

# Harris & Hull

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December 17, 1999

Mr. Joel I. Klein  
Acting Assistant Attorney General  
Antitrust Division  
Department of Justice, Room 3109  
950 Pennsylvania Avenue NW  
Washington, D.C. 20530

**Re: Arctic Enterprise Association  
Request for Business Review Letter**

Dear Mr. Klein:

We represent the Arctic Enterprise Association (the "Cooperative"). The purpose of this letter is to request that the Department of Justice (the "Department") provide us with a statement of its enforcement intentions with respect to the proposed activity described below, pursuant to 28 C.F.R. § 50.6.

The "Members" set forth in the attached Membership Agreement, owners of the "Vessels" identified therein, have formed the Cooperative as a Washington corporation. Copies of the Articles of Incorporation, Bylaws and Membership Agreement of the Cooperative are attached hereto for your reference as Exhibits A1, A2 and A3.

The Members desire to form a cooperative pursuant to § 210(b) of the American Fisheries Act (Title II of division C of Public Law 105-277) (the "Act") with respect to the Alaskan pollock fishery for qualified catcher vessels delivering to the processing vessel ARCTIC ENTERPRISE, owned by TT Acquisition, Inc. ("TT"). TT qualifies as a shoreside processor, as identified under §§ 205(6)(A) and 208(f) of the Act.

The Cooperative is intended to function as a harvesting association through which the Members would allocate among themselves certain percentages of the total available catch for the Alaskan pollock fishery solely with respect for harvesting by TT. The purposes of the proposed mutual harvest allocation agreement are to enable the Members and TT to improve its and their utilization of Alaskan pollock (the "target species" of the fishery); to reduce its and their

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incidental catch (or "bycatch") of important non-target species; to reduce discards; and to improve safety to each Member Vessel.

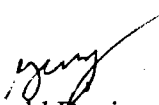
The proposed harvest agreement affects only qualified catcher vessels delivering to TT in the "Inshore Component" of the Pollock Fishery (the component of the available harvest of the fishery reserved to catcher vessels delivering to shoreside processors); it does not extend to other fisheries in which the Members may participate, except as permitted by the Act. In addition this agreement affects only harvesting activity.

The Members' Vessels represent at least 80% of the qualified catcher vessels licensed to operate in the Alaskan pollock fishery delivering to TT pursuant to the Act. All Vessels are owned in whole by TT. While the Act is silent about the participation of processor-owned vessels in the fishery cooperatives, the authors of the Act intended that these vessels could be members of these cooperatives and participate with full voting privileges therein. This intention is supported by the December 10, 1999 "Memorandum For Andrew J. Pincus, General Counsel, Department of Commerce" from the Department's Office of Legal Counsel. This memorandum, requested by the Department of Commerce on August 10, 1999, sets forth the Office of Legal Counsel's opinion that concludes that processor-owned catcher vessels may join fishery cooperatives under the AFA.

Please feel free to contact me or Bruce Hull of this office if you have questions or concerns regarding this matter, or need any additional information.

Very truly yours,

HARRIS & HULL, pllc

  
Gerald Davis

GD:tm

(Enclosures)