Dear Reviewer:

I am enclosing a copy of interim regulations which implement Pub. L. 95-354, an amendment of the Fishery Conservation and Management Act of 1976. The interim regulations provide guidelines for development of fishery management plans which contain information related to availability of U.S. harvested fish for receipt by foreign processing vessels. I also am enclosing for your information a final notice of determinations of the consistency of 1978 foreign fishing permits for "joint ventures" with P.L. 95-354.

A public hearing is planned to consider issues related to the regulations. The hearing was scheduled on February 7, 1979, but later was postponed and rescheduled on March 13. You were notified this change by my telegram of February 2.

You are invited to comment on issues related to the enclosed regulations, either in writing or orally at the hearing on March 13. Written comments must be received by April 9.

Thank you for your interest in this matter.

Sincerely,

Denton R. Moore
Acting Chief,
Permits and Regulations

Enclosures
§602.2 [Amended]

1. Amend 50 CFR §602.2(b)(5) by deleting the second sentence and substituting as follows:

   *    *    *    *    *    *    *

(b)***

(5)***In determining whether U.S. fishermen will not harvest an optimum yield, the Councils are to consider the capacity and extent to which fishing vessels of the United States will harvest such optimum yield, including U.S. harvested fish which will be received at sea by foreign vessels.***

2. Amend §602.2(b)(5) by adding a fourth sentence as follows:

   *    *    *    *    *    *    *

(b)***

(5)***Fishery management plans and amendments to such plans shall estimate the amount of fish expected to be harvested by U.S. vessels and received at sea by foreign vessels.
§602.3 [Amended]

3. Amend §602.3(b)(8)(ii) by adding the following new subparagraph (I):

(b)***
(8)***
(ii)***
(I) Assessment and specification of the portion of the optimum yield which U.S. harvesters propose to deliver to foreign vessels.

4. Amend §602.3(b)(8)(iv) by inserting "(A)" after "the fishery" and by adding a new subparagraph (3) as follows:

(b)***
(8)***
(iv)***
(3) Describe and quantify the amount or tonnage of any transfers at sea, or proposed transfers, of the stock(s) comprising the management unit from U.S. harvesters to foreign vessels."
5. Amend §602.3(b)(8) by adding the following new subparagraph (v):

(b)***

(v) **Domestic processing capacity.** Assess and specify the capacity and extent to which U.S. fish processors, on an annual basis, will process the stock(s) comprising the management unit. In assessing the extent to which U.S. fish processors will process the stock(s), the following factors, as appropriate, shall be considered:

(A) Any contracts or other agreements for the purchase of U.S. harvested fish by U.S. fish processors;

(B) The ability, and intent to utilize that ability, of U.S. processors to process a particular species;

(C) Considerations such as geographical proximity of harvest areas to the facilities of U.S. fish processors, especially in relation to the refrigeration/freezing capability of potential U.S. fish harvesting vessels;

(D) Recent history of the extent to which U.S. fish processors have processed particular species;

(E) Availability and capacity of the labor force, processing machinery, freezers and cold storage facilities of U.S. fish processors and their intent and plans to increase availability or capacity in order to process a particular species;
(F) Seasonal schedules of the U.S. fish processors; and

(G) Availability of U.S. harvesting vessels to supply the stock(s) comprising the management unit taking into consideration such things as capability of vessels to fish the species in the fishery, seasonal schedules, and relative availabilities and prices of alternative fisheries.

* * * * *

6. Delete §602.3(b)(9)(ii) and substitute the following:

* * * * *

(b)***

(9)***

(ii) Domestic processing sector. Describe the wholesale products and their values. Specify the degree of dependence of the processing sector upon products from the fishery.

7. Amend §602.3(b)(9)(iii) by redesignating subparagraph (iii) as (iv) and inserting a new subparagraph (iii):
(b)***
(9)***

(iii) Other sectors of the U.S. fishing industry. Describe the dependence of other sectors of the U.S. fishing industry on the fishery. Include the dependence of labor, suppliers and provisioners, as well as fishing communities.

* * * * *

8. Amend §602.3(b)(13)(viii) by deleting "U.S. fishermen" and inserting "the U.S. fishing industry."

9. Amend the heading for §602.3(b)(14)(ii) to read "(ii) Domestic and foreign harvesters."

10. Amend §602.3(b)(14)(ii) by adding "numbers or weight of fish received at sea by foreign vessels from U.S. harvesting vessels." after "number of hauls."

11. Delete §602.3(b)(14)(iii), and substitute the following:

* * * * *
(b)***

(14)***

(iii) Processors. The plan shall specify the data that shall be submitted by fish buyers, processors, etc., who purchase, transport, and process the catch of the stock(s). The data specified may include, but are not limited to:

(A) The amount or tonnage of fish purchased, transported, and/or processed, by species.

(B) Locations at which fish are received and/or processed, by species.

(C) Limitations as to seasons, quantities, or quality standards of fish which apply to fish received and/or processed, by species.

(D) Disposition of the fish received or processed, by species.

(E) Prices paid for fish received, by species.

(F) The amount or tonnage which the processor expects to purchase, transport, and/or process, by species, by year.

§602.4 [Amended]

12. Amend §602.4(b)(8) to add the following heading:

* * * * * *
(b)***
(3)***

(v) Domestic processing capacity.

13. Amend §602.4(b)(14)(ii) to read:

"Domestic and Foreign Harvesters"

§602.5 [Amended]

14. Amend §602.5(d)(1) to read:

* * * * *

(c)***

(1) Council review. The Act directs each Council to review on a continuing basis, and revise as appropriate, the assessments and specifications made regarding the optimum yield from, the capacity and extent to which U.S. fish processors will process U.S. harvested fish from, and the total allowable level of foreign fishing in, each fishery within its geographical area of authority.

15. Amend §602.5(d)(2), second sentence, to read:

* * * * *
(d)***

(2)*** At least once each year, and more often where appropriate, each Council must assess the accuracy of the estimates of MSY and optimum yield, the capacity and extent to which U.S. fish processors will process U.S. harvested fish, and the total allowable level of foreign fishing for each plan implemented regardless of whether the plan is prepared by a Council or by the Secretary.***
MEMORANDUM

DATE: May 15, 1979

TO: Council Members, Scientific & Statistical Committee
    and Advisory Panel

FROM: Jim H. Branson, Executive Director

SUBJECT: DAH Working Group Meeting in Seattle

The special DAH Working Group met in Seattle on May 7th to consider the
National Marine Fisheries Service's latest industry survey of processor
intent, to discuss the methodology of arriving at processor intent, and
to comment on the interim final regulations implementing the processor
preference amendment. Attending that meeting were; Dr. George Rogers
(Chairman), Shari Gross, Bruce Hart, Phil Chitwood, Mike Stanley and
Mark Hutton.

The final NMFS processor survey figures are attached. It appears that
the 1979 processor intent in the Gulf of Alaska is around 18 to 19,000
metric tons of bottomfish compared to the 44,500 metric tons DAH in the
plan.

The Working Group felt that the survey appeared more realistic than the
1978 information especially considering trends in their performance to
date. Regarding this reassessment, the group recommends a release to
TALFF of the following DAH amounts:

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<thead>
<tr>
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<th>Tons</th>
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<tbody>
<tr>
<td>Pollock</td>
<td>8,160</td>
</tr>
<tr>
<td>Cod</td>
<td>11,571</td>
</tr>
<tr>
<td>Flounder</td>
<td>5,962</td>
</tr>
<tr>
<td>Rockfishes</td>
<td>2,079</td>
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</table>

Additionally the subcommittee felt that domestic harvesting intent was
as important as domestic processing intent and that pricing information
was important in those determinations and distinctions. Regarding price
the group felt that the domestic price must be proven realistic and that
there was some relationship among the domestic prices and between domestic
and joint venture prices. Those relationships, the group concluded,
were extremely complex.

Regarding the National Marine Fisheries Service interim regulations
implementing the processor preference amendment, the group felt they
weren't too bad. They did address harvesting and processing intent and
allowed a discretionary use of prices and other sensitive industry data.
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<tbody>
<tr>
<td>4,500 mt</td>
<td>40,200,100 TPH (18,957 MT)</td>
<td>TOTAL</td>
<td>694,956,154</td>
<td>(232,440 MT)</td>
<td>Techo</td>
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<tr>
<td>500 mt</td>
<td>124,150,155</td>
<td>Others</td>
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<td></td>
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<tr>
<td></td>
<td>5,722 mt</td>
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<tr>
<td>7,100 mt</td>
<td>1,021,155</td>
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<tr>
<td>2,200 mt</td>
<td>1,238,200</td>
<td>Producers</td>
<td></td>
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<td>2,500 mt</td>
<td>3,029,650</td>
<td>P. Cod.</td>
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<tr>
<td>1,470 mt</td>
<td>6,040,155</td>
<td>Palletts</td>
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<td>12,313,205</td>
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<td>10,824 mt</td>
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<td>TOTAL 1,154,000 MT</td>
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<td>17,217 mt</td>
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<td>151,000 mt</td>
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<tr>
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**Summary of NWPS 1979 Survey**

May 11, 1979

Operation: Branch

Area: Region

NWPS