

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
STATUS REPORT ON JOINT VENTURE OPERATIONS OFF ALASKA FOR 1986

The total joint venture catch off Alaska through June 11 as reported by NMFS was 609,992 mt, which included the following species harvests:

<u>Species</u>	<u>Gulf of Alaska</u>	<u>Bering Sea/Aleutians</u>
Pollock	52,503 mt	391,536 mt
Pacific cod	599	31,769
Atka mackerel	---	9,320
Flatfish	220	33,853
Yellowfin sole	---	87,060
Arrowtooth flounder	---	---
Greenland turbot	---	9
Others	<u>214</u>	<u>2,918</u>
TOTAL	53,536 mt	556,456 mt

Individual operations in the Bering Sea and Gulf of Alaska are summarized below.

1. Whitney-Fidalgo Seafoods/Ohtori Suisan (Japan)
 (1986 request: 48,000 mt)

Shelikof operations February 15-March 3 used 3 catchers and 1 processor to catch 2919 mt pollock. Operations shifted to the Bering Sea and caught 15,874 mt mainly pollock from March 15-April 25.

2. Westward Trawlers/Taiyo (Japan)
 (1986 request: 181,130 mt)

Shelikof operations February 15-March 1 used 9 catchers and 4 processors to catch 13,881 mt pollock. Operations then shifted to the Bering Sea and caught 86,119 mt pollock March 4-May 2 using 11 catchers and 5-6 processors. Operations began again on June 8 and by June 16 caught 3,600 mt pollock in the Bering Sea using 1 processor and 3 catchers. They will add 3 processors and 8 catchers on June 23.

3. Alyeska Ocean/Hoko (Japan)
 (1986 request: 45,560 mt)

Shelikof operations February 15-March 1 used 3 catchers and 1 processor to catch 4,327 mt pollock, 34 mt Pacific cod, and 1 mt other species. Operations shifted to Unimak and caught 18,145 mt mainly pollock from March 7 to April 23 using 2 processors and 3-4 catchers. Operations will target pollock this summer.

4. Peter Pan Seafoods/Nichiro (Japan)
(1986 request: 31,570 mt)

Shelikof operations February 17-March 3 used 2 catchers and 1 processor to catch 2,974 mt pollock. Operations shifted to the Bering Sea on March 6 and by March 28 caught 5,226 mt pollock using 1 processor and 2 catchers. Yellowfin sole operations began April 26 and caught 4,651 mt (3,444 mt yellowfin sole, 614 mt cod) by June 7 when they departed Zone 1 because bycatch guidelines had been reached. Three processors and 2-3 catchers were used. Pollock operations in the Bering Sea will begin July 1 with 1 processor and 3 catchers.

5. Northern Deep Sea Fisheries/Nippon Suisan (Japan)
(1986 request: 238,710 mt)

Shelikof operations February 15-March 1 used 10 catchers and 5 processors to catch 16,739 mt. Operations continued in Unimak March 4-21 and harvested 56,720 mt pollock. A small yellowfin sole fishery March 27-April 27 in the eastern Bering Sea used 2 catchers and 1 processor to harvest 2,688 mt including 2,385 mt flounders, 190 mt pollock, and 113 mt cod. The major yellowfin sole fishery from April 27 to June 15 used 10 catchers and 2 processors to harvest another 18,810 mt. This fishery will end on June 24 and the summer pollock fishery will begin July 1. Operations voluntarily departed Zone 1 on reaching their crab bycatch guideline on May 22.

6. Alaska Contact/Anyo/Kanai (Japan)
(1986 request: 19,150 mt)

Anyo operations in and around Shelikof February 15-March 7 caught 800 mt pollock. They have ceased for the time being but are not done for the year.

Kanai operations were to start in the Gulf around March 15 using 3 catchers. No update was available.

7. Alaska Contact/Nansei (Japan)
(1986 request: 10,000 mt)

Operations used 2 catchers and 2 processors east of Kodiak starting February 21 and caught a little over 2,000 mt pollock.

8. Profish/Matsubun (Japan) (complete)
(1986 request: 2,020 mt)

Bering Sea operations February 17-March 15 caught 1,775 mt pollock.

9. Alyeska Ocean/Hokkaido (Japan)
(1986 request: 12,270 mt)

Operations will start June 15.

10. North Pacific Cooperative Fisheries/Japan Longliners (Japan)
(1986 request: 2,100 mt)

Operations will commence later this summer.

11. Cal-Alaska/Marine Enterprise (South Korea)
(1986 request: 6,800 mt)

Operations were to start by May or June but no U.S. trawlers were available.

12. Alaska JV/Samho Moolsan (South Korea)
(1986 request: 55,911 mt)

Aleutian operations January 25-March 31 used 4 catchers and 4 processors to catch 15,000 mt pollock. Yellowfin sole operations from April 1 to May 15 caught 2,700 mt using 1 processor and 1 catcher. They moved to Seguam in mid-May and caught 560 mt Atka mackerel. A second processor arrived June 1 and with 2 catchers has harvested 2,300 mt pollock and 340 mt cod.

13. Alaska JV/Nambug (South Korea)
(1986 request: 30,646 mt)

Aleutian operations February 2-April 12 used 1 catcher and 1 processor to catch 15,000 mt pollock. They began again June 1 and through June 14 had taken 600 mt pollock using 1 catcher and 1 processor.

- 14-18. Profish/Namyang/Dongwon/Silla/Dongbang/Korea Wongyang (South Korea)
(1986 request: 112,950 mt)

Operations in the Bering Sea and Gulf of Alaska February 4-May 31 caught 68,550 mt pollock, 5,600 mt sole, 2,500 mt cod, 2,850 mt Atka mackerel, and 55 mt other groundfish. Operations will continue for pollock and Atka mackerel.

19. JV Fisheries/Oyang (South Korea) (complete)
(1986 request: 21,200 mt)

Operations in Shelikof and in the Bering Sea February 15-June 14 caught 15,100 mt pollock and 685 mt Atka mackerel using 3 catchers and 2 processors.

20. Alaska Joint Venture Fisheries/Daerim (South Korea)
(1986 request: 23,224 mt)

Aleutian operations February 2-March 31 used 2 catchers and 2 processors to catch 15,000 mt pollock. One processor left for Korea. The other processor plus 2 catchers fished yellowfin sole and caught 2,000 mt sole by May 15. They then shifted into Atka mackerel and have taken 1,200 mt using 2 processors and 3 catchers.

21. Alaskan Joint Venture Fisheries/Hansung (South Korea)
(1986 request: 28,900 mt)

Operations in Shelikof and Unimak February 7-March 8 used 1-3 catchers and 1-2 processors to catch 1,949 mt pollock. Alaskan Joint Venture Fisheries took over from N.W. JV Fisheries on March 8 and through May 31 caught 12,000 mt pollock, 600 mt cod, and 4,000 mt sole using 3 processors and 3 catchers. The processors have now gone home to Korea but will return the end of June for pollock and Atka mackerel.

22. N.W. JV Fisheries/Sajo (South Korea)
(1986 request: 12,300 mt)

Operations in Shelikof beginning February 15 and later in Unimak used 1 catcher and 1 processor to harvest 951 mt pollock. No update was available.

23. Arctic Venture/Transocean (South Korea)
(1986 request: 7,300 mt)

Aleutian operations February 2-March 8 used 1 catcher and 1 processor to catch 4,111 mt pollock. From April 23 to June 14, 1 catcher delivering to 1 processor harvested 2,402 mt including 1,178 mt pollock and 822 mt yellowfin sole.

24. Alaska Contact/Korea Wongyang (South Korea)
(1986 request: 31,300 mt)

KWF transferred over to Profish.

25. Marine Resources (USSR)
(1986 request: 182,025 mt)

Bering Sea operations February 7-March 25 used 17 catchers and 9 processors to catch 13,200 mt cod and assorted bycatch. Sole/flounder operations from March 25 until June 14 used 16 processors and 24 catchers to catch 86,800 mt. Atka mackerel operations took 10,000 mt since mid-April using 5 catchers and 1 processor.

26. Alaska Contact/Taiwan
(1986 request: 6,800 mt)

No operations.

27. Windjammer Seafoods/Taiwan
(1986 request: 10,000 mt)

Operations have not commenced yet, and may not this year because of credit problems for the Taiwanese Highly vessels.

28. Alaska Pacific International/Dalmor (Poland)
(1986 request: 17,500 mt)

Alaskan JV Fisheries managed this joint venture from March 1 to May 17 and they caught 3,000 mt pollock in the Bering Sea using 2 processors and 1-2 catchers. They left in mid-May for directed fishing and to joint venture for hake off Oregon and Washington. Alaska Pacific International is now managing the joint venture.

29. Profish International/Gryf (Poland)
(1986 request: 15,800 mt)

Operations from March 20 to May 1 harvested 3,100 mt pollock and 30 mt cod. They are expected to resume in the fall for pollock.

30. Quest Alaska/Odra (Poland)
(1986 request: 18,300 mt)

Operations have taken only 1,124 mt pollock and are not fishing now. They expect to resume in October.

31. Pierre Rajotte/China
(1986 request: 11,668 mt)

Operations began on March 21 and were suspended on May 17 after catching 1,883 mt pollock in the Bering Sea using 1 processor and several noncontracted catchers. The processor is now directed fishing and further joint venture plans are unsettled.

32. North Pacific International/China
(1986 request: 11,666 mt)

Operations began on March 29 and were suspended on May 17 after catching 1,996 mt pollock in the Bering Sea using 1 processor and several noncontracted catchers. The processor has returned to China for maintenance.

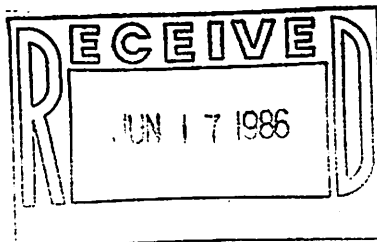
33. Marco Seattle/China
(1986 request: 11,666 mt)

Operations began on March 15 and were suspended on May 10 after catching 1,942 mt pollock in the Bering Sea using 1 processor and several noncontracted catchers. The processor is now directed fishing and further joint venture plans are unsettled.

HOKO FISHING CO., LTD.

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May 10, 1986

North Pacific Fishery Management Council
Post Office Box 103136
Anchorage, Alaska 99510

Interim Report - 1986 Hoko-Alyeska Ocean Joint Pollock
Fishery: (2) Bering Sea/Unimak Area

Dear sirs:

For the reference of the members of the Council, we are pleased to provide the following report on the second phase of our 1986 United States-Japan joint Alaska pollock fishery:

Japanese Company
Hoko Fishing Company
No. 2-4, 1-chome, Tsukiji
Tokyo, Japan

Name and Size of the Processing Vessels	
Tsuda Maru (March 7 to April 23)	111 meters 4,317 gross tons
Chikubu Maru (March 10 to March 17)	111 meters 5,460 gross tons

American Company
Alyeska Ocean, Inc.
816 Fourth Street
Anacortes, Washington 98221

Name and Size of the Fishing Vessels	
M/V Alyeska (March 7 to April 23)	198 gross tons
M/V Arcturus (March 7 to April 23)	198 gross tons
M/V Andrew McGee (March 7 to April 23)	198 gross tons
M/V Aldebaran (March 25 to April 23)	195 gross tons
Beginning Date of Fishing (GMT)	March 7, 1986
End of Fishing (GMT)	April 23, 1986


Type of Gear	Mid-water Trawl only
Area of Fishing	55:30N to 57:00N lat. 164:00W to 171:00W long
Operating Days	
Fishing Days	59 days
Cargo Transfer	5 days
Other	5 days
Total	<u>69 days</u>
Composition of Catch	
Alaska Pollock	18,010.943 mt
Pacific Cod	130.538 mt
Other	3.950 mt
Total	<u>18,145.431 mt</u>
Average Catch per Fishing Day	307.6 mt/day

During this second phase of our 1986 JV fisheries, a total of 124 salmon and 18 halibut (0.007 salmon and 0.001 halibut per mt). The by-catch of both salmon and halibut are very low when compared with the voluntary guidelines established by the industry last year.

In 1986, two processing vessels were used for one week, March 10 to 17, and the number of trawlers increased from three to four after March 25th. For comparison, the average catch per fishing day was 487.1 mt in 1984, 373.5 mt in 1985, and 307.5 mt in 1986. Although not reflected in the average catch per day, the numbers of small pollock appeared to be especially abundant in the catches this year, perhaps an indication of the entry into the fishery of a new dominant year class or classes.

Over the past five years, Hoko Fishing Company and Alyeska Ocean, Inc. have worked very close together, both in the planning and in the operations of the fishery. Two representatives of Alyeska Ocean were again on board the processing vessel(s) in order to coordinate the deliveries from the fishing vessels with the needs of the processing vessels.

Sincerely yours,


Clinton E. Atkinson
Consultant and Advisor
Hoko Fishing Company

KELLEY DRYE & WARREN

1330 CONNECTICUT AVENUE, NW

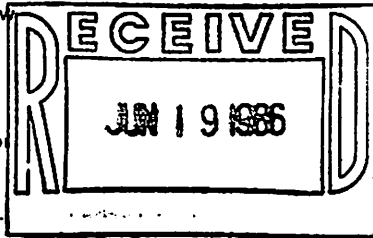
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June 18, 1986

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Gentlemen:

Our firm represents Alaska Surimi Products, Inc. ("ASPI") which plans to commence a joint venture fishery operation with Korean Wonyang Fisheries Company, Ltd. in the Bering Sea on or about September 1, 1986. We are aware that a formal application for a processing vessel permit must be submitted by the Government of the Republic of Korea to the

AGENDA B-4
JUNE 1986
SUPPLEMENTAL

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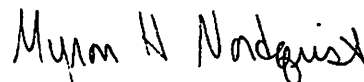
United States Department of State. We expect such an application to be made shortly in accordance with published regulations and normal administrative procedures. However, we are conscious of the North Pacific Fishery Management Council's schedule and therefore respectfully request that the following plans and information be circulated to Council members during the Kodiak meeting scheduled for June 23 - 27, 1986.

ASPI is incorporated in the State of Delaware and maintains its principal place of business in Seattle, Washington. The company is 75% owned by United States citizens and three out of four of its board of directors are United States citizens. ASPI plans to enter into a United States catcher vessel management contract with ProFish International, Inc. to supply approximately 35,000 metric tons of Alaska pollock in 1986 from the United States Exclusive Economic Zone. ASPI also plans to time charter the Republic of Korea flag fish processing vessel, Gaecheog Ho, to custom process surimi blocks. ASPI then plans to market the product in Japan and the Republic of Korea.

We believe the organization of this equity joint venture offers many benefits to the United States consistent with the Magnuson Fishery Conservation and Management Act ("Magnuson Act"). Since the processing vessel has no fishing capacity, United States flag harvesting vessels will be gainfully employed for a longer season than otherwise. Americans will also be supervising the fish processing activities and will be responsible for marketing the products overseas. Considerable cooperation will be given by the Korean side particularly in providing technical training of Americans and in transferring surimi production and marketing technology to the United States.

Management of ASPI believes that equity joint ventures on the ASPI model are the next logical step to achieve the goals of Americanization provided in the Magnuson Act. We hope that ASPI's approach will receive favorable consideration by the Council and other Government officials once the application is formally presented. In the meantime, we would be pleased to respond promptly to inquiries any United States government officials may have about the planned operations of the company.

Sincerely,



Myron H. Nordquist

STATEMENT ON THE EARLY AND FULL ALLOCATION TO JAPAN

I am Satoshi Moriya, Councillor to the Japan Fishery Agency. I sincerely appreciate the opportunity to make a statement before the North Pacific Fishery Management Council.

I. As you are all aware, the U.S. and Japanese fishing industries have held industry-to-industry meetings every year since 1982. Japan has contributed to the development and promotion of the U.S. harvesting and processing sectors through the agreements reached at these meetings. For these contributions, the U.S. had reciprocated with the allocation to Japan for directed fishing, at least up to last year.

Last year Japan received 900,000 mt of allocation in exchange for its purchase commitments under the industry agreement. This year Japan made a commitment to purchase a total of approximately 650,000 mt of joint venture and processed bottomfish. In return, Japan strongly requested a directed allocation of 700,000 mt. At the December Council meeting last year, the Council recommended that no less than 77 percent of the TALFF be allocated to Japan.

II. Our fishery cooperation to the U.S. is making very smooth progress. As of the end of May, the Japanese fishing industry had purchased 227,000 mt of pollock

through over-the-side joint ventures. The Japanese industry has also purchased 20,800 mt of species other than pollock against a target of 57,500 mt in spite of great difficulty encountered by the stringent bycatch regulations. Processed product purchases by the Japanese fishing industry now stand at 11,000 mt against a target of 20,000 mt. We also expect the Japanese investments in the two Dutch Harbor surimi plants announced in connection with the industry agreement to benefit the development of the Alaskan shoreside industry and economy significantly.

III. On the other hand, Japan has received only 310,000 mt of allocation through June 25. We have been very much concerned because with that small amount of allocation, the mothership and small trawl operations cannot get started. Even though the vessels may leave the Japanese ports, they will have to suspend their operations in the midst of the fishing season. That kind of situation would put the Japanese fishing industry in economic chaos.

Because of this concern, the Japanese fishing industry representatives tried to explain their difficult situation to the U.S. side. Therefore, an industry-to-industry small meeting was held on May 13 in Seattle to receive the support of the U.S. industry for the early release of the full allocation to Japan.

IV. Based on the conclusion reached at the small meeting, the Alaska Pacific Seafood Industry Coalition met and recommended to Ambassador Wolfe of the State Department that the July allocation to Japan be released early. It has been our expectation that the July allocation would bring the total Japanese allocation up to 525,000 mt as expressed in the APSIC recommendation.

V. As the result of these movements, 75,579 mt was allocated to Japan on June 16 and we appreciate this additional allocation. However, the total allocation to Japan of only 310,000 mt is less than 60 percent of what was allocated at the same time last year. This amount is far from sufficient to provide for individual vessel trips to the U.S. zone and we temporarily reduced the number of motherships from 5 last year to 3 this year. But even with this drastic reduction, the current allocation would be used up during the first half of August, which is the peak fishing season, and then the motherships would have to stop their operations prematurely. Small trawlers also cannot start their operations because of the present small allocation. They have to wait for additional allocation to enable them to make a fishing trip.

As you know, we need a tremendous investment for fishing operations and it is necessary to establish an annual operational plan far well in advance. However, it is impossible to do so with a small allocation. Japanese

vessels are forced to conduct their operations under this uncertainty.

VI. As a Japanese government official, I would like to strongly request the release of the Japanese allocation at the earliest date possible so that Japanese vessels can operate in a stable manner through your understanding of our serious situation.

Specifically, I request each Council member to support the May 28 APSIC recommendation to release the July allocation to Japan as soon as possible. I further ask the Council's support to urge NMFS to carefully reassess the estimate of JVP and DAP needs. We are confident that after a careful reassessment of domestic needs, at least 525,000 mt and as much as 700,000 mt will be available for allocation to Japan as TALFF in 1986. We ask your support in recommending that the full amount of available TALFF be released to Japan as soon as possible.

VII. If it becomes clear that the final allocation to Japan will be far short of the maximum allocation possible to Japan through realistic estimates of the potential domestic catch, I am concerned that it will be very difficult for the Japanese fishing industry to persuade Japanese domestic opponents who advocate the suspension of cooperation with the U.S. industry because of the insufficient Japanese allocation and who request the Government of Japan to open the market to other

sources including those nations belonging to the Eastern bloc. ^{And that} _a As a result, the Japanese industry may not be able to fulfill the agreement reached at the industry-to-industry meeting.

Thank you again for the opportunity to discuss our problem with you frankly.

PRODUCTION & MARKETING ACTIVITIES OF CHINESE FISHING FLEET

The three Chinese fishing vessels (Kai Chuang, Yan Yuan No. 1 and Geng Hai) entered the E.E.Z. respectively on February 27th, March 16th and 29th, 1986 for joint venture and directed fishing operations. By June 20th, the three vessels had received 5,823.091 metric tons of fish in joint venture operation and caught 1,918.982 metric tons in directed fishing, totalling 7,742.073 metric tons.

Since April 11th, 1986, we have marketed 2,333.675 metric tons of fish products, including 394 metric tons of fishmeal and some fish that still remains onboard our vessels for future discharge. 922.84 metric tons fish out of the above mentioned amount entered the United States which were divided into four lots as follows:

1. 19.47 mt sold to North Pacific International Corp. on April 11th.
2. 305.72 mt sold to Red Chamber Company on May 10th.
3. 340.42 mt sold to North Pacific International Corp. on May 26th.
4. 257.23 mt sold to North Pacific International Corp. on June 3rd.

The total sale for the first lot (19.47 mt) was \$15,446.34. The other three lots of products were all pinbone-in fish fillets and only about 100 metric tons was sold out in U.S. market and the pinbone-in pollock fillets, which constituted the majority of the product, will be resold to markets in Japan, South Korea, West Germany, United Kingdom, Mexico, etc.. The account for the other three lots hasn't been settled yet. The marketing of above mentioned products will not create impact against the U.S. market.

The reason why we sold more products outside China this year than had been expected is the Chinese freighter that we had planned to use for transporting our products back to China happened to have some mechanical failure and was unable to come over to pick up fish product of our fishing vessels. If we had used our fishing vessels (processing trawlers) to transport the fish, the operation would be delayed and operational costs would be raised a great deal. Moreover, none of our three American joint venture partners (who should provide us with fixed American catcher boats, according to the contracts that we signed with them, in joint venture operations) provided our fishing vessels

with any catcher boats that fished solely for themselves. This resulted in insufficient supply of raw fish to our vessels and operational costs were raised. On top of that, prices for joint venture purchase of fish this year are high. In order to balance their expenses of foreign currency, the three Chinese fishing companies (who own the three Chinese fishing vessels) marketed a little more fish in the world market than had been expected.

Another point to be made is, during the last ten days of may and part of June, our vessels did not have any other choice but to begin directed fishing for their were unable to find any catcher boats delivering fish to them (catcher boats left grounds due to poor fishing condition). Since people on our vessels are not very familiar with the fishing grounds, they accidentally caught 6.8 metric tons of halibut that was about two tons more than our limit of 4.83 metric tons. In compliance with National Marine Fisheries Service's notice, our vessels had stopped their directed fishing before June 20th, 1986.

RECENT ALLOCATION ACTIVITY

The April release of reserves resulted in the following foreign allocations:

	<u>BSA</u>	<u>GOA</u>
Total TALFF	491,447	16,110
Japan	217,477	16,110
ROK	60,947	
POL	5,979	
PRC	3,963	
TW	2,621	
Unalloc.	200,460	0
Reserves	135,071	

On June 13, 92,710 mt of BSA pollock in unallocated TALFF was allocated to Japan (75,579 mt) and Korea (17,131 mt) and total allocations are as shown below. The right most column shows the July release of TALFF assuming each nation gets the same percentage they had before.

	June 13		%	July 1
	<u>BSA/GOA</u>			<u>BSA/GOA</u>
Total TALFF	507,557			507,557
Japan	309,166	77.3		392,457
ROK	78,078	19.5		99,089
POL	5,979	1.5		7,595
PRC	3,963	1.0		5,040
TW	2,621	0.6		3,268
Unalloc.	107,750			0
Reserves	135,071			135,071

Reserves. There is still 135,000 mt in Reserves that possibly could be released. The amount to be released will depend on first satisfying DAH demands. The most recent NMFS survey resulted in the following projected needs in the BSA:

	<u>Annual DAP</u>		<u>Annual JVP</u>		<u>Excess</u>		<u>Unneeded Reserve + DAH</u>
	<u>Current</u>	<u>Need</u>	<u>Current</u>	<u>Need</u>	<u>U.S. Demand</u>	<u>Reserve</u>	
Pollock	159,794	119,607	708,804	809,463	60,472	86,228	25,756
Flatfish	4,192	7,678	98,850	97,260	1,896	9,330	7,434
Yellowfin S.	1,030	60	144,300	144,493	(777)	14,425	15,000
G. Turbot	5,414	12,815	5,000	4,890	7,291	4,950	0
A. Flounder	1,805	0	1,667	3,209	(263)	3,000	3,000
Cod	133,394	59,545	50,830	50,504	(74,175)	12,370	86,545

Conclusion: If the unneeded Pacific cod DAH is not released to foreigners, the total availability of fish for further allocation is about 51,190 mt plus miscellaneous squid (730 mt in reserves) and other species (4,000 mt).

Therefore, the maximum annual allocation for Japan could be about 443,647 mt if the remaining available fish are given to Japan, or about 432,027 mt if only 77% is given.

Caveats:

- (1) The combined Taiwan JVP/TALFF of 8,500 mt may not be needed.
- (2) PRC has only taken about 6,000 mt in joint ventures and may not need the total 22,086 mt JVP reserved.
- (3) The DAH demand for W/C GOA pollock of 146,675 mt exceeds the 100,000 mt OY. Current JV catch is 52,500 mt and DAP catch is 4,652 mt, totalling 57,152 mt. It's unclear whether any pollock demand will need to be transferred to the BSA.

JAPANESE POSITION

on the

FISHERY ALLOCATION TO JAPAN FOR 1986

- I. At the small U.S.-Japan industry-to-industry meeting held in Seattle on May 13, the Japanese industry presented the following position to the U.S. industry.
 - (1) The Japanese industry requests an annual fishery allocation of 700,000 mt including 230,000 mt of species other than pollock in accordance with the Japanese position at the November 1985 industry-to-industry meeting.
 - (2) This allocation should exceed Japan's historical percentage of TALFF in accordance with the December 1985 resolution of the North Pacific Fishery Management Council to allocate no less than 77 percent of the TALFF to Japan.
 - (3) The U.S. industry should urge the U.S. authorities concerned to make timely releases of unutilized reserves and DAH (DAP and JVP) to TALFF and timely allocations to Japan as provided in the principles of the industry agreement so as not to hinder or disrupt fishing operations being conducted based on annual fishing schedules.
- II. To accommodate the Japanese request on a timely basis, the Alaska Pacific Seafood Industry Coalition (APSIC) recommendation to Ambassador Wolfe dated May 28 should be implemented. APSIC supports an early release of the July allocation to Japan of 292,000 mt to bring the total Japanese allocation to 525,000 mt. APSIC will consider further releases to Japan prior to September 1.
- III. In accordance with the APSIC recommendation, the Japanese industry requests that 292,000 mt be allocated to Japan by the first of July. (We understand that 75,000 mt was allocated to Japan on June 13 which will revise our request to 217,000 mt).
- IV. DAH (DAP and JVP) should be reviewed as early as possible. We request that any excess DAH be transferred to TALFF to be allocated to Japan as soon as possible.

POSITION PAPER CONCERNING
THE REQUEST FOR FISHERY ALLOCATION TO JAPAN

I.

At the Japan-U.S. small industry-to-industry meeting held in Seattle on May 13, the Japanese industry made the following requests, which have not fundamentally changed.

1. Prerequisites

At the industry-to-industry meeting held last year, the Japanese industry made a request for the allocation of 700,000 MT in 1986 including 230,000 MT of species other than pollock. Responding to this request, the U.S. side agreed on the following points as prerequisites to the Japanese commitments.

- (1) The U.S. delegation will make its best efforts in securing the maximum allocation possible to Japan.
- (2) This allocation should exceed Japan's historic percentage in TALFF and be released fully and in a timely manner.
- (3) Release of unutilized reserves and DAH (DAP and JVP) to TALFF should be made on a full and timely basis.

2. Requests of the Japanese industry

- (1) The annual directed fishery allocation of 700,000 MT including 230,000 MT of species other than pollock, in accordance with the request made in the industry-to-industry meeting.
- (2) The full implementation of the resolution adopted at the December Meeting of the North Pacific Fishery Management Council to allocate no less than 77 percent of TALFF to Japan.
- (3) The U.S. industry's efforts to urge the authorities concerned to make timely releases of allocations to Japan so as not to hinder or disrupt fishing operations being conducted based on annual fishing schedules.

3. Current Status of allocation released to Japan

	Total	Pollock	(unit: 1,000 MT) Species other than Pollock
Annual requested allocation '86	700	470	230
Allocation in GOA already released during Jan.-May	16	0	16
Annual BSA requested allocation '86	684	470	214
Allocation in BSA already released during Jan.-Apr.	217	139	78
Requested allocation in BSA (from now on)	467	331	135

4. In order to realize the request of the Japanese side on a timely basis, at least 292,000 MT should immediately be allocated amounting to the total of 525,000 MT. This allocation enables Japanese vessels to conduct fishing operations in accordance with their annual fishing schedules. The 292,000 MT can immediately be made available from the source of 338,531 MT (BSA unallocated TALFF: 203,460 MT + reserve: 135,071 = 328,531 as of end of April).

5. The DAH for 1986 is set at 1,333,000 MT, while the annual catch of the U.S. last year was 712,000 MT. Taking into consideration the U.S. current processing and fishing capacity, doubling the DAH in a year is indeed an overestimation. Therefore, we would like to request you to urge the Council at its June Meeting, NMFS or other parties concerned, to reassess this DAH, in order to adjust it to a realistic figure and to transfer the surplus to the reserve, which is to be released to the TALFF for allocation to Japan as early as possible. In order to implement this request, it is essential for the Regional Director of NMFS or the Council to decide or support transferring about 300,000 MT from DAH to the reserve until after the June Council Meeting. We believe this request is consistent with the gist of the industry-to-industry agreement.

6. If the U.S. side does not fulfill its promise for the fishery allocation to Japan agreed upon in the industry-to-industry meeting, which would result in the final allocation to Japan of much less than 700,000 MT, the Japanese side will find it difficult to persuade the domestic opponents insisting that the Japanese side should not implement fishery cooperation to the U.S. Therefore, the Japanese ground fish industry has a concern that it may face a trouble for carrying out the items mutually agreed upon between the U.S. and Japanese industries.

II.

1. The Alaska Pacific Seafood Industry Coalition (APSIC), as a result of the meeting held on May 28, made a recommendation to Ambassador Wolfe of the U.S. State Department with regard to the fish allocation to Japan. Its gist is as follows:

APSIC supports the early release of July allocation

- 1) The July allocation of 292,000 MT should be released early to reach the total of 525,000 MT.
- 2) The further releases of allocations should be considered prior to September 1st.

The APSIC recommendation, however, indicates concern with Japan's progress in the following areas in fulfilling the Industry-to-Industry agreement on cooperative activities to the U.S.

- 1) Little progress of the purchase of 57,500 MT of species other than pollock has been achieved.
- 2) Although APSIC are pleased with the progress of two surimi facilities being built in Dutch Harbor with the Japanese investments, the plants can process only 20,000 MT of fish even at its full operation and cannot achieve the amount agreed upon between the U.S. and Japanese industries.

2. Director-General of Fisheries Agency, Mr. Sano sent a letter to the U.S. State Department Assistant Secretary Negro Ponte requesting the full and early release of the fish allocation to Japan, and received the letter of response dated May 30 from the State Department. In this letter, the State Department expresses the desire to release allocation, in response to Mr. Sano's request, as soon as allocation recommendation is delivered from NMFS, but it will be made in the normal frame work of time.

Moreover, Mr. Sano invited Acting Deputy Chief of Mission Mr. Ely stationed in Japan on June 9, requesting again the early release of the fish allocation to Japan. To this request, he replied as follows:

- 1) The allocation cannot be released under the sole authorities of the State Department but needs the recommendation of the Department of Commerce.
- 2) The allocation timing to other countries cannot be overlooked.
- 3) The Japanese concern will be informed to the authorities concerned and the efforts will be made to meet the Japanese request.

III.

Although APSIC's support the early release of July allocation of 292,000 MT resulting in 525,000 MT, and the further release will be considered prior to September 1st, the reserve and unallocated TALFF are requested to be released within the month of June, as mentioned repeatedly by the Japanese side. In addition, DAH reassessment is requested to be conducted at the June Council meeting through necessary procedures, and the appropriate amount of allocation be released to Japan as soon as possible.

The Japanese industry has the following understandings for the U.S. concern with Japan's progress on the cooperative activities:

- (1) The over-the-side purchase of yellowfin sole has amounted to 20,800 MT as of May 31, 1986, despite the fact that the Japanese processing vessels had to leave the best fishing grounds because of the severe restriction on the incidental catch of prohibited species (king and tanner crab). Thus, although the severe restriction of incidental catch of crab has hindered the achievement of this joint venture's goals, we would like to do our best to achieve the agreed-upon amount with the U.S. cooperation.

(2) Concerning the surimi purchase, the Japanese industry is ready to accept offers of available products at a commercially acceptable quality and price. Therefore, part of the responsibility lies on the production of the U.S. side. Furthermore, the first surimi plant operating since March has not been able to purchase sufficient amounts of fish due to breakdowns of the contracted U.S. fishing vessels, but the efforts are being made to reach its full capacity. The construction of the second surimi plant, which has been delayed because of belated approval for the construction permit from the U.S. authorities concerned, will be started in the near future.

IV.

It is sincerely requested that the U.S. government would fully understand the intent of the Japanese industry and exert every effort to enable the early release of the allocation to Japan in June, and also to release further allocations to Japan in order to finally reach 700,000 MT.

Sea-Alaska Products

June 26, 1986

Mr. James O. Campbell and
members of the North Pacific Council

I had hoped to be in Kodiak for your meeting, however I am unable to leave South Naknek at this time.

I understand that, because of an increase in requested JVP tonnage, there is much less TALFF available at this time than had been anticipated. This circumstance creates a very serious situation for Japan, and an awkward situation for those of us in the U.S. industry who have negotiated the Industry to Industry Agreement with Japan for 1986. While all of us understand that JVP takes priority over TALFF, nonetheless Japan, the only nation that has responded to U.S. industry's demand for increased purchases of U.S. product and support for shoreside groundfish operations, has been caught by surprise just at the moment when her vessels are ready to leave for the fishing grounds.

The 95,000-Metric-Ton shortfall from the estimated 525,000 Metric Tons of allocation to Japan will be felt not only by Japan, but also by those U.S. industry members who are currently negotiating new business arrangements with Japan. As you are aware, there are today several very important projects under negotiation. Especially hard hit will be those who are working with the smaller Japanese companies. These companies are allocated a very small TALFF, and these have a limited ability to sustain such surprises. We fear they will not be able to proceed.

I understand that the fish availability is limited. I understand also that some DAH projections are not going to be fully utilized. I urge you to make all efforts possible to re-evaluate the current U.S. needs, in order to identify any surplus fish, and to recommend NMFS release same to Japan as soon as possible. While such action will not solve Japan's problems, it will demonstrate clearly that the U.S. is prepared to do everything possible to uphold our end of the Industry to Industry Agreement.

Thank you for taking time to consider my concerns. I know your agenda is very full. I regret that I could not be with you to say farewell to Sara Hemphill. Please extend my thanks to her for her dedication to the management of the North Pacific Fisheries that she has shown. My very best to her in all her future endeavors.

Sincerely,


Ronald R. Jensen

RRJ:kp

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