Marine Resources Company is available under Agenda Item B-5(c).

Pan-Alaska Fisheries, Inc.

A SUBSIDIARY OF CASTLE & COOKE, INC.
CASTLE & COOKE BUILDING, FISHERMEN'S TERMINAL
P.O. BOX 17705 / SEATTLE, WASHINGTON 98107 / 206 284-0900
TELEX 32 9439 PAN AKFISH SEA

ACTION	ROUTE TO	INIT
	Exec. Dir.	3
	Asst. Dir.	4
	Admin. Off.	
	Exec. Sec.	
	Staff Asst. 1	
	Staff Asst. 2	
	Staff Asst. 3	
	Equipment	
	Gen. Bkgr.	
	Gen. Typist	
<i>July mtg</i>		
<i>JUL 1981</i>		

June 29, 1981

Mr. Jim H. Branson
North Pacific Fishery Management Council
P.O. Box 3136DT
Anchorage, AK 99510

Dear Mr. Branson:

With specific reference to your letter dated June 8, 1981, please let this serve as a synopsis of our joint-venture activities with Taiyo Co., Ltd.

Two American catcher vessels; the F/V Golden Fleece and the F/V Half Moon Bay participated in the fishery. Fishing commenced on April 11th. Catches were good throughout April; that is, maximum production was maintained. Catches dropped substantially on May 1st and remained at a lower level until near the end of May. Fishing and processing continued until June 1st. Apparently everything went well, except that processing capacity exceeded catches most of May.

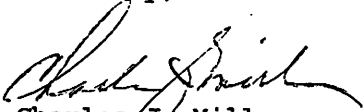
All but one or two tows were mid-water and most produced 99% Pollock (the target specie). Catch was as follows:

Alaskan Pollock	5252 Metric Ton
Cod	43 Metric Ton
Other (mostly Flounder)	20 Metric Ton

Both American fishing boats moved to other joint-venture fisheries in early June.

Please feel free to contact me for any additional information you desire.

Sincerely,



Charles J. Miller
Pan-Alaska Fisheries, Inc.

JUL 2 1981

June 30, 1981

Mr. Ted Kronmiller
Deputy Assistant Secretary for Oceans
& Fishery
Bureau of Oceans, Environment &
Scientific Affairs
Room 7831
U. S. Department of State
Washington, D. C. 20520

ACTION	ROUTE TO	INITIAL
	Exec. Dir.	
	Deputy Dir.	
	Admin. Off.	4
	Exec. Sec.	
	Staff Asst. 1	
	Staff Asst. 2	
	Staff Asst. 3	
	Sec. 1	
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	Sec. 10	

Dear Mr. Kronmiller,

I am writing in my capacity as the fleet Captain of the American boats involved with the U.S./Korean Joint Venture in the Gulf of Alaska - Bering Sea.

To begin with, all of us involved in the Joint Venture Fishery would like to thank you for the consideration you have given to the problems we are presently experiencing with the Joint Venture. We are aware of the amount of work handled by your Department and appreciate the time spent assisting us in our endeavor to make this fishery a valid successful joint venture between our country and Korea.

We have a sincere desire to achieve a successful resolution to the present situation. This is not merely a violation of business agreements, it goes much further into the political arena. We honestly believe and feel it is very evident that the Koreans have not looked to the joint venture as an attempt to enhance American Fisheries but rather as a basis to enhance their position with respect to Direct Fisheries Allocation, at the expense of ourselves. We do not make this accusation lightly. The lack of cooperation, except for a brief period initially, has been extreme; and, due to its on going nature, we have no alternative but to think it is intentional.

The present Joint Venture was put together over a period of time culminating in our present agreements being made in Korea in January between the American fishermen, F.P.A. and K.W.F.. The Koreans promised to provide a processor, the "GAE CHOEG HO", of 400 MT food grade fish per day capacity. This capacity (except for a brief period initially when they substituted their stern trawlers) has never been fully realized...first the winch aboard the processor could not handle the cod ends of fish, and the Koreans assured the Americans that this would be repaired. To date this has not been done. They did jury rig the operation to intermittantly handle cod ends, but at that time they didn't have the personel to handle the fish once aboard. Add to this steam problems, lack of understanding of their officers on coordination (this may have

been intentional), an unrealistically high tonnage to reach before back up processing would be called, and we had the start of "Catch 22". This year, because of the "GAE CHOEG HO" being the processor, there is a built in inefficiency. The vessel is old (built early 1950's as a whale mothership) and has never been maintained to standards since the Koreans acquired her. The Koreans are trying to force her to work in this fishery. A comment made by a Korean Banker in Seoul was "it is better for the "GAE CHOEG HO" to lose \$5 million in American waters than anchored up in Pusan losing \$5 million". I think that if they took a hard look at the costs of fuel, etc., they would find that they would be alot better off and more efficient using factory trawlers to pick up American fish as they did last year with KMIDC and as the Russian, Japanese, Polish, German and Bulgarians are doing this year.

During the recent yellow fin sole venture the vessels involved experienced delays in deliveries for as long as 21 hours for no apparent reason as capacity was not full. We considered this intentional harrassment to create frustration.

The Koreans have not fulfilled their obligation regarding the supply of cod ends and related rigging. This also has cost the fleet valuable fishing time. This seems to be of no concern to the Koreans as no attempt has been made to rectify the situation.

The weights of delivered fish have been erratic with discrepancies as much as 50%. These discrepancies have been progressively getting worse and have been documented by 4 bilingual observers that we placed aboard in May. (These 4 men were Mormon missionaries in Korea for 2 years and were probably more than fair considering they were employed by us.)

Also, substantial amounts of food grade fish have been processed into fish meal, a waste of our recourse. (The other Joint Ventures, Japanese, Russian, German, have produced very little meal this year.)

Payments for fish received have not been in keeping with the agreements which stated it would be weekly. After 5 months of the fishery, we are still seven to sixteen weeks behind in payments causing undue hardships to our crew members, families, communities, and creditors. (The above short weights, inaccurate compositions, and delayed payments were admitted to by H.S. Lee, President of K.W.F. in conference and by letter in Seoul last week.)

I could go on and on about the problems of this venture. I think that I am qualified to make some judgements on Joint Ventures as I have been involved from the start: Russian Hake 1979; Pollock - Cod - Herring 1980; Hake 1980; Korean Pollock 1981; plus I have been involved in this industry for over 20 years. I feel that the Korean Venture should be successful. As they were the first Joint Venture, they really have the most experience and potential. This more than anything points out that many of the problems are intentional.

Mr. Ted Kronmiller

-3-

June 30, 1981

The Koreans have been dishonest on many of our dealings. We have gone to Seoul twice (January & June) and Seattle twice, plus various meetings on the grounds and think that we have everything nailed down only to find that once we are gone they change the agreements. The latest meeting in Korea (June 18 - 21) resulted in agreements to get the fleet fishing again. This was made late Sunday night so we missed our plane out. The next morning we went to fisheries of Korea (Deputy Administrator Choi) to give a courtesy progress report and found K.W.F. present also. They had us both give our reports and K.W.F.'s had changed 180°. Consequently, we had to remain in the country two more days. We left Korea thinking that once more things were under control only to arrive home and find a telex negating most of the trip. It is instances such as this that make us feel toward Korea as we do.

The American catcher boats jointly feel that we have been misled and used so that the Koreans could acquire more direct fishing rights. We feel the Koreans have not made an honest attempt to see this venture work for the enhancement of fisheries; rather, they have done the least possible in order to have a joint venture so that they could present it to the State Department to reserve increased allocation for their Direct Fishery. We find it very hard to understand that contracted American vessels and crew are idle and tied up, while foreign vessels are making money Direct fishing in American waters on American fish.

We appreciate your assistance and would ask for your continued support. We honestly feel that without a strong posture by the U.S. Dept. of State this disregard for the Joint Venture fisheries will continue and it is the American fishermen who will suffer.

Thank you again.

Sincerely,



Frank B. Bohannon
Fleet Captain - U.S./Korean J.V. Alaska

cc. Honorable Don Young
Miss Lucy Sloan - Executive Director, NFF
Mr. Jim Branson - Executive Director, North Pacific Council

JUL 14 1981



Marine Resources Company

HEAD OFFICE:
192 Nickerson
Suite 307
Seattle, Washington 98109
Phone: (206) 285-6424
Telex: 277115 MRC UR
328041 MRC SEA

ACTION	ROUTE	
	Exec. Dir.	3
	Deputy Dir.	NAKHODKA OFFICE: 4
	Admin. Off.	Verkhne - Morskaya, 34
	Exec. Sec.	Nakhodka 17
	Staff Asst.	Primorski Krai
	Staff Asst.	692900 U.S.S.R.
	Staff Asst.	Telex: 213118 MRKNHDSU
July 8, 1981	Economist	
	Sec./Dir.	
	Sec./Typist	

Jim Branson - Executive Director
North Pacific Fishery Management Council
P.O. Box 3136DT
Anchorage, Alaska 99510

Dear Jim:

Marine Resources Company, Inc., is happy to provide the Council with an update of our joint venture fishing activities in the Alaska region during 1981.

As the Council knows our winter-spring pollock fishery in the South Eastern Bering Sea involving the mothership SULAK and American trawlers AMERICA No. 1, MUIR MILACH and BLUE WATER concluded on 18 May. The fishery lasted 88 days total and produced the following harvest by species and quantity:

pollock (food grade)	13424.6 Metric Tons
Atka mackerel	1048.9 MT
Pacific cod	854.2 MT
misc. food grade species	9.9 MT
meal grade fish	826.8 MT
TOTAL	16,164.4 MT

During this fishery our factory vessel successfully utilized its stern ramp for receiving codends from American catchers and support vessels were never necessary to assist deliveries.

Our fishery for Yellowfin sole commenced on 3 May in the Bering Sea flats with 3 processors and 5 U.S. trawlers. Presently there are 6 processors and 8 catchers working. As of 4 July the fleet had produced 6,200 MT of raw fish and the fishery seems well on its way to topping production figures from our pioneer 1980 operations (13,177.6 MT). Area of fishing is similiar to that from 1980.

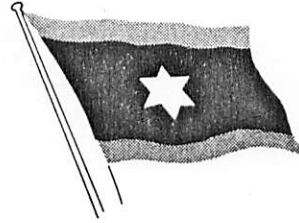
Regards,

Mick Stevens
Manager International Dept.

Nordstern America

Incorporated

2019 Third Avenue, Seattle WA 98121, Telephone: (206) 447-1812; Telex: 32-9462



Hochseefischerei Nordstern A.G.

Postfach 29 04 01
2850 Bremerhaven-F
West Germany

Telephone: (04 71) 7 60 46

Telex: 02 38 758

North Pacific Management Council
P.O. Box 3136 DT
Anchorage, Alaska 99510

July 20, 1981
Seattle, Washington

Gentlemen:

Enclosed please find my report on the German-American joint venture operation.

Please be advised that a representative from Nordstern American will be attending the meeting in Homer, Alaska and will answer any questions you might have.

Sincerely,

A handwritten signature in cursive script that reads "John Schmiedtke".

John Schmiedtke
Nordstern America, Inc.

JS:nj
Enclosure

To: North Pacific Fishery Management Council

From: Nordstern America, Inc.

Update On The German Joint-Venture Operation

The Friedrich Busse started a joint-venture operation for cod on approximately May 26, 1981, with one American catcher-vessel near the Seguam-Pass area.

The fishing being very spotty, did not give the Friedrich Busse enough raw-material, so that we engaged a second catcher-vessel. Fishing for cod, one-hundred to one-hundred twenty tons of raw-material per day are needed to keep the processing lines busy and the operation profitable.

After two weeks fishing, the cod started to disappear and we left the area to go pollock fishing. The Friedrich Busse is fishing pollock and also working with one catcher-vessel in the "Unimak Pass" area. The pollock is small and about eighty to one-hundred tons of raw-material per day are needed to make it a successful operation.

For the Friedrich Busse and Nordstern it is an experiment to find out the economics of a joint-venture and also trying to fulfill some of their obligation to purchase some American product.

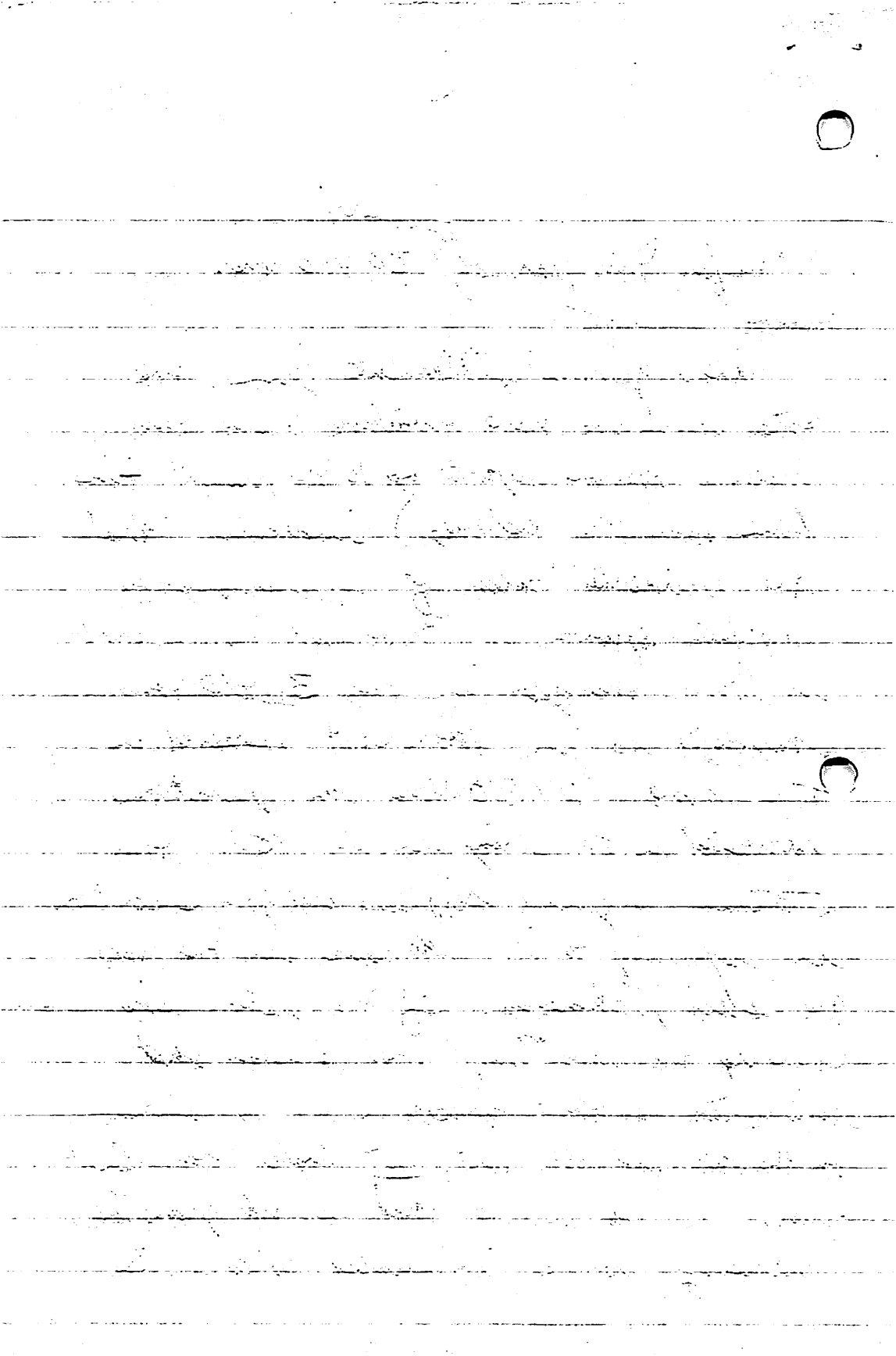
July 22
Homer

Dear Jim:

I'd like to offer you a more recent update of marine Resources Co. Joint Venture activities for 1981. I apologize for not being able to stay around for the full meetings but I am enroute from the yellowfin sole fishing grounds to Seattle. I must return to Seattle tonight.

Up to July 18 our yellowfin sole fishery has produced a total raw fish catch of approximately 14,200 mt tons. Last years total harvest was 13177.6 tons so we have surpassed last years total with approximately half of our expected 1981 season remaining.

Combining this 14,200 mt with our total harvest of 16,200 mt in our winter/spring pollock fishery brings us to a total



from domestic fisheries (including joint ventures)
could be predicted or applied in
long term management measure in any
reasonable fashion.

Best regards

Mike S. Fisher

Marine Resources Company

