

## **DRAFT MOTION**

The following motion is proposed to address certain national standard concerns presented by the "crossover" provision in the revised vessel moratorium proposed by the Council at its meeting in September/October 1994.

1. A vessel that made a qualifying landing in the BSAI or GOA groundfish fisheries would be eligible to participate in the BSAI/GOA groundfish fisheries under the moratorium.
2. A vessel that made a qualifying landing in the BSAI crab fisheries would be eligible to participate in the BSAI crab fisheries under the moratorium.
3. A vessel that made a qualifying landing in the BSAI or GOA groundfish fisheries would be eligible to participate in the BSAI/GOA groundfish fisheries **AND** the BSAI crab fisheries under the moratorium providing:
  - (a) it uses only the same fishing gear in the BSAI crab fisheries that it used in the groundfish fisheries to qualify for the moratorium, and
  - (b) it does not use any fishing gear prohibited in the BSAI crab fisheries.
4. A vessel that made a qualifying landing in the BSAI crab fisheries would be eligible to participate in the BSAI crab fisheries **AND** the BSAI/GOA groundfish fisheries under the moratorium providing:
  - (a) it uses only the same fishing gear in the groundfish fisheries that it used in the BSAI crab fisheries to qualify for the moratorium, and
  - (b) it does not use any fishing gear prohibited in the BSAI or GOA groundfish fisheries.
5. A vessel that made a qualifying landing in the BSAI or GOA groundfish fisheries and during the period February 9, 1992, through December 11, 1994, made a landing in the BSAI crab fisheries would be eligible to continue to participate in the BSAI crab fisheries under the moratorium using the gear with which the crab landing was made.
6. A vessel that made a qualifying landing in the BSAI crab fisheries and during the period February 9, 1992, through December 11, 1994, made a landing in the BSAI or GOA groundfish fisheries would be eligible to continue to participate in the BSAI/GOA groundfish fisheries under the moratorium using the gear with which the groundfish landing was made.

### **Purpose**

This change in the revised vessel moratorium would allow limited crossovers of BSAI crab fishing vessels into the groundfish fisheries under the moratorium without those vessels having made qualifying landings in the groundfish fisheries. It also would allow limited crossovers of BSAI/GOA groundfish vessels into the BSAI crab fisheries without those vessels having made qualifying landings in those crab fisheries. For example, a vessel that made a qualifying landing in the BSAI crab fisheries using pot gear would be limited to using pot gear to harvest groundfish. Likewise, a vessel that qualified under the moratorium for a groundfish permit would be limited to using the same gear type it used in the groundfish fisheries to harvest crab as long as the gear was not prohibited in the BSAI


crab fisheries. This limited crossover provision recognizes the similarity of the groundfish and crab fisheries in terms of pot fishing gear. It also would prevent a vessel from dramatically changing its configuration while the Council develops a comprehensive rationalization management program for groundfish and crab fisheries.

This change also would allow a vessel that qualified in one moratorium fishery and crossed over and landed fish in another moratorium fishery, in reliance on the Council's original moratorium proposal of June 1992, to continue to participate in the newly entered moratorium fishery. At the same time, it would prevent a crab pot fishing vessel that landed only BSAI crab during the qualifying period from entering the groundfish trawl fishery for the first time during the moratorium solely because of its qualifying crab landings while excluding other vessels, that had made landings in other FMP fisheries but had not made qualifying groundfish landings, from entering the groundfish trawl fisheries. Likewise, it would prevent a groundfish trawl fishing vessel that landed only groundfish during the qualifying period from entering the BSAI crab pot fishery for the first time during the moratorium solely because of its qualifying groundfish landings while excluding other vessels, that had made landings in other FMP fisheries but had not made qualifying crab landings, from entering the BSAI crab pot fisheries.

This change would address the Council's concerns about fishing vessels that entered into the proposed moratorium fisheries after the Council took its original action in 1992. The original cutoff date would be maintained.

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke   
Executive Director

DATE: December 1, 1994

SUBJECT: Moratorium

ESTIMATED TIME 2 HOURS
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**ACTION REQUIRED**

Comment on proposed rule for revised moratorium, if available.

**BACKGROUND**

In September the Council approved a revised moratorium in response to the Secretarial disapproval of the Council's original submission. Supporting analysis and documentation for the revised moratorium were submitted to the NMFS Regional Director on November 7, 1994. A copy of that submittal was sent to Council family also. The transmittal letter and executive summary are under item C-2(a). As of this meeting, no proposed rulemaking has been published regarding the resubmitted plan amendment. We hope to receive a status report from NMFS at this time.

# North Pacific Fishery Management Council

Richard B. Lauber, Chairman  
Clarence G. Pautzke, Executive Director

605 West 4th Avenue  
Anchorage, Alaska 99501



Mailing Address: P.O. Box 103136  
Anchorage, Alaska 99510

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November 7, 1994

Steve Pennoyer, Regional Director  
National Marine Fisheries Service  
P.O. Box 21668  
Juneau, Alaska 99802

Dear Steve:

The North Pacific Fishery Management Council herein resubmits its proposed moratorium for the groundfish and crab fisheries off Alaska. The proposed moratorium constitutes Amendment 28 to the FMP for the Groundfish Fishery of the Gulf of Alaska, Amendment 23 to the FMP for the Groundfish Fishery of the Bering Sea and Aleutian Islands, and Amendment 4 to the FMP for the Commercial King and Tanner Crab Fisheries in the Bering Sea and Aleutian Islands Area.

As requested by the Secretary of Commerce in disapproving the Council's earlier proposed moratorium, the Council shortened the qualifying period to January 1, 1988 through February 9, 1992, eliminated halibut and sablefish fixed gear fisheries under the assumption they will be managed with IFQs beginning in 1995, and applied to the moratorium the same appeals process as for the sablefish and halibut IFQ program. These revisions reduce the potential fleet size from 13,350 vessels under the original moratorium to 4,144 vessels and retains limits on upgrades of vessel length. The Council believes this decision will provide an effective cap on significant increases in capacity while it develops comprehensive limited access measures.

The Council considered participation in 1992-1994, but chose not to extend the February 9, 1992 cutoff date. This decision eliminated 973 vessels of varying length, some of which were new to the fisheries, and some of which would otherwise have qualified if the Council had not accepted the Secretary's advice to shorten the qualifying period and eliminate sablefish and halibut fisheries. The Council continues to believe that it sufficiently considered "current" participation in its June 24, 1992 decision and properly notified industry that future participation would not qualify for the moratorium. Any perceived deficiency in the consideration of 1992-1994 participants as "current" participants is believed by the Council to be an artifact of the Secretary's delay in processing the amendment, not in the Council's decision.

The Council fully considered the Secretary's concerns with crossovers. The Council chose to allow crossovers between groundfish and crab fisheries, but significantly decreased the severity of the crossover problem by eliminating halibut and sablefish vessels. The Council believes that the greatest potential for crossovers will be from crab to groundfish because of the latest downturn in crab abundance. Further, it is believed that crossovers will mainly be focused into the Pacific cod pot fishery, which is a clean fishery and likely will enjoy with other gear groups a net expansion in cod total allowable catch Alaska-wide in 1995.

Steve Pennoyer  
November 7, 1994  
Page 2

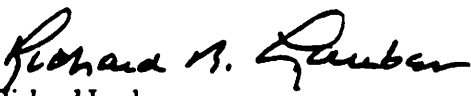
The crossover provision is justified for several reasons. Fishermen already may have invested in new gear to crossover based on the Council's original moratorium, and if they did, they probably needed, and will need, the "safety net" of multiple fishing opportunities, especially considering the state of the crab resource. The Council never intended to address allocative issues with the moratorium or to drive qualified fishermen into bankruptcy for lack of flexibility to move between fisheries. Rather, the Council's moratorium is intended to be a holding action to significant increases in capacity while the complex issues of long term comprehensive rationalization are considered thoroughly and fairly. The Secretary has stated his agreement with this goal for the moratorium.

The Council believes that the moratorium responds to the Secretary's national policy statements about the need to address overcapitalization and to promote risk-averse management. If the moratorium is not implemented, an estimated 245,000 vessels potentially could enter the groundfish and crab fisheries off Alaska. The impact of such an influx could be devastating and certainly would not be risk-averse. It would make the impacts of the 1,800-vessel difference between the moratorium fleet and the current participant fleet, and the impacts of crab vessel crossovers into groundfish, appear minor in comparison. Such a decision by the Secretary to disapprove the Council's moratorium would show that little has been learned from the current emergency need to expend almost \$50 million on aid to New England and the Pacific Coast because of fishery resource failures.

The Council believes that the moratorium is consistent with its comprehensive and fishery management plan goals and objectives, and with the national standards. The revised moratorium is clearly much more consistent with the national standards, viewed in light of the Secretary's own guidelines, than a decision not to implement a moratorium. And last, if, despite the genuine efforts by the Council to address the Secretary's concerns with the original moratorium, the Secretary disapproves the resubmittal because he believes it should be "tightened" further, even though the choice of having no moratorium leaves the fisheries wide open, vulnerable and risk-prone, then the Secretary is in effect requiring the Council to develop limited entry systems exactly to his specifications. This clearly usurps the authority granted to the regional fishery management councils by Congress in Section 304(c)(3) which states very emphatically that only the Councils, not the Secretary, may initiate limited entry plans for their fisheries.

The North Pacific Fishery Management Council urges the Secretary to review and implement the revised moratorium as early in 1995 as possible. It enjoys wide industry support and none of its provisions is considered severable.

Sincerely,

  
Richard Lauber  
Chairman

**SUPPLEMENTAL ANALYSIS FOR RESUBMITTAL**

**of the**

**PROPOSED MORATORIUM ON THE ENTRY OF NEW VESSELS INTO THE  
GROUND FISH AND CRAB FISHERIES**

**FOR**

**AMENDMENT 28 TO THE FMP FOR THE GROUND FISH FISHERY  
OF THE GULF OF ALASKA**

**AMENDMENT 23 TO THE FMP FOR THE GROUND FISH FISHERY  
OF THE BERING SEA AND ALEUTIAN ISLANDS**

**AMENDMENT 4 TO THE FMP FOR THE COMMERCIAL KING AND TANNER CRAB  
FISHERIES IN THE BERING SEA AND ALEUTIAN ISLANDS AREA**

**Prepared by  
the Staff of the North Pacific Fishery Management Council**

**Anchorage, Alaska**

**November 7, 1994**

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# SUPPLEMENTAL ANALYSIS FOR RESUBMITTAL

of

## VESSEL MORATORIUM

by

North Pacific Fishery Management Council

November 7, 1994

### EXECUTIVE SUMMARY

1. The Council approved revisions to its proposed moratorium in response to concerns raised by the Secretary of Commerce. As requested by the Secretary, the Council (1) shortened the qualifying period from the original January 1, 1980 to February 9, 1992, to the revised January 1, 1988 to February 9, 1992; (2) eliminated halibut and sablefish fixed gear fisheries because they will be managed with IFQs beginning in 1995; (3) considered current participation in 1992-1994, but did not extend the February 9, 1992 cutoff date; and (4) revised the appeals process to be the same as for the sablefish and halibut IFQ program. As originally proposed, the moratorium will sunset three years from the effective date. The Council chose to continue to allow crossovers between the groundfish and crab fisheries, though requested otherwise by the Secretary.

2. The Council's revisions reduce the potential fleet size from 13,350 vessels under the original moratorium to 4,144 vessels under the revised moratorium. Of the 4,144 qualified vessels, 255 qualified based on crab landings only, 231 based on crab and groundfish, and 3,658 based on groundfish only. Limits on upgrades in vessel size were retained from the original moratorium. The number of qualifying vessels is about 180% of the average number of vessels, 2,308 unique vessels, which operated each year 1988 through 1991 in the groundfish and crab fisheries.

3. By not extending the February 9, 1992 cutoff date to 1994, the Council eliminated 973 vessels, 494 of which were new to the fisheries. The remaining 479 vessels were not new to the fisheries, but were disqualified on the basis of the Secretary's requested revisions to the moratorium: the shortening of the qualification period and the elimination of halibut and sablefish fixed gear landings as qualifying criteria. The 973 vessels that were eliminated by not extending the cutoff date could have added substantial new capacity to the moratorium fisheries.

4. Crossovers between groundfish and crab fisheries are not prohibited by the Council's revisions. Halibut and sablefish crossovers into groundfish and crab were eliminated, thus significantly reducing the problem. Though 3,628 groundfish and 203 crab vessels legally could cross over into each other's fishery, the Council believes their potential crossover will be much less for two reasons. First, because crab abundance has declined recently and lucrative fisheries such as Bristol Bay red king crab have been closed, there will be little economic sense for groundfish vessels to invest in crab gear, especially in light of the fact that June 24, 1992 still is a prominent cutoff date for fishing histories for future limited entry. Second, though the more likely scenario is that some of the 203 crab vessels might gear up for groundfish, the June 24, 1992 cutoff date still serves as a deterrent to any major new investment. None of the options being considered by the Council for limited entry would recognize crossovers which occur during the moratorium years of 1995-1997.

5. Those crabbers that do crossover most likely will participate in pot fisheries for Pacific cod. In doing so, the main impacts of increased capacity will be felt by the fixed gear portion of the Bering Sea cod fishery, or



in the inshore cod fisheries in the Gulf of Alaska. Two mitigating factors of these focused crossovers are that (1) pot fisheries have been shown to be relatively clean fisheries in terms of bycatch, and (2) the Gulf of Alaska quota may more than double in 1995 compared to 1994, thus helping to absorb any new capacity.

6. The Council believes that crossovers should be allowed for several reasons in addition to the mitigating factors identified above: (1) fishermen already may have invested in crossing over based on the Council's original moratorium; (2) fishermen that decide to invest in new gear badly need additional fishing opportunities especially given the state of the crab resources; and (3) the Council's intent with the moratorium is to hold the line on new entrants while the complex issues of long term comprehensive rationalization are considered thoroughly and fairly, not to drive qualified fishermen into bankruptcy for lack of flexibility to move between fisheries. Addressing and implementing comprehensive rationalization will take considerable time. In the interim during the moratorium, the Council believes the qualified vessels should have the "safety net" that will be provided by access to multiple fisheries. The Council's original decision to allow crossovers was particularly prescient in light of the recent downturn in crab stocks.

7. The impacts of the Secretary disapproving the Council's revised moratorium could be devastating and certainly would not be risk averse. The analysis shows that about 245,000 vessels potentially could enter the groundfish and crab fisheries off Alaska. The impacts of the 1800-vessel difference between the moratorium fleet and the current participant fleet, and the minor number of crab vessels that may crossover into the cod fisheries, pale in significance compared to the impacts that would result from a pulse influx of vessels from distressed areas and fisheries elsewhere in the United States if no moratorium is in place.

8. Written and verbal policy statements by representatives of the Secretary identify risk-prone management and overcapitalization as priority concerns in fisheries around the nation. If by disapproving the Council's revised moratorium, the Secretary chooses open access to North Pacific fisheries over a limitation on potential capitalization, that decision could lead to pulse influxes of effort and a heightened potential for overfishing. Such a decision would run counter to the Secretary's stated goals of risk-averse management and reduced effort. Such a decision would show that little has been learned from the current emergency need to expend almost \$50,000,000 on aid to New England and the Pacific Coast now because of resource failures.

9. The Council believes the moratorium will achieve its short term goal of stemming the flow of outside capacity into North Pacific crab and groundfish fisheries, thus keeping the situation from worsening while a longer term comprehensive rationalization plan is developed. The Secretary also has accepted that goal for the moratorium. The Council believes the moratorium comports with its comprehensive fishery management goals and those in the fishery management plans.

10. The Council believes the moratorium is consistent with all the national standards including numbers 1, 4, and 5 which were the basis for the Secretary's earlier disapproval. The moratorium will in no way degrade the ability to achieve OY, it does not discriminate between residents of different states, it is fair and equitable and will promote conservation, and it will not allow efficiency to be degraded by a large influx of new capacity. A decision to not implement a moratorium would act in the reverse direction: It could lead to exceeding OY and overfishing, it does not promote conservation, and it will degrade efficiency as new effort enters the fisheries. That choice clearly is not consistent with the national standards.

11. And last, if the Secretary disapproves the moratorium because he believes that it does not go far enough in restricting effort, even though the choice of having no moratorium leaves the fisheries wide open, the Secretary is in effect requiring the Council to develop limited entry systems to his specifications. This clearly usurps the authority granted to the regional fishery management councils by Congress in Section 304(c)(3) which states very emphatically that only the Councils, not the Secretary, may initiate limited entry plans for their fisheries.



F / V LADY ALASKA  
F / V LADY KODIAK  
F / V LADY ALEUTIAN

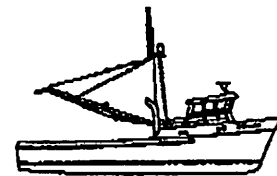
## KEVIN SUYDAM

F / V LADY KODIAK - F / V LADY ALASKA

F / V LADY ALEUTIAN - F / V WENONA

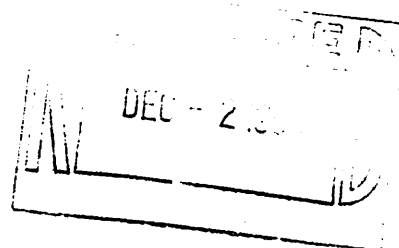
P.O. Box 980 • Kodiak, Alaska 99615

(907) 486-5396



F / V WENONA

Mr. Rick Lauber  
North Pacific Fisheries Council  
PO Box 103136  
Anchorage, Alaska 99510



Nov. 15, 1994

Dear Mr. Lauber:

Re: The proposed Moratorium on New Fishing Vessels in Alaska Fisheries. We commend the National Marine Fisheries Service for not approving the fishing vessel moratorium as proposed by the North Pacific Fishery Management Council in its present form as it did not address crossovers into other fisheries and the current participation by the existing vessels. We agree that both issues are not conforming under National Standards, the Magnuson Act and other applicable laws.

The crossover issue should be unquestionable. How can the new entrance of existing vessels from one fishery over to another fishery for which they had no past or current participation, not contribute the problem of increased fleet within that fishery; thus negating the purpose of the Moratorium.

Therefore I wish to address the issue of the qualifying period to in reference to a few present participant vessels that could be denied fishing privileges. It is evident to us that the Moratorium as proposed did not follow several National Standards as pointed out in Mr. Pennoyers letter to the Council disapproving the Fishery Management Plan amendments for a Moratorium by the Council on Aug. 5, 1994.

National Standard 1 calls for enhancing achievement of optimum yield from the fisheries. The intent under this standard was to allow additional fishing capacity for optimum yield. Since we are at a sufficient level of fishing capacity now, if any current participating fishing capacity is eliminated by a Moratorium; it would be in direct conflict with this standard. We would be taking away optimum yield fishing capacity under which this National Standard was written.

National Standard 4 that requires an allocation of fishing privileges under an FMP must be fair and equitable. To exclude fishing privileges for any current participant vessel that is now actively fishing can not be fair nor equitable. These established vessels that are supporting the fishery and fishing industries have no less rights than older vessels and must be treated fair and equitably by inclusion of any Moratorium; otherwise National Standard 4 has not been met.

National Standard 5 requires that management measures promote efficiency in the utilization of Fishery resources, where practicable, except that no such measure shall have economic allocation as its sole purpose. The moratorium as it is proposed would exclude some current participating vessels, whose revenues would be thrown back in the fishery they were deleted from; to the benefit of other vessel's revenues. This is solely economic allocation and unequivocally is against National Standard 5.

Under section 303 (b) (6) of the Magnuson act on present participation; the Moratorium has not provided for all present participant vessels. Any vessel that is presently fishing with fishing vessel licenses and permits issued by the State of Alaska could not legally be excluded from fishing privileges under section 303 (b) (6). This is in addition to not meeting the National Standards stated above.

I have been a fisherman and vessel owner for 25 years presently owning three Alaska crab vessels. Two of my crab vessels fit the proposed moratorium. One last crab vessel that had construction started almost five years ago in Jan. 1990; which was two years before the proposed moratorium qualifying date, was delivered late due to circumstances beyond my control. In large part due to the confusion of the Moratorium itself and the withdraw of my bank financing because of uncertainty of this proposed Moratorium. This vessel is now into its third year of fishing in these fisheries and is definitely a present participant that had construction and vessel documents started almost five years ago; yet it would be denied fishing privileges. This is not fair and equitable as required by National Standard 4. The elimination of my vessel would be to increase the revenues of other vessel owners from the revenues my vessel previously caught, is solely is economic allocation and against National Standard 5. It does not provide for my vessel under section 303 (b) (6) of the Magnuson act either.

In concept the Moratorium's main purpose is to benefit vessel owners such as myself which is self serving to a special interest group. But in reality this Moratorium is illegal in its present form for the reasons stated above. Especially when the elimination of existing present participant vessels for the benefit of other vessel owners finances happens, this proposed Moratorium becomes doubly illegal. In order to conform to all applicable laws the Moratorium should not eliminate vessels such as mine as described above. The only way a Moratorium could be legal is to have the date of its signing be the effective date. Please use your authority to make this right.

Respectfully submitted,

*Kevin Suydam*  
Kevin Suydam

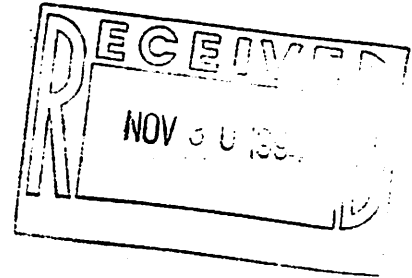
cc: Honorable Ronald H. Brown  
Senator Ted Stevens  
Senator Frank Murkowski  
Honorable Donald E. Young  
Ms. Margaret Hayes  
Mr. Jay Johnson  
*Mr. Steve Pennoyer*  
*Mr. Roland Schmitt*

**ALASKA OCEAN SEAFOOD**

LIMITED PARTNERSHIP

November 29, 1994

Mr. Richard Lauber, Chairman  
North Pacific Fishery Management Council  
P.O. Box 103136  
Anchorage, AK 99510

Re: Agenda Item C-2; Moratorium

Dear Mr. Lauber:

These Comments are filed on behalf of Alaska Ocean Seafood Limited Partnership as well as Auriga and Aurora General Partnership, to express our views on the Council's September 1994 actions with respect to the moratorium, and to set forth our thoughts on the appropriate relationship between the moratorium and a license limitation program. I am a general partner in and general manager of these companies, which own and operate the ALASKA OCEAN, a modern surimi factory trawler; and the AURIGA and AURORA, two modern refrigerated sea water trawlers that deliver catches to shoreside processing facilities.

My partners and I supported the Council's decision to impose the moratorium, and we applaud many of the actions that the Council took in September with respect to that program. We nonetheless have some residual concerns. Briefly, we believe that certain aspects of the revised moratorium proposal could still lead to further overcapitalization. More significantly, we are concerned that the Council, by focusing on the State of Alaska license limitation proposal, is overlooking the inherent value of the moratorium itself and thus is taking an unnecessary detour on the road to full comprehensive rationalization.

**I. THE REVISED MORATORIUM PROPOSAL**

- A. Qualification period. In previous testimony before this Council, we expressed our view that the original qualifying period would contribute to rather than curtail overcapitalization, and was therefore inconsistent with the moratorium's goals, the National Standards, and other provisions of the Magnuson Act.

At the September meeting, the Council voted to change the qualification starting date to January 1, 1988. We regard this change as a significant improvement over the initial proposal. Nonetheless, we note that this change still leaves over 4,000 vessels eligible for moratorium qualification, far in excess of the number of vessels now operating. Therefore, even this change carries a potential for increasing rather than curtailing capitalization.

Mr. Richard Lauber  
November 29, 1994  
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We believe that the moratorium should curtail capitalization to the maximum extent possible while protecting present investment. Toward that end, we again suggest that a better approach would be to qualify only those vessels that made documented harvests during any of the three (3) years immediately preceding June 24, 1992.

This qualifying period would go a long way to ensuring that only those vessels that entered the fisheries before the Council's cutoff date and that are presently operating in the fisheries qualify under the moratorium. The qualifying period would also help address one of the concerns raised by the Secretary with respect to the original proposal.

As we understand it, the Secretary perceived a fundamental unfairness in allowing a vessel that fished only in 1980 in only one of the fisheries to qualify for all three fisheries, while completely excluding a vessel that had fished in one or more of the fisheries only in 1993 and/or 1994. Our proposed qualification period would qualify only present participants who entered the fisheries before the cutoff date. Thus, both the 1980 vessel and the 1993-94 vessel would be excluded.

- B. Minimum poundage. Our previous testimony has expressed our dissatisfaction with the fact that the moratorium proposal contains no minimum poundage requirement for qualification and therefore permits qualification on the basis of one token landing, even though the vessel does not and never has otherwise participated in the affected fisheries. Again, this contributes to rather than curtails overcapitalization, especially if the Council continues to permit crossovers among fisheries.

It is our understanding that the Council did nothing in September to address this problem. We therefore reiterate our position that the absence of a minimum poundage requirement is contrary to the purposes of the moratorium and violates the National Standards and other provisions of the Magnuson Act.

- C. Crossovers. The original moratorium proposal allowed unlimited crossovers among fisheries by a vessel that qualified on the basis of any one of the fisheries. We objected to this provision on the grounds that it would not curtail overcapitalization but would simply cause shifts in overcapitalization among the fisheries.

In September, the Council addressed this problem by eliminating the halibut/sablefish fishery from the moratorium, thus eliminating over 7,000 vessels from the crossover potential. However, if our understanding of the Council's action is correct, the halibut/sablefish fishery is eliminated from the moratorium only if the ITQ program for that fishery withstands the ongoing court challenge and is actually implemented.

Mr. Richard Lauber  
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It is unclear to us what will happen with respect to this fishery if the ITQ program fails the Court challenge or is not otherwise implemented. Presumably, the fishery will remain part of the moratorium, and the crossover problem will not have been addressed at all.

Separate and apart from halibut/sablefish the revised proposal would still permit some 3,971 groundfish vessels to shift to the crab fishery, and 484 crab vessels to shift to the groundfish fishery. Thus, under the revised proposal, the problem of shifting overcapitalization remains with respect to these two fisheries.

- D. CDQ exemption. The original moratorium proposal would have exempted CDQ vessels from the moratorium and thus would have allowed CDQ-qualified communities to add capacity to the existing fleet. This provision remains unchanged in the revised proposal.

We continue to oppose this provision on the grounds that it will simply encourage construction of more vessels that can harvest the CDQ, the open-access allocation, or both. This is obviously contrary to the moratorium's goal of curtailing overcapitalization. That goal would be far better served if CDQ communities were limited to acquiring vessels from the existing, moratorium-qualified fleet.

## II. THE MORATORIUM AND THE LICENSE LIMITATION PROGRAM

The Council currently has before it for consideration an extremely complex license limitation proposal. Our written comments filed with respect to Agenda Item C-4 set out in detail our reasons for opposing the Council's consideration of that proposal.

By way of summary there, we believe that consideration of the pending license limitation proposal is an unnecessary and unwarranted expenditure of time and effort because the moratorium already provides the basic tools for attaining the one identified expected benefit of the license program - determining who is in and who is out.

Such a determination does not require the examination of some 72,000 options. It can be made through a simple program that merely formalizes and fine-tunes the moratorium. Such a program would have five straightforward features:

1. It would issue licenses to current owners of vessels that would qualify under the moratorium and that made a documented landing during any on the three (3) years

Mr. Richard Lauber

November 29, 1994

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prior to June 24, 1992.<sup>1</sup>

2. It would delineate licenses by vessel size categories.
3. It would prohibit transfers of licenses from smaller vessels to larger vessels, except where licenses from several smaller vessels are being used to license a larger vessel and there is no increase in the capacity of the fleet.
4. It would delineate licenses by fishery - groundfish and crab<sup>2</sup> - on the basis of the primary fishery of the vessel in the three (3) years prior to June 24, 1992.
5. It would prohibit transfer of licenses from one fishery to another.

The Council could adopt such a program with far less time and effort than will be required to reach the same result under the current license limitation proposal. This would allow the Council to proceed more directly and expeditiously toward implementation of ITQ's.

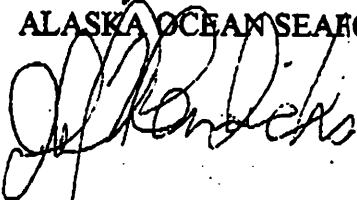
#### CONCLUSION

At its September 1994 meeting, the Council took several positive steps toward improving the moratorium proposal. Nonetheless, there is still room for improvement - ways in which the moratorium could have a greater impact on overcapitalization.

Regardless of whether the Council makes any further changes in the moratorium, however, we urge the Council to remain mindful of the moratorium's value as a stepping stone to a simple, readily implemented license program.

Sincerely,

ALASKA OCEAN SEAFOOD, L.P.



Jeff Hendricks, General Manager

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<sup>1</sup> The landing requirement could be eliminated as redundant if the Council includes a minimum poundage requirement in the moratorium.

<sup>2</sup> Halibut/sablefish would be a third designation if that fishery returns to moratorium coverage.