

Reply by Cachero - In the differential between trade and consumer prices currently consumer prices are too high. When trade prices went down, consumer price didn't. Its very worrisome, because it also happened with lobster.

At this point there was some comments by the representative from Red Lobster Japan, who noted that lower wholesale prices take time to be reflected in lower consumer prices, especially for restaurants who re-price menus only twice a year.

Margins differ between products - i.e. Red Lobster puts an extra dollar on cod meals to cover high cost of crab. They must sell the crab, but they can't go above a certain barrier price.

There is no menu price elasticity for lobster at its current price of \$16-19/lb.

Markets for Groundfish from the North Pacific - John Petersen, North Pacific Management Council, USA.

- In the US Zone there are two regulatory areas, the Aleutian Islands and the Gulf of Alaska. Via a council set up by the Magnusson Act, annual SAFE allotments (ABC's) and Total Allowable Catches (TAC's) are based on industrial, social and ecological factors. Domestic needs have eliminated joint ventures and influenced the direction of foreign fisheries in the Gulf of Alaska.

- Bi-catching is a problem. Halibut, crabs etc. are caught as a by-catches of bottom-trawling for groundfish. The bi-catching of prohibited specie, such as halibut affect the TAC's, as once the TAC for halibut cap is reached, the directed fishing of that species must cease. This has now become a major problem.

- There is also conflict between inshore and offshore fisheries. Various methods to deal with its have been proposed, i.e. TAC's, special fishing zones, etc., but they are of questionable legality. Currently a moratorium is being considered which will have a further regulatory impact on the crab and groundfish fisheries. Marine mammal endangerment is also a potential restrictive factor on the fisheries.

- The Donut Hole in the East Bering Sea is another regulatory problem. Foreign Fishing Vessels (FFV) i.e. China, Japan, Poland and the USSR, excluded by the Magnusson Act, now cluster along the Donut Boundaries, where 42 percent of the Pollock catch in the entire Bering Sea in 1988 was caught. This has become a significant problem in setting domestic US TAC's. The resource is declining - spawning intensity and biomass is shrinking due to