



Alaska Fisheries Development Foundation, Inc.

BULLETIN

OCTOBER 1980

ONGOING PROJECTS:

HARVESTING
DEMONSTRATION

LONGLINING

The F/V "Aleutian Mistress", a 124-foot combination crabber/long-liner participating in the AFDF harvesting demonstration program, departed Seattle on August 23rd, headed for Dutch Harbor. The delayed departure date, concrete proof that one must be flexible in the fish business, meant we would be operating with Plan B rather than Plan A. While the owners and crew were disappointed that no longlining would take place until after crab season, everyone recognized that a properly completed conversion was preferable to an excessively rushed departure and shakedown cruise.

During June and July as the conversion of the "Aleutian Mistress" progressed, it became painfully clear that we were dealing with that frustrating rule that says, "Everything always takes longer than you expect." Just as the most critical problem in bottomfish development is the meshing of the harvesting, processing and marketing sectors, the necessary integration of systems on a combination vessel such as the "Mistress" was a major contributor to the extension of the time required for the conversion. Since it is faster and less expensive to work on vessels in Seattle than in Alaska, it was important that the conversion be completed before the vessel's departure. The most important element of the conversion, the Mustad Autoline system itself, arrived late due to a dockworkers' strike in Sweden. Then its fitting and installation had to be carefully coordinated with other components, and it seemed as though everything had to go in the same place at the same time. As the complexities were sorted out and the arrangement of basic equipment was established, the owners of the "Mistress" decided to carry the experiment even further than was originally envisioned, incorporating several "extra" features at their own expense, which everyone hopes will enhance the vessel's efficiency and productivity. Additional features included special access hatches to frozen storage holds, a Baader 188 filleting machine, modifications of the hydraulic system, and installation of additional electronics, including a color depth sounder and television monitoring cameras for the working deck, processing room, and engine room.

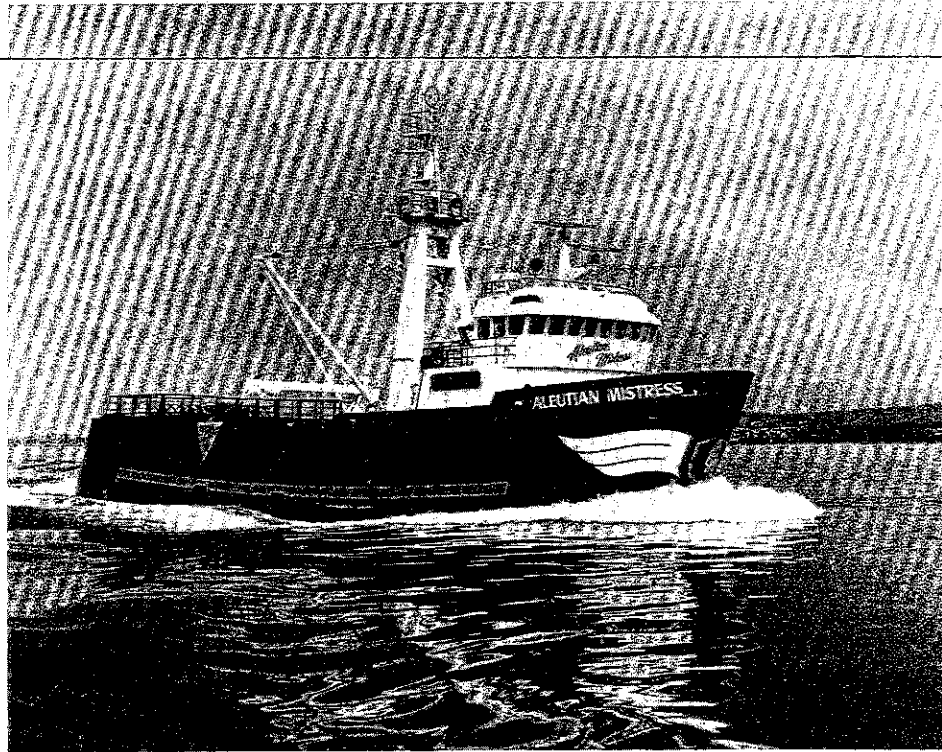
So, the "finishing touches" that make the vessel unique, and the integration of complex systems that must work in concert

**LONGLINING
(CONTINUED)**

under harsh conditions, is a time-consuming task. Nonetheless, everyone is satisfied that the best possible job was done on design, conversion, gear and shelter deck construction. If having the best meant taking longer, we, for one, were happy to wait. We have already seen an example of the efficiency made possible by the conversion system -- removal of the longlining gear and equipment in Dutch Harbor took less than two days.

After crab season, the "Aleutian Mistress" will engage in an intensive shakedown cruise and training period before a Christmas break and resume longlining in January. The Christmas respite will allow time for adjustments or modifications to gear, vessel or equipment if needed, and will also make possible some initial marketing of the new product.

Monitoring and evaluation of the vessel's operations will be done by Frank Orth & Associates, and forms for data collection which were designed by the contractor have been critiqued and approved by a group of industry and scientific experts. This panel has been assembled by the Foundation to act in an advisory capacity throughout the harvesting demonstration project. Industry members with particular concerns and questions which they hope will be answered by the project are urged to contact the Foundation. The project will best serve industry if industry's needs are understood.



ALEUTIAN MISTRESS

COASTAL TRAWLER

The choice of a coastal trawler to participate in the harvesting demonstration program was discussed at length at the September 18th meeting of the AFDF Board of Directors. Because of the need to ensure processing and marketing capacity to handle the vessel's catch, this discussion had been postponed until after a contractor for the model whitefish processing facility had been determined.

In the meantime, understanding of what is involved in a conversion has increased and the potential cost of such an effort has, of course, escalated. Furthermore, it appears that industry's needs in the harvesting sector may have changed enough to warrant reconsideration of the project's focus. Therefore, The Board of Directors decided to reject all original demonstration vessel proposals and will proceed with reconsideration of the project's structure and goals. At the same time, a vessel conversion manual derived from the extensive planning accomplished on the project to date is being prepared for publication and will be available on request.

MODEL WHITEFISH PROCESSING FACILITY

On September 2nd and 3rd, a proposal review team composed of AFDF Board members and advisors from industry and government organizations met to review five proposals received in response to solicitation for a model whitefish processing facility. The major criteria used to evaluate the proposals included a demonstrated commitment to development of the whitefish industry, suitability of the proposed facility, ability to begin processing whitefish at the earliest possible time, financial stability of the proposer, management and technological expertise of the proposer, ability to conduct an effective marketing campaign, and capacity to accommodate a training program.

The decision-makers combined their talents to accomplish a challenging task. Each of the five proposals was unique in both its approach to the problem and its prospective administrative structure. Each proposal was ranked on its own to establish whether it met the minimum requirements. Then those proposals which survived the first cut were judged on their relative merits.

After thorough consideration of all the criteria, the contractor recommended for the project by the full proposal review group was Alaska Food Company, prospective new owners of the Gibson Cove (Kodiak) facility previously owned and operated by New England Fish Company. Because Alaska Food Company is a new firm, with a limited record of performance and financial profile, this recommendation was made contingent upon the expectation that AFC and its financial supporters would satisfy the Foundation's requirements for evidence of financial stability, before the Board could act on the recommendation of the proposal review team. At their September 18th meeting, the Board heard a report on the financial structure of AFC and conducted a lengthy discussion of the subject with AFC principals and Alaska Renewable Resources Corporation. Pursuant to this discussion, the Board approved Alaska Food Company as the contractor to operate the Model Whitefish Processing Facility.

**MODEL WHITEFISH
PROCESSING
FACILITY**

(CONTINUED)

In order to establish right away a mechanism for insuring responsiveness throughout the project to the needs of the industry as a whole, the resolution adopted by the Board stipulates that the project will be collectively managed and directed by Alaska Food Company, AFDF, the project peer review team assembled by the Foundation, and the Alaska Renewable Resources Corporation. The Foundation looks forward to working with AFC on this large, complex, challenging project. The management of AFC is clearly dedicated to the goal of whitefish processing as the major function of the Gibson Cove facility, and their aggregate talents and experience are a considerable asset in that endeavor.

Our most sincere thanks are extended to all the proposers for the tremendous job they did in making their proposals and presentations. We look forward to their involvement and participation as the project progresses. All have been invited to participate on the peer review team.

The model whitefish processing facility is intended to serve as an example to the industry of a large-scale whitefish processing operation shoreside. While the primary focus is production equipment and methods, training of both plant managers and processing workers will be an important component. AFDF's involvement in the project, supported by over \$1 million in federal funds during the first year of operation, will focus on coordinating the efforts of Alaska Food Company, the peer review committee, and whitefish processing experts, in developing a final plan of action, monitoring the facility's operations, coordinating with related projects, evaluating the processing operations from economic and technological viewpoints, and public dissemination of project results.

**TRADE
DISCUSSIONS
BEAR FRUIT**

Discussions in July between the governments of Japan and the U.S. resulted in an agreement that will substantially change Japan's import quota system and should enable American seafood processors to increase sales, especially of underutilized species, to Japan. Japan plans to liberalize its import quota system by further increasing quotas for many species and by granting importation authority to a larger number of entities, allowing access for American products to a wider variety of market channels. In addition, Japan Deep Sea Trawlers has expressed interest in establishing a joint venture with a U.S. firm. This spirit of cooperation was also shown in an agreement to use mutual contacts to assist in resolving issues related to individual transactions, samples, technical cooperation, technology transfer, workshops, exchanging statistical and marketing data and other issues unrelated to policy that occur in the future. The U.S. contacts would be Martha Blaxall, Director of the NMFS Office of Utilization and Development in Washington, D. C., and Robert Iversen, the new U.S. Fishery Attache in Tokyo.

**ALASKA SEAFOOD
FOUNDATION**

The organizational meeting of Alaska Seafood Foundation in Sitka on September 24th went extremely well, with Dick Pace of Universal Seafoods elected Chairman, and committees established for salmon, shellfish, and "other species". AFDF is very pleased to see the impressive talents and energies of the diverse ASF Board organized and devoted toward solving some of the most difficult problems faced by the Alaskan fishing industry. We look forward to working with ASF in combined efforts to clear the path to a healthy, stable industry.

**WEST GERMAN
GROUND FISH
ALLOCATION**

The West German factory trawler "Friedrich Busse" is now fishing in the Bering Sea, harvesting part of the original Soviet groundfish quota, which was rescinded last spring and reallocated to other nations by the Department of State and Commerce. After an allocation of 26,000 metric tons was granted to West Germany, the North Pacific Fishery Management Council approved a permit for the West Germans to operate off Alaska. Through a program managed by AFDF and funded jointly by the State of Alaska, NMFS, and The 13th Regional Corporation, AFDF has contracted with Applied Economics Associates of Seattle to develop a data retrieval system and to collect economic and production data. This information is expected to be extremely useful in industry evaluation of alternative harvesting and processing techniques and logistic schemes. The current funding level of the project will cover development of the data retrieval system and collection of the information. The extent of compilation and analysis of the data after it has been gathered will depend upon additional funding.

Hochseefischerei Nordstern A.G., the owners of the "Friedrich Busse", are working to meet the requirements of the "fish and chips diplomacy" policy. They have provided space for three observers, and have agreed to take processing trainees. In addition, working through The 13th Regional Corporation as its exclusive broker, Nordstern has offered to purchase domestic groundfish for sale abroad. Unfortunately, Nordstern's specifications for product are such that domestic Alaskan producers are finding it almost impossible to comply. A memorandum listing the desired products and outlining quality requirements has been distributed to processors by the Foundation.

**PROPOSALS
FOR 1981
SOLICITED**

With 1980 projects just underway, already it is time to begin assembling proposals for 1981 funding. The Federal solicitation for proposals, issued by the National Marine Fisheries Service, will be published soon in the Federal Register, outlining the fisheries development program and the types of projects that will be considered. The probable deadline for full proposals at the Foundation offices will be about December 1, in order to allow time for refinement of individual proposals and for constructing a cohesive proposal package. Any and all industry members are invited to submit ideas or proposals concerning projects they believe should be undertaken to benefit the Alaska commercial fishing industry. As soon as they are available, copies of the Federal solicitation and of the Long Range Plan for Fisheries Development in Alaska may be requested from the Foundation. Areas of greatest importance nationally for 1981 projects include fuel efficiency, quality assurance, and marketing, especially for underutilized species. Regional priorities are expected to focus on these as well as other issues, including the following: Advances in harvesting and processing technology; small boat and rural commercial fisheries growth and diversification; development of a data base describing the economic structure of the industry that can be used in planning and investment decisions; improvement of transportation logistics; and other problems of particular importance in Alaska.

**PROPOSALS
FOR 1981
SOLICITED
(CONTINUED)**

Proposals concerned with any aspect of commercial fisheries development will be considered. However, because fisheries development funds are limited, it is the Foundation's policy to support projects with broad benefits to the Alaska industry. The first step one should take in developing a new project is to submit to the Foundation a brief (about 2 pages) description of the proposed project, identifying the goals and potential benefits of the work, together with an estimated budget. In order to assure consideration by the proposal review committee, this preliminary proposal should be received by the Foundation no later than November 15. If the committee elects to consider the project for inclusion in its 1981 program, a full proposal, prepared according to the Federal guidelines, will be requested. This mechanism is intended to streamline and focus program development efforts and to avoid duplicative or unnecessary work on the part of proposers. The Foundation will assemble a proposal package for submission to NMFS Washington, D.C., composed of requests for continued funding for some of the projects begun this year, augmented by projects that will carry forward the process initiated by this year's program.

**J. RICHARD PACE
NEW MEMBER OF
AFDF BOARD OF
DIRECTORS**

We are extremely pleased and proud that in addition to his very demanding duties as President of Universal Seafoods and Chairman of Alaska Seafood Foundation, Dick Pace has agreed to serve on our Board. This particular seat will expire at the annual meeting December 1st, but we are hopeful that we can persuade him to accept a further appointment so we can continue to have the benefit of his vast experience and level-headed thinking.

**RURAL WESTERN
ALASKA FISHERIES
CONFERENCE AND
WORKSHOP**

Representatives of Rural Western Alaskan fishing communities, the Alaska Native Foundation, the Community Enterprise Development Corporation, and AFDF convened for a conference and workshop on September 17th in Anchorage. The purpose of the gathering was to facilitate communication and enhance understanding between participants in established commercial fisheries and people interested in rural commercial fisheries development. The workshop was intended to lay the groundwork for a long range fisheries development plan for Western Rural Alaska which will coordinate and interface with the regional long range plan for Alaska fisheries development prepared by the Foundation. Follow-up meetings are scheduled beginning October 9th to implement that purpose. The proceedings of the conference and workshop will be published by the Foundation, and will be available on request.

COMM/FISH/MART

AFDF adds its applause to that of its colleagues for a job well done with a "first" for Anchorage and a giant step forward for the Alaskan fishing industry. The Comm/Fish/Mart and Work Boat Show at the Sheraton Anchorage Hotel, September 19-21, was well planned, eagerly attended and much appreciated by industry and general public alike. We hope this is only the beginning of many such events. AFDF also gives its special vote of thanks to Earlene O'Keef Nielsen of Banner News Service, Seattle, for her most gracious donation of a booth for AFDF which was manned by Sharon Gwinn, who thoroughly enjoyed talking with many of our old and new friends.

FROM THE DESK OF THE
EXECUTIVE DIRECTOR

Sara J. Hupli



Dateline: October 1, 1980

No "gold stars" for Sara (for being available at her desk) this month! I was doing fairly well through September 3rd and 4th proposal review, contract negotiations with NMFS in Seattle, September 12th presentation of Gold Pan Award for Jack Wilburn's outstanding contributions to the District Export Council, and my daily myriad of in-house activities. Then very short notice of my required presence in Washington, D. C. for review of solicitation procedures and marketing coordination caused me to miss the September 17th and 18th Rural Western Alaska Fisheries Conference and Workshop and Board meeting. Continued contract negotiations in Seattle prevented me from enjoying the Comm/Fish/Mart in Anchorage and gave me only 15 minutes in the office on Sunday, September 21st, on my way to Juneau for meetings with Commerce and Economic Development and Eric Eckholm of Alaska Seafood Foundation.

While Sitka is not too far from Juneau, more contract negotiations with NMFS in Seattle meant representation of AFDF at the North Pacific Fishery Management Council by my assistant, Sharon Gwinn. Then on to Kodiak on Thursday for a presentation to the Chamber of Commerce and a quick preliminary planning look at the Gibson Cove facility. Bad weather made it impossible to get back to Anchorage as scheduled, so one more day away from 805 West Third Avenue.

My husband and kids had nearly forgotten me during my absence for most of September but held me willing captive for a most unaccustomed but thoroughly enjoyable weekend at home. Today I'm scheduled to chair a panel on Financing Alaska's Fisheries for the Alaska Bar Association's Natural Resources Section, so this will be another day when the desk work goes "begging".

The Governor of Alaska, Mayor of Anchorage, and Mayor of Kenai Peninsula Borough have all proclaimed that October is Fish and Seafood Month in Alaska and we're planning some special events in an attempt to capitalize on the publicity afforded nationwide. There's a follow-up meeting for the Rural Western Alaska Workshop on October 9th, much work to be done on the long range plan, special membership meeting on the 22nd, presentation at the Boston Fish Expo on the 24th, the same day we're scheduled to leave with the delegation for Copenhagen on an itinerary being worked out by the Ministry of Foreign Affairs. I'm afraid to look at my calendar for November! But don't give up - we can all count on Bettymae to relay messages, keep us all current, and make sure everything runs as smoothly as possible.

TO BE CONTINUED

We are continuing our efforts to "fine-tune" our mailing list and will appreciate being notified of changes. Please send a copy of mailing label or show name and address as it appears on the label so we can find it on the list:

Correct name and address:

Please add my name to the mailing list:

Are you receiving extra copies?

Welcome, new members — we need more!!!

Please send:

- Copy of Restated Articles of Incorporation and By-Laws.
- Previous issues of Bulletin (starting August 1980).
- Proceedings of Rural Western Alaska Fisheries Conference and Workshop
- Application for Membership.
- List of Processors and Brokers.
- Preliminary Report on Longlining.
- Vessel Conversion Manual.
- Federal Solicitation for Proposals.
- Long Range Plan for Alaska Fisheries Development.

**Alaska Fisheries
Development Foundation, Inc.**
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