

Betsy Knudsen  
C-3



# DAILY SENTINEL

Monday, April 17, 1995

Volum



## Saying No

Bob Reed aboard the Cloud Nine makes his opinion known Sunday during a demonstration showing support for a ban on trawling in Southeast waters east of Yakutat. About two dozen boats paraded from Crescent Harbor north through Sitka Channel and back to the harbor. The trawling ban is to be taken up later this week by the North Pacific Fishery Management Council,

meeting in Anchorage. Linda Behnken, Alaska Longline Fishermen's Association executive director and a member of the NPFMC council, has warned that the council is considering a license limited entry program for all Gulf of Alaska groundfish species, which she contends could permanently allocate SE licenses to factory trawlers. (Sentinel photo by James Poulson)

## Fish Panel to Take Up Allocations

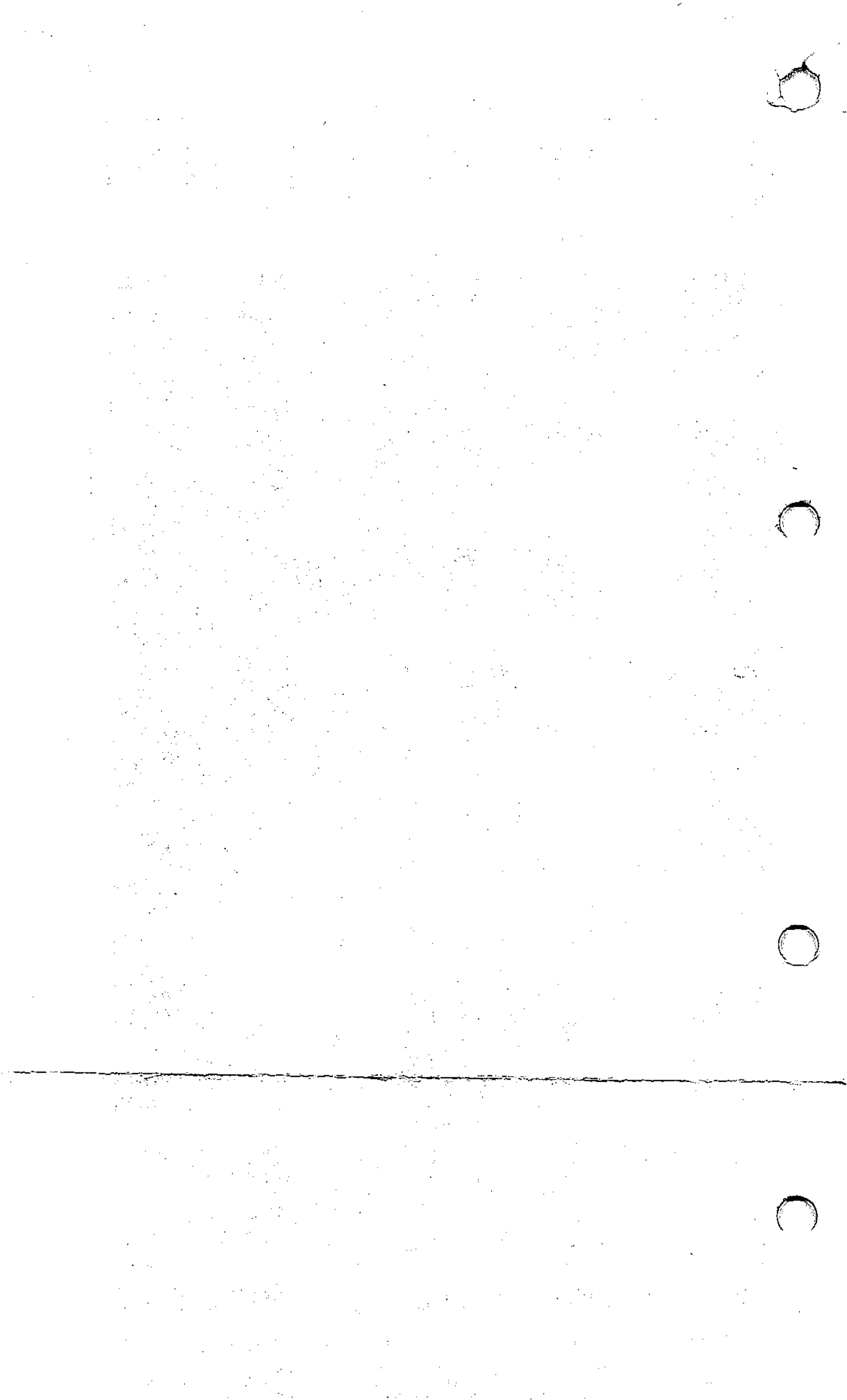
ANCHORAGE (AP) — The North Pacific Fishery Management council takes up pollock and cod allocations at an Anchorage meeting that starts Wednesday.

tion would continue the program through 1998.

The program initiated in late 1992 allocates 65 percent of Bering Sea and Aleutian Island pollock to fishers de-

the program over for another three years, said Clarence Pautzke, executive director of the council.

The council will review staff reports before taking final action at a



Pupkin  
C-3

## Proposal for Regulations on Gear Specifications and Fishing Quotas

For seventeen years I have fished the Prince William Sound and Gulf of Alaska area. Through the years there have been no limitations on fishing gear. If there is less gear being used in the water, the seasons will be longer and the dead loss will be reduced.

It is common for commercial vessels to use 20,000 hooks on the bottom at one time in 24 hrs. They catch an average of one pound of fish per hook, killing 6600 pounds of fish that can't be sold on the market. This perturbation of the fish population jeopardizes all of our futures.

If gear specifications were implemented we could fish all year around for bottom fish of all types including halibut, black cod, gray cod, all red fish, muskies, ling cod skates, flounders and black bass.

Fishing vessels that trawl and drag kill every fish that they are not specifically fishing for and one third of what they are fishing for die during the harvest and are wasted.

There must be a quota established for all coastal communities and villages in Alaska. A lot of the smaller vessels cannot compete with the larger vessels which have more gear. This excessive amount of gear causes incredible loss of fish life. The crew cannot recover the gear at this volume and therefore fish are wasted. The larger vessels catch the quota in federal waters before the fish even get into state waters where smaller vessels can legally fish.

Pots create the same carnage of fish, when a vessel has too many pots in the water. The gear is killing thousands of pounds of fish due to dead loss of target and non-target fish, meaning reduction in fishery resources and stability of the market.

According to the state and federal catch updates, bottom trawls kill 68% of the world's quota of halibut in Alaska waters. Every year mid-water trawls should be the only type used in our state waters. Bottom trawls should be prohibited because of the damage they do to the ocean floor and the ecosystem.

This proposal should be implemented and not just looked at as another proposal to be filed. Alaskans are entitled to a fair share of the harvest. The regulations on gear specifications and quotas proposed herein will provide for equitable harvest for now and the future for everyone involved without damaging the industry. The following guidelines should be implemented regardless of openers:

1. state waters - limit long lining to no more than 5,000 hooks
2. federal waters - limit long lining to no more than 10,000 hooks
3. state waters - no more than 50 pots
4. federal waters - no more than 100 pots
5. mid-water trawl only
6. no bottom trawl allowed
7. establish separate quota on all bottom fish in state and federal waters
8. community quota guaranteed to provide an economic balance within the state for natural resources

A "fish today with no regard for tomorrow" attitude is no longer acceptable. We must insure the future of our renewable resources.

Sincerely your,

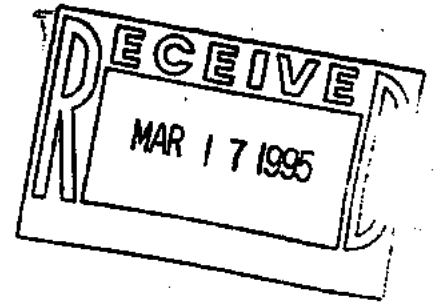
John Pipkin,  
Commercial Fisherman,  
Chenega Bay, Alaska

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## SITKA FISH AND GAME ADVISORY COMMITTEE

Gov. Tony Knowles  
P.O. Box 110001  
Juneau, Ak. 99801-0001



Subject: Southeast Alaska Trawl Closure.

At our March 1, 1995 meeting, the Sitka Fish & Game Advisory Committee discussed and unanimously supported House Joint Resolution No. 25, now before the Alaska State Legislature, banning trawling east of 140 degrees longitude. The 14 committee members and approximately 30 members of the public in attendance all reflected the same points. 1. The trawl fisheries have no economic benefit to southeast communities. 2. The potential for environmental damage, inherent to the nature of the trawl fisheries, could severely impact existing traditional fisheries. 3. Trawl fisheries could destructively affect fish stocks, on which all southeast communities are economically dependent.

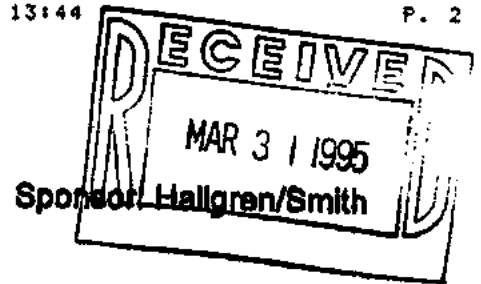
The Sitka Fish & Game Advisory Committee would appreciate all of the consideration and support you can give this matter as we feel it's of utmost importance to the future of Southeast Alaska.

Respectfully,

*Sue Sturm*  
Sue Sturm, Chairman  
617 Katlian B 23  
Sitka Alaska, 99835

c/c Lt. Gov. Fran Ulmer  
Rep. Austerman  
Rep. Grussendorf  
Senator Taylor  
Senator Stevens  
North Pacific Fishery Mgmt. Council  
Alaska Longline Fisherman's Assoc.

Serving the Alaska Board of Fisheries and Alaska Board of Game  
Boards Support Section, P.O. Box 25526, Juneau, Alaska 99802-5526

**RESOLUTION NO. 95-601****A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA,  
ALASKA SUPPORTING A BAN ON TRAWLING IN THE EASTERN GULF OF  
ALASKA EAST OF 140 DEGREES WEST LONGITUDE**

**WHEREAS**, the Eastern Gulf of Alaska has been a significant hook and line fishing area for almost 100 years; and

**WHEREAS**, this southeast community is one of the larger fishing areas in the State of Alaska and proper management is necessary to ensure continued access of local fishermen to Southeast fish stocks; and

**WHEREAS**, the trawl fishing effort is expected to exert undue fishing pressure on fish stocks and displace traditional hook and line fisheries threatening the sensitive habitat unique to Southeast; and

**WHEREAS**, the eastern Gulf of Alaska contains an unique assemblage of valuable rockfish species in amounts small enough that the rockfish stocks could be easily damaged by large vessel activity; and

**WHEREAS**, given the need to improve the management of our fisheries resources, if any single species of rockfish reaches its over fishing level, the entire rockfish complex and any other fishery that might take any of the over fished rockfish species are closed; and

**WHEREAS**, an eastern Gulf of Alaska trawl fishery can seriously disrupt the traditional fisheries on which 3,000 Southeast Alaska hook and line fishermen depend; and

**WHEREAS**, Southeast Alaska contains limited smooth bottom areas suitable for trawls, but instead many rocky areas that support an abundant, diverse, yet fragile deep water habitat; and

**WHEREAS**, the impact of the trawl gear adversely affect corals and associated hard bottom species; and

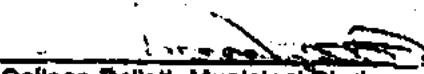
**WHEREAS**, only by closing the eastern Gulf of Alaska east of 140 degrees west longitude to trawl fishing, can the stability of Southeast Alaska fisheries be protected.

**NOW, THEREFORE, BE IT RESOLVED** by the Assembly of the City and Borough of Sitka, Alaska that the City and Borough of Sitka endorses House Joint Resolution No. 25 relating to a ban on trawling in the eastern Gulf of Alaska east of 140 degrees west longitude.

**PASSED AND APPROVED** by the Assembly of the City and Borough of Sitka, Alaska on February 28, 1995.

  
Anne Morrison, Deputy Mayor

ATTEST:

  
Colleen Pellett, Municipal Clerk

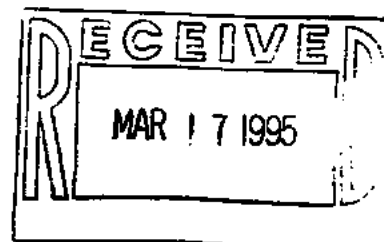


# SEAFOOD PRODUCERS COOPERATIVE

PRODUCERS, PROCESSORS & MARKETERS OF PREMIUM QUALITY SEAFOODS

March 14, 1995

North Pacific Fisheries Management Council  
P.O. Box 103136  
Anchorage, AK 99510



Dear Council Members:

The 350 member fishermen of Seafood Producers Cooperative urge the members of the NPFMC to designate the waters east of 140 degrees west longitude, as a hook and line only fishery, and permanently ban the factory trawl fleet from this area.

The oceanography, ecology, and socioeconomic structure of Southeast Alaska make the area unique, and uniquely vulnerable to the impact of trawl fishing. Factory trawlers in Southeast Alaska will displace the local small boat fleet with a handful of large vessels who buy supplies, hire crews, process, and deliver product outside Alaska. Factory trawlers contribute nothing to the economy of Southeast, yet could damage sensitive habitat, deplete locally important fish stocks, and cause extreme economic harm to local Southeast residents and communities.

Economic changes in Southeast Alaska during the past few years have served to heighten the regional dependence on local commercial fisheries. Southeast residents hold over 4300 commercial fishing licenses, with over 6000 people employed as crew members. Another 1400 people work in the shore based processing sector, which has a total annual impact on the Southeast economy of \$547 million. The Southeast commercial fisheries pay over \$5.3 million in raw fish taxes each year, and support a host of service industries in the region.

We feel the future of Southeast will be determined by the future of the local fisheries. Our concern for the long term ecological and socioeconomic stability in Southeast Alaska mandates that factory trawling be eliminated east of 140 degrees west longitude.

Thank you for your consideration.

SEAFOOD PRODUCERS COOPERATIVE

  
Barry S. Lester  
General Manager/C.E.O.

CITY OF WRANGELL, ALASKA

RESOLUTION NO. 03-95-558

A RESOLUTION OF THE COUNCIL OF THE CITY OF WRANGELL, ALASKA, ENDORSING HJR 25, AND URGING THE NORTH PACIFIC FISHERY MANAGEMENT COUNCIL TO ELIMINATE FACTORY TRAWLING FROM SOUTHEAST

WHEREAS, the fishing industry is a vital, economic industry in Alaska; and

WHEREAS, the recent closures of the Wrangell Sawmill, and the Sitka Pulp Company had a devastating effect on the local economy, heightening dependence on commercial fisheries; and

WHEREAS, the seafood industry is the largest, and in some communities the only private employer, providing a livelihood and lifestyle to local residents; and

WHEREAS, over 4,300 Southeast residents hold commercial fishing licenses, employ approximately 6,000 crew members and employ 1,400 in shore-based processing businesses; and

WHEREAS, Southeast commercial fisheries pay over \$5.3 million in raw fish tax each year to local communities, and support a host of service industries; and

WHEREAS, the seafood industry must be properly managed in order to maintain ecosystem health and ensure continued access of local fishermen to southeast fish stocks; and

WHEREAS, small Alaska based beam trawlers, unlike factory trawlers, contribute to the local and regional economy and pose no threat to fisheries habitat; and

WHEREAS, factory trawlers threaten the sensitive habitat unique to Southeast and could trigger closures of fisheries targeted by local Southeast fishermen; and

WHEREAS, factory trawlers do not contribute anything to the Southeast economy, yet could shut down local fisheries, eliminating the lifeblood of Southeast; and

WHEREAS, the factory trawl fleet presents the single greatest threat to the future socioeconomic health and stability of Southeast fisheries and fishery dependent communities.



NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WRANGELL, ALASKA, endorsing HJR 25 and urging the North Pacific Fishery Management Council to ban factory trawling in the federal waters east of 140 degrees West longitude (east of Yakutat).

ADOPTED: \_\_\_\_\_ March 14 \_\_\_\_\_, 1995

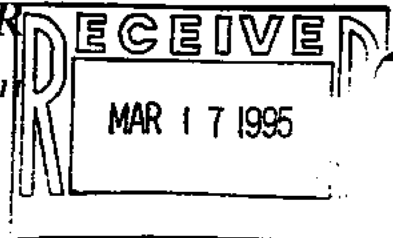
*Fern Neimeyer*  
Fern Neimeyer, Vice Mayor

ATTEST: *Franette A. Vincent*  
Franette A. Vincent, City Clerk

Certified a true and correct copy of the original filed in my office.  
*Franette A. Vincent*  
City Clerk  
City of Wrangell

# CITY OF PORT ALEXANDER

P.O. Box 8725 Port Alexander, AK 99896 909/568-2211



## RESOLUTION 95-3

A Resolution relating to a ban on trawling in the eastern Gulf of Alaska east of 140 degrees west longitude.

BE IT RESOLVED BY THE CITY COUNCIL OF PORT ALEXANDER, ALASKA:

WHEREAS the eastern Gulf of Alaska has been a significant hook and line fishing area for almost 100 years and most of the high value fisheries in the area are fully utilized by the hook and line fishing fleet; and

WHEREAS the level of trawl fishing effort in the eastern Gulf of Alaska is expected to exert undue fishing pressure on fish stocks in the area and displace traditional hook and line fisheries; and

WHEREAS foreign trawl fishing in the Gulf of Alaska resulted in depressed populations of several species of rockfish; and

WHEREAS the eastern Gulf of Alaska contains a unique assemblage of valuable rockfish species in amounts small enough that the rockfish stocks could be easily damaged by large vessel activity; and

WHEREAS, under federal fishing regulations, if any single species in the rockfish complex reaches its overfishing level, the entire rockfish complex and any other fishery that might take any of the overfished rockfish species are closed; and

WHEREAS the trawl fishery in the eastern Gulf of Alaska can significantly disrupt the traditional fisheries which our community has participated in since the early 1900s and on which 3,000 Southeast Alaska hook and line fishermen depend; and

WHEREAS the narrowness of the continental shelf and continental slope in the eastern Gulf of Alaska concentrates trawl fishing effort in a small area and as a result prevents recovery of trawl fishing areas and may permanently impoverish the ecosystem of the eastern Gulf of Alaska; and

WHEREAS the Southeast Alaska area contains limited smooth bottom areas suitable for trawls, but many rocky areas that support an abundant, diverse but fragile deep water habitat; and

WHEREAS the impact of trawl roller gear and trawl doors could significantly affect corals and associated hard bottom species; and

WHEREAS, only by closing the eastern Gulf of Alaska east of 140 degrees west longitude to trawl fishing, will the

unique assemblage of local marine resources be protected;

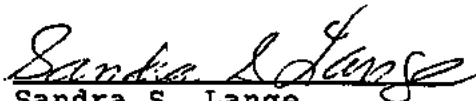
BE IT RESOLVED by the City of Port Alexander that the United State Secretary of Commerce is respectfully requested to immediately implement permanent regulations closing the eastern Gulf of Alaska east of 140 degrees west longitude to pelagic and bottom trawling.

Copies of this resolution shall be sent to the Honorable Ron Brown, Secretary, U.S. Department of Commerce; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Adopted this 6<sup>th</sup> day of March, 1995, at a Port Alexander City Council meeting.

  
Debra Rose Gifford, Mayor

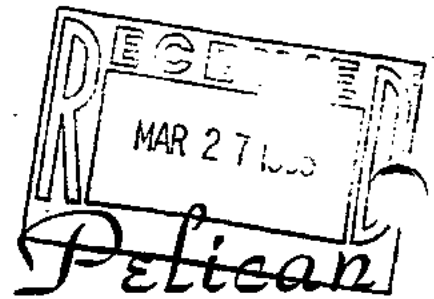
ATTEST:

  
Sandra S. Lange  
City Clerk



City

of



BOX 737

PELICAN, ALASKA 99832

PHONE 735-2202

FAX 735-2258

CITY OF PELICAN, ALASKA

RESOLUTION 1995-5

A RESOLUTION RELATING TO A BAN ON TRAWLING IN THE  
EASTERN GULF OF ALASKA EAST OF 140 DEGREES WEST LONGITUDE.

- WHEREAS: the eastern Gulf of Alaska has been a significant hook and line fishing area for almost 100 years and most of the high value fisheries in the area are fully utilized by the hook and line fishing fleet; and,
- WHEREAS: the level of trawl fishing effort in the eastern Gulf of Alaska is expected to exert undue fishing pressure on fish stocks in the area and displace traditional hook and line fisheries; and,
- WHEREAS: foreign trawl fishing in the Gulf of Alaska resulted in depressed populations of several species of rockfish; and,
- WHEREAS: the eastern Gulf of Alaska contains a unique assemblage of valuable rockfish species in amounts small enough that the rockfish stocks could be easily damaged by large vessel activity; and,
- WHEREAS: under federal fishing regulations, if any single species in the rockfish complex reaches its overfishing level, the entire rockfish complex and any other fishery that might take any of the overfished rockfish species are closed; and,
- WHEREAS: the trawl fishery in the eastern Gulf of Alaska can significantly disrupt the traditional fisheries on which 3,000 Southeast Alaska hook and line fishermen depend; and
- WHEREAS: the narrowness of the continental shelf and continental slope in the eastern Gulf of Alaska concentrates trawl fishing effort in a small area and as a result prevents recovery of trawl fishing areas and may permanently impoverish the ecosystem of the eastern Gulf of Alaska; and,
- WHEREAS: the Southeast Alaska area contains limited smooth bottom areas suitable for trawls, but many rocky areas that support an abundant, diverse, but fragile deep water habitat; and,

WHEREAS: the impact of trawl roller gear and trawl doors could significantly affect corals and associated hard bottom species; and,

WHEREAS: only by closing the eastern Gulf of Alaska east of 140 degrees west longitude to trawl fishing, will the unique assemblage of local marine resources be protected;

BE IT RESOLVED: by the Pelican City Council that the United States Secretary of Commerce is respectfully requested to immediately implement permanent regulations closing the eastern Gulf of Alaska east of 140 degrees west longitude to pelagic and bottom trawling.

PASSED, APPROVED, AND ADOPTED THIS 20<sup>th</sup> DAY OF March 1995.

Signed: Deborah A. Spencer

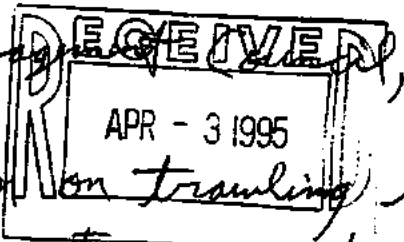
Deborah A. Spencer,  
Mayor Pro Tempore

attest:

Sheri Paddock  
Sheri Paddock  
City Clerk/Treasurer



North Pacific Fishery Management



3-27-95

There should be a ban on trawling in the eastern gulf of Alaska east of 140 degrees west longitude. The eastern Gulf of Alaska has traditionally been a significant hook and line fishing area for almost 100 years. Most of the high value fisheries in the area are fully utilized by the hook and line fleet.

Southeast communities depend on local fisheries for employment and revenue, even more so in recent years with the decline in the southeast timber industry.

By taking bycatch species important to local fishermen, factory trawlers could shut down the southeast fisheries preempting the people who live in Southeast Alaska. Factory trawlers contribute nothing to the southeast economy, derive only a portion of their annual income from the southeast fisheries, yet could damage sensitive habitat, deplete locally important fish stocks and preempt resident hook and line fishermen who wholly depend on the local fisheries.

I urge you to please lend a hand in saving our southeast hook and line fisheries. Ban Trawling in Southeast.

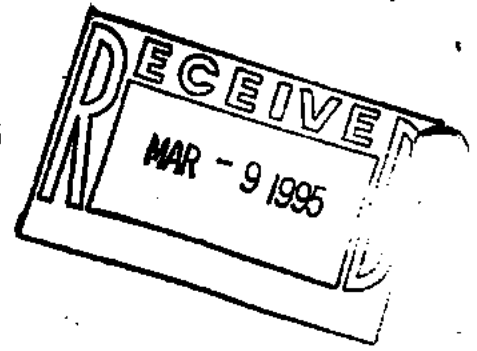
cc: Governor Knowles  
Rep. Grossendorf

Sincerely, Marty Remund

P.O. Box 8147  
Port Alexander, Ak.  
99836

cc: gdi-

March 2, 1995



North Pacific Fisheries Management Council  
P.O.Box 103136  
Anchorage, AK 99510

Please support the proposed ban on trawling in the Eastern Gulf, east of 140 degrees West in federal waters. The Southeast communities are extremely dependent economically and socially on the hook and line fisheries while the trawling that has occurred in the past is such a minor part of the trawlers overall fishery. The trawl bycatch by just a few boats has in the past, and undoubtedly will again in the future, shut down the hook and line fisheries. The trawlers fishing in the Eastern Gulf in the past have not bought supplies, hired crews, or delivered fish in Southeast. The hook and line fisheries are made up of local boats, many too small to travel to other places to fish, who buy supplies, hire crew, sell fish, and generally live in Southeast.

The concept of excluding some gear types to certain areas is not a new idea at all. The salmon trolling used to be a statewide fishery but has been squeezed down to just the Eastern Gulf east of Cape Suckling This is a bigger restriction by far than what is being asked for with the trawlers

The coral bottom in the Eastern Gulf is very fragile and irreparably damaged by trawling. The rockfish live in these coral beds. When trawling damages the coral the result is damage to the fish stocks. The fish stocks are easily fully utilized in the Eastern Gulf by the hook and line fisheries and it seems only prudent to safeguard both the fish stocks and the communities dependent on them in the Eastern Gulf by making this a trawl free area.

It is very important that this is implemented now as the North Pacific Fisheries Management Council will be acting on license limitation for the trawl fleet this spring which would license the trawlers into this area.

Sincerely,

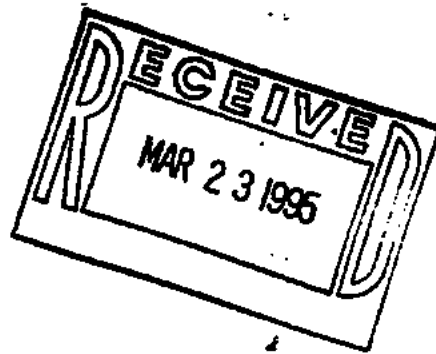
Carolyn Nichols  
305 Islander Drive  
Sitka, Ak 99835

To: NPFMC

From: *Bob Schell*  
Robert Schell, F/V Alice Faye

Subject: Southeast Trawl Closure

Date: March 23, 1994



Southeast Alaska should be designated a no trawl area. The waters off of our communities have traditionally supported a small boat fleet of owner/operator vessels. The predominate gear in the offshore waters that this fleet fishes is hook and line. The shelf is very narrow and has been prone to gear conflicts with just the hook and line gear group. The implementation of IFQ fisheries should alleviate this problem but the use of trawl gear would make past gear problems small in comparison.

The resource in the Southeast area is fully utilized now and there is no species that is commercially available that cannot be harvested by the present no trawl gear groups. Our fisheries are Alaska resident dominated and the dollars realized from fish sales are spent in our shoreside communities. The boats provide employment to our communities residents as crew members and as shoreside workers in the plants. Most of us are small business persons who make a moderate living. We depend on the halibut, rockfish, blackcod and salmon that frequent the offshore waters.

Presently, several thousand of us can make a living off of the resource with thousands more dependent on the resource for at least part of their incomes. With just three or four trawlers working the narrow slope and shelf, we would see a dramatic change in our ability to do so. Our fisheries are long standing and have historic precedent in the use of the shelf stocks. To allow trawlers into these grounds would put a great many people out of work and it would ruin the grounds.

The council has shown leadership in formulating the IFQ program and can continue to do so by providing a no trawl zone in Southeast.

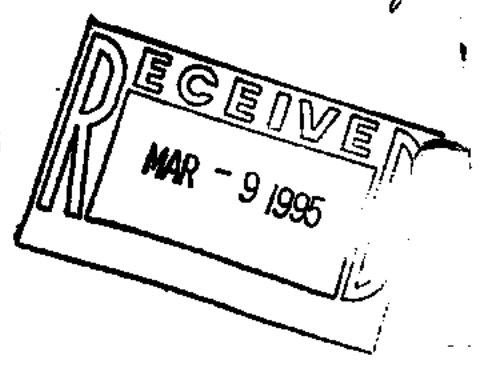
Your votes to provide for this no trawl zone will be a step towards putting some stability into the always volatile fish business. Your votes for a no trawl zone will be a vote for the resource, both human and piscatorial.

Box 1367  
Sitka, Ak. 99835  
907-747-8541



cc: gdc-

March 2, 1995



North Pacific Fisheries Management Council  
P.O.Box 103136  
Anchorage, AK 99510

Please support the proposed ban on trawling in the Eastern Gulf, east of 140 degrees West in federal waters. The Southeast communities are extremely dependent economically and socially on the hook and line fisheries while the trawling that has occurred in the past is such a minor part of the trawlers overall fishery. The trawl bycatch by just a few boats has in the past, and undoubtedly will again in the future, shut down the hook and line fisheries. The trawlers fishing in the Eastern Gulf in the past have not bought supplies, hired crews, or delivered fish in Southeast. The hook and line fisheries are made up of local boats, many too small to travel to other places to fish, who buy supplies, hire crew, sell fish, and generally live in Southeast.

The concept of excluding some gear types to certain areas is not a new idea at all. The salmon trolling used to be a statewide fishery but has been squeezed down to just the Eastern Gulf east of Cape Suckling This is a bigger restriction by far than what is being asked for with the trawlers

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It is very important that this is implemented now as the North Pacific Fisheries Management Council will be acting on license limitation for the trawl fleet this spring which would license the trawlers into this area.

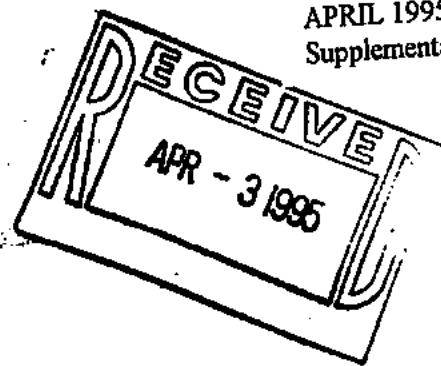
Sincerely,  
Carolyn Nichols  
305 Islander Drive  
Sitka, Ak 99835



**Sealaska**

One Sealaska Plaza  
Suite 400  
Juneau, Alaska 99801-1276  
(907) 586-1512  
FAX (907) 586-9214

March 29, 1995



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

Dear Mr. Lauber:

On behalf of the coastal communities of Southeast Alaska, I submit for your consideration a request for an allocation of the Community Development Quota for the Bering Sea Pollock fishery.

We believe that the primary objective of the Community Development Program is to utilize a small portion of the vast Alaskan marine resources to assist in building a sustainable economic base in the Alaska coastal communities. With the guidance and oversight of the appropriate Alaskan State and Federal agencies, along with an industry joint venture partner, the coastal communities of Southeast Alaska can utilize this quota to provide the capital necessary for continued economic development.

With the closure of many sawmills in Southeast Alaska and with continuing federal and state restrictions on timberlands, the coastal communities of Southeast Alaska have few natural resources to develop their economies. Unemployment rates are high. The allocation of a Community Development Quota would assist these communities in developing the infrastructure and the human resources necessary to establish a sustainable

economic base. In addition, such development would provide opportunities for employment as well as educational opportunities.

We believe that Southeast Alaska must be considered for a Community Development Quota in order to provide a fair and equitable allocation of the resource. There is a long history and tradition of sharing the Alaskan resource base by the villages. This history of sharing by Alaskan communities is documented in the Alaska Native Claims Settlement Act, Section 7(I) and (j). ANCSA requires the sharing of certain natural resources.

We believe that the Community Development Quota program and the resulting regulation should be written in such a way as to allow the communities of Southeast Alaska to participate.

The communities of Southeast Alaska are located in close proximity to the resource and the residents have a sincere desire to improve the quality of life in the communities in which they live. In order for fishermen and processors to have a viable industry, more and different species of fish must be harvested throughout the season. It is important that the opportunity to sustain the rural communities, and the tradition of fisheries, as commerce, be continued from one generation of Alaskans to another. The alternative is to face an "economic desert" at the door step of the coastal communities through privatization of resources. This should not be allowed to occur.

We urge your consideration of this request as a policy matter before the Council. If we can further this request by bringing Southeasterners to a meeting, we would be happy to assist.

Sincerely,

SEALASKA CORPORATION



Robert W. Loescher  
Executive Vice President

**cc: Senator Ted Stevens  
Senator Frank Murkowski  
Congressman Don Young  
Governor Tony Knowles  
S.E. Legislators  
SEPA  
Dan Leston  
Leo H. Barlow  
Bruce Keizer**


**UNITED STATES DEPARTMENT OF COMMERCE**  
**National Oceanic and Atmospheric Administration**

 Office of General Counsel  
 P.O. Box - 21109  
 Juneau, Alaska 99802-1109  
 Telephone (907) 586-7414

 AGENDA C-3  
 APRIL 1995  
 Supplemental

DATE: April 18, 1995

MEMORANDUM FOR: North Pacific Fishery Management Council

FROM: Lisa L. Lindeman *Lisa Lindeman*  
 Alaska Regional Counsel

SUBJECT: Limitations on Foreign Ownership under Limited Entry Programs

In October 1993, the North Pacific Fishery Management Council requested a legal opinion from NOAA General Counsel on the Council/Secretary's authority to require majority U.S. citizen ownership of the stock of U.S. corporations (owners of both vessels and shoreside processing plants) that might receive (through initial allocation or subsequent transfer) quota share (QS) in any future individual fishery quota (IFQ) system that might be established for the groundfish fishery in the North Pacific.

The Council's opinion request raises issues under both international and domestic law. In an opinion issued on September 7, 1994, the Department of Commerce General Counsel analyzed the Council's proposal under international law. The Council now has asked for a legal analysis under domestic law of the Council/Secretary's authority to limit the stock ownership of U.S. corporations owning fishing vessels receiving subsequent transfers of limited entry privileges (e.g., QS or limited entry permits).

### General Principles

Before proceeding further, a short discussion of some general principles applicable to the foreign ownership and control of U.S. fishing vessels is necessary.

Historically, the ownership and control of vessels documented as vessels of the United States have been limited to U.S. citizens. This has been based primarily upon national defense concerns -- the nation must be able to control its merchant marine fleet in time of war or national emergency.



For fishing vessels, there is a further concern relating to international law. Articles 61 and 62 of the United Nations Convention on the Law of the Sea provide that coastal states have the right and responsibility under international law to conserve and manage the fishery resources of their exclusive economic zones for the benefit of their citizens. This establishes a priority for the use of EEZ fishery resources for the citizens of the coastal state, with foreign harvest allowed only for fishery resources surplus to those needs. Thus, U.S. citizenship becomes important in establishing who is entitled to fish in the U.S. EEZ.

### U.S. Coast Guard Documentation Statutes

The historic concern for U.S. citizen control of U.S. vessels has manifested itself in several ways. First, the U.S. Coast Guard (USCG) documentation statutes have required that all U.S. documented vessels be owned by U.S. citizens in order to be documented as a "vessel of the United States." Citizenship is relatively easily established for individuals. Corporate ownership presents more difficulty, and the requirements have varied depending upon the use to which the vessel was put. The U.S. corporate ownership of all vessels has long been required to be controlled by U.S. citizens - *i.e.*, the CEO, the Chairman and a majority of the Board of Directors must be U.S. citizens. For endorsements other than fishing, the documentation statutes also required majority U.S. citizen ownership of the corporation's stock. See 46 U.S.C. 802. Prior to 1988, there were no U.S. citizen stock ownership requirements applicable to the corporate ownership of fishing vessels. Southeast Shipyard Assoc. v. U.S., 979 F.2d 1541, 1542-1543 (D.C. Cir. 1992).

In 1988, Congress enacted the Commercial Fishing Industry Vessel Anti-Reflagging Act (Anti-Reflagging Act). Among other things, this Act imposed, for the first time, the U.S. citizen stock ownership requirement of the Shipping Act of 1920 (46 U.S.C. 802) to the corporate ownership of U.S. documented fishing vessels. 46 U.S.C. 12102. Congress acted prospectively, however, and grandfathered the corporate ownership of all fishing vessels that had been in the fishery as of July 1987. For these "grandfathered" vessels, the pre-1988 corporate ownership and control requirements remain applicable indefinitely - *i.e.*, no U.S. citizen stock ownership requirements are applicable to the corporate ownership of these vessels. Southeast Shipyard Assoc. v. U.S., *supra*.

### "National Treatment" under International Treaties

The second manifestation of these general principles relating

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to the nation's control over its merchant marine, specifically its fishing vessels, can be found in the provisions of the numerous treaties of friendship, commerce, and navigation that the United States has negotiated with other nations. These international agreements usually require that each signatory provide the other signatory's nationals doing business in the host country the same opportunities afforded their own nationals - *i.e.*, that foreign nationals not be discriminated against because of their alien status. This is known as "national treatment." Each of these international agreements, however, contains exceptions to the "national treatment" requirements for "fisheries," or sometimes for the broader category of "natural resources" (which subsumes fisheries). In other words, the United States' policy of ensuring that ownership and control of its fishing vessels remains in the hands of U.S. citizens, as well as its rights under Articles 61 and 62 of the Law of the Sea Treaty to give its nationals a priority in the exploitation of the fisheries resources of the Exclusive Economic Zone (EEZ), is affirmed regardless of the national treatment provisions of these agreements.

#### Magnuson Fishery Conservation and Management Act

Under the Magnuson Fishery Conservation and Management Act (Magnuson Act), in order to fish in the EEZ under the priority status of a "vessel of the United States," for our purposes a fishing vessel must be a "...vessel documented under chapter 121 of Title 46..." 16 U.S.C. 1802 (31)(A). The Act thus makes reference to, and incorporates the provisions of, the USCG documentation laws - *i.e.*, the corporate ownership and control provisions of the Anti-Reflagging Act.

With the above general principles in mind, we can now proceed to an answer to the Council's opinion request.

#### International Law

In an opinion issued on September 7, 1994, the Department of Commerce General Counsel determined that, under international law:

- 1) foreign stock ownership limitations more stringent than those contained in the Anti-Reflagging Act, 46 U.S.C. 12102(a)(2), on the corporate ownership of fishing vessels during the initial allocation of QS would constitute an expropriation requiring compensation under customary international law and various applicable international treaties and agreements. This conclusion was based upon the reasonable investment expectations of

foreign owned U.S. corporations which now own and operate "grandfathered" fishing vessels in the North Pacific;

- 2) such limitations upon the recipients of subsequent transfers of QS was probably permissible under international law and treaty because of its prospective application; and
- 3) such limitations upon either the initial allocation or subsequent transfer of QS involving corporate ownership of shoreside processing plants would not only constitute an expropriation requiring compensation, but would be violative of the "national treatment" provisions of our various Treaties of Friendship, Commerce, and Navigation. This conclusion was based upon a determination that the fisheries or natural resources exception to the national treatment requirements of these international agreements did not apply to shoreside operations.

#### Domestic Law

NOAA General Counsel has further analyzed this issue as it relates to the corporate ownership of fishing vessels and has concluded that foreign ownership limitations more stringent than those applicable under the Anti-Reflagging Act on either the initial issuance of QS under an IFQ system, or a permit under a limited entry program, or their subsequent transfer, would violate the Magnuson Act.

As originally enacted, the Magnuson Act's definition of "vessel of the United States" provided in pertinent part:

any vessel documented under the laws of the United States...

Pub. L. 94-265, section 3 (25)(A), April 13, 1976, 90 Stat. 333.

In interpreting this phrase, the Federal District Court for the District of Alaska has held that Congress intended that the meaning of the Magnuson Act definition be found in the vessel documentation statutes administered by the United States Coast Guard. United States v. SEAFOAM II, 528 F.Supp. 1133, 1136-1137 (D. Alaska 1982). This same result is obtained by application of the rules of statutory construction to "general" incorporations by reference such as the Magnuson Act's definition of "vessel of the United States." See 2B Sands, Sutherland on Statutory Construction section 51.07 (5th Ed); Pearce v. Director, Office of Workers'



Etc., 603 F.2d 763, 767 (9th Cir. 1979).

On the date of enactment of the Magnuson Act (April 13, 1976), vessels were licensed for the fisheries trade pursuant to the provisions of 46 U.S.C. 263. Once so licensed, 46 U.S.C. 251 provided in pertinent part that such vessels:

...shall be deemed vessels of the United States entitled to the privileges of vessels employed in the coasting trade or fisheries....(emphasis added).

The meaning of the emphasized phrase, above, was discussed by the U.S. Supreme Court in Douglas v. Seacoast Products, Inc., 431 U.S. 265 (1977). In this case, the Court relied upon and quoted extensively from Justice Marshall's landmark opinion in Gibbons v. Ogden, 9 Wheat. 1 (1824). After emphasizing the continuity of the documentation laws throughout the nation's history, the Court concluded that:

the license 'implies, unequivocally, an authority to licensed vessels to carry on' the activity for which they are licensed. [Emphasis added].

Id., at 280. Again, the Court stated:

Moreover, 46 U.S.C. [section] 251 states that properly documented vessels 'and no others' are entitled to the privileges of vessels employed in the coasting trade or fisheries.' Referring to this section, Gibbons held: '[T]hese privileges...cannot be enjoyed, unless the trade may be prosecuted. The grant of the privilege...convey[s] the right [to carry on the licensed activity] to which the privilege is attached....[citation omitted, emphasis added].

Id., at 281. Thus, the documentation statutes evidence an intent on the part of the Congress that documentation as a "vessel of the United States" bestows an "unequivocal" right to engage in the activity for which the vessel is licensed - e.g., fishing.

Shortly after the Magnuson Act was enacted, and shortly before the 200-mile EEZ went into effect, an attempt was made to amend the Act's definition of "vessel of the United States" so as to require the exact U.S. citizenship stock ownership requirements for fishing

vessels currently proposed to the Council -- 75%. H.R. 2564, 95th Cong., 1st Sess. (1977). In remarks on the floor of the House, one of the bill's sponsors, Rep. AuCoin, made clear not only the purpose and intent of the proposed legislation, but the underlying policy concerns prompting its submission.

...We may find that loopholes will be discovered and used to circumvent the intent of this historic legislation [Magnuson Act].

I say this because there is nothing to prevent foreign countries from buying U.S. fishing enterprises and, through them, roaming at will throughout our 200-mile zone, despite the new law....

\* \* \* \* \*

At present, the law (46 U.S.C. 802(a)) requires only that to be considered a U.S. firm, corporations be incorporated under the laws of the United States or of any state; that the president or chief executive officer and the chairman of the board of directors be citizens of the United States, and that no more than a minority of the number of directors necessary to constitute a quorum be non-citizens....

\* \* \* \* \*

Part one of the bill says that for purposes of the 200-mile law any foreign country must treat as one of its own any U.S.-flag vessel which is 25 percent or more owned by a citizen or entity of that nation.

123 Cong. Rec. H2478-2479 (daily ed. Jan. 27, 1977). The above amendment was never enacted into law by Congress.

Once again, the rules of statutory construction apply. The rejection of an amendment during the enactment process is considered good evidence of Congressional intent. See 2B Sands, Sutherland on Statutory Construction section 48.18 (5th Ed). See also, Norwegian Nitrogen Products Co. v. U.S., 288 U.S. 294 (1933); Legal Opinion for the North Pacific Fishery Management Council by Lisa L. Lindeman, NOAA General Counsel--Alaska Region, re "Magnuson Act authority to allocate fishing and processing privileges to processors" at 7-8 (September 20, 1993). However, rejection of an amendment to a statute that occurs at a substantially later time is not considered good evidence of the intent of the session of Congress that enacted the original legislation. Sutherland on Statutory Construction, supra. See also, Tahoe Regional Planning Agency v. McKay, 769 F.2d 534 (9th Cir. 1985) (period of 17 years

had elapsed between the enactment of the original legislation and the rejection of the amendment in question). Although not rejected by the same session of Congress that enacted the Magnuson Act, the close proximity in time between enactment and rejection of the proposed amendment to the Act's definition of "vessel of the United States" (a few months) lends weight to the conclusion that in rejecting the proposed amendment, Congress intended that U.S. citizenship stock ownership requirements not apply to U.S. corporations owning fishing vessels in order for those vessels to be considered "vessels of the United States" within the meaning of the Magnuson Act, and thus be entitled to participate as such in fisheries within the EEZ.

In 1983, Congress re-codified the USCG documentation statutes. The fishery endorsement provision of 46 U.S.C. 263 was rewritten and recodified as 46 U.S.C. 12108. The provisions of 46 U.S.C. 251 were rewritten and recodified as 46 U.S.C. 12104, which is now entitled "Effect of documentation" and provides in pertinent part:

A certificate of documentation is --

(2) ...conclusive evidence of qualification to be employed in a specified trade....

The similarity between the revised language of 46 U.S.C. 12104 and the language the Supreme Court used in the Seacoast decision in describing the effect of documentation under its predecessor statute (46 U.S.C. 251) is obvious - "[t]he grant of the privilege...convey[s] the right [to carry on the licensed activity] to which the privilege is attached...." Douglas v. Seacoast Products, Inc., supra at 281.

Finally, as discussed supra, in 1988, Congress amended the provisions of the USCG documentation statutes in the Anti-Reflagging Act by requiring for the first time that the majority of stock of U.S. corporations documenting fishing vessels be owned by U.S. citizens. Pub. L. 100-239, section 7(a), Jan. 11, 1988, 101 Stat. 1782 (codified at 46 U.S.C. 12102(c)). For our purposes, the same Act includes two other significant provisions.

First, Congress redrafted into its present form the language of the definition of "vessel of the United States" included in the

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<sup>1</sup> See also, discussion in Legal Opinion to Alaska Ocean Seafood Limited Partnership by Phyllis D. Carnilla, Attorney at Law, re "Imposition of Citizenship Requirements as Condition for Participation in U.S. Fisheries" at 8 (June 5, 1994).

Magnuson Act. Id., section 2 (codified at 16 U.S.C. 1802(31)). The House Report explains this amendment in the following fashion:

As introduced, section 2(a) of H.R. 2598 makes technical changes to section 3(27) of the Magnuson Fishery Conservation and Management Act to conform the definition of "vessel of the United States" to that utilized for documentation purposes under the title 46 United States Code...[Emphasis added].

H. Rep. No. 100-423, 100th Cong. 1st Sess., 5 U.S. Code Cong. & Admin. News 3245, 3250 (1987). From the emphasized word, above, it seems clear that the revision of the definition was not substantive. In fact, the redrafted language of the definition, as explained above, makes even clearer the direct connection between the Magnuson Act definition and the provisions of the USCG documentation statutes contained in Title 46 of the United States Code, i.e., that the meaning of the Magnuson Act definition is to be derived from the provisions of the documentation statutes.

The second additional provision of the Anti-Reflagging Act which is of importance, of course, is the grandfather provision of section 7(b), which provides that the corporate stock ownership limitations of section 7(a) of the Act do not apply to fishing vessels either in the fishery or contracted for eventual use in the fishery, as of July 28, 1987. 101 Stat. 1783, 46 U.S.C. 12102 note.

#### Conclusion

Congress has spoken on what the requirements are for corporate ownership of fishing vessels operating within the EEZ in the Anti-Reflagging Act, and those provisions have been specifically incorporated into the Magnuson Act through its definition of "vessel of the United States." Any attempt by the Council (or the Secretary) to impose contradictory foreign ownership requirements by regulation (i.e., without further Congressional authorization) would be ultra vires.

cc: Jay S. Johnson  
Margaret F. Hayes  
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**Revised Draft Report**

**Economic Impacts of the Pollock  
Community Development Quota Program**

Prepared by

**STATE OF ALASKA**  
Anchorage, Alaska

APRIL 1995

#### Acknowledgments:

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## Executive Summary

This report examines the economic development impacts of the first twenty-five months of the Bering Sea pollock Community Development Quota (CDQ) program on the western Alaska region.

The CDQ program was designed by the North Pacific Fishery Management Council (Council) to allow residents of the economically depressed region of western Alaska access to the Bering Sea fisheries. The Bering Sea pollock fishery is one of the largest fisheries in the world with an annual harvest of approximately 2.9 billion pounds with an annual ex-vessel value in excess of \$200 million. Because this is an extremely capital intensive fishery, the ability of western Alaskans to participate in the harvest of the resource at their doorstep has been severely limited.

Prior to implementation of the CDQ program, approximately 94% of the value of this fishery was accrued by non-Alaskans, virtually none of the value was captured by western Alaskans. By setting aside the 7.5% of the quota for harvest by those regions bordering the Bering Sea, the CDQ program has permitted participation of the utilization of this resource as a mechanism to spur economic development in this economically depressed region.

The economic development impacts of the CDQ program must be assessed in the context of life in western Alaska. There are 56 communities that meet the criteria for participation in the CDQ Program, representing a total population of 21,037. According to 1990 Census data, 77% are Alaska Natives. Poverty and unemployment are chronic, in 1990, more than 25% of the people in CDQ communities lived below the poverty level; twice the state rate. Unemployment rates ranged as high as 31%. In many of the CDQ communities, the average income is nearly half the median state level. Non-economic standards also portray the region's underdevelopment. Much of the housing available is substandard and utilities that most U.S. citizens take for granted such as water, sewer, and telephones are in short supply. In over half of the communities, five gallon buckets or outhouses remain the primary means of sewage disposal. Three quarters of the communities do not have piped water and sewer available to at least half the homes in the community. The result of these characteristics is poor health conditions, high rates of infectious diseases, and low living standards. It is this profound state of underdevelopment against which this report examines the economic development impacts of the CDQ program.

The best data available for describing the population and economy of western Alaska prior to implementation of the CDQ program including income, employment and other demographic information is contained in the 1990 US Census Report. For purposes of this report, those figures are used as a basis for comparison with quarterly and annual



audited reports to the State in helping to assess the economic impact of the CDQ program from the date of its implementation on November 18, 1992, through December 31, 1994. Comparison of this data demonstrates important impacts on employment, income, infrastructure development, investment, training and educational opportunities in the region.

By the simple measure of jobs and income, the CDQ program is contributing to the economic development of the region, providing private sector employment opportunities where few existed.

- In the first two years, the CDQ program's contribution to local jobs *doubled*
- Jobs created by the CDQ program represent 57% of all non-government related, "basic employment" job in the region
- During this time, CDQ wages and benefits represented a 2.4% increase in income for the region

A major goal of many of the CDQ groups was to develop infrastructure within the regional fisheries that would make possible greater participation in the fishery. Each of the infrastructure developments provide benefits to the region as a whole as well as the entire fishing industry. Major infrastructure projects which have been complete or are underway include:

- Dock facilities in Atka, Nelson Lagoon, False Pass and Nome
- Harbor improvements in St. George and St. Paul
- Ice delivery systems in Savoonga and Koyuk
- Gear storage facility in False Pass
- Processing facility improvements in Shaktoolik, Unalakleet, Nome, Atka, Bethel and Emmonak

Equally important as physical infrastructure is the development of human resource infrastructure which provides the skills and expertise necessary for the long-term sustainability of economic development in the region. Progress toward that end includes:

A total of 1141 training, internship and educational opportunities were made available by the CDQ program including 176 higher education scholarships, 38 vocational education programs and 927 technician training programs.

Another major goal of the CDQ program was to provide for increased participation by western Alaska residents in the fisheries of the Bering Sea. In the first two years of the program, five of the six CDQ groups have participated in fishery investments including:

- Joint venture investments in a factory trawler, a factory longliner/crabber, two shore-based facilities and one catcher vessel.
- Wholly-owned investments in one shore-based facility and approximately thirteen small catcher vessels.
- Three CDQ groups and their harvesting partners have invested considerable resources in the development of new salmon products and markets.

Because economic development is a complex process, it is difficult to measure. Generally, economic development must add jobs and income to the region, provide for local control and human resource development and generate benefits that are sustainable over the long term.

In sum, by all of these measures, the CDQ program is contributing towards the process of economic development within the western Alaska region. It is bringing about economic development as measured by jobs, local control and long term sustainability. This infusion of capital has not only created private sector jobs in the region where few existed, it has provided hope and opportunity which are integral components to building self-esteem and self-reliance in the region.

Despite these remarkable advances, the economic activity generated to date has not transformed the region economically -- nor is there any reason to expect that it should have in just two years. The CDQ program will require continued sustenance to survive its infancy.

## I. INTRODUCTION

The Bering Sea pollock fishery is one of the largest fisheries in the world, with an annual harvest of about 2.9 billion pounds (1.3 million metric tons). Beginning in 1992, the Community Development Quota (CDQ) program set aside 7.5% of the Bering Sea pollock harvest (about 215 million pounds annually) for direct allocation to disadvantaged coastal communities in Western Alaska.

The 56 communities bordering the Bering Sea that received the quotas are in one of the most economically depressed regions of the United States. A major goal of the program is to allow these communities to accumulate sufficient capital so they can invest in the fishery, thus bringing sustainable economic development to the region.

This report examines the economic impacts of the first twenty five months of the Bering Sea pollock Community Development Quota (CDQ) program on the western Alaska region. The CDQ program regulations became effective on November 18, 1992 and CDQ fishing was permitted to begin on December 5, 1992. Therefore, most of the impacts of the first three years of the program actually occurred over a twenty-five month period.

### Organization of this Report

Chapter II of the report describes the western Alaska region. Chapter III describes the history and implementation of the CDQ program, and provides an overview of the program during the first twenty-five months. Chapter IV describes the types of projects proposed by the CDQ organizations and the activities undertaken during this period. Chapter V describes the broader development impacts of the program, including impacts on future employment and income. Finally, Chapter VI addresses the other impacts of the CDQ program on the region and the potential effects if the program were discontinued.

### Information Sources

The economic description of the western Alaska region in this report is based primarily on the 1990 U.S. Census. Information on the CDQ projects and their economic impacts is based primarily on material provided by the six CDQ groups. These include CDQ applications, quarterly reports and audited annual reports.

## II. THE WESTERN ALASKA REGION

### The Physical Setting

The Bering Sea is renowned for its marine productivity and fierce weather. The open ocean waters of the Bering Sea are home to some of the greatest fishery resources on earth. They contain vast schools of fish such as pollock and herring. The bottom is home to numerous commercially caught species of fish and crustaceans including Pacific cod and the famous, and large, king crab. The rivers emptying into the Bering Sea are visited yearly by millions of salmon migrating upstream to spawn. Feeding on all of this natural bounty are numerous species of marine mammals and sea birds.

The open waters of the Bering Sea annually freeze as far south as the Pribilof Islands and Bristol Bay, and even further south along the coast. Natural deep draft harbors are non-existent north of the Alaska Peninsula due to extreme tides, low terrain and silty bottom. The weather has been described as among the worst on earth, with hurricane force winds, mountainous waves, freezing spray, and a winter season of short days and long nights.

The Alaskan coast which borders the Bering Sea is barren and entirely treeless. It includes several thousand miles of coast from the uninhabited tip of the Aleutian Islands to the tiny community of Wales astride the Bering Straits. The landmass varies from volcanic along the Aleutian Islands to marshy delta at the mouth of the Yukon and Kuskokwim Rivers. Where the ground is not solid rock, it is often underlain by permanently frozen ground tens or even hundreds of feet deep.

### Natural Resources

There are limited mineral resources along the coast including deposits of gold, platinum, and tin. Due to the high expense of operating in the harsh environment, very little actual mining occurs. There is also the possibility of major petroleum reserves offshore from the region. Due to the engineering challenges, changing regulations, and high exploration and production costs these reserves have not been developed, although some exploration wells have been drilled.

The Bering Sea arc is barren in winter but lush in summer. At that time it possibly contains more mass of mosquitoes than all other species combined. Vast flocks of waterfowl migrate north to nest in the marshes and along the rivers and lakes. Seabirds nest in the millions in densely packed rookeries. Animals that have hibernated for much of the year take advantage of the few summer months to eat a years worth of food. Large animals such as caribou and whales migrate back and forth to the rich, productive summer grazing grounds. Also during the brief summer, millions of salmon return to their natal streams and herring to the coastline. These are followed by the numerous fish, mammals and birds that feed on them.

## The Western Alaska Economy

There are four main regional centers of commerce and population in the region: Dutch Harbor, King Salmon, Dillingham, and Nome. (Dutch Harbor is not one of the CDQ communities due to its pre-existing involvement in the Bering Sea fisheries.) Much of the economy in King Salmon and Dillingham is based on seasonal salmon fishing, whereas Nome was originally based on gold mining. All three function as commercial and transportation hubs. Residents from outlying communities visit to purchase goods and services not available locally and pass through on their way to Anchorage and beyond.

While several roads exist in the region, they link only a few of the communities. None of the roads that exist are connected to any outside of the region. Almost all of the towns and villages are totally isolated from each other. Access between them is limited to boats in the summer, snowmachines in the winter, and planes. The closest CDQ community to a continuous road system is about 300 air miles from Anchorage and the farthest over 1,200 miles.

The reliance on air transportation means that the price of many goods is greatly increased over other areas of the country. In addition, it is very expensive to travel to Anchorage or even between communities. Wages are commensurate with these higher costs and therefore costs of production with local labor are higher than elsewhere.

The remoteness and isolation of the western Alaska region limits employment opportunities for most residents to those which can be found within their communities. Commuting out of the region or even from smaller communities to regional centers on a regular basis is prohibitively expensive.

The wage economy of western Alaska is concentrated in only a few sectors. Relatively few locally consumed goods and services are provided in the region; most goods and services are imported. There is a high dependence on income from transfer programs such as the Alaska Permanent Fund Dividend Program and the Alaska Longevity Bonus Program, and Aid for Families with Dependent Children.

The majority of regional employment is with federal, state and local governments. Federal employees consist primarily of those managing federal lands, providing health care, airport operations, and military personnel. State personnel are employed primarily in schools, various state agencies, health care centers, and airport operations. Local governments employ administrators, school workers, utility operators and local public safety officers.

A typical small community has limited employment opportunities. These might include a school, post office, local utilities, retail store(s), local government, health aide, public safety officer, airport agent, National Guard, and local road and airport maintenance. Others employed locally such as school teachers and clerics are most often from outside the region. Larger communities have more services, retail centers, and government services and therefore more employment opportunities.

Jobs related to education account for 26% of all regional employment. Each community has its own school and often it is the main employer in the community. Many times this is accomplished by sharing one full time position between several households to ensure the maximum employment opportunities.

### **U.S. Census Data for the Western Alaska Region**

The best available data for describing the population and economy of western Alaska are from the 1990 U.S. Census, which occurred prior to the start of the CDQ program in 1992. As will be discussed in Chapter V, the CDQ program has provided significant new employment and income in some CDQ communities. In addition, economic changes not related to the CDQ program have occurred in the fishing industry as well as other parts of the economy. The 1990 census data are therefore somewhat out-of-date. However, they still provide a reasonable picture of general economic conditions in the region. No other detailed up-to-date data exist on the economy and population of western Alaska in 1995.

### **Population**

There are 56 communities in the CDQ region of western Alaska. As shown in Table II-1, these communities had a total population of 21,037 in 1990. The combined populations of the villages represented by individual CDQ groups ranged from as low as 397 for the Aleutian Pribilof Island Community Development Association to as high as 7621 for the Norton Sound Economic Development Corporation.

Seventy-seven percent of the residents of the CDQ area were Alaska Natives. All of the groups have a majority Alaska Native population. For three of the groups (APICDA, CVFC, and YDFDA) the Alaska Native population was over ninety percent of the total.

All of the CDQ groups have a relatively large share of their population under the age of sixteen; in the YDFDA more than 40% of the population is under sixteen. This indicates both a growing labor force which will require jobs in the future and the relatively larger magnitude of any employment increase relative to the working age population.

## Labor Force and Employment

Table II-2 shows labor force and employment characteristics of the CDQ group villages. The civilian labor force is only 59% of the population aged 16-65. Civilian labor force participation is limited by membership in the military and choice not to participate in the labor force.

The unemployment rate is defined as the number of persons working divided by the civilian labor force. At the time of the census all CDQ groups were experiencing relatively high levels of unemployment, ranging from 9% (BBEDC) to 31% (YDFDA). While these high unemployment rates partly reflect the seasonality of employment opportunities and the timing of the census in April, they also may show the effects of limited employment opportunities. Unemployment rates may significantly underestimate true unemployment if workers drop out of the labor force due to lack of employment opportunities: When people know there are no jobs available, they stop looking and are not counted as unemployed.

Table II-2 also shows the types of jobs held by the residents of the CDQ areas in 1989. What is most interesting about this table is the relatively low share of the resident population working in the industries and occupations associated with fishing. While almost fifteen percent of the employment in the Aleutian Pribilof and Central Bering Sea regions was in the fisheries industry, no other region had over five percent in this industry. Only the Central Bering Sea had a significant share of employment in manufacturing, which is almost entirely fish processing. While work in the transportation industry may also be fisheries-related, fishing industry employment was not significant in most of the CDQ group areas in 1990. In five of the groups Educational Services and Public Administration were the most important industries, indicating the importance of public sector/government jobs to these regions.

## Income

Table II-3 describes the income characteristics of the CDQ group communities in 1989. All of these regions had median incomes which were lower than the state median income of \$41,408 in 1989. The median income in the Central Bering Sea area and the Bristol Bay area was less than ten percent below the state level, but in the Yukon Delta area and the Aleutian Pribilof area the median income was only slightly greater than half the state level. The relatively high cost of living in rural Alaska suggests that in real terms, comparing the median incomes may actually underestimate the economic well being of residents in these regions.

In 1989 the poverty rate for the state was almost seven percent. The poverty rates in all the CDQ areas except the Central Bering Sea area were at least twice the state rate.

## Social Conditions

In 1990, more than 25% of the people in the 56 CDQ communities lived below the poverty level. Most residents of western Alaska are Alaska Natives. Many older people speak English as a second language or not at all. Much of the housing available in the communities is substandard and utilities that most U.S. citizens take for granted such as water and phones are in short supply. In over half of the communities, five gallon buckets or outhouses remain the primary means of sewage disposal. In 1990, only thirteen communities (24%) had piped water and sewer available to at least half of the homes. The result is poor health conditions, high rates of infectious diseases, and low living standards.

Characteristics of the 56 CDQ Communities in 1989	
Total population	21,429
Average community population	390
Native Americans as % of the population	78%
Houses with no plumbing	37%
Houses with no phone	29%
Persons below poverty level	25%

Source: 1990 U.S. Census

Western Alaskan communities in general have many of the social ills associated with poverty and isolation. Many of these communities experience considerable problems with drug and alcohol abuse. Young people suffer from high rates of teen pregnancy and suicide. Prevalent throughout many communities is a feeling of despair and hopelessness.

## Subsistence

Western Alaska residents derive a large part of their food from subsistence hunting, fishing, and gathering. Based on a subsample from the CDQ communities, the average subsistence harvest is 437 pounds per person. The majority of this harvest is fish. Per-capita subsistence harvests tend to be largest for residents of smaller communities which have fewer employment opportunities, very limited access to retail stores, and the highest percentage of Native inhabitants.

Subsistence harvests provide a large portion of the nutritional needs of western Alaska residents. At least as important is the cultural and emotional satisfaction that subsistence activities provide. It is not uncommon for western Alaskans to value subsistence harvest participation as a priority over wage labor. The result is often confusing to persons who do not understand this trade-off, as employees may take time off from wage employment to hunt and fish with their families whether or not such time is provided.



### **CDQ Management/Administration**

The Norton Sound Economic Development Corporation is organized as a tax-exempt not-for-profit corporation. NSEDC manages their CDQ program with an executive director, located in their Elim headquarters, and local staff personnel in various locations. NSEDC has five advisory committees which hold periodic meetings to review CDQ program activities. Consultants are contracted as needed.

### **Other CDQ Activities**

**Resident Employment Program** - NSEDC has set near-term goals for hiring local people to work in the Bering Sea fishing industry in jobs that will directly result from CDQ fishing operations. GFC hires residents of the Bering Strait region on a preferential basis for CDQ operations and any other fisheries related to GFC and NSEDC.

**Education Endowment Fund** - NSEDC provides scholarships to qualified students in the region to obtain advanced or continuing, technical and vocational, and/or a college education. GAF contributes to the scholarship fund to assist residents attending college to obtain an education in a fisheries related field.

**Revolving Loan Program** - NSEDC has established a revolving loan program to provide capital at reasonable interest rates to fishermen throughout the region to help support commercial fishing activities. This includes: 1) vessel upgrade loans, 2) herring and salmon gear loans, 3) crab and halibut gear loans, and 4) permit loans.

**Norton Sound Crab Company** - The Norton Sound Crab Company operates as a crab, salmon and bait processing facility in Nome. Recently, a smoker was installed to process a value-added product as part of their long-term diversification strategy.

**Norton Sound Fish Company** - NSEDC made an equity investment in a joint venture with Glacier Fish Company (GFC) to acquire and operate a freezer/longliner vessel. The F/V Norton Sound became fully operational in 1995.

**Unalakleet Processing Plant** - The Village Council of Unalakleet received a grant to revitalize the fish processing plant in Unalakleet.

**Salmon and Herring Marketing Program** - NSEDC has organized salmon and herring buying/processing operations and will conduct additional market research for various products from the Norton Sound fisheries.

**Koyuk Ice Delivery System** - In 1993, NSEDC allocated funds to purchase and ship an ice machine to Koyuk as part of a project to develop an ice delivery system to support Norton Bay salmon fisheries.

**Savoonga Ice Delivery System** - The City of Savoonga received funds from NSEDC to build an ice delivery system to support the developing commercial halibut fishery.

**Shaktoolik Processing Plant** - The City of Shaktoolik was allocated funds to make repairs to their fish plant to support the salmon fishery.

**Salmon Rehabilitation and Enhancement Program** - The salmon restoration and enhancement program includes three components: 1) comprehensive planning with substantial local involvement, 2) resource inventory and 3) a development fund to finance future site-specific projects.

**St. Lawrence Island Halibut Fishery** - In 1993, NSEDC established a commercial halibut fishery at St. Lawrence Island. This work included successful efforts to change International Pacific Halibut Commission (IPHC) regulations to establish an experimental fishery in area 4D.

## **YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION**

Yukon Delta Fisheries Development Association (YDFDA) represents the communities of Alakanuk, Emmonak, Kotlik and Sheldon Point. YDFDA received 5% of the CDQ pollock allocation in 1992-1993 and 7% of the total pollock CDQ allocation in 1994-1995.

According to the Community Development Plan submitted by YDFDA, the major development goals are as follows:

1. Stabilize, enhance, and diversify the economy of the Lower Yukon River Delta region by participating in the Bering Sea groundfish industry.
2. Maximize the social and economic benefits to the lower Yukon River Delta region from the harvesting and processing of Bering Sea fisheries.
3. Safeguard the benefits achieved in Objective 1 and 2 through responsible participation in a range of Bering Sea resource management institutions.

### **CDQ Management/Administration**

The Yukon Delta Fishermen's Association is organized as a not-for-profit corporation created expressly to develop the economy of the Yukon Delta region. YDFDA currently has their main office in Seattle, with Golden Alaska Seafoods, and employs an executive director, office manager and accountant. YDFDA also maintains an office in Seward to be near the Alaska Vocational and Technical Education Center, which is conducting much of their industry and boat building training.

### **Other CDQ Activities**

**Fishery Employment Program** - The employment objectives of the employment program are to provide on-the-job training and experience in offshore fisheries to community residents and provide immediate employment and income-earning opportunities to these residents.

**Comprehensive Training Program** - YDFDA will strive to assure that 1) an appropriately skilled native workforce is available for all opportunities created in the CDQ enterprises and 2) provide technical knowledge to the native workforce to assure that qualifications are developed to enable them to move into high paying senior positions.

**Exploratory Fishing Research** - The exploratory fishing research program conducts research on the distribution, appropriate gear, and preferred fishing methods suitable for community-based commercial fishing in the eastern Bering Sea.

**Yukon Delta Fish Marketing Cooperative** - YDFDA loaned funds to the Yukon Delta Fish Marketing Cooperative to provide matching funds for a federal Economic Development Assistance grant of \$680,000. The money will be used to upgrade and expand existing processing facilities Emmonak.

**Yukon Delta Fisheries, Inc.** - The major component to YDFDA's CDP is the establishment of a small-multi fishery boat fleet. YDFDA currently has six, thirty-two foot aluminum boats and two larger vessels fishing several species, and two more 32' boats are being built at AVTEC in Seward.

## V. ECONOMIC IMPACTS OF THE CDQ PROGRAM

This chapter examines the economic impacts of the CDQ program, narrowly defined as changes in employment and income attributable to the CDQ program. The following chapter will look at the broader and more difficult question of the contribution of the CDQ program to "economic development."

### Direct Employment and Income Impacts of the CDQ Program

Table V-1 summarizes the "Number Working," "Total Wages" and "Work Hours" information reported for all CDQ group reported in the quarterly reports. The table shows the information reported for each quarter as well as annual average "Number Working" (the total for the four quarters divided by four) and total annual wages. In the discussion below, we use the term "jobs" in place of "number working." The annual average number working on CDQ group projects was 173 in 1993 and 387 in 1994. The highest quarterly number working was 213 in the third quarter of 1993 and 761 in the third quarter of 1994.

Total wages for all CDQ jobs were \$2.5 million in 1993 and \$4.2 million in 1994. Total wages divided by the number working (a rough measure of average annual income per CDQ job) was \$14.5 thousand in 1993 and \$13.4 thousand in 1994.

As shown in Figure V-1, in 1994 CDQ management and administration accounted for 10 percent of 1994 jobs and 19 percent of wages. Pollock harvesting and processing accounted for 18 percent of jobs and 26 percent of wages. Salmon, herring and halibut fisheries accounted for 32 percent of jobs and 19 percent of wages. Other employment accounted for 40 percent of jobs and 36 percent of wages.

**Table V-1: CDQ Employment and Wages: All CDQ Groups**

Employment by Quarter	Quarter								Annual Average/Total*	
	93-1	93-2	93-3	93-4	94-1	94-2	94-3	94-4	1993	1994
<b>Number Working</b>										
Management/Administrative	21	23	23	28	36	41	41	43	24	40
CDQ Pollock-Related	120	44	50	67	117	53	90	24	70	71
Salmon, Herring & Halibut-Related	0	110	122	0	0	217	276	0	58	123
Other Employment	13	21	18	31	63	133	354	58	21	152
<b>Total</b>	<b>154</b>	<b>198</b>	<b>213</b>	<b>126</b>	<b>216</b>	<b>444</b>	<b>761</b>	<b>125</b>	<b>173</b>	<b>387</b>
<b>Total Wages inc. Benefits (\$)</b>										
Management/Administrative	105,730	139,670	142,871	205,235	220,500	285,516	259,052	240,748	593,506	1,005,816
CDQ Pollock-Related	647,057	132,190	245,933	316,140	682,576	168,754	351,269	152,549	1,341,320	1,355,148
Salmon, Herring & Halibut-Related	0	26,447	15,477	0	0	210,898	789,205	0	41,924	1,000,103
Other Employment	150,648	51,779	60,709	267,604	243,062	277,883	769,369	521,085	530,740	1,811,399
<b>Total</b>	<b>903,435</b>	<b>350,086</b>	<b>464,990</b>	<b>788,979</b>	<b>1,146,138</b>	<b>943,051</b>	<b>2,168,895</b>	<b>914,382</b>	<b>2,507,490</b>	<b>5,172,466</b>
<b>Total Wages/Number Working</b>										
Management/Administrative	5035	6073	6212	7330	6125	6964	6318	5599	24,990	24,989
CDQ Pollock-Related	5392	3004	4919	4719	5834	3184	3903	6356	19,094	19,087
Salmon, Herring & Halibut-Related		240	127			972	2859		723	8,114
Other Employment	11588	2466	3373	8632	3858	2089	2173	8984	25,578	11,917
<b>Total</b>	<b>5866</b>	<b>1768</b>	<b>2183</b>	<b>6262</b>	<b>5306</b>	<b>2124</b>	<b>2850</b>	<b>7315</b>	<b>14,515</b>	<b>13,383</b>

\*Annual average number working, total annual wages. Blanks indicate that data were not available. Source: CDQ Group Quarterly Reports.

**Relative Employment and Income Impacts of the CDQ Program**

An overview of the relative impacts of the CDQ program may be gained by comparing employment and income generated by the CDQ program with employment and income reported by the 1990 U.S. Census on data from 1989. Note that the census measures employment at the time the census was taken (April 1990) rather than annual average employment. Thus the census employment data are not necessarily representative of annual average employment in 1989. However, the census does provide a measure of total annual income in 1989.

### Relative Employment Impacts

The top two rows of Table V-2 show two different measures of employment in April 1989: total employment and "basic employment." "Basic" employment refers to employment in the following private sector basic industries:

Table V-2: CDQ Employment & Income Compared with 1989 Employment & Income Reported by 1990 U.S. Census	Total, All CDQ Groups
Employment in 1989 (from census)	6281
"Basic" employment in 1989	679
CDQ employment	
1993 average	173
1994 average	387
1993 highest quarter	213
1994 highest quarter	761
CDQ employment as % of 1989 emp.	
1993 average	3%
1994 average	6%
1993 highest quarter	3%
1994 highest quarter	12%
CDQ employment as % of "basic" emp.	
1993 average	25%
1994 average	57%
1993 highest quarter	31%
1994 highest quarter	112%
Total income in 1989 (from census)	\$219,708,878
CDQ wages	
1993 total	\$2,507,490
1994 total	\$5,172,466
CDQ wages as % of 1989	
1993 wages as % of 1989	1.1%
1994 wages as % of 1989	2.4%

- Agriculture, forestry and fisheries
- Mining
- Construction
- Manufacturing, nondurable goods
- Manufacturing, durable goods

Basic industries usually produce goods or services for sale outside a region, and usually represent the foundation of a region's economy. Other industries, such as transportation, communications, trade, and services are usually considered "support" industries, in that they provide goods or services for sale within a region and are driven by income produced in the basic industries. In rural Alaska, government often provides much of the foundation that basic industries might provide in other, more developed regions.

As can be seen in Table V-2, basic employment tends to be much lower than

total employment in most CDQ regions--although the census may have understated basic employment because fishing and mining activities are concentrated during the summer months.

The middle rows of Table V-2 compare these census employment data with four measures of CDQ employment:

- 1993 average number employed
- 1994 average number employed
- 1993 highest quarter for number employed
- 1994 highest quarter for number employed

Average 1993 CDQ jobs were 3% of 1989 employment, and average 1994 CDQ jobs were 6% of 1989 employment. CDQ jobs in the highest quarter (the third quarter) of 1993 were 6% of 1989 employment, and CDQ jobs in the highest quarter (the third quarter) of 1994 were 12% of CDQ employment.

CDQ jobs were much higher as a percentage of 1989 "basic employment." For example, average CDQ jobs in 1994 were 57 percent of total "basic" employment in 1989. For some CDQ groups the CDQ program represented more than a doubling of total "basic" employment compared with that reported in the 1989 census. Put differently, although CDQ jobs appear to represent a relatively small share of *total* jobs in the CDQ region, they represent a very substantial increase in "basic" employment.

### **Relative Income Impacts**

The bottom rows of Table V-2 compare CDQ wages with total annual income in 1989 for each of the CDQ group areas. For the CDQ region as a whole, 1993 CDQ wages and benefits represented a 1.1% increase in income compared with 1989, while 1994 CDQ wages and benefits represented a 2.4% increase in income.

### **Indirect Employment and Income Effects**

Some of the income earned in CDQ jobs, as well as spending for supplies and services in support of CDQ projects, passes through local merchants, service providers, and others before the money "leaks" out of the region for imports. The additional employment and income generated in this way is referred to as "indirect" economic impacts. In an area such as western Alaska, where very few goods and services are provided locally, money leaks out of the region relatively quickly. For example, a 1987 report by the University of Alaska's Institute of Social and Economic Research estimated that each dollar of income generated in commercial fishing in southwest Alaska generates an additional 24 cents of income within the region.<sup>1</sup>

It is impossible to estimate precisely the indirect employment and income impacts of the CDQ region, but it is reasonable to assume that they are smaller than the direct impacts--probably about half the magnitude or less. Nevertheless, every extra contribution to jobs and income helps, and these additional impacts of the CDQ program should not be overlooked.

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<sup>1</sup>Matthew Berman and Teresa Hull, *The Commercial Fishing Industry in Alaska's Economy*, Institute of Social and Economic Research, March 1987, page 44.

### **Data Sources**

The CDQ employment and income data are derived from quarterly reports provided by the six CDQ groups to the Alaska Department of Community and Regional Affairs (DCRA). For each of the eight quarters in 1993 and 1994, each of the six groups has prepared a Quarterly Activity Report for DCRA. Among other information, the quarterly activity reports include summary employment tables providing information on four kinds of employment:

- Management/Administration Employment
- CDQ Pollock-Related Employment
- Salmon, Herring, and Halibut Fishing/Processing Employment
- Other Employment

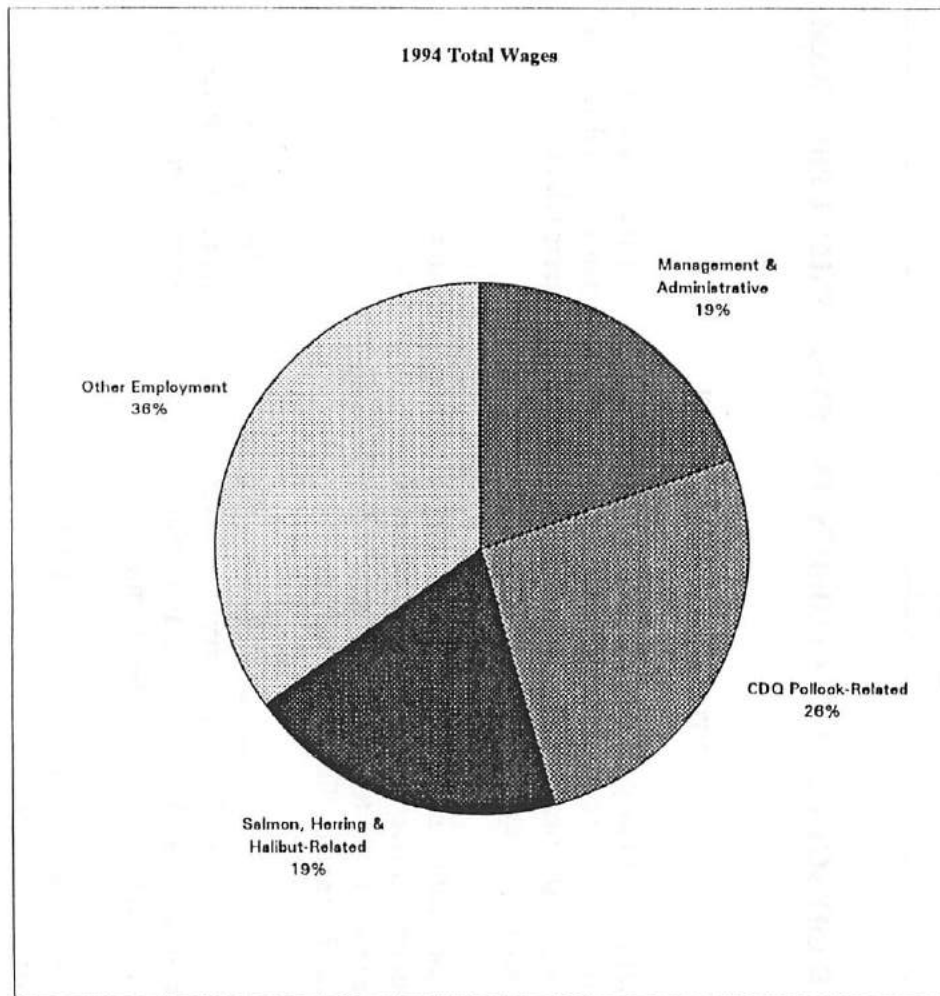
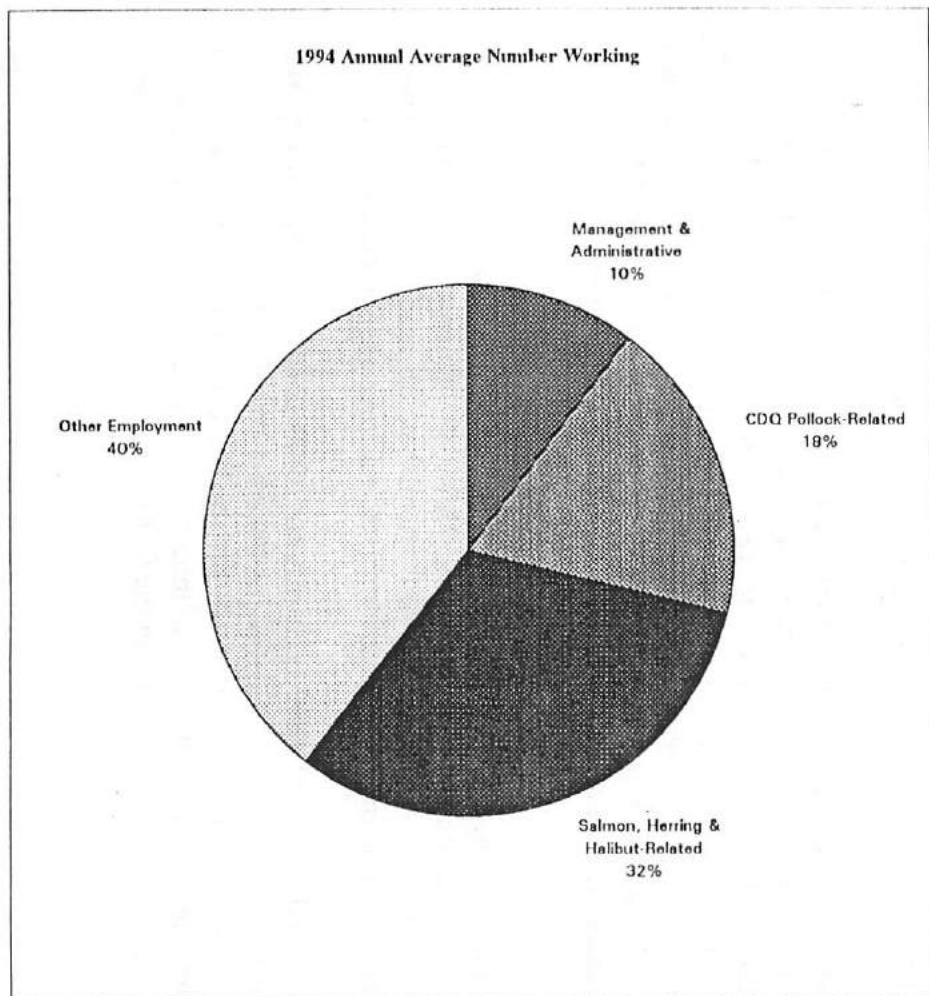
For each of these kinds of employment, the following information is provided:

- Number of CDQ region residents working
- Total wages and benefits earned by CDQ region residents
- Total work days worked by CDQ region residents (not reported by some CDQ groups)

The data reported by the CDQ groups are not necessarily perfect for assessing the precise contribution of the CDQ program to employment and income in western Alaska. For example, some jobs are part-time or seasonal, or involve matching funds or joint ventures with non-CDQ organizations. However, the data represent the only detailed source of information on employment and income generated by the CDQ program. As long as the limitations described above are kept in mind, and it is recognized that actual employment and income impacts may be somewhat lower or higher than reported, it is reasonable to use these data to gain a general sense of the economic impacts of the CDQ program to date.



FIGURE V-1



## **VI. OTHER IMPACTS OF THE COMMUNITY DEVELOPMENT PROGRAM**

### **Infrastructure Development**

A major goal of many of the CDQ groups was to develop infrastructure within the region that would make possible greater participation in the fishing industry. Substantial progress has been made towards this goal. Major infrastructure projects which have been completed or are underway include:

- 1) Dock facilities in Atka, Nelson Lagoon, False Pass and Nome;
- 2) Harbor improvements in St. George and St. Paul;
- 3) Ice Delivery Systems in Savoonga and Koyuk;
- 4) Gear Storage facilities in False Pass.

Each of these infrastructure developments provide benefits to the region as a whole as well as the entire fishing industry. However, the exact economic impacts are difficult to measure at this time. Additional infrastructure is needed in many communities and there are several projects in the development stage:

- 1) Dock and small boat harbor in St. Paul
- 2) Boat ramp in Nikolski
- 3) Large dock facility in Atka
- 4) Additional buying stations in Golovin and Moses Pt.

Without additional CDQ funds from the continuation of the pollock CDQ program, the future of these projects is uncertain. The level of infrastructure development in Western Alaska is minimal, thus one of the reasons for the CDQ program. It is unreasonable to expect two years worth of activity sufficient to bring an area as large and diverse as the western coastal region up to current development standards. The gains to date represent 61% of the projects identified in the Community Development Plans as necessary to achieve the identified goals. This is remarkable given the short time frame involved.

Several other projects have been identified as necessary infrastructure for the development of even a limited fishing economy. However with the future of the pollock CDQ program unpredictable, it is difficult to draft a development strategy. A complete list of proposed infrastructure development projects was presented in chapter four.

Apart from the physical infrastructure needs of the community, equally important is the business infrastructure such as developed markets and management expertise necessary for the successful operation of a business. The Community Development Quota program has invested heavily in this type of infrastructure development through the technology transfers which exists between the CDQ groups and their industry partners.

The CDQ organizations work closely with their pollock partners in several aspects of the fishing industry. Several organizations have interns within their offices as well as providing expertise to the CDQ organizations staff and board members when needed. It is through this process that the knowledge necessary for the successful participation within the Bering Sea fishery is gained.

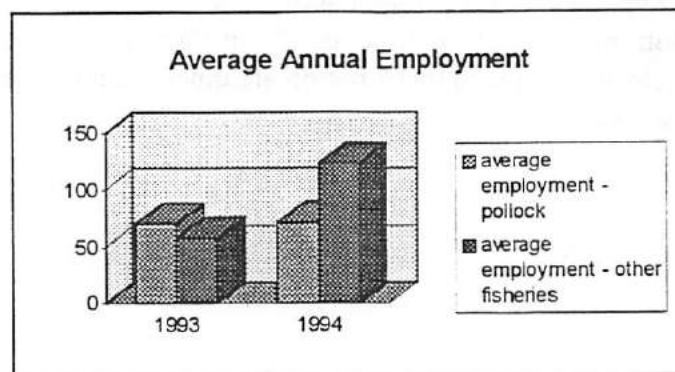
Another major contribution of the CDQ program has been the investment of resources and the assumption of risk in the development of new salmon products. Three CDQ groups and their harvesting partners have spearheaded industry efforts to produce boneless, skinless frozen salmon product forms at a time when the Alaska salmon industry needs to expand their product lines.

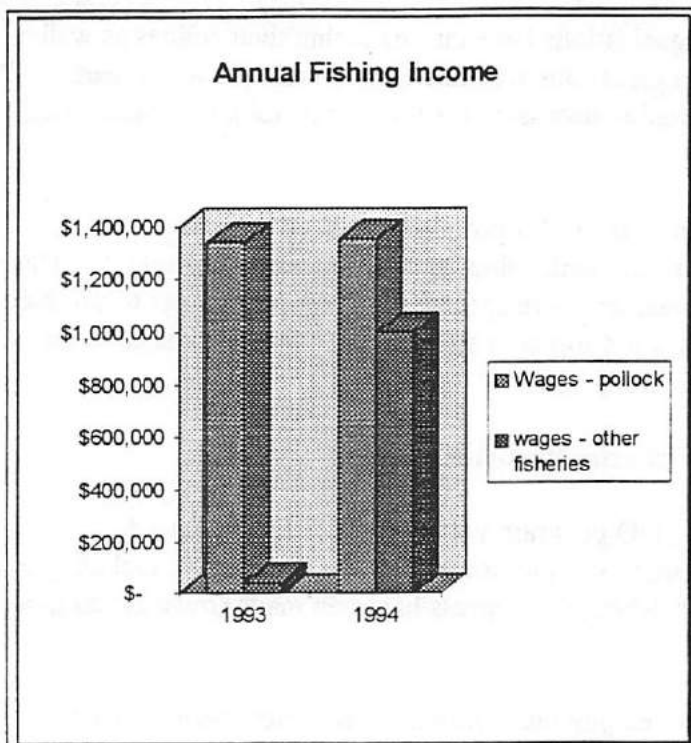
### Fisheries Participation

Another major goal of the CDQ program was to provide for increased participation by western Alaska residents in the fisheries of the Bering Sea, including both the pollock fishery as well as other fisheries. Progress has been made towards this goal, but much remains to be achieved.

As discussed in chapter five, employment within the fisheries has increased dramatically for residents of western Alaska, not only on factory trawlers but on smaller vessels, and shoreside processing plants as well. Many CDQ groups have purchased interest in longliners, a factory trawler, or have begun to develop a small multi-fishery fleet. The establishment of loan programs has also facilitated increased involvement in the fisheries of the Bering Sea. Several fishermen are now able to purchase small vessels and/or gear where previously, conventional financing was not available.

The following graphs shows the level of employment and wages in the pollock and other Bering Sea fisheries:





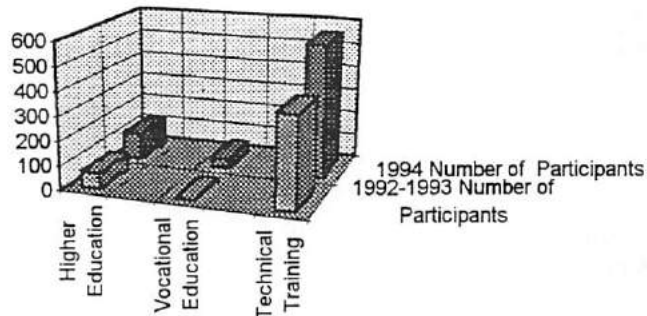
An important issue is whether future fisheries participation by western Alaska residents is dependent on continuation of the CDQ program. The State believes that most of the gains which have been made to date might be lost if the CDQ program were to end in 1995. For example, investments made by CDQ groups in fishing vessels and processing plants might not be viable if guaranteed access to pollock resources were not continued. Also, many of the projects which are in the development stage may not be completed if CDQ revenues cease.

With the exception of one, all of the CDQ groups now have access to the resources of the Bering Sea through their investments in a variety of fishing vessels. Although the investments are often limited to a minority position in a single vessel, the fact remains that the CDQ organizations are gaining entry. The amount of capital required to gain entry is enormous, and these efforts are the beginning of a localized fleet.

However, other gains are clearly permanent. For example, the small multi-fishery fleet built by the Yukon Delta Fishermen's Association participates in the halibut and sablefish, other bottom fish and crab fisheries. Their fleet operates from Norton Sound to Unalaska. The residents of the YDFDA region are quickly gaining skills that will prove useful for years to come.

## Training and Education

Training and education of residents is an important goal for all of the CDQ groups and the training opportunities for the residents in the region are substantial. The chart below is indicative of the increased training opportunities to the residents of western Alaska. A total of 176 scholarship participants, 927 technical participants and 38 vocational students have benefited from the variety of educational opportunities available during the period late 1992 through Dec. 1994.



The importance of appropriate educational training at all levels cannot be overlooked. For any society to build sustainable development and improve the standard of living of their community, an educated populace is necessary. The CDQ groups provide training for their residents based not only on the needs of the individual, but the needs of the community overall.

The following table describes some the type of training and number of participant for the CDQ groups as a whole:

Table VI-1

	1992-1993 Participants	1994 Participants	Totals
<b>Higher Education</b>	64	112	176
Includes University and College			
<b>Vocational Education</b>			
Aluminum Boat Fabrication	0	18	18
Auto and Diesel Technology	0	4	4
Biomedics Electronic Technician	0	1	1
Business Management	0	8	8
Carpenter	0	1	1
Paralegal	0	2	2
Power Plant Operation	0	1	1
Seafood Industry Management	0	2	2
Travel Specialist	0	1	1
	0	38	38
<b>Technical Training</b>			
Processing Workers	161	44	205
Vessel Safety	49	92	141
Fishing Training	47	90	137
Computer Applications	30	151	181
Electronic Navigation	26	65	91
Equipment Operation	23	28	51
Mechanics/Welding	14	51	65
Grants Management	12	12	24
Clerical	6	15	21
EMS	5	0	5
HAZWOP	1	0	1
Baker	1	0	1
Marine Firefighting	0	1	1
Industrial Refrigeration	0	1	1
HVAC	0	2	2
	375	552	927

This table represents 1141 training opportunities for the residents of western Alaska during a twenty four month period. These training and educational opportunities

will enhance the ability of the residents to gain employment in all aspects of the fishing industry. When these numbers are compared with the figures in table II-2, which shows a total number of people unemployed in all CDQ regions of 1217, the impact of the CDQ group's training programs is enormous.

### **CDQ Financial Reporting**

The CDQ groups are required to provide financial information on a quarterly basis and annual audited financial statements to the State of Alaska. The specific financial data for each group is confidential. Therefore, a report on the financial status of each CDQ group is not possible. However, overall the CDQ groups are taking a conservative approach in their investment decisions.

Several CDQ groups have advisory board members from the financial community who are non-voting board members. Due to the complexity of the fishing industry, these members are able to give insight from a financial perspective that may not otherwise be available.

The CDQ groups have received approximately \$53 million in royalties during the 1992-1994 period. The groups used these royalties to fund several infrastructure and product development projects, training and education programs, assist residents in gaining employment aboard factory trawlers as well as made investments in the fishing industry that will provide continued access to the Bering Sea.

### **Development Impacts**

One of the goals of the Community Development Quota Program is to encourage "economic development" in the participating communities. An assessment of the program's success must have some way of recognizing the economic development consequences of the program. In this section we discuss what is generally accepted as the definition of economic development and suggest some ways to indicate the effect of the CDQ program on the economic development of the region.

Defining and measuring economic development is not easy. There are many potential dimensions to economic development. Development typically occurs over a period of time measured in decades rather than years, accompanied by other social, cultural and political changes. We should not expect to be able to measure progress towards "economic development" definitively after only two years. Much of the development has only been initiated through this initial infusion of capital. The CDQ program will require continued sustenance to survive its infancy.

## **Defining Economic Development**

Definitions of economic development have evolved over time. The evolution of these definitions reflects the postwar development experience. Historically, economic development was perceived as synonymous with economic growth, and was measured in terms of the expansion of a region's output. In recent decades, however, economic development has increasingly been perceived as a process of complex structural changes in the economy and the society (Todaro, 1981).

According to currently accepted concepts of economic development, three characteristics help to define economic development in a region. First, when development occurs growth or at least expanded output becomes the norm. Put differently, short-term, one-time expansion of regional output is *not* economic development. In rural Alaska, the physical or economic exhaustion of a resource may end an economic boom, and leave a region no better off than it was prior to the boom. In contrast, economic development structure changes ensure higher levels of output which, once achieved, may be maintained or expanded.

A second characteristic of economic development is that the growth of output is shared. Regional economic development implies that the residents of the region share broadly in the gains in income created by economic growth. Regional economic development includes development of the people of the region as well as the surrounding and supporting infrastructure.

A final characteristic which is sometimes added to the definition of economic development is local control. This usually means that economic development also increases the importance of locally made economic decisions. Local residents can participate in economic growth as resource owners and entrepreneurs as well as employees.

## **Measuring Development Impacts of the CDQ Program**

Because economic development is a complex process, it is difficult to measure. Attempting to assess the development consequences of the CDQ program is especially difficult because it has been in existence for only two years. Three questions can be asked which may serve as indicators of progress towards and potential for economic development resulting from the CDQ program.

*Economic Growth* How many jobs and how much income has the CDQ program created? How do these jobs compare with the kinds of jobs which existed previously in the region? By the simple measures of contribution to jobs and income, the CDQ program appears to be contributing to economic development. Clearly, the contribution varies between different CDQ groups. Clearly, the economic activity generated to date has not transformed the region economically--but there is no reason to expect that it



would have. But it has generated many new "basic" jobs and new income in a region where there is very little economic base other than government.

*Local control: Are local residents in control of the new economic activities which are being created in the region? Has the program worked to expand local decision making? Are there more local entrepreneurs? Are more resources locally owned?* The CDQ program provides for direct local control of a portion of the Bering Sea pollock resource--although this control is exercised in cooperation with industry partners. The additional activities being carried out using the revenues generated from the pollock resource are clearly under local control and the skills to sustain long-term economic development remain a high priority of the CDQ program.

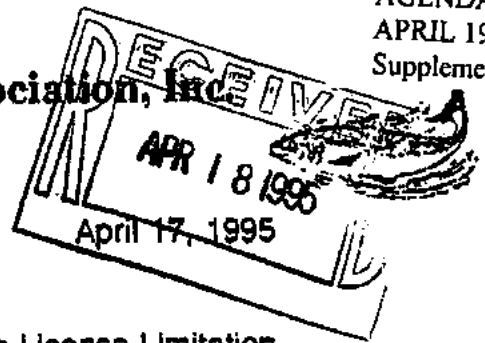
*Sustainability: Are the benefits generated by the CDQ program sustainable? Would they continue even if the CDQ program were to end? Have the CDQ group done things which will most likely result in continue growth or at least the maintenance of higher levels of income?* Obviously some of the activities generated by the CDQ program to date would come to an end if the CDQ program were to end. However, the program has also brought about significant investment in the region's physical and human capital--investments which would continue to contribute to future growth even if the program were to end. Infrastructure projects contribute to the viability of new economic activities. Training and education programs are providing residents with skills which can be used within the region or in other places. The program is also helping to develop business and entrepreneurial skills within the region.

In sum, by all of these measures, the CDQ program is contributing towards the process of economic development within the western Alaska region. It is bringing about economic development, as measured by jobs, local control, and long-term sustainability. Another aspect that should be considered is that it provides opportunities to work where few existed before, especially during the long winters when jobs are scarce. Not everyone chooses to fish, however the hope and opportunities created are an invaluable addition to the collective self-esteem of the region's people. However, there should be no expectation that the program could or should transform the region within a few years.

**United Fishermen's Marketing Association, Inc.**

P.O. Box 1035 Kodiak, Alaska 99615

Telephone 486-3451



Mr Richard Lauber, Chairman  
North Pacific Fishery Management Council

RE: A. Request to delay final action on groundfish and crab License Limitation alternatives until no earlier than December, 1995;

B. Suggestion for port workshops to inform the public and to gather input relative to the specific elements and impacts of License Limitation alternatives.

Dear Mr Lauber,

The United Fishermen's Marketing Association, inc (UFMA), respectfully requests that the North Pacific Fishery Management Council (Council) delay final action on groundfish and crab License Limitation alternatives until no earlier than the December, 1995, Council meeting. It appears that any decision to delay such final action will not practically or effectively delay the final implementation date of License Limitation

Additionally, UFMA suggests that the Council consider holding port workshops for the purpose of informing the public and gathering input relative to the specific elements and impacts of License Limitation alternatives that are under consideration by the Council

The Council has gone to great lengths to develop several analyses, appendixes and addenda that address the broad range of possible License Limitation alternatives that the Council has agreed to consider. However, we submit that there is much work that is left to be done before a reasonable and final decision can be made by the Council relative to the question of what constitutes the best combination of elements for License Limitation in the crab and groundfish fisheries. We note that the two most recent Council documents that address License Limitation were distributed only within the last 6 weeks

If the Council is inclined to delay a final decision on License Limitation, and to possibly use the April meeting to further refine and develop both extant and new alternative options for consideration, analysis and review, we respectfully request that this direction be decided prior to public testimony on this issue, so that the public and the Council respectively may accordingly frame their testimony and deliberations.

A. DELAY OF THE FINAL DECISION UNTIL NO EARLIER THAN DECEMBER, 1995.

It is evident that a significant element of the public who are directly affected by License Limitation are not informed relative to the details and implications of what is about to happen to them with respect to the alternatives for License Limitation that are proposed for final Council action this week. We hope that the recommended delay will help to achieve the broad public understanding, input, comment and debate that is necessary for License Limitation to be successful.

During the past month we have had numerous meetings and conversations with crab and groundfish fishermen and processors who are impacted by License Limitation. It is

NPFMC License Limitation/UFMA Request. 4/17/95 Page 2/2

clear that a substantial number of people who are impacted by License Limitation, and who should otherwise have some understanding of the program, have little more than a rudimentary understanding of the time frame, details, implications and impacts of the proposed elements, options and alternatives. It also appears that these same impacts and other considerations may not be clearly understood by even many of those persons who have a reasonably good understanding of the alternatives that are before the Council, and who may have even expressed a preference for a suite of specific elements of License Limitation. We have sensed a feeling that many in the industry may not be ready for, or comfortable with a final decision on License Limitation at this meeting.

After reviewing the many Council documents that make up the License Limitation package, it appears that there are additional new alternatives that should be considered and analyzed by the Council, and that several of the extant alternatives may benefit from further refinement, development and analysis. It also appears that some of the specific alternatives that were highlighted by the Council at their December meeting may need to be put aside, and that other new alternatives may need to be highlighted.

Neither the June (Unalaska) nor September (Seattle) Council meetings lend themselves to final Council action on License Limitation because of the significant items that are scheduled for such meetings (and the commensurate staff demands), because of the meeting locations, and because it is probable that the further refinement, development and analysis of extant and newly suggested alternatives is necessary, and not likely to be completed by those meetings (especially in view of staff demands relative to planned agenda items for these meetings). We do not support an August meeting, or the consideration of final action on License Limitation at any meeting that may be scheduled in August. However, we believe that the meetings in Unalaska and Seattle provide good opportunities to schedule public hearings and solicit public input on License Limitation.

B. REGIONAL/PORT WORKSHOPS TO INFORM AND GATHER INPUT.

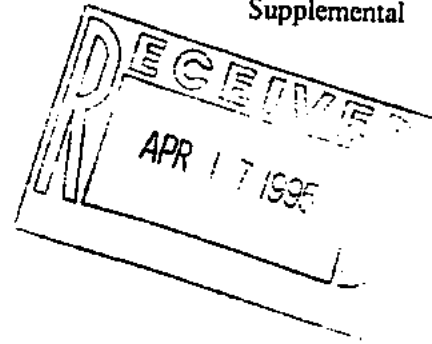
It is worrisome to us that a significant element of the public (crab and groundfish fishermen and processors) who are directly affected by License Limitation appear to not be sufficiently informed relative to the details, implications and distributional outcomes of the various elements, alternatives and options for License Limitation that are under consideration by the Council. We believe that a series of port workshops would provide the public with the opportunity to develop an understanding of the License Limitation alternatives, and provide the Council with a broader sample of public input relative to the combination of elements that will ultimately make up a License Limitation program.

Sincerely,



Jeffrey R. Stephan

April 10, 1995



Governor Tony Knowles  
P. O. Box 110001  
Juneau, Alaska 99911-0001

Dear Governor:

It's time we, and all Alaskan leaders, take a closer look at the direction the fishing industry is going.

Lets put aside all the political b.s. and get on with the job of saving a future for our sons and daughters.

Lets look at the wanton waste created by the trawlers. In 1993 alone 740 million pounds was wasted. All to put a few dollars in the Seattle based fisheries' pockets. They call it "by-catch". In a few years it will be "Good-bye Fisheries!" if you and other elected officials don't do something about it.

I've heard claims that it would help if there were more fish meal plants, but that would only encourage more taking of the wrong species to make up for a bad trip

Take a look at the shrimp fisheries in Alaska. It's history, gone, because of too much dragging. There are alternatives such as making cod a pot or jig fishery only. The pot fisheries are very clean as they have halibut abaters and crab triggers, so all you get is cod. Very simple and very clean. The jig fishery is also clean as they use the smaller hooks.

The IFQ system is the biggest joke to come down the pike; it only helps the big boats and boat owners who don't live in Alaska. It takes jobs and futures from our children. In our village alone over 30 halibut jobs were lost due to this ludicrous law. What was so wrong is that we never had a voice or a vote in it's passing. Now they want to do the same to the cod industry. We cannot let this happen!

(Page 2 of 1)

The crab industry is a thing of the past, now our fishermen are getting into the cod fisheries just to make boat payments. Without it, the small villages will all become welfare recipients.

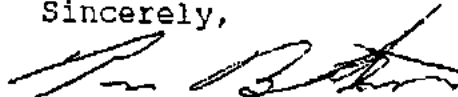
Mr. Governor, you say that you want to stop or slow down the welfare system in Alaska, but by supporting the IFQs and the Draggers who do not employ locals on their boats, you will only be creating a much bigger welfare problem.

We are all small boat operators and fishermen who don't want to move to a bigger city to learn a new trade, we want to remain in our villages and we have that right. We see other villages getting smaller all the time, we don't want that to happen here. If the cod fisheries went to a pot or a jig system, the villages would once again flourish due to the amount of jobs it would create.

Before any more stupid laws governing the fisheries are passed, please come and talk to those who it will affect the most. The small villages and fishermen were there for you and as I see it, you owe us one.

In closing Sir, we strongly urge the appointment of Cliff Davidson to the Fisheries Management Board. We believe Cliff will do a good job for the State and all concerned.

Sincerely,



Ron Berntsen  
Old Harbor

cc: Mr. Rick Lauber, Chair  
Senator Frank H. Murkowski  
Congressman Donald E. Young  
Representative Alan Austerman  
Jim Saxton (R-NJ)  
Wayne Gilchrest (R-MD)  
Gerry Studds (D-MA)  
George Miller (D-CA)



# ALASKA CRAB COALITION

3901 Leary Way (Bldg.) N.W., Suite #6 • Seattle, WA 98107 • (206) 547-7560 • FAX (206) 547-0130

DATE: April 17, 1995

TO: Rick Lauber, Chairman  
North Pacific Fishery Management Council  
P.O. Box 103136  
Anchorage, Alaska 99510

FROM: Arni Thomson, Executive Director *Arni Thomson*

RE: AGENDA ITEM C-3, LICENSE LIMITATION FOR  
BERING SEA/ALEUTIAN ISLANDS CRAB FISHERIES

These ACC recommendations have been developed at ACC meetings in 1993 and 1994. They have just been reviewed and reaffirmed at a membership meeting on April 12th, 1995.

License classes: A single class of licenses (100000)

Nature of Licenses: Licenses for each species area combinations (similar to present crab registration areas; known as a general license with endorsements). (30000)

Note: A single license qualifying boats for all species and areas (no endorsements required, option #10000 on page 6) would grandfather 400-460 boats, depending on the qualifying period, into all Bering Sea/ Aleutian Islands crab registration areas. As the analysis shows, this option could dramatically increase the number of vessels in most fisheries, thus exacerbating fishing pressure on the limited resources and intensifying the overcapitalization problem instead of solving it. If the NPFMC adopts only a general license (option #10,000), it is conceivable that the Secretary of Commerce would not accept it, similar to the decision on the moratorium, because it will allow for large scale expansion of effort in the crab fisheries.

License Recipients: Current owners (1000)

License Designations: Vessel length (300)

Qualifying Period: 6/28/89 - 6/27/92 --(6/29/80 - 6/25/83 for D.H. Red & 6/29/85 - 6/25/88 for Prib. Blue. These two groups must also have made a landing in any federally managed crab fishery between 6/28/89 - 6/27/92. For Norton Sound Red and Blue King Crab fisheries, and for Prib. Red King Crab, must have made a landing in 1993 or 1994. (30)

Note: This qualifying period is generally consistent with the moratorium qualifying period and the moratorium cutoff date already adopted by the NPFMC.

A review of the total number of species/area endorsements (licenses) that would develop under this scenario, as noted in Table 2.2.1, 1989-1992, compared to the number of licenses that would be available for all fisheries under a general license program, illustrates the need for species/area endorsements in the crab fisheries:

Bristol Bay red king crab	319
Pribilof red king crab	166
St. Matthew blue king crab	90
Dutch Harbor brown crab	20
Adak brown crab	32
Adak red king crab	14
Bering Sea bairdi	318
Bering Sea opilio	279

BSAI species/areas have been designated permit fisheries for twenty or more years. There is a historic ADF&G management rationale for a species/area license framework.

A number of the fisheries are in a state of serious decline and cannot withstand an increase in fishing pressure. Adak, Bristol Bay and Pribilof Islands red king crab are three stocks in serious decline, along with Pribilof Islands blue king crab.

If a single license for all species and areas were granted for this qualifying period, 454 boats would qualify for all registration areas. In the case of St. Matthews Island blue king crab fishery, which presently sustains about 90 vessels with a quota of 3 to 4 million pounds, it is conceivable that a single license program (or the present open access system) will result in ADF&G not being able to open the fishery. In the fall of 1995, St. Matthews may be the only Bering Sea king crab fishery (other than limited brown crab fisheries for Dutch Harbor and Adak, that can only sustain 15 to 20 vessels), that will be open in 1995.

Minimum Landings: 3 landings of King or Tanner crab from federally managed fisheries during the qualifying period (3) This reduces the qualified number of vessels in the 89-92 period from 454 to 354 licenses.

Vessel/License Linkages: (2) Licenses may be transferred without a vessel.

Options Regarding the Separability of Species and/or Area Designations: (3) Species or Area designations shall be regarded as separable endorsements which require the owner to also own a more general license before use or purchase.

Vessel Replacement and Upgrades: (1) No restrictions on vessel replacement or upgrades, except that the vessel must meet "License Designations" defined by the initial allocation.

License Ownership Caps: No specific position yet, but members generally agree that some reasonable cap should be established.

Buyback/Retirement Program: (1) No buy-back/retirement program. Proposed buy-back programs in the U.S. Congress normally require burdensome public funding. An ITQ program provides a market based industry funded buy-back program which is more appropriate in the U.S. free enterprise economy.

Community Development Quotas: (1) No CDQ allocations in a license limitation program. Setting aside a portion of the quotas for a CDQ will only intensify the pressures on already declining resources in the continuing race for fish under an Olympic style license program.

ACC Board recommends that if the Council wants to recognize community needs in a license program, that they set aside a limited number of licenses and that they be non transferrable.

ACC does support limited CDQ quotas within the framework of an ITQ vessel quota program.

Other Provisions:

No future Super-exclusive areas.

Individual Transferrable Pot Quota System: Opposed to ITPs.

Sunset: ACC supports a sunset date for the license program and recommends phase into an ITQ program at the earliest possible date. Since an increasing body of international literature and experience leads to the conclusion that license programs implemented for declining resources do not reduce fishing pressures and they will likely lead to overfishing, the NPFMC should expedite the development of a vessel quota program for Bering Sea crab fisheries.

License transfers: In the case of a phase in quota program, the ACC recommends that licenses be non transferrable.

Fees: Within the framework of an ITQ program, the ACC also supports limited royalty fees of no more than 2% of the ex vessel value of fish harvested and sold, for BS/AI crab in the EEZ, managed by the State of Alaska, to be collected by the Governor of Alaska.



Based on the 1994 ex vessel revenues for BSAI crab fisheries a 2% royalty fee would amount to \$5.2 million dollars. Considering the budget crisis that ADF&G is facing and the possibility that Alaska may have to return crab management to the federal government due to a lack of funding, these fees would more than offset all costs of research and management of BSAI crab fisheries.

Table 2.2.1

Configuration 131431		Licenses Issued to Current Vessel Owners Based 6/28/88 - 6/27/92 Landings With the Following Exceptions: 6/29/80 - 6/25/83 for D.H. Red & 6/29/85 - 6/25/88 for Prib. Blue. These Two Groups Must Also Have Made a Landing in any Federally Managed Crab Fishery Between 6/28/89 - 6/27/92. The Prib. Red King and Norton Sound Fisheries Must Have Made a Landing in 1993 or 1984.																										
		Current Owner's State of Residence																										
		Alaska										Other										Total						
Species	Area	CV				CP				Alaska Total	CV				CP				Other Total	CV			CP			Licenses		
		< 60	60-125	>125	Total	< 60	60-125	>125	Total		< 60	60-125	>125	Total	< 60	60-125	>125	Total		< 60	60-125	>125	Total					
Red King	Dutch Harbor	7	19	0	26	0	0	0	0	26	0	56	4	60	0	0	3	3	63	7	75	4	86	0	0	3	3	89
	Norton Sound	35	0	0	35	0	0	0	0	35	3	2	0	5	0	0	0	0	5	38	2	0	40	0	0	0	0	40
	Pribilof	17	47	2	66	0	0	0	0	66	4	79	15	98	0	0	2	2	100	21	126	17	164	0	0	2	2	166
	Adak	0	3	0	3	0	0	0	0	3	0	6	3	9	0	0	2	2	11	0	9	3	12	0	0	2	2	14
	Bristol Bay	1	88	11	100	0	0	1	1	101	1	160	35	196	0	1	21	22	218	2	248	46	296	0	1	22	23	319
	Red King Area Endorsements	60	157	13	230	0	0	1	1	231	8	303	57	368	0	1	28	29	397	68	460	70	598	0	1	29	30	628
	Red King Vessels (Configuration 121431)	59	103	11	173	0	0	1	1	174	7	181	40	228	0	1	22	23	251	66	284	51	401	0	1	23	24	425
Blue King	St. Matthew	0	17	7	24	0	0	1	1	25	0	37	19	56	0	1	8	9	65	0	54	26	80	0	1	9	10	90
	Pribilof	1	4	0	5	0	0	0	0	5	0	32	11	43	0	0	7	7	50	1	36	11	48	0	0	7	7	55
	Bristol Bay	0	0	0	0	0	0	0	0	0	0	0	2	2	0	0	0	0	2	0	0	2	2	0	0	0	0	2
	Blue King Area Endorsements	1	21	7	29	0	0	1	1	30	0	69	32	101	0	1	15	16	117	1	90	39	130	0	1	16	17	147
	Blue King Vessels (Configuration 121431)	1	20	7	28	0	0	1	1	29	0	69	23	82	0	1	12	13	95	1	79	30	110	0	1	13	14	124
Brown King	Dutch Harbor	0	1	0	1	0	0	0	0	1	0	7	4	11	0	0	8	8	19	0	8	4	12	0	0	8	8	20
	Adak	0	5	0	5	0	0	1	1	6	0	12	7	19	0	0	7	7	26	0	17	7	24	0	0	8	8	32
	Brown King Area Endorsements	0	6	0	6	0	0	1	1	7	0	19	11	30	0	0	15	15	45	0	25	11	36	0	0	16	16	52
	Brown King Vessels (Configuration 121431)	0	5	0	5	0	0	1	1	6	0	13	7	20	0	0	10	10	30	0	18	7	25	0	0	11	11	36
C bairdi	Bering Sea	1	85	11	97	0	0	1	1	98	0	151	44	195	0	1	24	25	220	1	236	55	292	0	1	25	26	318
	Eastern Aleutian	8	2	0	10	0	0	0	0	10	1	6	0	7	0	0	1	1	8	9	8	0	17	0	0	1	1	18
	Western Aleutian	0	0	0	0	0	0	0	0	0	4	1	2	7	0	0	1	1	8	4	1	2	7	0	0	1	1	8
	C bairdi Area Endorsements	9	87	11	107	0	0	1	1	108	5	158	46	209	0	1	26	27	236	14	245	57	316	0	1	27	28	344
	C bairdi Vessels (Configuration 121431)	9	86	11	106	0	0	1	1	107	5	152	44	201	0	1	24	25	226	14	238	55	307	0	1	25	26	333
C opilio	Bering Sea	0	69	10	79	0	0	1	1	80	0	131	43	174	0	1	24	25	199	0	200	53	253	0	1	25	26	279
	Eastern Aleutian	0	0	0	0	0	0	0	0	0	0	4	0	4	0	0	0	0	4	0	4	0	4	0	0	0	0	4
	Western Aleutian	0	1	0	1	0	0	0	0	1	0	1	0	1	0	0	0	0	1	0	2	0	2	0	0	0	0	2
	C opilio Area Endorsements	0	70	10	80	0	0	1	1	81	0	136	43	179	0	1	24	25	204	0	206	53	259	0	1	25	26	285
	C opilio Vessels (Configuration 121431)	0	69	10	79	0	0	1	1	80	0	132	43	175	0	1	24	25	200	0	201	53	254	0	1	25	26	280
	Total Endorsements	70	341	41	452	0	0	5	5	457	13	685	189	887	0	4	108	112	999	83	1,026	230	1,339	0	4	113	117	1,456
	Total Vessels (Configuration 111431)	85	106	11	182	0	0	1	1	183	12	186	48	246	0	1	24	25	271	77	292	58	428	0	1	25	26	454

Note: Configuration 121431 is the number of vessels fishing each licensed species of crab in the BSAI by vessel owner's state of residence, vessel length, and vessel designation.  
 Configuration 111431 is the number of vessels fishing crab in the BSAI by vessel owner's state of residence, vessel length, and vessel designation.



# ALASKA CRAB COALITION

3901 Leary Way (Bldg.) N.W., Suite #6 • Seattle, WA 98107 • (206) 547-7560 • FAX (206) 547-0130

March 28, 1995

## 1994 BERING SEA CRAB FISHERIES, SEASONS, CATCH & EXVESSEL VALUES

FISHERY	SEASON	BOATS	GHL	CATCH	PRICE	TOTAL
B.S.-Opilio	1/15-3/1	273	105.8	149.8	1.30	\$192.40
Adak-Brn	11/1-8/15	21	-	4.6	2.50	11.20
D.H.-Brn	9/1-10/28	14	-	1.8	4.00	6.90
Pribilof-Rd	9/15-9/21	104	2	1.3	6.00	8.00
St. Mat-Blu	9/15-9/22	87	3	3.7	4.00	15.00
B.S.-Hair	11/1-12/12	9	1.1	1.1	4.00	4.40
B.S.-Bairdi	11/1-11/21	180	7.5	7.6	3.75	27.90
Adak-Red	11/1-11/28	20	-	.2	5.50	1.10
TOTAL:	(Millions \$)					\$266.90

Arni Thomson, Reference: Alaska Dept. of Fish & Game  
Reports

Note: This report represents an average of 72 fishing days for three major Bering Sea crab fisheries, opilio, bairdi and either Pribilof or St. Mathews Island king crab fishery. This represents a decrease of 47 days over 1993, or a 39% decrease in crab fishing days since 1993.

Transcription  
Council Discussion on License Limitation Alternatives  
April 22-24, 1995

Tape 38, April 22, 1995, beginning at 8:13 a.m.

Chairman Rick Lauber: Council will come to order, on this 22nd day of April. We are under License Limitation. Mr. Mace?

Bob Mace: Mr. Chairman, I'd like to exercise my seniority rights here and I'm going to move that the Council adopt the AP recommendations with respect to the groundfish license issues only, and with a second I'd like to comment on this.

Dave Benton: I would second that.

Mace: The AP has spent a great deal of time boiling this down to a fairly limited number of options and I would hope that the Council would be able identify some preferred options in the course of the discussions that are coming up. I want to point out that I think the AP has done a good job. I can recall years ago that we weren't on the same track, that the AP came to the Council one time and wanted to resign because we never adopted any of their recommendations. But I think that in the past 19 years we've learned to work together as a team and I want to give them credit for that, but we don't necessarily follow all of their recommendations. It's simply a benchmark to work from; they've listened to the same people that we've listened to on this issue, and on that basis I think that we can work through this recommendation and I hope some time in the next week or so come out with a solution. Thank you.

Benton: Mr. Chairman, I concur with Mr. Mace's view that the AP has done a darn good job going through a lot of material and doing a lot of our work for us and I really appreciate that and I think they all should feel very good about the amount of work that they've put in. Mr. Chairman, I think if I could as the second, I would ask that what we do is work off the AP document and have, sort of side-by-side, the shaded document that the Council staff provided to us. I don't know exactly how you want to proceed, but maybe just walk through section by section and we could confirm what we want to have as a Council preferred alternative.

Executive Director Clarence Pautzke: I just would like to say that while you walk through this process here, the Advisory Panel had requested various new analyses and data and so on as you go through their motion, and I've asked my staff to be prepared to tell you how long it would take to get that information together if you choose to accept their motion completely, to get that information together, to get re-analysis back out on the streets, whether it can be done between now and the June meeting. As far as timing of your decision, you have various opportunities to make a final decision. Of course this meeting was scheduled for final decision but it looks more like you'd probably want to delay that final decision and have final consideration. Which, the next step for a final decision is your June meeting in Dutch Harbor and that's when you will have your Advisory Panel with you and there has been some discussion and consideration of possibly holding an early August meeting. I would note that our budget is such, because of the lengths of the meetings and the other things that have been done this year, that if we were to hold an August meeting, that probably our budget would allow for just the Council members to meet for possibly three days and that we could not bring in everybody for an August meeting, so we would need to have the Advisory Panel's consideration of this finished in June, or the next stop past that would be the September meeting, so we need to have, I think, those kind of variables in mind as we walk down through this.

Mace: I would like to put to bed any idea of an August meeting. I think that we ought to hold our feet to the fire; the cost involved and the time involved in holding a separate meeting is something I don't think that I'd be in favor of and I would hope that the Council would decide right now that we're not going to have it.

Wally Pereyra: First of all, I certainly can appreciate what the AP has done; it sort of reminds me of my children, sort of cleaning up their room and when they get all through cleaning up their room, they still have got a mess. I mean, that's what sort of what it appears to me and when I go through and I look at the problem statement and the problems we're trying to get resolved and so forth, I almost feel like we're moving backwards, but that having been said, I recognize there's an interest on the part of the Council to move ahead with something here and I think it's gotta be certainly more comprehensive and it's got to be timely, as Mr. Mace says, because in the preamble to the document here it said that the purpose was that when we approved the inshore-offshore allocations in '92, the Council made a commitment to develop and implement a comprehensive rationalization management program for fisheries by the first of January 1996. Well, that's fairly ambitious; I think we all recognize that and . . . [Change to Tape 39 - words missed in tape changeover]. . . this analysis completed and on the way to help support what we may or may not want to do with inshore-offshore in June, so I think it's got to be certainly done at the June meeting and not at some later date.

[question and discussion about logistics for Dutch Harbor meeting]

Steve Penoyer: I have no problem with Mr. Mace's motion and proceeding in the fashion suggested by he and Mr. Benton. I too appreciate the work done by the AP and I think there were some real breakthroughs at this meeting in terms of how we look at comprehensive rationalization, how the industry wants to look at it. But I remain concerned by the direction that we're going and where we might end up in June as a final setpiece for comprehensive rationalization, or where it is in that process. Yesterday I brought up the topic of inshore-offshore and where it fit into the system and where we were, and I did that because, as Dr. Pereyra has pointed out in the past submission of inshore-offshore, the Agency rather clearly said that, and the Council committed to, continuing the process of comprehensive rationalization instead of just doing some new inshore-offshore by itself. We of course came to the realization a while back that we weren't going to get there by the time the inshore-offshore amendment expired and for that reason you had resubmitted, or probably will submit a sunsetted offshore provision. I don't think that takes away the fact, though, that its approvability I think is to some degree dependent, significant degree, dependent on the fact that the assessment is that the Council is proceeding toward comprehensive rationalization. I think some of the recent events, both in terms of what you're dealing with now, and the Governor's recent letter, cause me some question as to how we're going to proceed with that, how quickly, and what form it's going to take and whether it really will be comprehensive. Dr. Pautzke stated when I brought that up that the Magnuson Act amendments probably gave us a clearer direction where we might have to go, and I know there are a lot of externalities out there that are affecting how we proceed, but I'm not sure we can count on those, or that we won't know what those are more firmly by the time any comprehensive rationalization amendment is possibly implemented or approved. I'm not implying that we can do it all at once, I understand that's not reality, neither programmatically or practically or politically, but I think we have to have a very clear direction of where we're going and I think that we have to look at the time frames involved in any of them and decide realistically what we can accomplish. I also agree with the AP that a one-stop shopping thing is probably not practical, either administratively from an implementation standpoint, or politically for all fisheries, or an actual desirability for all the fisheries off Alaska, and I think they really did some good work here in defining the fact that different sectors, different areas, different characters of a fishery might require different solutions. But then what I see is it's still a one-stop shopping type solution that we might adopt in June and I don't see any assurance at this stage where we're going to go from there. The differing needs as expressed by the AP for coastal small communities, small, as I think the term was, artesianal fisheries, versus industrial fisheries, I think are fairly obvious. They do need some different type of resolution, at least in the short term. Having said that, there's a whole area in between that we're going to have to wrestle with that are neither small artesianal or large industrial. But still the difference is brought up between the Gulf of Alaska and the Bering Sea and the different

sectors are real. So, I guess my question is, is the license limitation proposal a realistic first step in getting to where we want to go? Time-wise, even a simple license limitation system is probably not implementable before 1997 and possible 1998. So I think you have to put the time frame of what we could accomplish into that, and whether we need to get something out the door in a hurry to fill some particular need, has to be part of this analysis. As I look at the problem statement, it acknowledges, and I think the presentations we had yesterday, acknowledged, the SIA presentations, most of the experts say the license limitation does very little by itself to solve most of the problems expressed in the problem statement. It's clear that license limitation plus some other things might, but those other things aren't there yet and I don't know that the analysis of them is going to show them to be more effective than some other comprehensive rationalization program. The license limitation scheme as proposed, I think under most scenarios allows more effort in than has fished in recent years. It allows for capital stuffing and increases in effort in the individual vessels; it probably makes marginal improvement in total effort over the moratorium. It probably reduces, if it reduces anything, more in the small boat fleet, and that is of concern from a social standpoint, and less in the large boat fleet area that takes most of the catch. So, I think it does one additional thing, of course, and that is that it expands the concept of limitation of some kind to area and species and I guess you have to decide if that by itself in the time frame is worth doing and worth implementing. Our agency is facing many of the same problems that ADF&G expressed over the last couple of days in terms of budget and personnel. Anything new we do is going to require transfer of personnel and money from other programs and other areas. This is the most important fishery that I think NMFS manages in the nation and I think if we're doing something significant to improve that fishery that we can make a good case for making those types of transfers. I don't think they're going to be just freebies or easy to do and they'll have to have a pay-off. People will have to see the benefit associated with doing that. License limitation is not anywhere near, personnel-wise, as intrusive as an overall IFQ system, I understand that, and I think most people in terms of implementation would understand that's going to be difficult to gulp off in one bite, if we ever do it. But, even that is going to require a significant increase in staff, so I think you do have to look at it and decide whether in fact we are improving things in a meaningful way in the short term, or in the time frame that's available for us to implement licenses as opposed to doing something else. I'm not against sending out the AP recommendation, which I think has a lot of useful concepts in it, to the public for review. But I did hear industry and others talk about the fact that there's a mix out there that might be more meaningful in terms of comprehensive rationalization. They talked about individual bycatch quotas in some areas, there were discussions of IFQs in some of the industrial fisheries, discussion of area closures in some areas, specialized gear types, and different ways of handling the CDQ situation. Now, I don't know what that all means in terms of time or how we do it, but I'm very concerned that coming to a June decision point, that at the same time as we're serving up inshore-offshore doesn't really say what we're going to do relative to solving these overall problems. The letter from the State seems to imply that, at least in the near-term, comprehensive rationalization stops here. And that is troublesome from I think the previous commitments I thought we were getting on where comprehensive rationalization was going. I think it's an unwarranted restriction on what I think the Council can really do. I think it's very clear that sablefish and halibut, particularly in the type of areas and type of fleet that it's imposed in is going to require a very careful analysis as to the outcome, but I'm not sure how waiting two or three years to see how that works is going to necessarily be germane to some of these other problems that we've got before proceeding with their solution. So I would hope that whatever we're going to do doesn't depend on waiting for some period of time for that program to play out, because I don't know what period of time that is. And, again, what I would hope is, is that any final action clearly discusses the types of things we might do beyond license limitation since most of the information we're receiving says license limitation by itself is not going to solve the problem. I don't have a motion at this particular time, but I'm just saying that I'm going to have a very hard time voting for or supporting a license limitation program in June that doesn't consider the other mix of things that really ought to be done. Thank you.

Lauber: I have a question. We have, since we passed inshore-offshore, and if I wasn't already aware, of course Dr. Pereyra constantly reminds me of the motion we passed, and the letter that we received from Dr. Knauss. And, in your discussion and in previous debate and so forth in recent months, you have been a extremely strong

proponent, at least at one time, of going to a comprehensive, all-encompassing ITQ program which would certainly not be inconsistent with the Knauss letter. But a number of times, I've been present in a room when the director of the National Marine Fisheries Service, Rollie Schmitten, who joined the agency after Dr. Knauss left, and a new administration, so-to-speak, says, and repeatedly, he consistently says something to the effect that it is not the policy of the National Marine Fisheries Service or the federal government to push the industry toward an ITQ system, it must come from the industry. And I agree with him, I think that's the way it is, but it seems to be inconsistent, in other words on the one hand a previous administration took one position and it seems to me, at least according to Director Schmitten, seems to be, if not an opposite direction, certainly he's not saying he's opposed to, but certainly isn't using the pressure, but you seem to take the position, now I understand, I guess you certainly can be an individual like the rest of us on this Council, and you don't need to take the position of the National Marine Fisheries Service, that's certainly your right, but I just, is there a different policy that changed since the last time I heard Rollie Schmitten say this, or what is the policy of the National Marine Fisheries Service in moving us along towards something?

Steve Pennoyer: I thought, as I started out, that I said that I thought that one-stop shopping didn't do the trick and wasn't a necessary component of any CRP program, so that I think works both ways. It implies that license limitation doesn't necessarily fit all situations, it also implies that IFQ might not fit all situations, both from a practical implementation standpoint and from a desirability of the participants' standpoint it's clear it doesn't. On the other hand, a significant part of industry has talked about the desirability of an IFQ program in their particular sector of that industry, so I don't think it's inconsistent; I will grant you the Knauss letter and those of us who bridge administrations of which there are more than one of us here, have to deal with a difference of direction. I don't think that Dr. Schmitten's direction is at all inconsistent with trying to come up with comprehensive rationalization. I think what Rollie has said is that one particular system isn't necessarily going to fit all the fisheries, and that being all IFQs or all license limitation or anything else. I think my point is that I'm hearing out there that there are a lot of things that people want to do to comprehensively rationalize this fishery. I'm not sure how much a license limitation program in the short term adds to that, or how that fits in with these other things in some type of a package mix. An example, it's not IFQs, or individual bycatch quotas, or some other system of handling bycatch in some of the fisheries. That's been requested that we look at in several of the fisheries and I'm not yet clear that doing a license limitation program without some of these components gains us that much in terms of time, in terms of solving the problems that we've got. Most of the presentations that we've got under license limitation does not. So, I think before taking that step you, one, have to decide if that's worthwhile, and then second, you have to decide if we are proceeding towards some type of comprehensive rationalization and what time frame we're going to do it in. I think there are other problems, either with IFQs or anything else, and that's the problem that the Magnuson Act Amendments are trying to address, the question of windfall profits and how that's going to be handled, the question of how to pay for it. Are we going to be able to assess a program of that nature? And I think those are coming to a head here in the next few months, but they haven't yet, much as the comments Dr. Pautzke related in terms of guidelines and delays in IFQs have not. So, I think we're going to know all that, but I'm not clear that biting off a license limitation program that's going to cost the agency and the government funds and effort that it doesn't have in this era of downsizing, is going to stand the test of solving enough problems to be worthwhile. I think with these other things added to it you would have a package that might very well come up with that mix. I don't know how long it takes to do that, and I don't know how much a delay to get that analysis done would mean. We've repeatedly heard about closures to trawling in Southeastern, we hear about better degrees of isolation for particular fisheries even if area-species considerations might not be desirable overall there's some areas that we hear that type of protection is necessary and needed. We do hear that the industrial fisheries, particularly in the Bering Sea, and pollock is usually mentioned, although I suppose flatfish could be as well, have a different characteristic and require a different type of rationalization. I don't see those being addressed yet, and I'm a little concerned that the inference of the letter we received yesterday is that it releases a fairly strong element that indicates that it may not be addressed, so I guess what I'm asking is that, it's fine to proceed, I think the AP has done a good job in identifying differences between fisheries and the need to address them. I'm not sure what they've proposed does that, and I would hope

that sometime before we take final action we have considered whether in fact that action is going to be worthwhile, cost effective, and inclusive enough within the time frame we've got to qualify as comprehensive rationalization.

Benton: I can certainly appreciate some of the concerns that Mr. Pennoyer has expressed and I guess that I'd like to respond to a couple of things. One is, the Governor's letter only applies to one piece of what might be a comprehensive solution that you brought up, Steve. Clearly, you yourself identified that there are any number of factors or kinds of measures that can be adopted by the Council and the Secretary to deal with different problems and in fact I believe that when the Council adopted its problem statement it recognized that there are a suite of problems that need to be dealt with and that no single system is going to deal effectively with those problems. And that was, I believe, the basis for the submission by the State of Alaska well over a year ago of that two-step proposal which went from license to IFQs, but also contained a number of other important elements because it recognized up front that IFQs don't answer all the problems that are being faced by the fishery and by the fishery managers. We have currently in the works at this Council, proposals to deal with reductions in bycatch and discards, improve utilization. We have in this particular proposal measures that will I think significantly improve the moratorium and deal with a lot of the flaws that are in the moratorium with regard to movement between fisheries and between areas that would exist if we just went with the moratorium. There are measures in this proposal that for whatever period of time might be considered an interim period of time will provide a lot of protection and stability for the different sectors in the industry and for coastal communities. Inshore-offshore as an amendment also provides for a significant amount of that stability and reductions in that preemption that are talked about in the problem statement. So I guess that I would respectfully disagree with some of what you're saying although it certainly looks like we will be taking a more deliberative approach that maybe you think that we need to, but what the Governor is saying, and what is not inconsistent with what the State has said all along, and which is not inconsistent with what the AP and the Council has said, is that we want to look at what the impacts of the halibut-sablefish program have been and are right now based on real experience. The Governor has said that now that the fishery is operating, not that it's actually being implemented, let's look and see what the impacts of that fishery, both costs and benefits, are with that system in place and if there are problems with that system he would like to see them addressed. But, moreover, with regard to the future of other ITQ systems, he would like to know what the unintended consequences are of implementing such a program, and I think that we all recognize that there are unintended consequences that come from any kind of limited access program, including an IFQ program. He also recognized, as was recognized in Commissioner Rosier's letter of over a year ago, that the Congress is dealing with the Magnuson Act reauthorization; a number of very significant major public policy issues have been raised at this Council with regard to ownership of quota shares, with regard to foreign ownership of quota shares, in particular, with windfall profits, fees to run a program, because they are expensive. Those matters, and a host of matters that Congress is looking at, is going to have to be addressed before we can move into an IFQ program. The Governor recognizes that and wants to get that out up front that he believes that those public policy issues, which are rightly the province of the Congress, not this Council apparently, will be dealt with, and then that provides us with a guidance on where we're going to go, and we can look at the world's largest IFQ program to see what the unintended consequences, or intended consequences that were successfully achieved by that program and actually what has happened and make some real decisions based on real numbers and real information. That's what the Governor has said, he as you know is very skeptical about IFQ proposals and programs because he sees some problems that might surface with those kinds of programs and he'd like to have I think some real information in front of him when he looks at what this means for Alaska. And, I don't think that's unreasonable and I guess that I also don't think that it is correct to say that adopting a license limited entry program for the fishery at this time which slows things down, provides some stability and, as a number of members of the public have said, provides a foundation on which to build is inappropriate. If you're proceeding in sort of a deliberative-wise fashion and come up with a management system for the fishery. Thank you.



Clem Tillion: I feel the Governor's letter was unfortunate at this time but not really that important. We have a lot to do. The thing is we're going forward; we'll have time, we will be assessing that. We're doing the things that he wants done. We'll have to do that anyway. I haven't seen where any of it changes my course, what I wish. I am definitely in favor of ITQs, but on the other hand if they do not protect the small boat fleet and Alaska's coast, they're not acceptable to me. The same way as I feel about this limited entry proposal, only if it's strict enough and tight enough to where those that are involved will be the ones that receive an ITQ at a later time, I'm not interested in voting for it, so all my sympathies are with Mr. Pennoyer and, to some extent with Mr. Benton, who's been handed a bomb that really doesn't have a fuse attached to it. It's not going to really cause us that much problem because you can do what the Governor wants while still going right along on the plans. I think we ought to just get at it. There isn't any doubt that if I thought this limited entry proposal in any way made the passage of ITQs more difficult, I would not only vote against it, but abandon any concept of staying with it. I don't think that's going to happen, I think we're going to develop a good limited entry program with a lead toward a comprehensive, and all I'd like to do at this time, say, unless we have an ITQ system that protects the small boat fleet in the Gulf and has suitable CDQs in the Bering Sea, it's not one I could vote for anyway. So, let's get on with the work.

Lauber: Mr. Pennoyer, I think a couple of times you made reference to the letter and the implication being that there was something in this letter that was going to throw a monkey wrench into us moving ahead on comprehensive rationalization and, in particular ITQs, in whole or in part, in the Bering Sea and the Gulf of Alaska. But, I've read this letter several times, but I don't see where, I think I agree with Clem I believe in this, that while he makes it very clear that he has some strong problems with halibut/sablefish IFQs, we're not talking about that right now. And the things he's asking for, I think are fine. But that's not the issue we're dealing with here and I don't see where in this letter in any way there's anything that could be interpreted as slowing things down, roadblocks, or anything else, because he is asking for certain things to be addressed. As Mr. Benton said, a number of those may well be addressed by Congress. Things like fees and payments and this type of payment, there's nothing we can do. This is something, and I don't think you object to that, in fact I think you're probably very much in favor of some type of funding mechanism for any kind of limited entry, comprehensive rationalization. But I must be missing something, because I don't see it, that. . . if we were maybe going to vote on comprehensive rationalization, ITQ system today, maybe you could interpret this letter, but it seems to me there's plenty of time for us, and we should have answers to a number of these questions raised by Governor Knowles, before you and I vote on comprehensive rationalization, so I don't interpret it that way.

Pennoyer: Mr. Chairman, I was not intending to say that the Council has to accept what I read into the letter as an attitudinal shift from the previous recommendation on how to proceed on comprehensive rationalization. I'm glad for Council clarification. I don't think you're bound by that and I don't think the letter necessarily has to be interpreted that way. I agree with you. But, it could be, and I simply wanted it out in front of the Council and people to discuss and I think that's what we've done.

Lauber: Actually, Steve, my recollection, when the Advisory Panel came to us a year ago, or whenever it was, [Change to Tape 40] . . . missed some in tape transfer . . . but working on and bringing along ITQs, that was mentioned by them and by us as well, that they wanted to see how the halibut/sablefish IFQ program was working. Now I don't know if that's all the reasons that everyone voted that way, but that's certainly was one of the reasons, and I think that that's mentioned in this letter. But, again, I don't see where this letter asks us to do anything that would in any way slow us down from a serious consideration of ITQs or any other thing.

Pereyra: I guess the way. . . I think what we've done here, we've all of a sudden discovered that we have a course of action which is not complete and I think we've fallen into a trap to think that somehow this is the end of the road. It's not. I look upon this CRP as being an iterative process, it's going to go on for years. I would have preferred, of course, to have seen us stay on the course that we initially chose, and that was to focus on IFQs and maybe as we went along that road we would have found that we had to make some modifications, maybe we had

to drop out certain fisheries because of a lot of the reasons that have been given. We had to make modifications for certain exemptions, possibly, as we went along that road. Now, I see us having jettisoned that completely, which I think has a number of unintended consequences. I think we've got a course now that does not address the waste problem, it doesn't address the bycatch problem, it doesn't address some of the safety issues, it doesn't address the instability issue, and so forth. It allows for increased capital stuffing, it allows for increased expansion in the fisheries which is the very problem that we've been trying to address and so I think what we need to do, and I think the AP recognized this in this new Option 7 which they ask to be considered, we have to look at how we can modify, how we want to modify what we presently have. Maybe we do this in June, so that this document and the decision that we'll be making represents a reasonable first-stop in the CRP road to Valhalla. We're going to be making other decisions, maybe two years down the road, after we get through digesting the first step we're going to want to do the second step, and then the third step, and then the fourth step, and those of us that are on the Council here will not be here when the fifth and sixth and seventh steps are done. So, I'm not at all, I should say dismayed by what's happening, I think it's all part of this iterative process and we're trying to digest, to come up with some sort of a package which represents a reasonable first step to take. I would hope in that regard that maybe in the interim month or two, before the next Council meeting, maybe this Option 7 could be looked at a little more carefully, not only by Council members, but by the staff to identify some of the possible changes that we might want to make in this final document.

Linda Behnken: In response to some of Mr. Pennoyer's comments, I guess I didn't read that letter either as such a big derailing of where we're headed and I think in doing so you prejudge that there's some big problems with the halibut/sablefish plan which I frankly don't agree are there. I think that there are things that can be done to make it better and some of those things are being done by Congress. One of them that I think the Governor will realize is a big problem right now is coming up with adequate financing for, to him, is going to be Alaskans, small Alaskan operators, to buy quota share which a centralized lien registry would certainly help and some steps he can take will help, but I don't think it's necessarily a big burden on this Council to resolve those problems. I guess I also feel that the steps that have been taken by the AP and I hope by this Council do get us closer to a comprehensive solution that I think in Wally's eyes and your eyes, for the industrialized fisheries. By saying that we have very different problems, very different fleets, we're recognizing that some fleets, some fisheries, may not be where they need to be, may not need to go that much further to be sort of comprehensive rationalized and that gives you the opportunity to focus your limited resources and developing the right solutions for those fisheries that do need to go the next step farther.

Pennoyer: My response to the request in the Governor's letter was in no way meant to imply that I was concerned that what we're doing is not correct in halibut and sablefish. It was more a timing sequence thing. So if that's the implication I gave, that's not correct. But it's going to take several years to see what the true flow is of quota share, where it goes, how it's traded, what the prices do, and so forth; one year won't make it. And, that may not tell us too much about what you do in an industrialized fishery anyway, so that's kind of my point. I don't disagree we need to study that; we need to know the results of that because we're going to get other requests for other fisheries and we need to decide ultimately what to do there. So, we will need those type of answers and I agree with you there are fine tunings that are going to occur. We did omnibus one and we'll probably do omnibus two and omnibus three in terms of amendment before we're done because it's complex and there are a lot of details to work out. But I hear what Dr. Pereyra said; I didn't know exactly how to put what he said in a time context. If he's saying we're going to make things better in June, I'm not exactly sure how or whether we don't take other action--how do you actually commit to taking these steps unless it's actually in an amendment.

Pereyra: I could see us in June maybe taking an interim final action, if that's possible to do, on 90% of what's here and having some other small portion of it that we want to add to it to further analyze before it goes out, if you follow me. I can see us doing something of that nature. I could not. . .the way this document is right now, I could not vote for it because I don't think that it's solving the problem. I think that we heard comments from the people that were doing the social impact analysis that, in fact, it will result in greater instability. Well, that's

exactly the opposite of what we're trying to accomplish, so that in itself gives me some problems. I think we need to clearly identify what we're going to use for cut-off dates in terms of ITQs so that we don't get so-called quota fishing as a result of going ahead with this and then giving people the false expectation that somehow a year or two down the road we're going to use some different criteria, if you will, for determining eligibility for ITQs if we decide to go with ITQs in certain fisheries. So, that is required in order to address that particular problem. Maybe that requires that there be some further analysis that we look at in September in order to be able to address that particular aspect of it. The issue of industrial fisheries. There are some industrial fisheries which I think are probably ripe candidates for consideration of ITQs as part of this first-step package. That's my personal belief, and I think that tends to strengthen the overall document and it also strengthens some of the decisions that we're making ancillary to this document, such as inshore-offshore. So, that's sort of what my thinking is starting to lean towards. Other Council members I'm sure probably have some other ideas. I don't know if that helps or not.

Mace: I think it might be appropriate to work through this motion and attempt to narrow down some of these options and when we get that process done, we'll have a fair idea of how much further analysis is going to be necessary and then this discussion may be more appropriate at that particular point. I think that as we go through this exercise, if we can debate and determine some priorities we may narrow this down to where our discussion on the generalities would be really appropriate later on in the day.

Lauber: I think that's fine, we've probably ragged this around enough. We kind of went full circle and ended up right where we are. Any objection to going through it and starting out from the beginning and seeing if anyone . . .

Benton: Just a point of clarification first. We will be working off the AP motion, so any changes. . .

Lauber: Right, so if you have any amendment it would be to that motion.

Lisa Lindeman: A point of clarification before the Council starts going through this. On page 3 of the AP's minutes, under the "Who May Purchase Licenses," the #1, the parenthetical phrase, "greater than 50% U.S. ownership," should be deleted and I checked that with Beth Stewart. Because inclusion of that would be inconsistent with the documentation laws and she said their intent was to make it consistent with current law. So, before the Council gets started, I would just suggest that you delete that to make it consistent with the AP's intent.

Lauber: What would be deleted, the language?

Lindeman: The phrase, "greater than 50% U.S. ownership," in the second line.

Lauber: Oh, it's in parentheses.

Lindeman: Yes, sir.

Benton: Could we just take these up as we get to them?

Lauber: Sure. O.K.

Lindeman: My point was just that if you're going through the AP's minutes, and that was the AP's intent, a motion should be made to change that, if anybody wanted to change the requirements to be something other than current law, and I'd rather not debate that at the time.

Benton: I guess we would be amending the document, so for my part I don't see any problems with the first section which is the "Class of Licenses," adopting component 1 million. And so I guess, as a point of clarification, that means that we would be dropping from the original Council scheme, 2 million and 3 million, correct? [affirmative] O.K. Then I would proceed further to "Nature of Licenses," if I may. And I have a question which maybe staff can answer for me. I'm not sure; I might propose an amendment or not. With regard to Nature of Licenses, as presented by the AP, would this be the areas that are shown, the subareas shown in Box 4 for area endorsements, is that correct? And the umbrella structure would be the combined umbrella structure that's in Box 4, is that correct?

Chris Oliver: Mr. Chairman, to the first question, Mr. Benton, yes, it's the areas as modified by the Council back in December where you asked us to move, I believe, the West Yakutat area becomes part of the Central Gulf for purposes of this program. With regard to the umbrellas, the way that the AP has structured their alternative of where it's non-severable, the idea of the umbrella in terms of any...once you get past the initial allocation, the idea of the umbrella is really moot at that point. It's still relevant in the sense that you look at their dual qualification period that says you had to have fished 3D in one period to get a basic license and then your area endorsements may be based on an additional period of time, so that umbrella concept is there in the initial allocation, but if you retain the non-severability, then the umbrella concept, I guess, becomes moot at that point.

Benton: Because by the construct of having these area endorsements non-severable, that in and of itself constitutes one of the options of having a BSAI/GOA combined license. Now, is that correct? Because the area endorsements would not leave.

Darrell Brannan: Yes, Mr. Chairman, because the idea of non-severable licenses is that you have to trade the whole package. You can't break off one endorsement and sell that separately; you have to sell your whole suite of endorsements as well as your umbrella license. You can't trade them individually.

Benton: But wouldn't you still need to have the BSAI-GOA combined, or else you'd wind up with a Bering Sea with no area endorsements because it would be BSAI, then you'd wind up with GOA with three area endorsements. For vessels that fish both, they'd have two licenses. We'd be back in the box that we tried to avoid in the first place.

Oliver: My understanding is, what you would want to have, if I'm correct, what you would want to not avoid is a situation where someone could have a package, a license package, that has, say, a Western Gulf and an Aleutians piece to it and so that is still in that sense the GOA/BSAI, is still relevant.

Benton: So, if we wanted to ensure that a vessel that had a BSAI and a GOA component to the package they would receive upon initial allocation, that they could not split the BSAI off from the GOA and wind up with two boats instead of one boat. We would still want to retain the initial configuration that is shown on page 30, figure 2.3.1, which is the combined BSAI-GOA? And, then the separate ones?

Marcus Hartley: That's their intent. You don't actually need to do all that, if you just have a single umbrella, it's no different. Because, what you're saying with non-severability is that you get the package, once you get the package you can't split it up; it's the whole package. So you can implement three kinds of umbrellas, or one kind of umbrella, as long as you're saying it's non-severable, then's it really is somewhat moot.

Oliver: I believe it is consistent with the intent of your original action in Box 4, where you had the GOA, BSAI and then the GOA/BSAI. It is consistent with that concept.

Benton: Well, there were a couple of issues that we were trying to address there. One, of course, was the thought that one vessel could turn into two; one BSAI, one Gulf. The other one was to keep the BSAI as one area, and if I read their proposal, Bering Sea is a separate endorsement from Aleutian Islands, is that correct?

Oliver: Yes, that is correct.

Benton: I would move that for the umbrella structure, that we adopt the umbrellas as presented in Figure 2.3.1 on page 30, and that would conform with what was in the footnote on Box 4 of the document, such that the umbrella structure would be BSAI/GOA as one umbrella, and then a separate umbrella for BSAI, and an umbrella for Gulf of Alaska. That motion would then modify the umbrella structure to be clearly that structure with regard to what the AP adopted.

Lauber: That was Figure 2.3.1.?

Benton: Figure 2.3.1 on page 30 of the Supplemental Analysis.

Pautzke: Or, page 6 of the Executive Summary.

Tillion: Mr. Benton, under this somebody that had only fished the Western Gulf or the Central Gulf, would they be held to that and that only, or would this be a license that could be expanded to a vessel that ranged over the whole area?

Benton: No, that's what I'm trying to avoid.

Behnken: I'll second that motion.

Pautzke: That's not what you're getting with that. . .

Tillion: That's not what you're getting. . .

Benton: We're talking about the umbrella structure, I'll get to the area endorsements. If I understand this, the AP's intent was that if you got an umbrella and with some area endorsements under that umbrella, that whole package is then a package, non-severable package. All I wanted to make sure was that when we do this, that a couple of things are clear. One is that Bering Sea/Aleutian Islands is an area; and the other one is that to make it clear that these are not severable, Gulf of Alaska being severable from Bering Sea, in the event of a vessel having two. That was our original intent with this umbrella structure. I would leave the remaining components of what's in the AP motion the same. That way we clearly are not going to be in a situation where you wind up creating two vessels out of one.

Hartley: When we analyzed this we did look at the Aleutian Islands and the Bering Sea as sub-areas, as was noted here in Box 4. I believe what Mr. Benton is proposing would modify that and combine those two sub-areas into a single area and that really hasn't been analyzed although the information is there for you if you would like. . . it hasn't been analyzed as a specific alternative although the numbers are listed in the tables.

Benton: I would presume that the numbers for AI and BS would be there for the impacts that that would cause.

Hartley: And, the actual number is listed. We do know that number; I don't have the table in front of me, but . . . modification of that alternative that the AP proposed.

Pereyra: I was wondering if it was the intent of the maker to include East Yakutat with Southeast?

Benton: Yes, I would keep the subareas in the configuration that's in Box 4 and I think that's also consistent with the AP motion. I was going to ask that question second because. . .

Pemoyer: It may not make any difference, but I'm not sure why you need an umbrella if in fact all licenses are non-severable. Do you have an umbrella for Western Gulf-Central Gulf? That's one umbrella; the AP motion is that every set of licenses issued in essence becomes its own umbrella. Is that correct? And, none of them are severable and you can't have a Western Gulf, Central Gulf license and split it in two and create two boats, you can't do a Bering Sea and a Western Gulf, none of them are severable, so you can split up any of it to create two boats out of one, so I'm not sure why you need an umbrella at all.

Oliver: Mr. Chairman, I think that's correct. If you have the non-severability the idea of the umbrella is really no longer relevant. I understand what Mr. Benton was getting at, though, is in the AP motion you had five potential areas that could be part of that license package and the intent was really to combine via the Bering Sea and Aleutian Islands as one area, so we really have four potential areas instead of five.

Pemoyer: Well, I understand that, if that's the intent, then why not combine the Bering Sea and Aleutian Islands into a single unit and then leave the rest of it the way it is. I don't know if there's any need for a single umbrella, because I think what you've created is a whole class of different umbrellas. Every suite of area licenses issued to a boat becomes its own umbrella and it's non-severable, whether it's between the Bering Sea or within the Gulf, it's non-severable. I'm not sure why you need an umbrella.

Behnken: Mr. Pemoyer, I may not have thought this all the way through, but the AP did recommend different qualifying dates for an umbrella versus your area endorsement and it seems to me that that makes a difference here as well as the fact that as we move down the line we may wish to, I'm not saying now or in June, but later modify this program to where you had an umbrella and there was some severability and perhaps that was the thinking of the AP in maintaining the umbrella structure with separate area endorsements.

Morris Barker: Mr. Benton, in your discussion of this motion, I noticed that you combined the Aleutian Islands with the Bering Sea when the AP recommendation had it separated. Was that a mis-speak, or was that your intent?

Benton: The intention is to have the BSAI umbrella be an umbrella. If you go a little later on in the AP motion you'll see that there are differential qualifying periods for, like whether you're "in" with the umbrella, and then another qualifying period possibly for securing a specific area under that umbrella and it would be my intention, actually, to look at that differential qualifying period and use that and I think that that deals with the problems that a lot of people, I think, have regarding the Aleutian Islands regarding, you know, in that they don't want to see a whole lot of vessels that have only been fishing in the Bering Sea all of a sudden rushing into the Aleutian Islands, and so I think that's the way you address keeping the effort down in the Aleutian Islands and dealing with the problem of new entrants. That would be my intention.

Fluharty: One of the advantages of having the AP recommendation before us is we can see how this all plays out. I'm wondering if it would be helpful to all of us, I know it would be for me, if you could sort of run through, I know you don't have a fixed "telephone number," but if we could see how the strategy you're working, because right now we don't know whether, how much effort we should be putting into questions like my colleague's, like where is this going? Because I think you've probably thought this through very carefully and it might speed up the process if we could sort of see a similar spread or approach and then go back and go through this, if that would be helpful.

Lauber: I don't know as I understood exactly what . . . you wanted Mr. Benton or someone else that has some changes they want to make to air all of these before we do anything, is that what you're talking about?

Fluharty: Just a swift, sort of, run-through of the approach that Mr. Benton's proposing. It sounds pretty reasonable to go through here and see how these all fit, because many of these are linked back and forth and we could probably simplify discussion if we could see where the right point is to discuss these.

Lauber: All right, that sounds fine to me. Why don't you go through, I assume there's a number of them that you don't intend to touch at all, cover those and then maybe give a brief idea . . . I'm hesitant to force someone to do that because, certainly I know Mr. Benton has this all thought out, but there are others of us who, if you ask us to tell it what it was we were going to do might not be able to go very much farther ahead. . . But, to the extent that you may have some idea as to where you're headed, share with us, but we won't hold you to making other changes if other suggestions should come to mind.

Benton: O.K., let's just stick to a couple of basic framework things I think then will answer at least the issues at hand. I was looking at sticking with [Change to tape 41 - missed some in tape changeover]. . . been answered. I'd stick with license recipients being current owners; license designations I would, myself, propose the number 5,000; I looked at the qualifying periods that the AP has identified, and I would take probably 400B and 800, and then landings, I think we have to have some discussion about landings. But in terms of the basic framework and how that would fit together, I think that might answer your particular dilemma right now.

Fluharty: This is exactly helpful, just seeing. . . because I don't have a "phone number" either.

Pautzke: But, isn't the main point, Dave, that when you give out. . . when we've been talking about an umbrella license, if someone, for instance the Bering Sea/Aleutian Islands umbrella license, I think originally when we were talking about that outside the species endorsement things, that if you happened to have qualified on the basis of landing in the Aleutians and you had a Bering Sea/Aleutians umbrella license it gave you the whole area, Bering Sea and Aleutians, and I think what I've heard you say is that even though you're going to define an umbrella as the Bering Sea/Aleutians, based on further qualifications down here further, landings or whatever, the guy may end up with only an ability to fish in the Aleutians under that umbrella. And so, even though someone may qualify for a Bering Sea/Aleutians Islands-Gulf of Alaska umbrella, they may only qualify to operate in the Aleutian Islands, Central Gulf and Eastern Gulf and then that complex of endorsements under these latent umbrellas would be non-severable.

Pennoyer: I don't know whether there's any point to continue that discussion because I don't know that it makes a lot of difference, but I'm still not sure why you need an umbrella then if you had Bering Sea and Aleutians and you'd get both if you hit the qualifying period in both, if you hit the qualifying period in only one you'd only get one. So, I'm still totally unclear as to. . . I'm not sure it makes much difference, because once we pass it and the intent is clear, then implementation is going to depend on regulatory language that's going to have to sort all this out anyway, but I'm not clear why it makes any difference whether you do one or the other.

Benton: In part, Mr. Chairman, it's so that there is sufficient clarity for the regulatory language to do exactly what we intend. But, I think it has to do as much with when we get down in here and we talk about qualifying periods and we try to make a differentiation between when you're absolutely in or absolutely out, that would be say, for example, option 800 under the AP's motion, you'd either be a moratorium-qualified vessel or not to get anything, and then the areas you fish in are subject to the other qualifying period and I think that you need to have the distinction between the umbrella and the areas in order to reach that. That's simply my point. Perhaps it's an accounting procedure, but . . .

Lauber: O.K., can we resolve this, any further discussion on Mr. Benton's amendment? Is there any objection to the motion?

Ron Hegge: I thought we were walking through rather than voting on anything.

Benton: It's an amendment to the main motion, we're going to go through the whole thing.

Lauber: Then we're going to go through the whole thing, I'm not voting on the whole thing, I'm asking for a vote on Mr. Benton's amendment. Then, when we get all done we will then have before us the main motion, as amended, which we will then vote on. That's the procedure I intended to follow if there's no objection to doing that. O.K., to make it clear, we have before us Mr. Benton's motion, amendment to the main motion, is there any objection to it.

Behnken: Just one comment I would like to make before we vote on that, and that is, on changing the configurations in the Gulf, which I sort of tentatively support, we are carving off a large portion of the Eastern Gulf and putting it into Central which basically put Southeast fishermen in a box and that is traditionally the grounds of those Southeast fishermen, but I think as we move along we're going to have to be very careful of who else we put in that box because it does make that area very vulnerable.

Pereyra: Mr. Chairman, I sort of feel like Dorothy and Toto skipping down the yellow brick road here and we're going to get near the end of the road and I'm going to see this number and I'm going dial it and I'm going to get the wicked witch of the north, and she's right over there.

Behnken: There's no place like home!

Pereyra: No, I didn't really mean that.

Benton: Wally, we are all just munchkins here.

Lauber: The chair accepts that as being in jest, purely. . ., but it's getting awfully close; I wouldn't push it any farther. Is there any objection to the amendment? Hearing none, it passes.

Benton: Under License Recipients I propose we stick with what the AP had to recommend. Under License Designations, I would move that we delete item 1,000 and that we go with item 5,000.

Tillion: Second.

Benton: One of the problems, of course, that was identified in the problem statement was preemption and stability within the fleet and also maintaining diversity. That is a clear policy in the Magnuson Act stated right up front in the Act; it was put in in 1990, I believe, to maintain diversity in the fisheries. In order for this license program to meet this standard, I believe that we need to designate licenses by vessel length and by catcher and catcher processor mode. I think that that is a significant improvement over the moratorium. The problem with the moratorium is that in essence you're either in or out, but you can do anything else that you want to do. This puts some definition around the fleet and the fisheries, I think it represents a foundation on which to build from; it certainly is a foundation that is consistent with the kinds of proposals that the Council has considered in the past for IFQ fisheries, including the current and existing halibut/sablefish IFQ fishery. That's not to say that we would go to an IFQ fishery for anything in particular, but it is to say it is consistent and it does reflect the character of the fleet and it will be a significant step in maintaining the diversity in that fleet.

Pereyra: Two questions come to mind. Number one is, this only relates to harvesting vessels, whether they're catchers or catcher processors? Has no relationship to processing vessels or vessels that might want to be processing vessels?

Benton: That's correct.



Pereyra: The second question is, then I assume this could mean that in the future a 130 ft catcher vessel would not be able to do any processing on board as a catcher processor.

Benton: That would be correct, unless the Council adopted as part of a different plan amendment some other kind of provision and, indeed, there may be in the future something that the Council may want to do in that regard and I can think of a number of instances, if we moved along with full retention provisions that we've been talking about and about improved utilization, you look at some of the flatfish fisheries where we have high discards and are not actually even utilizing all the TAC sometimes, if we move to address those kinds of fisheries we may want to look at something that would allow us to better utilize those species. For the present, that's what this motion would do.

Mace: Along the same line, Dave, a vessel less than 125 ft, a catcher vessel, there would be no opportunity for them to make modifications, small-scale modifications, with flash freezers, something of this nature, to provide more flex?

Benton: I'm sorry, under the . . . ?

Mace: Under 125 feet . . .

Benton: . . . [unintelligible]. . . under the . . . is that an amendment to my proposal?

Mace: No, I'm asking the question.

Benton: Oh, no, they would not at this juncture. You would have catcher vessels, they'd be classified by vessel length; you'd have catcher processors, they'd be classified by vessel length.

Fluharty: One question for maybe staff, what constitutes a processor, does heading and gutting constitute processing and how would that affect other licenses? And secondly, issues that came up in testimony and in the analysis, particularly for the Gulf, was a lack of processing for certain species, Atka mackerel, whatever it is, sort of depended on what shoreside folks were prepared to deal with and that it seems to me that keeping with the concept of diversification and full utilization that it might, in avoiding tossing catch overboard, that there might be some implication here if we close this off. I was just curious if we knew anything about how many vessels this might apply to in the context, what constitutes processing, and what might catcher vessels right now be interested in doing to improve their situation.

Hartley: Our assumption in analyzing these has been that we would use the definition of processing currently used by National Marine Fisheries Service which says that processed product is a product that is able to be kept in an edible state for two weeks or more, I believe. So, basically freezing, drying, or salting constitutes processing. Cutting the head off a fish, gutting it, I would presume even filleting the fish, under that definition does not in and of itself constitute processing. It needs to be frozen or otherwise preserved so it would be edible two weeks from that time.

Tillion: In answer to Dr. Fluharty, I'm in hopes that this is an interim measure, that we can move on to, that the purpose is to freeze things as close as possible to that which is being done now. So, I would want to restrict it very tightly at this time and therefore I would support the way it was amended. And, while you would like to have flexibility, I think that will come when you have real rationalization.

Lindeman: Mr. Chairman, I can read to the Council what the current definition of processing is in the regs. "Processing or to process means to the preparation of fish to render it suitable for human consumption, industrial

uses, or long-term storage, including but not limited to, cooking, canning, smoking, salting, drying, freezing, and rendering into meal or oil, but does not mean heading and gutting unless additional preparation is done.”

Pautzke: Long term essentially is two weeks, is that the guideline then?

Lindeman: Excuse me?

Pautzke: As far as long-term preservation, two weeks seems to be kind of the benchmark?

Lindeman: There's no time provided for in the regulations.

Hegge: Is this the place I could offer a substitute number? I would move a number 9,000, I guess since it has to be different. It would be catcher vessels, catcher vessels and processors, length and gear specific in East Yakutat only.

Lauber: That's a new one? Would you repeat it again?

Hegge: It's essentially 5,000 with the addition of gear-specific in East Yakutat only.

Benton: Is it your intention that it would be gear-specific in the new configuration of East Yakutat-Southeast Outside?

Hegge: Yes, the new configuration.

Lauber: Explain this to me again. It's 5,000 with the addition of . . .

Hegge: Being gear specific in the newly-identified East Yakutat only.

Lauber: O.K., so I don't interpret that as a substitute motion. That would be severable, as to adding it to the original motion, not that that's significant, except I just want to make it . . .

Pereyra: Friendly amendment?

Lauber: Well, if the maker of the amendment would like to include it, I guess that we could do that.

Benton: So, let me see if I have it clear. It would be catcher vessel, catcher processor, by vessel length, and gear-specific for East Yakutat, Southeast Outside only, correct?

Hegge: Correct.

Benton: I would accept that.

Lauber: So, that's part of the overall motion.

Hegge: This is in response to the testimony and the petitions that we received from the communities, I think from the Legislature, that this particular small area that we have identified as unique. It has characteristics very different from I would think the whole rest of the North Pacific. It has somewhat historically been looked at as a fixed gear area. When I first came up here in 1983, it was to a great deal of surprise that the Council hadn't actually passed an amendment that declared it fixed gear only. People were even staying out of it at that time thinking that it was fixed gear only, and it was much to our surprise to find out that it wasn't. We then progressed

through, we got Amendment 14 that dealt with some of the more immediate problems, still did not address all the issues. Through the years the Council has, I guess, almost continually had to deal with the specific and particular problems by this small area, the definition of it. I think that this is a real opportunity to, again, I think to a very high degree, fairly deal with the people that have fished there by allowing them to continue to fish, have the permit, and yet to define how they will fish. That's the essence.

Pautzke: Just for clarification, is it your intention that if a vessel, based on whatever past participation and criteria you come up with, that if a vessel had participated and happened to have gotten an endorsement in that area that even though it was a trawl vessel, it would get that endorsement but would have to use fixed gear in there?

Hegge: That's correct.

Pautzke: O.K., so they would get an endorsement but they would have to use fixed gear. It's not that they would not get an endorsement. O.K.

Pennoyer: Mr. Chairman, it's not gear-specific, it's a ban against anything but longlining in East Yakutat-Southeast Alaska, isn't it? Fixed gear, right?

Hegge: Legal fixed gear.

Lauber: So, it's fixed-gear specific.

Mace: I don't want to belay the issue, but I'm not sure what processing means on the definition I heard and it seems to me that on smaller vessels that opportunities to increase value in some manner and have that flexibility might be an appropriate conclusion here and I'm not sure this does it, Dave. It looks pretty cut and dried to me and something under 125 ft I think ought to have some flexibility, but I don't know how to get there.

Pereyra: If we're going to provide that flexibility we shouldn't stop at 125 ft because the catcher boats that are more likely to be able to do something are more than 125 ft, so it seems like it's sort of defeating the purpose of trying to provide some flexibility. The other problem I have with this is that if we're concerned about overcapitalization and capital stuffing and all those things, we probably want to make, initially at any rate, this as restrictive as we can get away with and then move on to the next phase so to speak when we may be covering some of these problems in a different way.

Hegge: I guess I missed the part on the size. Did you comment on vessel size or something here, Mr. Mace?

Mace: Well, I really don't have any feel for it. I'm thinking about smaller vessels that have an opportunity to increase value in some manner that could or could not be classed as in processing. I just think they need that flexibility and the small boat owners could probably answer that better than I.

Tillion: I'm in favor of keeping this as tight as possible as we put this first one out and everything that allows modifications like that allows vessels to range further out and stay longer and what you're doing is capital stuffing again, so I'd be in favor. . . we might be addressing this later on after it was in and relaxing here and there, but let's make it as tight as possible and if they haven't done it before, let's not let them do it now.

Behnken: I'm definitely sensitive to what Mr. Mace is saying about allowing vessels to maximize the value of their product, it's something that we talked about quite a bit in the industry going through the sablefish-halibut program where we split off processors from non-processors and, while the catcher fleet recognized they were giving up that opportunity, it was to achieve some of the other goals that had been set out such as achieving

community stability and stability and diversity within the industry and for that reason they forfeited that opportunity and it seems to me that's the point we're at now and that community stability is a big part of our comprehensive goals and this motion is certainly in line with that.

Pennoyer: A couple of questions for clarification. The vessel length discussion is the same lengths that are in the moratorium, I presume? Just to make sure I know your intent.

Benton: The vessel lengths are the vessel lengths that have been analyzed in the analysis here. I don't have the moratorium analysis in front of me, but I assume they comport, but maybe they do not.

Oliver: Mr. Chairman, in the moratorium there were not vessel length designations per se, you had this 20% upgrade rule.

Benton: If your question was with regard to the 20% upgrade, or was it . . .

Pennoyer: Both, all the vessels lengths you're including under 60, 60-125, 125 and over. Just for the record, state it. I mean it might be what the analysis . . .

Benton: Those are the vessel lengths, 0-60, 60-125, 125 and over.

Pennoyer: Okay, then the following question is and plus the 20% upgrade provisions per the moratorium?

Benton: Yeah, we're going to get to that because that's part of the AP motion, but that would be my intention.

Pennoyer: Okay. For Southeast, East Yakutat, whatever we're calling it now, Mr. Hegge said fixed gear including pots.

Hegge: Legal fixed gear is identified down there now for the sablefish hook and line. I don't think there is any restriction against pots by the other fisheries. So my motion is legal fixed gear.

Pennoyer: Mr. Chairman, one more follow-up question. I don't know that I'm against that idea myself personally but you're in essence, through a license limitation proposal, doing something that you originally did a plan amendment to try and do somewhat unsuccessfully so I'm saying that I don't think it's a simple as any area deciding some sector of the fleet that has fished there before can't fish anymore. I think there has to be some rationale and justification even though you're calling it licenses now instead of a closed area, it still is an amendment that carries the same weight and effect. I would suspect when you get to final action, you need to spend some more time talking about the justification for doing that and how it fits in with everything else.

Pereyra: Considering Mr. Mace's comments and I certainly have some sympathy there too and also considering that we're still going to be on the yellow brick road in June, we're not going to be taking final action here. I'd like to propose an amendment. That is to also include for consideration in June, 3,000 which would just be by vessel length. If somebody would second that, I'd speak to it.

Lauber: The motion was to add into the alternatives 3,000.

Pennoyer: I'll second it to hear the explanation.

Pereyra: You know if you look at the way in which the fisheries are presently configured, catcher processors and catchers are pretty well going to fall out and by putting in 3,000 and just having it broken down by vessel length you give us a chance in June to see whether that might address the concerns that Mr. Mace is expressing here

without really having much of an impact. I guess that's my concern. I don't see it having much flexibility here as we get to June and I think this gives us a little more flexibility at that time since Mr. Hegge's addition to 5,000 will still be in the hopper. If we felt we needed to, we could always do some mixing and matching here to come up with some kind of a hybrid that might more properly address the whole issue here rather than trying to get too specific at this particular meeting. That's why I'd like to see 3,000 included as one of the options that we would have under review in June.

Tillion: I hate to come out against it. I just feel that's one that we're not going to seriously consider. I tend to support the ones that close the gap not the ones that expand it wider. Right now, we're looking at this as an interim measure. In my mind what we're trying to do is send out a limited entry proposal that holds as close to the status quo without damaging the fleet as possible. I'm going to have to oppose your amendment to the amendment.

Lauber: Is there any other discussion on Mr. Pereyra's amendment? Ready for the question? Call the roll on the motion which is to add as an alternative 3,000 vessel length.

Pautzke: Behnken, no; Benton, no; Fluharty, yes; Hegge, no; Mace, yes; Pennoyer, yes; Pereyra, yes; Samuelsen, no; Tillion, no; Dr. Barker, Mr. Lauber, no; failed.

Lauber: Now we're back to the amendment. Ready for the question.

Behnken: Can I just respond? In response to Mr. Pennoyer's comments, I could give you an extensive record for why I think it's essential to do what we're suggesting and Mr. Hegge has proposed with a legal fixed gear zone off of southeast but since it's just at this point an option for consideration if it's acceptable in the interest of time, I'll hold it until June unless you feel that you need that on the record now.

Pennoyer: Mr. Chairman, I guess I don't have any problem with - we can get the vote without the explanation - I have no problem with holding it until June when we take final action. I'm just saying that when you take final action on this, there are considerations such as species off southeastern that aren't amenable, in the short term at least, to longlining and other things that need to be taken into account as to the rationale for doing it. This is sort of a severable thing, you're passing an amendment package as a whole indicating some preferred alternative but not indicating final action so I guess it doesn't, there's no legal requirement, well I better not say that . . .

Lindeman: It's a judgement call on the part of the Council, but some kind of rationale might help if this is going to be sent out for comment before the June meeting. It might give the public/industry a chance to comment on what [unintelligible word/phrase] is proposing.

Mace: My rationale for voting for this takes into consideration all of the public testimony on this issue and comments by members of the Council and my long personal knowledge of the fishery and my experience.

Tillion: Question.

Lauber: I'll throw in the congressional library, all archives and so forth. . .Mr. Benton.

Benton: I'd like to comment on two things. One, in response to the Counselor, the reason I accepted this as a friendly amendment was because of what I heard in public testimony regarding the diversity of the fisheries around the state and also some of the materials that were in the SIA regarding the specific issues that face southeast fisheries, especially with regard to how we have reconfigured the subareas. I don't think I need to belabor the point of going through all the pages in the SIA, but I did read that and that's why I accepted it as a friendly amendment. On another matter, I just wanted to comment before we did get to a vote about Mr. Mace's

concern because I share those concerns. Obviously, one of the matters in the case of small operators in particular is the ability to improve value and make their product somewhat unique or more . . . [Change to tape 42] . . . useful on the market place. That is something that is very important to fostering the entrepreneurship that small operators represent in the fisheries up here. I voted against Mr. Mace's motion because of many of the concerns Mr. Penmoyer raised and the statement that Dr. Pereyra made about allowing the flexibility to also occur for the larger vessels which is of course I don't think the intention of what Mr. Mace was talking about. One of the intentions that we have here is to provide definition and stability and to prevent preemption and I think that the preemption would occur if we did not have these definitions. Nonetheless, I think that there's room in what we have so far to look and see if there are solutions, maybe either in the license program or as I stated previously, in other things that are before the Council such as the full retention and full utilization package that we're going to consider later on.

Lauber: Any further discussion?

Tillion: Question.

Lauber: The question is on Mr. Benton's amendment. Is there any objection? Mr. Barker has objected. Is there any other objections?

Benton: With regard to qualifying periods, I would move that we adopt the recommendations by the AP which would incorporate item 400B and item 800 and would delete 400C.

Behnken: Second.

Lindeman: Could somebody address maybe why the date December 31, 1994 would be a cut-off date as opposed to date of Council final action? Where does that date come from and why?

Lauber: December thirty--what was it?

Lindeman: The 400B, January 1, 1992 through December 31, 1994 for area endorsements. What's the rationale for picking . . . well, actually I guess January 1, 1992 is the beginning of the . . .

Pautzke: June 27, 1992 mirrors the moratorium, 1994 would be our definition of current participation.

Benton: Mr. Chairman, I could speak to my motion.

Lauber: Go ahead.

Benton: Counselor, with regard to item 800, I'd prefer to start there. As I mentioned earlier when we were discussing umbrellas, the intention of my motion would be to adopt the criteria that you had to be a moratorium qualified vessel in order to get any kind of license in the fishery, any kind of umbrella. The dates in item 800 conform to the moratorium dates and I think that would meet my intent. The reason for that is of course since the cut-off date for the moratorium, we have talked about numerous and numerous times here which anybody that is paying attention to what the Council is doing in fisheries would know and would understand has been on the books for a long time and is something the Council's seriously considered since that date was adopted. We have had vessels enter into the fishery on a speculative nature. It is, I believe, the intent of the Council and certainly the intent of the State that we stick with those dates because that was sort of a compact we made with the industry and as Mr. Tillion has pointed out, we are trying to lay out the foundation here for whatever comes next. We have to keep our word. If we're going to keep our intention with regards to these dates and the moratorium, we need to ensure that those dates are there. With regard to item 400B for area endorsements however, that's a somewhat

different matter in my view. Area endorsements to me mean those places people have chosen to go under the criteria of the moratorium. People that qualified under the moratorium were living within the rules and they were fishing within those rules as they were described to them by the Council. By using dates that reflect recent participation, I think this addresses some concerns that I have heard a number of times from Mr. Pennoyer, among others, that we need to consider what's going on in the fleet presently. We need to not only take that into consideration, but try and craft a program that reflects that and is not in some manner inconsistent with the kinds of rules we have been laying out to date. I think that by using the dates here, the AP has given us a suite of years that will allow us to meet that test. It will reflect, in terms of the areas that people have fished, what people have been doing in the most recent three or so years. December 31, 1994 perhaps has no magic other than it was the end of the most recent fishing year. Certainly if we adopt some subsequent date to that we may be rewarding other speculative ventures if we did something that went December 31, 1995 we would be creating, I think, a number of problems or date of adoption by the Secretary. I think December 31, 1994 is a reasonable cut-off period for area endorsements because that was the last complete fishing year that we can look at.

Pennoyer: One follow-up to that. Again, this is just for consideration in June, it's not final action so I won't ask about the pot and jig question which probably needs to have something on the record when you take action. It's an option at this time. This, I think, cuts out the moratorium qualified crossover vessels that were allowed to crossover with pots from crab to groundfish and from groundfish to crab in this two-year period of time, if they qualified in the base period. As you recall, we weren't terribly fond of crossovers at one point anyway in terms of increasing effort. If this is a further motion to limit effort I understand it. I just wanted to note that I think that is the effect of this action, maybe it's not. I think Oliver is about to tell me I'm wrong.

Oliver: I hesitate to do that Dr. Pennoyer but I think in this case, it would not cut out vessels that qualify for the moratorium because you're basically looking at the same base period. Actually, this base period is slightly longer and so there could be additional vessels that qualify basically.

Pennoyer: My point is the base period for groundfish. If somebody in the crab fishery who didn't fish groundfish in the base period crossed over with pots in the intervening period, the moratorium allowed for that. You seem to be cutting that out and going in either direction. I'm not sure that's a problem, I just wanted to point out that I think that's the effect of it and the Council should note that and possibly seek public input on it.

Pereyra: Maybe I could sort of plot the direction as I see us going here. It seemed to me what we're trying to do is we're trying to have a two-step process. The first step is that you more or less have to be a moratorium qualified vessel. I think that is sort of the intent of 800 although 800 doesn't do that. Maybe we have to back up a little bit and see what qualifiers we might want to have on 800 or what further wording we might want to have in 800 to make it embrace the moratorium dates and the crossover provisions that are in it. The crossover provisions in the moratorium I think were particularly specific in addressing the problem associated with vessels that were fixed gear vessels that wanted to fish groundfish with pots. That was I think one of the major considerations we had there. I don't know whether this is a friendly amendment or not, but you might want to have 800 really be moratorium qualified vessel as a criteria. That having been said, 400 is intended to reflect current participants. I think December 31, 1994 - it's almost current, but it's not current. Current is really April 21, 1995. That's really current if you're talking about current. As part of reshaping this so it's a better reflection of what we're intending here, I'd like to see that be April 31, 1995 - that gives you a really good current snapshot. It doesn't allow speculation because we're cutting off as of the 31st of April '95.

Hartley: I just wanted to make sure maybe for the record or at least for our analysis down the line referring both to Steve Pennoyer's comments and Mr. Benton's proposal. He refers to the 800 period as defining the qualifier for each of the umbrellas. Then the 400 period is where the areas would be assigned. Am I correct so far? Now there's an issue that needs to be clarified in that. If a vessel, for example, has been fishing in the Bering Sea only during the umbrella period, the 800 period, he would get an umbrella for the Bering Sea/Aleutian Islands under

Mr. Benton's proposal. Under the second, the 400B criteria, in 1994 say he fished in the central Gulf as well as the Bering Sea, because he did not have a Gulf umbrella he would not receive that central Gulf area endorsement. Is that correct? Similarly, I believe relating to Mr. Pennoyer's proposal, those kinds of crossovers because you're talking about this umbrella in the sense that that's where you fit and anything you did outside of that in '92 and '94 would not get you an umbrella or an area endorsement.

Pennoyer: In other words you're saying that the Council intent is to eliminate those crossovers from consideration. If they didn't do the crossover in the base period, they don't get to do it from now on. I don't necessarily object to the concept, I just want it clearly understood and I don't know that it was so the public can comment on it. My reading of it, that would be what would happen too.

Hegge: Mr. Chairman, perhaps a way out of this is that the people who would be affected would be fishing in the Bering Sea/Aleutian Islands basically in the summer trimester which we set up quota that we put a very minimal longline bycatch but we allowed it for pot fishing. Those people that would be qualified or affected by the language we put up in the moratorium will be through fishing by the time we take final action in June. They'll have either done their crossover which they were allowed to by the moratorium or they won't. For the BSAI, if you don't want to do it for anything else but for that you can make the qualifying period date of final action. If you choose to do something different for other areas for another reason it doesn't matter, but this would certainly address that particular problem that we've identified.

Pereyra: I was just thinking going to the date of final action certainly if we do that in June that's fine. Who knows, we may stretch it over beyond there and that just increases the speculation. But if we do it the 21st of April or whatever the termination of this meeting is, we've accomplished the same thing without causing speculation which we will do if we have it be . . .

Mace: I'm not sure there'd be any speculation involved. People have already made their plans in respect to fishing and if we're going to be current on this, I think Ron Hegge had the right approach - June 12th or whatever it is and lock it in.

Barker: If I can get back to the question I asked Mr. Benton earlier. Is this the area where you presumed that the Aleutian Island - Bering Sea would separate out? Do we need some explicit language here for this amendment to cover that intent?

Benton: I don't think we really do. It seems to me that you get your umbrella by 800 and then your areas are defined under 400B and whatever date you have chosen for the cut-off date, whether it's June or April or December 31 or whatever that is, that's what you get in terms of areas. I would assume that is already taken care of. Certainly my intention.

Lauber: Do we give the impression if we send 400B and 800 out that we are going to adopt one or the other? Shouldn't we combine them into one item so that the public understands that this is not either/or?

Pautzke: One's an umbrella and one's an endorsement.

Lauber: See what I'm driving at Mr. Benton. As we go through this, assuming that we have, let's say for instance we cannot agree on landing requirements, and we want to leave in one landing in the qualified period and two landings in the qualified periods, we don't narrow it all the way. That would be understood by people obviously that we're going to pick one of those two. Because we've got a one and a two. If we send out 400B and send out 800, would we be giving the impression that we're going to pick one or the other? Shouldn't we merge them into a amended 400B or an amended 800 and just send them out that way?



Benton: As usual, you're very perceptive and that's exactly right and it was not my intent to show that there be a choice. I don't know if I should amend, I can't amend my amendment can I?

Lauber: Sure, just say that's what you want to do.

Benton: Alright, fine enough. My intention was that the two would be one option and the way that I would see that structured is that item 800 would be the first part and then item 400B would be the last sentence in the combined new option.

Lauber: Right and it could be other modifiers or something like that.

Lindeman: Not to belabor this point, but in the 303(b)(6) of the Act, the present participation requirement, the Secretary and the Council has to take into consideration present participation in the fisheries as one of the elements, the six elements in coming up with a system. While the Council may well have good rationale for choosing December 31, 1994, an issue is that doesn't define present participation if final action isn't taken until June. When the Council comes up to final action, there's going to have to be a good explanation as to how you're affecting and why you may not or may include vessels that fished from December 31, 1994 - January 1, 1995 until final action. It might be requested of staff to put some discussion, analysis, whatever, to look at how many vessels might have entered so when you get to final action you have considered present participation in the fisheries.

Lauber: It being something the effect of the discussion we've had about, I think Mr. Tillion indicated that the concern we would have if we make it some future date, and Dr. Pereyra said there might be speculation, new entrants, or people moving into areas where they wouldn't normally have fished and so forth, in order to get that kind of language to justify whatever date we use to cut it off.

Pereyra: I don't want my comments associated with December 31, 1994 because that's not what I . . . my comments were beyond April 21, 1995, that was my comments as far as speculation is concerned.

Lauber: My statement was whatever the date is that we pick obviously, the justification for not including future participation.

Lindeman: That would go to the rationale for choosing a date other than date of final action. In doing so, there needs to be some information about who were the present participants in the fishery, meaning who was fishing at the time of final action. Did any vessel enter speculatively or whatever between January and June? I'm not saying you must allow them in the fishery, just why you're not allowing them to fish later.

Lauber: Oh, I understand. What you're saying is we can pick whatever date we want to pick, but we have to justify that as far as present participation - why we're not moving it up to . . .

Pereyra: I think the discussion I've heard around here, I think it's sort of been our sense to put a date other than December 31, 1994 in here. I guess I'm looking to the maker of the motion as to what date he really intended to put in there because his discussion and so forth was not consistent with the dates that are there, so I guess I look to the maker of the motion for . . .

Behnken: My understanding is the maker of the motion can't amend his own motion, but given the discussion, perhaps it would be more appropriate if we amend the cut-off date to be today as Mr. Pereyra suggested.

Pereyra(?): Second

Pautzke: Point of clarification. The cut-off date we're talking about now just has to do with area endorsements, it doesn't have to do with who gets in or who gets out which is still the June '92.

Behnken: In response to that, as I understand it, if a vessel had qualified under the moratorium that had not fished up until yesterday in any area, since those moratorium dates, he wouldn't get in basically. It's been brought to my attention that there may be some vessels in that position and that we should be taking them into consideration. That's why I'm suggesting that we should move the date till today and say we don't want to encourage any speculative entry into new areas today because we are not going to move this date. We've taken everybody into consideration. The case is closed.

Tillion: What counselor has I believe warned us is that the day that we take final action we need to put something into the record on what happened to the recent participation. As we are not going to do this until June, all that is a warning, is it not, that you have something on the record. So let us go forward and in June if we can take final action, and I certainly hope we can, we will do our justifications at that time. Why should we have to do them now and again because if you did it today there'd be some chance that some vessel might come in tomorrow on the speculation that they'll be covered. Let's leave this debate, we've heard what counselor has said and before we take final action an hour or so ahead, we should build our record of why we let them in or don't let them out but we definitely will consider them.

Lauber: We have an amendment that would change in what in our old sheet was 400B from December 31, 1994 to April 22, 1995. Is there any objection to that motion.

Mace: I object.

Hegge: I object.

Lauber: Mr. Mace objects, votes no, and Mr. Hegge votes no.

Pautzke: I'm not trying to beat this thing to death but Linda brought up an interesting question which we may need to single out. What if they get an umbrella license but they haven't fished since then for some reason. Then do they get their area endorsement based on that previous period that they fished or do they just bow completely out?

Behnken: I asked that question specifically of the Advisory Panel and their intent was you're out.

Pautzke: Okay, then the second thing is we want to clarify if they qualified for an umbrella in an area before June 27, 1992. They qualify for an umbrella, one of the three big umbrellas for that time but they fished in an area that they get an area endorsement but they don't have the umbrella for because they fished in another area between June 27, 1992 and say April 1995, then they just lose that endorsement, right? If it did fit under their umbrella that they got for the previous period. See, their umbrella is defined on a previous period, their area endorsements could be defined on a later period and they may not be the same in all cases.

Behnken: My understanding, someone correct me if I'm wrong, that the umbrella that they earned by fishing through that moratorium is everyone.

Pautzke: It could be just Bering Sea and Aleutian Islands and then the guy goes and gets into the Central Gulf after June 27, 1992; he would get his area endorsement if he had the umbrella for the Gulf, but he doesn't because his umbrella is based on the Bering Sea/Aleutian Islands before 27, June 1992. So he loses that endorsement.

Behnken: Possibly under that scenario, we have one umbrella in the Bering Sea, we have one umbrella that's Gulf of Alaska and we have one umbrella that's both.

Pautzke: He would get the both umbrella because by June 27, 1992, he may have fished Bering Sea/Alcutian Islands, but then in 1994 he went into the Central Gulf . . .

Lauber: It's close enough to break time, we'll take a break and work our way out of this.

Lauber: We are on our 800/400B number with a change in the 400B to April 22, 1995.

Mace: I have to ask a question about that. I would presume when we combined these, Dave, that the vessel must be moratorium qualified and that the area endorsement would go back to the beginning of that moratorium period back to January 1, 1988, is that correct?

Benton: Under the motion that I originally made with the two combined, it would not do that. It explicitly does away with that which I thought was, and which was in fact, the intent of the AP with regard to those two combinations. The 400C option which would do what you mentioned Bob was not in my original motion. The AP, I believe, put that in for analytical purposes to see what the effects would be.

Mace: It just appears to me that the way 400B is worded standing alone the area endorsement is based on that short period so it cuts out . . . [change to tape 43] . . . the experience of the moratorium qualified vessel and it appears to me it would have to go back to 1988 to make sense.

Benton: I have a question for staff if I could, and maybe Clarence. Looking at the AP's full motion of 400B, 400C and 800, how hard would that be to do the analysis on that and have it available in June?

Oliver: The question is if you kept both of those options, 400B and C? That itself is probably not a huge task and it would depend on what else you do whether all of this could be back in June or not.

Pautzke: Part of what my staff is telling me is that it's not if you pick out for us to go through and look at just retained catch versus total catch because we say, yeah we can do that. It's if you start adding all the different things up and then again, it's a matter of what Lisa tells us we need to do as far as public review before the June meeting. In other words, if we can send something out to the public say ten days ahead of the June meeting that's different than saying we need to go out for a two or three week period because it gives us more time to work on reanalysis.

Benton: I guess my question is whether we can get some tables broken out by vessel category and size, mode of operation - CP, non CP, with these two configurations and how difficult that would be to put together. With regard to retained catch versus reported catch, seeing as how we don't have species endorsements in here any longer, I don't think that that's all that important is it?

Pautzke: Well, they have to see how long it takes for these other things.

Oliver: Yeah, that is correct. If you don't have the species in there, the reported/retained issue is really a moot issue again.

Behnken: I have a couple of things. Directly relating to Mr. Mace's comment and this conversation, from looking at the tables, there's a big increase in vessels and the number of endorsements if we look at even '90 to '93 which is all that's in the tables there. If we go back even farther, we're really increasing capacity here in a number of different areas and I believe that was the reason that the AP shrunk down that area endorsement

window. We had some good testimony at the end yesterday saying that in the last couple of years the fleet has come a long way in figuring out how to avoid tripping overfishing definitions and staying under PSCs and that we should keep the fleet as close to '93/94 as we could. For that reason, I'm really hesitant to stretch, reach back any farther for these area endorsements.

Pereyra: I certainly respect Ms. Behnken's opinion on this. I think that's certainly a proper opinion for playing back in June, but I agree with Mr. Mace, I'd sure like to see whether in fact that is the case. I don't think it is the case. I think we're going to find that there's just a few cases where people who qualified for licenses do not also qualify for area endorsements, the areas that they fished in 1992 to '95 are probably going to be pretty similar to where they fished during the endorsement period for the moratorium. I'd just like to see that because I think it would be useful.

Benton: I think for the purposes of understanding the impacts of the two different configurations, we need to follow what the AP proposed for options to be analyzed. Again, I respect Dr. Pautzke's remarks about how we have to see how the whole package looks before we can get a picture on what staff can and cannot do by June. I would like to see these two broken out with some tables by area, by the different categories of vessels we've identified, both Gulf and Bering Sea in order for us to truly understand what the impacts are. I know that in the late 1980s and early 1990s, there were some fairly significant preemption problems in the Gulf which led to a number of actions by Council and I think those are important for us to take under consideration when we make a final decision. I think if we can see a breakdown of how this works that we can craft a solution that will take care of the interests of all the parties concerned and make sure that we don't result in having gone back and actually increased the problems that we're trying to do away with in one sense and that is preemption in certain areas of the Bering Sea and the Gulf. I think there are distinct differences between the Bering Sea and the Gulf of Alaska, but I would entertain looking at both of those options in order for us to really get a good picture of what the outcome of the final action might be. I think the public needs to be able to comment on that.

Lauber: If somebody wants to we've got to make a motion here.

Pereyra: I would like to make a motion that we include 400C as an additional option for analysis purposes.

Benton: Second.

Lauber: That would be added on to 800. Is that the idea? In other words, it would either be either 400C or 400B added to 800.

Pereyra: That is correct Mr. Chairman. Time is short, but I just wanted to add to the discussion we've already had that that particular option was passed unanimously by the AP. It seems to me the AP felt that this was very important to have analyzed before we make our final decision. That in itself is sufficient support to go forward with it.

Benton: Maybe I should withdraw my original motion and perhaps I could make it all as one motion if that would be better.

Lauber: If there's no objection, the motion is withdrawn.

Benton: The second has to withdraw.

Behnken: I'll withdraw it.

Benton: I would move then that we adopt for qualifying periods, the AP's recommendation with some modifications. I would adopt item 800 as it stands and that it is my intent that item 800 defines who gets an

umbrella; then I would adopt 400C as it stands and item 400B January 1, 1992 to April 22, 1995 to take into consideration the NOAA General Counsel concerns; and one other option which would be January 1, 1993 to April 22, 1995 as a separate option for area endorsements for the Southeast Outside and East Yakutat.

Lauber: In your motion, 400C you left that at December 31, 1994?

Benton: I'm sorry Mr. Chairman, all the concluding dates would be as of today.

Lauber: There was a second?

Behnken: I seconded it.

Lauber: It's been moved and seconded. Is there any discussion?

Pennoyer: Two clarifications. Under the general base period qualifications, it would be separate for the Bering Sea - Gulf of Alaska, you didn't mention that.

Benton: Yes.

Pennoyer: So your base period qualification will get your umbrella and you only qualify for areas that you fished within that umbrella during the second period. In other words, if you had an umbrella for the Bering Sea and you fished in the Gulf '90 through '94 you wouldn't get an area endorsement for the Gulf.

Benton: It would depend on which one of 400B, C, and I guess it might be 400D. I don't know what the number would be - one of those the Council finally settled on. My intention is that item 800 is determinate about your umbrellas.

Pennoyer: Separately for the Bering Sea and Gulf.

Benton: That is correct.

Pennoyer: This is just clarification. Under any of these items, I think you leave out the crossovers allowed under the moratorium and I just wanted to point that out because of the base period that gets you through the door is 1988 to 1992 in the groundfish fishery, then if you didn't fish groundfish 1988 to 1992 but you crossed over under the moratorium with pot gear from the crab fishery to the groundfish fishery, you're not in as I read it. I'm not saying that's right or wrong. I'm just saying that's for analysis and for public comment that I think that is the effect.

Behnken: First I would suggest, if given the testimony from people that are here that feel like under the moratorium they were in and under this new base period they're out, if we changed 800 to say you qualify through this period by having made a landing of either groundfish or crab, wouldn't that solve that problem. The way the AP stated that was I think somewhat inadvertent, was to land groundfish to qualify for groundfish, crab to qualify for crab and if we wanted to be consistent with the moratorium, that's a landing of either one to get in.

Pennoyer: It wasn't a landing of either one under the moratorium, it was a landing with a particular gear type and allowed crossovers only with that gear type. I think if you open it up to all landings of groundfish or crab to get licenses in either, you've expanded your vote back up to 13,000 licenses or whatever.

Behnken: I'm missing it. Anyway, my intent is to make that 800 basically consistent with the moratorium, then if you qualified under the proposed moratorium that you qualify under this base period for your umbrella. So the limited crossovers we allowed under the moratorium would be allowed here. Is that acceptable?

Benton: I would have made the motion, the language, consistent with the moratorium if we had an approved moratorium. My difficulty is adopting something that doesn't exist. It's further dilemma.

Pennoyer: It's not a dilemma. You can just say the Council's proposed moratorium.

Benton: Is that acceptable to counselor?

Lindeman: Yes.

Pennoyer: We're only talking about language, you're not adopting anything there.

Pereyra: To be more specific you can say the one that's on Steve Pennoyer's desk.

Pennoyer: I think as of one o'clock this afternoon, it's on Clarence Pautzke's desk.

Lauber: Okay, do you want to restate your motion, Mr. Benton, with the moratorium in it or whatever?

Benton: Certainly. Item 800 be initial qualifying period for receiving your umbrella. You would receive your umbrella based on your qualifications under the proposed Council moratorium.

Pennoyer: I think the intent is clear now.

Benton: Crossovers and the rules that were established regarding years of crossovers that are in the proposed moratorium would apply here. So would all the other language that the AP came up with on item 800. The remainder of my motion would stay unchanged.

Lauber: Okay, it's been moved and seconded. Now do you want further clarification?

Pennoyer: I understand the motion. I was going to make a request that goes with the motion for analysis for June before we vote on it to make sure it's possible.

Behnken: Two other points to bring up. One is that in moving that date back to April 17th, I think we should be aware that there are some fisheries that have already opened this year and others that have not and that may be greatly inequitable. We also may be indicating to industry that may be running that slide more. If anybody shares my concerns, I guess I would offer an amendment to go back to December 31, 1994. Quite a number of people have brought that to my attention that letting that date slip was probably the wrong way to go. I would amend that cut-off date to go back to the date we originally have that the AP recommended, which was December 31, 1994 for all options.

Lauber: For all three of them that Mr. Benton stated. Is there a second?

Pereyra: Second.

Lauber: Okay, it's been moved and seconded. You spoke to your motion before you made it so I'll recognize Mr. Pereyra.

Pereyra: When Ms. Behnken spoke to the motion, she gave all the justifications of why it shouldn't be supported and that is because it does not represent current participants. What it says in effect is that we're going to leave out current participants possibly. I don't think that is what's intended here. The intent is to have this be representative of the current participants and the way to do that is to make it April 22, 1995.

Lauber: My understanding is that she wasn't saying that we had to include all current participants. What she said is if we did not, we had to justify it.

Pennoyer: Maybe it's sufficient at this stage, we've gone back and forth on this, to have the staff present us the analysis of who would be in/who would be out, if you can, by the June meeting so we know if there was a speculative rush to different areas and so forth and leave it at that. We're not going to make that final decision here today anyway.

Lauber: How would they be able to tell us who's going to be fishing between January 1 and now?

Tillion: We don't have to make this decision now. What date we have on that as long as we keep the moratorium date is immaterial. When we take the final action, justify why we're considering or not considering, and so why are we arguing about it now? Let's just send it out and get on to the next thing. Then in June, when we take final action, we look over what we've got and see if there's reason to cut out more recent participation and build the record.

Benton: I share many of Mr. Tillion's frustrations. I think the language in the Magnuson Act is that you have to consider recent participation and you have to consider past participation and then you have to make a decision based upon that consideration. Certainly, the best information we're going to have is for the most recent fishing year. I think that Ms. Behnken raised a good point and that is that we're in the middle of a fishing year. If we really wanted to get the best information possible, the first thing we ought to do is to move to close all fisheries in the Bering Sea and Gulf of Alaska today, so that there are no new participants until we make a decision. Now then having said that, I don't think we would probably get the support of the Regional Director and having a unanimous motion on that, but I think that it is entirely reasonable to look at the most recent full fishing year to decide who would be in and who would be out under these alternatives.

Pereyra: I just wanted to respond to Mr. Tillion and the remark is that I think the reason for having some discussions on this is to put the industry on notice as to how we may address the recent participants and in that regard to prevent this sort of speculation that might occur if we didn't have some discussion on this. From my perspective in June, I will be using April 22, 1995 as my intent to have as a cut-off date. I think that's a reasonable one to have.

Pennoyer: Just having been thoroughly thrashed by staff, we won't even have very qualitative data for this year by June so it will be a discussion of the type you and Mr. Benton have had and I think it's sufficient to do that, whichever date's in there right now.

Lauber: The motion is to move all dates to December 31, 1994 . . .

Behnken: Except the one consistent with the moratorium which is the base period. That one stays at 1992.

Lauber: I'll say December 31 here or go back . . .

Pereyra: One further comment, I don't want to belabor this. It's my understanding that this would not prevent us from using April 22nd if we so chose in June.

Lauber: That is correct. Hearing that, is there any objection to Ms. Behnken's amendment? It passes. Is there any objection to the motion as amended? Mr. Benton's motion.

Behnken: I have one further amendment and that's to the last part of Mr. Benton's motion which was to use '93-94 for Southeast Outside area. I would amend that to say '93-94 for vessels over 60' in the Southeast Outside area and if I have a second I'll explain why.

Benton (?): Second

Behnken: The reason that I add that caveat in there is that that's a very short qualifying window and as the analysis raised and people presented that information pointed out, small vessels have traditionally moved between areas, between fisheries, they've relied on that diversity, that little snapshot might be a year when vessels were not participating for one reason or another in the groundfish fishery plus loss of market, bad weather during short openings, for whatever reason. I think we need to look at a wider qualifying window for the small vessels there.

Lauber: Any further discussion on Ms. Behnken's amendment?

Pennoyer: Is that analyzable or whether we can get that type of data to see what that does in June?

Hartley: We don't have 1994 groundfish data so looking at a lot of these things, it's problematic. We have some 1994 groundfish data. Catcher processor data is very easily accessible for 1994, but fish ticket data has not been made available to us yet and I don't know when it will. Generally, it becomes available in July/August of the next year. That's out of our control.

Pennoyer: Well I guess that gets back to the original question I asked you whether you could provide us with tables for any of these options that went through December 31, 1994, and the answer to that is no. Is that correct?

Hartley: Unless there's a lot of new data made available to us and then it would take us considerable time to mold that data, data that we may use in this analysis. There are additional issues as well with regard to your moratorium. Meaning under the moratorium, recall that demersal shelf rockfish was a moratorium species and is not a license species. There may be quite a few vessels actually that might qualify for the moratorium that still would not get a license regardless of their participation because of that exclusion. There's also in our minds a question of whether your intent is to use the February 9 date or the June 24 date that we've used in our license limitation data. That would take some summary working of our data. . .

Pautzke: The moratorium is February 9th isn't it?

Hartley: If you intended to do that. So there are still some issues that, as staff and trying to make these tables for you, we would want some clarification upon.

Benton: With regard to the issue about the moratorium date, I thought that I made it clear and if I didn't I will make it clearer that we would be using the rules that were established under the proposed moratorium. That included the dates and the crossover provisions. So that should not be a question. I'm still concerned though about 1994 and whether or not we can get information that shows that somebody fished in a particular area in 1994 by vessel size and mode of operation. We don't have to have landings and poundages and all of that. All we need to know is did they buy a permit and did they actually make a landing there. Depending on how we go through the landing requirements, I guess we might have to visit that issue, but that aside, it's just yes or no - they were in or they were not because they made a landing and they were there with permits. Can we get that information?



Hartley: We physically do not have the 1994 data in our computers. They have not been made available to us from the Alaska Department of Fish & Game and they have told us they aren't available. I guess it's in your lap.

Benton: What about NMFS data?

Hartley: NMFS data we have. We have up to the 1994 and can have '95 as well, but that does not include delivery vessel data with the exception of boats that have been observed.

Pautzke: I think we need to make it very clear and you can make it clear to me again right in the forehead here. We've been talking about the moratorium here and I think people have been thinking that that goes through June. June 24th or 22nd or whatever we have in the. . . it doesn't. If you were to take the moratorium literally, it's February 9th, 1992. I think you really need to make that clear on the record because that's a big change from what you've got here which is June 24, which was the control date. That is not the moratorium date.

Behnken: He just answered my question. The AP used that June date because it was the control date.

Pautzke: Yes, but we've taken that as saying that's the moratorium years, but it's not.

Tillion: I was a little baffled on that one when Ms. Behnken brought it up because I sat there in Sitka on June 24, 1992 and said, "today we drop the hammer and, therefore, if there is anybody that came in after January 1 and before June 24th that now will get squeezed out." We've done them a disservice because we have always advertised June 24, 1992 as the drop dead date and it's the date we should stick to.

Pautzke: Anybody who came in after February 9th. I'm just trying to get it clarified what you're talking about. That's all I'm trying to do. I'm not debating the issue.

Lauber: What's your intent, Mr. Benton?

Benton: The analysis is based on June 27th?

Hartley: 27th.

Pautzke: June 27th, I'm sorry.

Benton: And that is what all of our analysis is based on.

Pautzke: That's true isn't it. June 27th is what the analysis is based on Marcus?

Hartley: Yes, and of course the exclusion of demersal shelf rockfish. So the moratorium vessels, 4,144 moratorium vessels, includes those vessels that make demersal shelf rockfish landings whereas this data does not.

Pereyra: Mr. Chairman, I would assume the staff has got the analysis for February 9, 1992 because you had to have done that for the moratorium, I would assume.

Hartley: We can overlay those two data sets to some extent. It would be difficult with the rockfish issue, the date issue is easier. [change to Tape 44, beginning of tape misses some of the conversation] . . . we can make it work. We excluded all areas because it wasn't an issue.

Benton: In the moratorium.

Hartley: In the moratorium data set. These changes are certainly do-able, but increases the analytical time necessary for us to turn this package around. We start to push back to being able to get it out the door.

Benton(?): Which one's easiest?

Hartley: June 24th without demersal shelf rockfish vessels getting a license is the easiest because that's the one we have. When we say, I think if you stick with that 800 as it was in the original analysis then that's the easiest to do. It's your call whether it's the . . .

Benton: Okay, cause really what we were getting at were the rules that Mr. Pennoyer was most concerned about which was the crossover rules and who would qualify there.

Hartley: Now those crossover ones are really an issue you have to deal with in that umbrella definition. Boats in the moratorium may be eligible to fish groundfish simply because they landed crab and therefore are eligible for groundfish with pot gear. They may never have fished groundfish even to this day, but they are eligible under this proposed moratorium to go into . . .

Pennoyer: Under his proposal.

Hartley: Under the proposed moratorium. Now if what you're saying here is, yeah, you should have taken that chance before today or you're not going to get a license . . . and that's how that is dealt with under Dr. Pennoyer's question. Now in assuming you do something similar with crab, I presume under the crab layout.

Hegge: Was Ms. Behnken's amendment a separate amendment or was it incorporated into the main motion?

Pautzke: It's on the floor isn't it? The 60 footer, isn't that what you're talking about, the 60' in Southeast?

Behnken: It's an amendment to Mr. Benton's amendment.

Hegge: I have to admit, I have a little difficulty with it and would probably have to vote against it in light of my action earlier because I made the recommendation for the gear specific in Southeast I quite clearly said the vessels who were using other gear would be excluded. Without seeing some of the data about what that does, I think I'd have to stay a little bit consistent with that.

Behnken: I'm a little confused by what you're saying. Mr. Benton's motion was to set a narrow qualifying window for earning an area endorsement for Southeast Outside, to have only a two-year qualifying window and my objection to that, or the reason I proposed an amendment that that window be that narrow for large boats only is that the small boats, as we saw in the analysis and heard through testimony and presentations, tend to rely on diversity and more of a mobility. There's some years where there isn't a market or bad weather precludes them from participating in a groundfish fishery. Therefore, all I'm saying is we leave them the wider qualifying window for earning an area endorsement which is what we're leaving for vessels in other parts of the Gulf and that we narrow that window only for the larger vessels. It's not saying there's no qualifying window for them, it's just saying it's what Mr. Benton proposed '93 and '94 rather than narrow it to '93 and '94 for all vessels, it's narrowing to '93 and '94 for the larger vessels.

Hegge: It's still what I'm going to vote against. It's a little bit inconsistent. The one boat that comes to mind is, when I talk about '83, the only boat I can remember being down there was the Lone Star and yet in his testimony, he commented that because the shortened seasons and the restrictions he hadn't been back down there in several years and certainly the will of the Council is going to prevail, it's just in light of what I said earlier and my intention, I'm going to vote against it.

Lauber: Is there any further discussion? We're on Ms. Behnken's amendment. Could we state the amendment?

Pautzke: That the two-year window for establishing the area endorsement in Southeast only applies to vessels over 60'.

Lauber: Which would in effect make the window for smaller vessels what . . .

Behnken: Consistent with what's been proposed for the other areas which I understand at this point is the '88 to '94. That's one option. There are three options. It would be the same as all the other options in all the other areas.

Pautzke: But narrows it for just the 60 footers and above.

Behnken: Right and . . .

Lauber: If this motion passes and the Council cared to in June not leave that window open for smaller vessels, would they still have that option available?

Behnken: Mr. Chairman, my understanding these are all options for analysis and that we could change those at any time. We could change it. I guess just to add to it, something that's been pointed out in the analysis again and again is that these small vessels account for no less than 6% of the total groundfish removals. I assure you that in southeast they're accounting for a heck of lot less than that. To give them that narrow window to qualify for an area endorsement in an area that's their backyard and pretty much the only place they get to fish when you know the P. cod season might have been really short and the weather might have been too bad for them to even get out there that year. It's really limiting that fleet and that's why I proposed that amendment.

Benton: I going to have to vote against this motion and I want to explain why. The reason I made the original motion that I did make was in order for the impacts of that window to be looked for all those vessels classes that would be affected in that area. In my way of looking at it, I wanted to look at the relative impacts amongst the full suite of vessel classes and modes of operation that would be affected. I think that the way to do that is to have the analysis go forward based to look at all the different vessels classes so that we can see what the impacts of that would be. I don't believe it will cause staff any further work because it's sort of one computer run, I would assume, and all they'd have to do is if we were to adopt Ms. Behnken's motion would be to delete some of the others from that computer run as opposed to just running through the numbers. Am I correct on that?

Hartley: It's never as easy as it may seem.

Benton: How'd I know you were going to say that.

Hartley: What we have done often is define the qualifying period and said boat is in, boat is-out. To redefine the qualifying period, we have to go back to the raw data and so it's a fairly time consuming process. I'm not saying we can't do it. We certainly can.

Benton: You don't have this thing set up by fields, by year?

Hartley: We don't have a main frame in our office and that data as you know is extensive.

Oliver: We customize data sets for each analysis. The other point I would make is that to the extent it's only one option for the qualifying period, if you combine it with maybe all the other permutations you may have below with minimum landings it's one times however many others you have so there's that.

Pereyra: Mr. Chairman, it would seem to me that the analysis we would get absent Ms. Behnken's motion would be sufficient enough to allow us to embrace that sort of a motion in June. I'm very sensitive to having us do a lot of extra analysis beyond what we really have to do as a minimum. I think it's most important that we make a final decision in June so I think I'm going to have to vote no for that reason.

Behnken: Can I get clarification that what Mr. Pereyra says is true. That if I withdraw this motion we still have that option in June?

Hartley: I think it would be difficult to determine how many additional larger vessels would drop out unless you looked at that explicitly, if I understand your proposal correctly. I can't determine whether or not you could make the call but it might be without some information.

Pereyra: Mr. Chairman, it seems to me we don't have to have definitive analysis on every permutation or combination in order to make a decision. We've done this over the years. We've made some very, I think, substantial decisions based upon public testimony and the best information available, and so on and forth. We're going to have the benefit of staff analysis plus we're going to be getting public input into this process and so forth. I think the collective information we're going to have will allow us to make those kinds of decisions. I think that's a more prudent way for us to proceed.

Lauber: I would suspect that if we send this out and there's an indication that somebody might not qualify, they might impart that knowledge to us along the way. That's the idea of sending it out. So we might find out how many or at least have some better idea. So what do you want to do. Do you want us to vote it down or do you want to pull it back?

Behnken: I'll withdraw it.

Lauber: The motion is withdrawn.

Benton: I would like to come back for just a moment, not to belabor the point, but I would to come back a little bit about data availability and this may be a question in part for Counselor. The best data we have available is through 1993 is that correct?

Hartley: Full set of data.

Benton: Full data sets through 1993. We will have some data available for 1994 at least in terms of NMFS data, and if I can get our lazy State people to get off their rear ends and do their job, then we will hopefully get some additional data that we can make available to you posthaste as well. I guess, and this is where my question is to Counselor, we will have full data sets for '93. We will have at least a partial data set which probably will give us a good indication of what will happen with a number, and I'm speaking to the whole suite of options here not just one particular suite, which should give us a good indication of the impacts and ramifications of the options. And in that, based on public testimony that we would receive and any additional information that might become available to the Council through the public process, do you believe that's going to be sufficient for us to at least consider those options and make decisions about those options?

Lindeman: Mr. Chairman, the Magnuson Act requirement is best scientific information available. If that's what's available that's the best you have.

Benton: Okay. And we will of course have whatever we can get pulled together will be available for the SSC and the AP to review when they meet. I just wanted to make sure that we will have the ability to consider these things.

Pennoyer: Mr. Chairman, I think that the answer is of course the best available information. You might have to condition that at some point on when you have to take action by to do something and that ties in with inshore/offshore and other concerns, so it's not an easy question to answer. You'll have to basically state why you're reaching the decision at that time, at the time the best available information is thus and such even though fish ticket information might be available in another month or something. You need to . . . I can't make that judgment here, you need to build that into the record somehow.

Benton: Certainly, but I just wanted to make sure there was no absolute "no" at this point. I wanted to make sure that was the case. Obviously, we would have to look at that record and make a judgement about whether or not it was adequate at that time. The standard, as I understand it, is best available information and whether that warrants the decision is separateness according to the record that you consider at that time.

Pennoyer: There's not a whole lot of absolutes but that's close, yes.

Oliver: I'd add Mr. Chairman, of course we'll do what we can to get the most recent information, but if what we have is only through '93 and the public and industry are aware that what we are considering is crediting area endorsements through 1994 that most of those participants will know whether and where they have fished in 1994. So although the Council won't have perfect information in front of them, the industry will probably in general know where they stand under that scenario and it would be reflected to the Council in their testimony.

Lauber: Are you ready for the question? Is there any objection to the motion? Hearing none, it passes. We will come back at 1:00 pm from lunch.

Lauber: The Council will come back to order. Helen, as we get towards the end here, will we be able to have the final motion typed up?

Helen Allen: Probably by tomorrow morning.

Lauber: Okay, I just wanted to alert you that we're probably going to ask for that.

Oliver: We'll get it for you certainly by tomorrow, if not today.

Lauber: Alright, did we finish with the qualifying periods? Nothing else under that?

Oliver: I think this will be an easy one Mr. Chairman. I have one clarification to make under that 800 period. The second part of that has to do with vessels under 60' and that they would qualify, for example, in one area based on recent landings and just how you wanted us to present that in the event some of these vessels may qualify for more than one area. Our assumption is that we would provide that information to you but that the intent was the vessel would choose perhaps which area they would get.

Benton(?): That would be fine.

Lauber: Alright, moving along down the yellow brick path.

Benton: Mr. Chairman, before we proceed could I ask a question of staff. This comes back again to the workload issue. Clarence don't cover your ears. With regard to the AP's recommendations on landings, 20,000 pounds or five landings, given what we have just done under qualifying periods, I'm somewhat concerned about the ability to also do multiple landings or poundage requirements with these new configurations. I'd like to hear from staff whether or not and how much of a problem that is.

### **Salmon and Herring Fisheries**

Salmon and herring fishing occurs in many parts of western Alaska. However, with the notable exception of the Bristol Bay salmon fishery, most local fisheries have a very low average catch and provide relatively low income to fishermen. Local participation in the larger regional fisheries has decreased over time and the necessity of a limited entry fishing permit--prohibitively expensive in the more lucrative fisheries--has discouraged further entry. Over the past two decades about 25% of the most valuable salmon fishing permits have migrated out of the region.

In 1992 about 20% of the regional population owned fishing permits or were licensed crewmen while just over 2% of the people were employed in fish processing. Most fishermen and the vast majority of processors working in the region reside outside western Alaska. Many local fishermen have other jobs, often only part-time. Since most local residents have few assets, they lack the means of acquiring salmon fishing permits. Many locals rely on subsistence hunting and gathering. They must choose between a short intense working season, often at relatively low wages, or harvesting salmon for winter food.

Some western Alaska salmon fisheries have declined in recent years and some have not opened. In 1993 even subsistence salmon fishing was closed in some areas.

Table II-1: Selected 1990 U.S. Census Data for CDQ Communities: Population

	Aleutian Pribilof Island Community Development Association	Bristol Bay Economic Development Corporation	Central Bering Sea Fishermen's Association	Coastal Villages Fishing Cooperative	Norton Sound Economic Development Corporation	Yukon Delta Fisheries Development Association	Total, All CDQ Groups
<b>Total Population</b>	397	4719	763	5781	7621	1756	21037
Male	201	2525	489	3051	4104	879	11249
Female	196	2194	274	2730	3517	877	9788
Native	364	2641	531	5521	5617	1603	16277
Under 16 years	120	1463	176	2256	2659	704	7378
Ages 16-64	243	3061	562	3203	4568	971	12608
65 years and over	34	195	25	322	394	81	1051
<b>Percentage of Population</b>							
Male	51%	54%	64%	53%	54%	50%	53%
Female	49%	46%	36%	47%	46%	50%	47%
Native	92%	56%	70%	96%	74%	91%	77%
Under 16 years	30%	31%	23%	39%	35%	40%	35%
Ages 16-64	61%	65%	74%	55%	60%	55%	60%
65 years and over	9%	4%	3%	6%	5%	5%	5%

Source: 1990 U.S. Census. Data provided by Institute of Social and Economic Research.

Table II-2: Selected 1990 U.S. Census Data for CDQ Communities: Employment

	Aleutian Pribilof Island Community Development Association	Bristol Bay Economic Development Corporation	Central Bering Sea Fishermen's Association	Coastal Villages Fishing Cooperative	Norton Sound Economic Development Corporation	Yukon Delta Fisheries Development Association	Total, All CDQ Groups
Civilian labor force	133	1786	370	1612	3048	549	7498
As % of population 16-64	55%	58%	66%	50%	67%	57%	59%
Number of people employed	117	1620	330	1296	2540	378	6281
Number of people unemployed	16	166	40	316	508	171	1217
Unemployment rate	12%	9%	11%	20%	17%	31%	16%
<b>Employment by Occupation</b>							
Executive, Administrative, and managerial occupations	9%	16%	9%	8%	14%	10%	12%
Professional specialty occupations	10%	21%	11%	25%	20%	24%	20%
Technicians and related support occupations	0%	5%	4%	1%	5%	3%	4%
Sales Occupations	8%	6%	1%	8%	7%	10%	7%
Administrative support occupations including clerical	7%	16%	12%	16%	18%	19%	16%
Private household occupations	0%	0%	0%	1%	0%	0%	0%
Protective service occupations	2%	2%	6%	3%	2%	3%	2%
Service occupations, except protective and household	22%	11%	10%	18%	16%	16%	14%
Farming, forestry, and fishing occupations	13%	2%	10%	1%	1%	0%	1%
Precision production, craft, and repair occupations	7%	11%	17%	8%	9%	7%	9%
Machine operators, assemblers and inspectors	3%	1%	6%	2%	3%	1%	2%
Transportation and material moving occupations	14%	4%	5%	2%	1%	1%	2%
Handlers, equipment cleaners, helpers, and laborers	7%	4%	11%	7%	5%	5%	5%
<b>Employment by Industry</b>							
Agriculture, forestry and fisheries	15%	3%	13%	1%	1%	1%	2%
Mining	0%	0%	0%	0%	4%	0%	2%
Construction	14%	4%	10%	2%	3%	2%	3%
Manufacturing, nondurable goods	0%	2%	22%	2%	1%	0%	2%
Manufacturing, durable goods	0%	1%	0%	0%	0%	0%	0%
Transportation	10%	11%	4%	5%	8%	7%	8%
Communications and other public utilities	2%	5%	5%	5%	3%	6%	4%
Wholesale trade	0%	1%	2%	2%	0%	3%	1%
Retail trade	15%	12%	4%	15%	16%	18%	14%
Finance, insurance and real estate	0%	2%	0%	0%	3%	1%	2%
Business and repair service	2%	3%	1%	2%	2%	1%	2%
Personal services	0%	2%	4%	2%	2%	1%	2%
Entertainment and recreation servi	0%	0%	1%	0%	2%	1%	1%
Health services	7%	10%	6%	4%	9%	5%	8%
Educational services	16%	22%	10%	41%	22%	38%	25%
Other professional and related services	0%	0%	0%	0%	0%	0%	0%
Public administration	7%	6%	8%	4%	7%	3%	5%
Public administration	13%	16%	12%	15%	16%	14%	15%

Source: 1990 U.S. Census. Data provided by Institute of Social and Economic Research.



**Table II-3: Selected 1990 U.S. Census Data for CDQ Communities: Income**

	Aleutian Pribilof Island Community Development Association	Bristol Bay Economic Development Corporation	Central Bering Sea Fishermen's Association	Coastal Villages Fishing Cooperative	Norton Sound Economic Development Corporation	Yukon Delta Fisheries Development Association	Total, All CDQ Groups
Total income	\$4,583,225	\$77,039,021	\$11,532,745	\$30,048,288	\$84,455,823	\$12,049,776	\$219,708,878
Per capita income	\$11,545	\$16,325	\$15,115	\$5,198	\$11,082	\$6,862	\$10,444
Total household income	\$4,526,806	\$72,849,438	\$7,926,874	\$29,831,135	\$84,064,434	\$11,868,549	\$211,067,236
Number of households	135	1480	161	1361	2238	411	5786
Average income per household	\$33,532	\$49,223	\$49,235	\$21,919	\$37,562	\$28,877	\$36,479
<b>Household income distribution</b>							
Less than \$5,000	5.9%	6.4%	5.6%	15.1%	9.6%	5.1%	9.6%
\$5,000 to \$9,999	13.3%	7.8%	0.0%	16.7%	7.7%	12.2%	10.1%
\$10,000 to \$14,999	17.8%	8.2%	5.0%	14.1%	10.5%	14.6%	11.1%
\$15,000 to \$24,999	14.1%	11.9%	14.3%	21.0%	14.1%	25.3%	16.0%
\$25,000 to \$34,999	8.1%	11.8%	7.5%	15.0%	13.2%	12.9%	13.0%
\$35,000 to \$49,999	14.8%	15.3%	26.7%	9.8%	16.0%	14.8%	14.6%
\$50,000 to \$74,999	16.3%	20.1%	23.0%	6.0%	15.8%	10.2%	14.4%
\$75,000 to \$99,999	5.2%	10.6%	11.8%	1.5%	8.7%	1.7%	7.0%
\$100,000 to \$149,000	4.4%	6.5%	5.0%	0.7%	4.3%	3.2%	4.0%
\$150,000 or more	0.0%	1.4%	1.2%	0.0%	0.0%	0.0%	0.4%
Median household income (dollars)	\$23,750	\$38,437	\$39,922	\$16,691	\$31,145	\$21,193	
<b>Poverty Status in 1989</b>							
Number of families	99	1063	132	1091	1641	327	4353
Families in poverty	14	148	5	418	305	79	969
Percent of families in poverty	14.1%	13.9%	3.8%	38.3%	18.6%	24.2%	22.3%

Source: 1990 U.S. Census. Data provided by Institute of Social and Economic Research.

### III. THE COMMUNITY DEVELOPMENT QUOTA PROGRAM

People have harvested the resources of the Bering Sea since it was formed, sometime after the last ice age and after immigration to the Americas had begun. Until recently, this harvest occurred almost exclusively along the shores and on rivers. Native people ventured only a short distance from shore to fish and hunt marine mammals. During the late 1800s whalers plied the waters and some fishing vessels began making annual trips north shortly thereafter. It was not until the middle of this century that large boats, all foreign, began fishing far offshore.

With the passage of the Magnuson Act in 1976 the groundwork was laid for domestic participation in the fisheries. The Act prioritized access to the resource. Fully domestic harvesting and processing operations were given first priority, followed by joint ventures (American vessels fishing for foreign floating processors), and finally foreign vessels. It took a decade for the domestic fleet to develop to the point that it could play a significant part in the fishery.

Until the late 1970s, little of the harvest from the Bering Sea itself was by Americans. Instead, foreign fleets from Europe and Asia harvested the fish and processed it aboard large floating processors. In 1979, only 615 metric tons or .05% of the 1.2 million mt Bering Sea harvest was domestically caught and processed. By 1988, all of the harvest (2.0 million mt) was by domestic vessels and 34% of the processing was conducted domestically. Finally, beginning in 1991, all of the harvest from U.S. waters of the Bering Sea was also processed domestically. However, most of the fleet is from ports thousands of miles to the south.

The swift transition from foreign to domestic fisheries resulted in an overcapitalized fleet. By the early 1990's, fishing seasons that had previously lasted all year were measured in weeks or days. Vessels traveled north to the fishing grounds fully crewed and processing workers were typically imported from areas outside Alaska where wage rates are lower. The result was that most of the people living in the western Alaska communities on the shores of the Bering Sea had no viable means of participating in these fisheries.

#### CDQ Program Development

The concept of CDQ's for western Alaskan communities began to be discussed in the mid-1980s. An unsuccessful attempt was made to inject a generic CDQ concept into federal fishery regulations in 1989. Prior to that, beginning in 1988, the North Pacific Fishery Management Council, established by Congress to develop management plans, considered CDQ's for sablefish longline fisheries. As part of that plan, an idea of allocating part of the total allowable catch directly to communities was developed. This would allow the community members access to the

resource at their doorstep. It would also remove them from any race for fish and allow them to participate in the fishery at their own pace.

By 1989, it was apparent that there were too many vessels harvesting pollock. Therefore, responding to a need to better manage the fishery, the Council began investigations into allocating pollock harvests between vessels delivering to shorebased processors and those processing at-sea.

Finally, the Council decided that CDQ's could be a viable means of spurring economic development in nearby economically depressed coastal communities without greatly impacting the existing fishing industry. Pollock CDQ's were added to the pollock allocation process. Large shorebased and offshore trawl vessels, capable of fishing far from land, are needed to harvest pollock. None of the people along the Bering Sea coast owned such vessels and only a few communities had port facilities sufficient to handle them. Taken together with the generally poor economic conditions found throughout the region, the likelihood of local residents being able to participate in the pollock fishery without assistance seemed negligible. The opportunity to provide a diversified and stabilizing source of income to local residents and communities was appealing to many, including the State of Alaska. The debates and decisions necessary to reach a viable pollock allocation were intense. The CDQ program became an integral component of a compromise management strategy.

The Secretary of Commerce approved the pollock allocations in early 1992 but the final regulations implementing CDQ's were not published until late that year. The allocation to CDQ groups was set at 7.5% of the overall pollock total allowable catch for the Bering Sea and Aleutian Islands management areas. This would allow the groups the privilege of harvesting a specific tonnage of fish annually, at any time of their choosing.

The allocations were for two years, 1992 and 1993, with reallocations made for the 1994 and 1995 seasons. The regulations became effective on November 18, 1992 and were published in final form on November 23, 1992, at 50 CFR part 675. Corresponding State of Alaska emergency regulations were also published in late 1992.

One of the valuable attributes of CDQ's is the ability to fish for pollock when the open fisheries are closed allowing fishing to occur at virtually anytime during the year. Vessels used to harvest the CDQ allocations may continue to operate when they otherwise would be unable to earn income from the pollock fishery. It also allows the Alaska fishing industry the ability to provide pollock to the marketplace throughout the year which has a positive affect on marketshare especially in the domestic marketplace.

### **Implementation of the CDQ Program**

The Secretary of Commerce delegated much of the implementation of the CDQ program to the Governor of Alaska using a frameworked application and review process. The State was charged with full review of CDQ proposals and making allocation recommendations to the

Secretary. The Secretary retained overall allocation decision authority, including the authority to modify an allocation at any time.

As part of the Community Development Quota program application process the Governor's designees as identified in AS §6 AAC 93.915 establish a schedule for the receipt of the applications, initial application evaluation, public hearings and final application review. Within a reasonable time before the beginning of the application period, the designees also publish a notice of the CDP application schedule in at least one newspaper of general circulation in Western Alaska and one newspaper of general circulation in the state. The state also mails a copy of the notice to eligible communities. The application period will be a minimum of 14 days except as provided for in AS §6 AAC 93.075 which states the governor can, at his discretion, relax or reduce the notice requirements if the governor determines that a shortened or less expensive method of public notice is reasonably designed to reach all interested persons.

The CDQ application is required to contain a description of the goals and objectives of the Community Development Plan (CDP), the allocation requested, the length of time necessary to achieve these goals as well as the number of individuals expected to be employed and a description of vocational and educational training programs the CDP will generate. The CDP should also include a description of the existing fishery related infrastructure and how the CDP would use or enhance existing harvesting or processing capabilities, support facilities and human resources. The CDP is also required to include a description of how new capital or equity will be generated for the applicants fishing or processing operations; a plan and schedule for transition from reliance on the CDQ to self-sufficiency in fisheries; and a description of the short and long-term benefits to the applicant from the allocation.

Upon receipt of the CDP applications the governor's designees perform an initial evaluation of the CDP to determine if it is complete and has the necessary information required under §6AAC 93.025. The designees, staff members of the Departments of Community and Regional Affairs, Fish and Game, and Commerce and Economic Development, schedule a public hearing in accordance with federal regulations. The governor's designees then take into consideration the CDP application and public testimony and select those applications that they believe best satisfy the objectives, requirements, and criteria of the CDQ program and recommend those applications to the governor, who in turn evaluates and makes the final recommendation to the Secretary of Commerce for approval.

The initial application process in 1992 occurred during an extremely short time frame. The ability of the eligible villages to organize into CDQ groups, develop a Community Development Plan and form industry partnerships is a testimony to the determination the people of western Alaska to gain the greatest possible benefit from the CDQ program.

During the last half of 1992, communities and fishermen's groups along the Bering Sea coast began to organize in response to the pending CDQ regulations. In order to qualify for a

CDQ allocation, an organization and its member communities had to meet several criteria. The major criteria for community qualification consisted of:

- Location within 50 nautical miles of the Bering Sea.
- Native village as defined by the Alaska Native Land Claims Settlement Act
- Residents conduct over 50% of their current subsistence and commercial fishing effort in the waters of the Bering Sea.
- No previously developed harvesting or processing capacity sufficient to support substantial groundfish fisheries participation

A total of 56 communities were eligible and all held meetings to select fishermen representatives. As the summer drew to a close, the communities coalesced into six different applicant organizations. The groupings were self-determined and were based primarily on geographical proximity and cultural boundaries.

Community Development Quota Groups	
Aleutian Pribilof Island Community Development Association (APICDA)	5 communities
Bristol Bay Economic Development Corporation (BBEDC)	13 communities
Central Bering Sea Fishermen's Association (CBSFA)	1 community
Coastal Villages Fishing Cooperative (CVFC)	17 communities
Norton Sound Economic Development Corporation (NSEDC)	15 communities
Yukon Delta Fisheries Development Association (YDFDA)	4 communities

List of CDQ Communities by Group

APICDA	Atka, False Pass, Nelson Lagoon, Nikolski, St. George
BBEDC	Aleknagik, Clark's Point, Dillingham, Egegik, Ekuk, Manokotak, Naknek, King Salmon/Savonoski, Pilot Point/Ugashik, Port Heiden, South Naknek, Togiak, Twin Hills
CBSFA	St. Paul
CVFC	Cherformak, Chevak, Eek, Goodnews Bay, Hooper Bay, Kipnuk, Konigianak, Kwigillingok, Mekoryuk, Newtok, Nightmute, Platinum, Quinhagak, Scammon Bay, Tooksook Bay, Tuntutuliak, Tununak
NSEDC	Brevig Mission, Diomede/Inalik, Elim, Gambell, Golovin, Koyuk, Nome, Savoonga, Shaktoolik, St. Michael, Stebbins, Teller, Unalakleet, Wales, White Mountain
YDFDA	Alakanuk, Emmonak, Kotlik, Sheldon Point

Membership of each CDQ group is composed of a representative of each member community. An appropriate governing body from each community joining a CDQ group had to elect a representative from the community to the CDQ organization's Board of Directors. Three-quarters of the members of each Board were required to be either commercial or subsistence fishermen.

In order to qualify for a pollock allotment, each CDQ group had to prepare a comprehensive Community Development Plan (CDP) application for presentation to the Governor of Alaska and the Secretary of Commerce. The application had to describe the communities and their economies and lay out the group's specific goals and objectives. The plans had to request specific amounts of pollock, and to describe specifically how the pollock proceeds would be utilized, including describing specific fishery development projects that would be pursued along with measurable milestones. Finally, the plans had to demonstrate that the CDQ group itself would be able to continue as a viable business entity after the CDQ program had ended.

#### Application Requirements:

- The CDQ group's goals and objectives
- Employment to be created
- Existing fishing related infrastructure
- Business plans
- Business and loan relationships
- Presentation of a budget
- Sufficient management and technical experience

#### Industry Partners

A large part of the 1992/93 application process for CDQ groups involved locating and contracting with an industry partner and developing programs to utilize anticipated CDQ revenues. Each CDQ group found it necessary to contract with an established seafood company to make sure that the pollock would be harvested and processed in an economically efficient manner. The concept of partnerships with industry participants was perceived as an excellent vehicle for joint venture investments. It also would facilitate an important transfer of skills and expertise in the seafood industry to the CDQ groups. It was hoped that the industry partners would contribute greatly to the entry of CDQ communities as successful participants in the Bering Sea fishing industry.

When pollock CDQs were imminent, a number of major pollock harvesters and processors investigated partnerships with potential CDQ recipients. A request for proposals process ensued in which each CDQ group chose from a variety of offers. Each industry proposal contained a different mix of payments, training, employment opportunities, and assistance with other regional fishing business ventures. Existing pollock harvesters and processors were interested in the CDQ program because it gave them an opportunity to continue to operate their vessels at a time when they might otherwise be idle.

The industry partners were chosen by the CDQ groups based on the mix of which most closely fit the development goals of that group. Each of the six groups agreed to a specific price per metric ton for the use of CDQ pollock or a base price plus some form of profit sharing.

By the time the 1994/95 application process occurred, a steep decline in pollock prices had demonstrated the volatility of the pollock market. Several of the groups switched from a fixed fee to a base price and profit sharing. This was done both to provide a higher potential price to the CDQ groups and to protect the industry partners in the event of a continued pollock market collapse.

**CDQ organizations and their industry partners (1992 - 1995):**

Aleutian Pribilof Community Development Association	Trident Seafoods, Inc.
Bristol Bay Economic Development Corporation	Oceantrawl, Inc.
Central Bering Sea Fishermen's Association	American Seafoods Company, Inc.
Coastal Villages Fishing Cooperative	Golden Age Fisheries
Norton Sound Economic Development Corporation	Glacier Fish Company
Yukon Delta Fisheries Development Association	Golden Alaska Seafoods, Inc.

### CDQ Allocations

The pollock allocations for 1992 and 1993 were made in late 1992. Different amounts were given to each group based on the number of communities they represented, their expressed needs, and the soundness of their plans.

Approved CDQ Allocations	1992/93	1994/95
APICDA	18%	18%
BBEDC	20%	20%
CBSFA	10%	8%
CVFC	27%	27%
NSEDC	20%	20%
YDFDA	5%	7%

The 1994 and 1995 allocation process began in early 1993 and the Secretary made final allocations late in the year. As indicated in the above chart, changes were made to the 1994 and 1995 allocations.

As stated earlier, the allocation decisions are based on the CDQ organization's Community Development Plan(CDP) and their ability to implement and fulfill their goals. The allocation process is of a competitive nature with each group preparing a CDP that would provide substantial gain to their communities. This was done to ensure the greatest benefit to the residents of the region.

### CDQ Groups' Goals & Objectives

Each CDQ group proposed to use its funds to create more local development opportunities. To this end, all are using funds for training and education, jobs, and infrastructure development. Because of their different geographical locations, existing economic conditions, and other local employment opportunities, each group developed a different program philosophy. The result has been a blend of investing, training, and infrastructure development all aimed at developing and improving the regional fisheries and overall economies.

All but one of the groups declared itself a non-profit corporation. The one group which formed a for-profit company entered into a partnership in a factory-trawler. Most of the groups have since formed auxiliary for-profit corporations to participate in business projects and activities. These include YDFDA's small boat fleet, APICDA's Management Company, NSEDC's Norton Sound Fish Co., and CVFC's salmon processor. More for-profit ventures such as these are being developed as more development plans are implemented.



By declaring themselves to be non-profit corporations, each group had to seek a ruling from the Internal Revenue Service as to whether or not these activities and corporate structures would qualify. The wait for the IRS ruling resulted in an important-side benefit: each group was required by the State to keep 40% of their revenues in a dedicated tax liability fund. Consequently, during the first year of the CDQ program the groups were subject to enforced savings. This allowed them to grow and refine their development plans without over-spending on initial projects. The expenditure and savings patterns of the groups for 1992/93 reflect this.

### **CDQ Group Primary Development Philosophies**

Due to the regional idiosyncratic nature of the CDQ groups, each CDQ organization developed goals and objectives to meet the both the long and short-term needs of their communities. As reported earlier, each group has commonalties such as high unemployment, low living standards and limited economic development opportunities. How each region decides to address these issues is entirely self-determined. The list of development philosophies below is an indication of the differing objectives of each group.

#### **APICDA -**

Create income and infrastructure generating business opportunities for the CDQ group in local communities and businesses.

#### **BBEDC -**

Create an investment fund with which to invest in the seafood industry outside local, highly capitalized fisheries.

#### **CBSFA -**

Use CDQ income to leverage local infrastructure development.

#### **CVFC -**

Invest in ownership of offshore processor and use vertical integration and CDQ allocations to generate local employment.

#### **NSEDC -**

Increase participation and profitability by residents in regional fisheries and invest in the seafood industry.

#### **YDFDA -**

Train community residents as fishermen and finance vessel and gear loans and infrastructure development

### **CDQ Program Monitoring**

The CDQ program requires both federal and state oversight. The federal and state governments have each added staff to respond to monitoring needs. Approximately the equivalent of one federal and three state full-time positions are dedicated to the CDQ administration as well as part-time assistance on policy-making decisions by staff from several agencies.

The federal monitoring agency is the National Marine Fisheries Service. Federal responsibilities include daily monitoring of catch, debriefing of fishery observers, writing regulations, and review of the overall program. As is the case in the open-access fishery, federal funds support the fishery management and allocation decision making process.

The State is responsible for the ongoing monitoring of each CDQ group's performance, ensuring compliance with CDQ plans and regulations, providing professional assistance, reviewing quarterly and annual reports, and participating in the allocation decision making process. State agencies involved in this process include the Departments of Community and Regional Affairs, Fish and Game, and Commerce and Economic Development. The State requires quarterly reports, conducts several meetings with each group annually, requires annual audit and compliance reports, and retains the right to conduct an internal audit and review of any CDQ group's accounts at any time.

### **CDQ Fisheries Monitoring**

All at-sea processors in the open access pollock fisheries are required to carry a single authorized government observer. However, with the necessity of accurate accounting for all harvests to the pound, new methods were required. The CDQ organizations were attuned to this especially in terms of bycatch of species such as salmon and herring. These species are important to western Alaskans for both commercial and subsistence fishing. Therefore, the industry partners and CDQ groups voluntarily instituted new monitoring systems. They began using two observers on each processing vessel so that the trawls could be observed around the clock. Also, they began implementing methods to volumetrically measure all harvest. The methods determined by the North Pacific Fishery Management Council may be used as a basis for monitoring programs currently under consideration for the rest of the industry.

#### IV. OVERVIEW OF CDQ GROUPS AND ACTIVITIES

This chapter provides a brief overview of each CDQ group and the activities that it has undertaken to date.

Table IV-1 provides an overview of all activities of the six CDQ groups. Activities listed in bold type are actually underway. Activities listed in italics are in a development or planning stage. Activities listed in parentheses are potential projects which have been suggested by the CDQ groups in their Community Development Plans or other documents.

Table IV-1

CDQ Organizations	APICDA	BBEDC	CBSFA	CVFC	NSEDC	YDFDA
<b>PROJECT TYPE</b>						
<b>Administration</b>	X	X	X	X	X	X
<b>Business Development</b>						
<i>Alaska Seafood Investment Fund</i>		X				
<i>Salmon &amp; Herring Marketing</i>					X	
<i>(Coastal Village investment Fund)</i>				X		
<i>(Cattle Ranch -revoked)</i>	X					
<i>(Nikolski Tourism - revoked)</i>	X					
<i>(Vessel Haul Out/Storage)</i>			X			
<i>(Seafood Waste Conversion)</i>			X			
<i>(Entrepreneurship Program)</i>		X				
<b>Employment</b>						
<b>Resident Employment Program</b>	X	X	X	X	X	X
<b>Equity Investments</b>						
<b>APICDA Management Co.</b>	X					
<b>APICDA Joint Ventures</b>	X					
<b>Imparpiqamiut Partnership</b>				X		
<b>Longline Partnership</b>			X		X	
<b>Norton Sound Fish Co.</b>					X	
<b>Yukon Delta Fisheries, Inc.</b>						X
<i>J/V Floating Processor</i>						X
<i>(Longline Vessel)</i>						X
<b>Fishery Development</b>						
<b>Salmon Restoration Program</b>					X	
<b>Exploratory Fishing Research</b>			X	X		X
<b>Product Diversification Program</b>	X			X	X	
<b>St. Lawrence Halibut Fishery</b>					X	
<i>( Fishery Development Grants)</i>		X				

ORGANIZATION	APICDA	BBEDC	CBSFA	CVFC	NSEDC	YDFDA
<b>IFQ/Limited Purchase</b>						
IFQ Fund	X					
Permit Brokerage		X				
IFQ/Permit Fund					X	X
<b>Infrastructure</b>						
Atka Dock Facility	X					
St. George Harbor	X					
False Pass Gear Storage	X					
Nelson Lagoon Dock	X					
False Pass Dock Improvement	X					
Nome Dock					X	
Savoonga Ice Delivery System					X	
Koyuk Ice Machine					X	
St. Paul Harbor			X			
St. Paul Dock			X			
Nikolski Boat Ramp	X					
Moses Pt. Buying Station					X	
Golovin Buying Station					X	
(Infrastructure Fund)		X				
<b>Loan Program</b>						
Small Business	X					X
Boat & Gear	X	X	X	(X)	X	X
<b>Processing Plant</b>						
Atka Pride Seafoods J/V	X					
Unalakleet Fish Plant					X	
Coastal Villages Fisheries				X		
Emmonak Cooperative						X
Norton Sound Crab Co.					X	
Shaktolik Plant					X	
Mekoryuk Plant				X		
Nelson Lagoon Plant	X					
(J/V Shoreside Plant)			X			
<b>Scholarship</b>						
Scholarship Program	X	X	X	X	X	X
<b>Training</b>						
Shoreside Training Program	X					
Vocational Training & Education (Salmon Roe University)	X	X	X	X	X	X
(Observer Training Program)		X				
<b>Other</b>						
Impact Fund			X			

Activities are listed in thirteen different categories. All groups are involved in some categories, including administration, training, employment and scholarship programs. In contrast, only some groups are involved in IFQ purchases, infrastructure development, fisheries development and equity investments.

The remainder of this chapter provides a more detailed description of the goals and activities of each group.

## **ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION**

The Aleutian Pribilof Island Community Development Association (APICDA) represents the five communities of Atka, False Pass, Nelson Lagoon, Nikolski and St. George. Their industry partner is Trident Seafoods, Inc. APICDA received 18% of the total CDQ pollock allocation in 1992 - 1995.

### **Goals**

According to the Community Development Plan submitted by APICDA, the major goals of APICDA are as follows:

- 1. Provide capital for construction and investment to facilitate community participation in Bering Sea/Aleutian Islands fisheries.** APICDA plans to acquire and conserve capital to avail itself of investment opportunities while at the same time be aware of the overcapitalization of the fishing industry. When making investments, APICDA must review a variety of factors to properly gauge the value of the opportunity.
- 2. Provide and promote employment and educational opportunities for local residents in all aspects of the Bering Sea/Aleutian islands fisheries.** APICDA member communities are strategically located in the Aleutian Island/Bering Sea region. As the economic health of the industry deteriorates, and fishing seasons become shorter and shorter, the location of support services becomes more and more important to the industry. Local infrastructure such as harbors and docks are necessary to provide support services. APICDA will strive to provide infrastructure development to all member communities.
- 3. To become a self-sustaining entity that will foster continued development, participation and stability for the regions communities and their residents.** In the APICDA communities, there is no more valuable right than access to the right to fish commercially. To the extent that local residents do not receive IFQs, and/or to the extent that the accompanying CDQ programs for halibut and sablefish are insufficient to meet the harvest needs of local residents, APICDA plans to participate in programs designed to assist local residents in acquiring IFQs.

### **CDQ Group Management/Administration**

APICDA's board of directors employs the firm of Pacific Associates for the daily management of the organization. Pacific Associates offices are located in Juneau, Alaska. APICDA also employs community liaison officers to disseminate information throughout their communities. Management and policy decisions are made by the Board and carried out by Pacific Associates, their harvesting partner and subsidiary corporations.

### **Other CDQ Activities**

**Offshore Employment** - Trident/Starbound offers a preferential hire program for residents of the APICDA area. They also provide training when needed and are investigating the establishment of a shoreside training program.

**Training and Educational Program** - APICDA's training program strives to provide meaningful employment and training opportunities by ensuring that all residents of APICDA communities fully understand the program. APICDA does this through employment of community liaison officers in each community.

**Product Diversification Program** - The product diversification program constitutes a major commitment to work with Trident and Starbound to develop new and expanded product forms from salmon.

**APICDA Joint Ventures - Atka Pride Seafoods** - APICDA formed a joint venture partnership with Atka Fishermen's Association to upgrade the existing processing facility and operate the processing plant as Atka Pride Seafoods.

**APICDA Management Corporation - AMC holds all wholly owned subsidiaries of APICDA. - Atka Floating Dock** - APICDA has constructed a small floating dock to serve the needs of the community until a larger, permanent dock can be constructed. AMC also owns three 32' longline vessels which are operated by local residents.

**False Pass Dock Improvement** - APICDA allocated funds to install sewer and water services to the dock.

**St. George Dredge** - APICDA provided \$1.2 million to match the \$3.3 million of state funds to dredge the St. George Harbor. APICDA views this as an economic investment since APICDA will participate in subsequent economic activity.

**St. George Dock** - APICDA has allocated almost a million dollars during 1995 for the design and construction of a dock in St. George. This facility will be owned by

APICDA Management Corporation and will be located on land APICDA leased from the City of St. George as a quid pro quo exchange for APICDA's earlier contribution toward the completion of the Zapadni Bay dredging project.

**Loan Guarantee Program** - APICDA has plans to provide an IFQ loan guarantee program to assist local residents in purchasing halibut and sablefish quota shares.

**Nelson Lagoon Dock** - The Nelson Lagoon Dock project continues on schedule, construction is expected to begin in the spring of 1995.

### **BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION**

Bristol Bay Economic Development Corporation (BBEDC) represents the thirteen communities of Aleknagik, Clark's Point, Dillingham, Egegik, Ekuk, Manokotak, Naknek, King Salmon, South Naknek, Togiak, Twin Hills, Pilot Point, Ugashik and Port Heiden. Their industry partner is Oceantrawl, Inc. BBEDC received 20% of the total CDQ pollock allocation in 1992-1995.

According to the Community Development Plan submitted by BBEDC, the major goals of BBEDC are as follows:

#### ***Long range goals:***

1. Increase and improve the quality of employment opportunities.
2. Develop long term employment opportunities and job diversification by funding vocational and academic scholarships.
3. Strengthen and expand the region's fisheries industry.

#### ***Specific Goals***

- A1 Provide a self-sustaining basis for community development and employment.
- A2 Employment for the region's residents.
- A3 Provide training and education to residents appropriate to developing new employment opportunities.

- A4 Develop a regional fishery's development plan that anticipates changes in North Pacific fisheries.
- A5 Provide for infrastructure development based on new economic development.
- A6 Develop a timely method for getting information about the corporation and its programs out to the region and interested public.
- A7 Develop and maintain an efficient and cost effective staff and internal administrative and management procedures.
- A8 Maintain an effective and efficient Board of Directors.

#### **CDQ Group Management/Administration**

The Bristol Bay Economic Development Corporation offices are located in Dillingham, Alaska. Employment at BBEDC consists of an executive director, an office manager and secretary. Various consultant services are contracted as needed.

#### **Other CDQ Activities**

**Offshore Employment Program** - BBEDC works closely with their industry partner, Oceantrawl, to place their people on factory trawlers as entry level workers and encourages upward mobility.

**Permit Stabilization Program** - BBEDC has developed a permit brokerage business as an independent broker with Permit Masters. Permit Masters, Ltd. in Seattle is an established and reputable broker of fishing permits. The objective is to retain limited entry permits within the community when an individual is forced to sell his/her permit for various reasons.

**Training and Scholarship Program** - The training program has altered from the original 1993 CDP. Factory trawler training at a vocational school has decreased due to the fact that Oceantrawl prefers to do their own training. BBEDC is concentrating on basic vocational training to develop human resources in a broad and diverse context. BBEDC is also working with industry and government to develop an observer training program for the region.

**Alaska Seafood Investment Fund** - BBEDC has established the Alaska Seafood Investment Fund (ASIF) to make investments in Alaskan seafood businesses. These investments will be made outside of Bristol Bay's fully developed sockeye salmon and herring fisheries.



## **CENTRAL BERING SEA FISHERMEN'S ASSOCIATION**

Central Bering Sea Fishermen's Association (CBSFA) represents the community of St. Paul. CBSFA was allocated 10% of the total pollock CDQ allocation for the 1992/93 season and 8% for the 1994/95 season.

According to the goals of CBSFA's Community Development Plan, the major development goals are as follows:

1. Develop for St. Paul Island a stable, self-sufficient, enduring and diversified economy not based on the harvest of fur seals, as directed by the Fur Seal Act Amendment of 1983.
2. Develop an appropriate locally based, locally owned, Bering Sea fishing fleet, to contribute community economic benefits and stability, key participation in local fishery business infrastructure, and safe and efficient harvest of local commercially valuable species.
3. Establish and maintain local access to Bering Sea resources as a key component in establishment and maintenance of an economy for St. Paul Island.
4. Establish Aleut participation and CBSFA participation in management and preservation of a Bering Sea ecosystem that supports rational use of renewable Bering Sea resources for the benefit of all persons.
5. Convert and merge a successful community fishery development plan and CDQ quota with the NPFMC fishery rationalization plan.

### **CDQ Group Management/Administration**

Central Bering Sea Fishermen's Association is managed by the President of the board of directors who acts as the executive director of CBSFA. CBSFA's main office is located in Anchorage, with another office in St. Paul. CBSFA staff is mainly comprised of St. Paul residents, with consultants contracted on a part-time basis.

### **Other CDQ Activities**

**St. Paul Harbor Dredge** - CBSFA along with the State of Alaska has committed funds for the dredge of the St. Paul Harbor. This project has an expected completion date of Spring 1995.

**Temporary Marine Facilities** - A small dock will be constructed upon completion of the harbor dredge. The dock has been designed and materials purchased, however construction is on hold pending completion of the dredge.

**Scholarship Program** - CBSFA has dedicated funds to a scholarship fund for St. Paul Island students accepted to institutions of higher education.

**Vocational Training** - CBSFA makes funds available for St. Paul Island Aleuts to obtain vocational or technical training in any field related to development of a fishery economy on St. Paul Island.

**Fishery Employment** - CBSFA will provide meaningful employment for the Aleut population of St. Paul Island. Jobs will be generated in commercial fishing operations, seafood processing, resource management and other fishery management and service related employment opportunities.

**Vessel Loan Program** - CBSFA loans up to 1/3 of the value of a vessel at reduced interest rates for locally qualified applicants who are successful in obtaining traditional financing for the remaining 2/3.

**Gear Loan Program** - CBSFA provides 100% financing for local fishermen at reduced interest rates to finance fishing gear for locally owned fishing vessels.

**Test Fishery Project** - CBSFA chartered a Bering Sea fishing vessel to test fish waters around St. Paul Island using a variety of small vessel pot gear to determine future fishery development.

**Equity Investment in Longline Vessel** - CBSFA has purchased ownership interest in the F/V Zolotoi.

**Impact Fund** - CBSFA has established an impact fund available for social, recreational and cultural impacts.

## COASTAL VILLAGES FISHING COOPERATIVE

The Coastal Villages Fishing Cooperative (CVFC) represents the communities of Cherformak, Chevak, Eek, Goodnews Bay, Hooper Bay, Kipnuk, Konigianak, Kwigillingok, Mekoryuk, Newtok, Nightmute, Platinum, Quinhagak, Scammon Bay, Tooksook Bay, Tuntutuliak, and Tununak. CVFC received 27% of the total pollock CDQ allocation during 1992 - 1995.

The Community Development Plan submitted by CVFC identifies the following major development goals:

1. Through the CDQ program, to develop a self-sustaining, self-sufficient fisheries economy in the CVFC region.
2. Develop the technical and managerial potential of CVFC members to own and operate a diversified fishing company through a "career track" program.
3. Provide jobs and expand employment opportunities for the residents of CVFC member villages.
4. Accumulate capital for Coastal Village region fisheries infrastructure development through:
  - Profit distributions from CVFC/Golden Age Fisheries(GAF) owned vessels
  - Employment on CVFC/GAF owned vessels in the CDQ fisheries or others
  - Employment on all other GAF owned vessels in all fisheries
  - Identification and development of new local fisheries resulting from nearshore trawl survey
  - Increase employment in local fisheries
  - Increased ownership of local fisheries
  - Expanded markets for local fisheries
  - Higher prices for products from the local fisheries through competition
  - improved quality control and product development
  - Higher prices for products through sales and marketing which emphasize the superior quality of CVFC region products
5. Invest capital in new ventures to further develop the Coastal Villages region.
6. Establish CVFC ownership in onshore processing facilities (for value-added production) and off-shore harvesting and processing capacity (factory trawlers, longliner, crab and processing vessels) capable of fishing in nearshore and offshore fisheries.
7. Provide markets for local salmon and herring fisheries.

### **CDQ Group Management/Administration**

The Coastal Villages Fishing Cooperative, organized as a *for-profit* cooperative corporation, made a conscious decision to remain relatively small and lean during its early development. The cooperative employs four individuals: one each located at offices in Chevak, Bethel, Tooksok Bay and the executive director in Juneau.

### **Other CDQ Activities**

**Resident Employment Program** - CVFC has an employment coordinator who actively recruits CVFC residents for employment and internship opportunities especially with Golden Alaska Fisheries ventures.

**Scholarship Fund** - CVFC and GAF created the Coastal Villages Scholarship Fund through the contribution by CVFC and GAF joint ventures of 5% of their profits. The fund has been incorporated as a non-profit corporation under the State of Alaska and awards scholarship grants or loans.

**Coastal Village Fisheries** - CVF is the first major locally owned salmon operation on the Kuskokwim river. This venture became operational in 1993. Due to poor salmon returns, CVF did not operate in 1994.

**Imarpiqamiut Partnership** - A fundamental part of CVFC's CDP is the 50% ownership in the F/T Brown's Point with its partner, Golden Age Fisheries. This vessel provides CVFC with direct access to the Bering Sea groundfish resources as well as a platform for processing value-added salmon products. This also allows for training of CVFC residents aboard their own vessel.

## **NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION**

The Norton Sound Economic Development Corporation (NSEDC) represents the villages of Brevig Mission, Diomedes/Inalik, Elim, Gambell, Golovin, Koyuk, Nome, Savoonga, Shaktoolik, St. Michael, Stebbins, Teller, Unalakleet, Wales and White Mountain. NSEDC was allocated 20% of the total CDQ pollock allocation in 1992 - 1995.

According to the Community Development Plan submitted by NSEDC, the major goals of NSEDC are as follows:

1. Employment continues to be the top priority for the 94/95 program for the Bering Strait region. Increased employment and the resulting income are the prime objectives behind each of the programs described in the CDP. Whether the employment is jobs in shoreside fish plants, on floating processors, on fishing boats in existing or new fisheries, in office work etc., NSEDC is committed to this program.

2. Self-Sustaining Fisheries Development.

Another priority is that NSEDC's activities and programs be able to stand alone. NSEDC was established as a permanent regional economic development force for the future.

3. Education and Training

One of the biggest components of the NSEDC CDP continues to be education and training. These goals are addressed through NSEDC's training, education and employment program, and the endowment fund.

4. Retention/Addition of Locally Held Permits

The ability to participate in many nearshore fisheries has traditionally depended on who owns the limited-entry permits. One of the disadvantages of the transferable permits is that the ownership of the right to fish in regional waters may be sold or awarded to a party outside of the community, meaning that some of the economic value of the fishery is not captured locally. NSEDC will provide local fishermen with loan funds to purchase limited entry permits and IFQ's.

5. Fisheries Rehabilitation and Enhancement

NSEDC intends to increase economic returns by rehabilitating or enhancing salmon runs in the Bering Strait region.

6. Provision of Value to State and Local Government

NSEDC believes that as in shore-based fisheries, CDQ operations should help pay for state costs related to establishing and implementing the CDQ program. The passage of a state landing tax by the Alaska legislature in 1993 accomplished this goal.

Oliver: Mr. Chairman, of course with any and all of these landings requirements, our assumption is that you would want to look at each of those different options with each of the options that you have under the qualification period. For every one that you have, it obviously becomes an exponential exercise. We could likely do what's on this list by June. Of course, it's going to depend what you end up doing with crab and some of the other things. Anything you can do to winnow down that list of landings requirements and without compromising what you think you need in front of you would certainly be helpful for us to get this done by June.

Pautzke: Perhaps we need to have Lisa tell us what she thinks we need to do as far as public review on this document. We're not going to do a wholesale restructuring of our document. Most of the things the public is going to use is out in the streets already. We'll be putting out another supplemental set of tables and so on but I guess where I'm heading is to give our staff as long a period as possible to put these things together. That we would be sending this thing out no more than a week ahead or so. Overnight expressing if necessary before the June meeting rather than trying to get any kind of twenty or thirty day type of thing. Is there any problem with that from your standpoint?

Lindeman: Mr. Chairman, I think it's a judgment call on the part of the Council as to how much time you think is necessary to give the public to review so you can get some kind of reasonable input at the June council meeting. And so the public will have a chance to review the document in order to give you some kind of reasonable comments on it in June.

Pautzke: That was a lot of help. So anyway, there's no legal problem whether it's a ten-day review or a thirty-day review.

Lindeman: No, Mr. Chairman.

Pautzke: It's up to the Council's judgment.

Benton: Given all that, I would move that we delete option 50 under this particular item and go with number 10.

Pereyra: Second.

Lauber: Moved and seconded. We would go with option 10. Is there any discussion. Is there any objection to the motion? Hearing none, it passes. Next . . .

Benton: Mr Chairman, a question of staff. Now that we don't have to do landings based on retained catch, but we are doing just numbers of landings, again it's my same question regarding the workload. This would be for area endorsements as opposed to the umbrella.

Hartley: Just to be clear, number 10 is the requirement you apply to the 800 time period.

Benton: Correct.

Hartley: The other one is for the other 400 A,B,C . . .

Benton: Correct.

Hartley: I think the answer is yes it still takes time. We've got four options - so four times four times four times three - it starts to add up.

Oliver: It will affect the number/stack of tables you have in front of you in June to get through, Mr. Chairman, as well so it isn't just a staff workload issue I'd guess.

Behnken: I would move just number 1 and number 2, cut out number 4.

Benton: I'd second that.

Lauber: Good move. One landing in a qualifying period and two landings in a qualifying period. Any discussion? Any objection to the motion? Dr. Fluharty do you object?

Fluharty: I guess I'm just concerned and maybe my concern is misplaced so you can correct me. We are not really sticking with our plan of keeping the cap on this and so that a single landing perhaps done on a speculative basis doesn't really imply to me that somebody is really intending to use or is dependent upon the fishery and it allows what appears to be a tremendous expansion of effort. Am I misreading this somehow?

Lauber: I don't know. This type of thing has bothered me. If you've got a rowboat, you're probably going to do an awful lot of landings, but if you've got a bigger boat that stays out longer, you're in one fishery, maybe they only make one landing or maybe they make two.

Fluharty: I think my objection would be satisfied if I felt that the Council was moving towards something that would constitute a substantial interest in a particular fishery however determined, whether it was by one landing or you know I notice we have minimum qualifying poundage down here as part of this that we're getting to. I just want to make sure that somehow we're not just opening this up, but we're really trying to help those who have a significant interest in the fishery.

Hegge: Thank you, Mr. Chairman. I think this is one of those that falls into the one size doesn't fit all because we've got all the fisheries. One may be a very small fishery that 10,000 pounds would be a season. Another one might be a Bering Sea fishery that the factory trawler will catch millions of pounds and we're trying to lump them all in and I think the only way to accommodate that is to make this simple and basic as possible.

Lauber: Any further discussion?

Benton: A question for Dr. Fluharty and maybe for staff. What I see is having in this particular item sort of a spread to get a little bit of a flavor of what the landings would do. Frankly, we already know what landings requirements do because we've looked at a number of different kinds of combinations through this analysis under a whole lot of different area/year qualifying periods. I think we have a fairly good sense of what landings requirements do and do not accomplish, but I guess I would ask Dr. Fluharty if the spread was a little bigger would that improve your comfort level that at least you have that information in front of you. Instead of it being one landing or two landings would be one . . . [change to tape 45 tape missing the end of this question and Dr. Fluharty's response] . . .

Benton: Mr. Chairman, if I could respond. The analysis for quite some time has shown that capacity and overcapacity really lies within a fairly narrow group of vessels in certain fisheries and that's primarily vessels over '90'. They take a vast majority of the resources that are being harvested in the waters off of Alaska. When you look at the analysis and you look at what landing requirements do, it doesn't really affect those vessels and therefore the overcapacity issue at all. What the landing requirements do is leave a very significant number of vessels that are not contributing to the major problem. By doing this, it really isn't going to address the problem of overcapacity. What it does do is it eliminates a lot of participants from engaging in the smaller scale fisheries which the AP identified when they were looking at how to craft a system that addresses many of the social and community concerns that the Council is also trying to deal with in the problem statement. So my view on it was

that the landings requirements don't really do us much in terms of addressing the problems that we have with some of the larger industrial fisheries and they run counter to some of the problems we're trying to address with regard to the smaller fisheries and community stability and community and social concerns.

Pennoyer: Like Dr. Fluharty, I'm not sure exactly which levels are right and the solution to this might be too complex for us to deal with as Dr. Pereyra indicated. What you seem to be saying is that more may be better in the small fleet so you don't need license limitation there as opposed to what you do in the big fleet where probably license limitation is not necessarily the right way to go anyhow. I'm having trouble. . . it seems to me we're dealing with some conflicting objectives on why we're doing this.

Benton: I think that in our opening dialog, Steve, that we both identified that there were multiple problems, some of which have conflicting kinds of solutions or solutions that don't necessarily lend themselves to addressing all the problems across the board. I think that this is one instance that is particularly germane to that. If you look in the analysis, you'll see that with the landing requirements that are in here that what you do is you eliminate roughly half or more of the under 60' vessels that are accounting for minimal amounts of the harvest. That's going to have a very significant social and economic cost in the small communities that those vessels come out of and a very significant social and economic cost on the fisheries that those people engage in. Without doing anything that would affect or cause any kind of reduction in the larger class vessels and in those fisheries they're fishing in. So I think it's actually quite in keeping with what we've been doing. What we are doing as we have stated several times is laying a foundation on which to build other solutions perhaps that will deal with the particulars of the fisheries and the kinds of activities that people are involved in rather than trying to come up with one solution that fits everything. I think that the landing requirements really don't do much at all and you're the one that keeps reminding us about the costs of implementing a program like this. We have made some very significant adjustments to this proposal today based on that. You're implementing report that we dealt with back in January spoke to the increased costs that some of these provisions would bring to the agency including species endorsements and some matters like that. I think we've done a fair amount of work here to try and make this program simpler and easier to implement and at the same time, I think we are addressing items in the problem statement in a very reasonable fashion. That was the rationale behind my motion and it comes from working through what I think is about three feet of material now and looking at the different permutations and how landings requirements affect the fleet across the board.

Pereyra: Mr. Chairman, in the past and some of the debates we've had here in the Council, I've been concerned about what I thought were fairly significant violations of National Standard 4. Here again, I think we have a situation where we are in violation of National Standard 4 and that is I think we are in fact discriminating between residents of states because the smaller vessels are residents in the State of Alaska and the larger vessels tend to be outside the state. I think that's an issue. I also think we have an issue here that this particular measure does not allocate fairly, and I guess that's the discrimination thing, but it's also not fair and equitable and all those who embodied National Standard 4. It's also, I think, a violation of National Standard 6 which says that conservation management shall also be taken into account and allow for variations and contingencies in the fisheries. I think if we go with some kind of straight landing poundage without creating it in some way and going into a fairly complex formula, I think that we would in fact be in violation of National Standard 6. I feel that the motion to eliminate poundages is consistent.

Benton: For purposes of clarification, maybe staff could answer the question. Is the poundage required here, the poundage that would be occurring on the one or two landings or for the entire qualifying period?

Hartley: That's for the entire period and I guess this qualifying landing is really an additional . . . it's part of the same landings requirement for the endorsement. It's an additional option there. It's not an add-on.



Oliver: It's meant to use as an option to use poundage as a criteria as opposed to number of landings. It's over the entire period.

Pautzke: But it would apply to the 800 part too wouldn't it?

Oliver: No, that was meant to apply to the endorsements.

Pautzke: Just to the area endorsements. Okay.

Fluharty: By doing what the proposed motion says that would mean that any landing qualifies in any amount landed over the entire period of qualification would qualify. The thing I'm struggling with and I'm very willing to work on - on ways to make an accommodation to the needs of communities and other things. I doubt that there are very many fisheries with 5,000 pounds and a 60 footer, 35' vessel that you can run it for what you can get for 5,000 pounds. This seems like a minimum requirement. It seems like the analysis we received that we requested from staff was to aid us in understanding where we're going with this. It wasn't intended to establish one piece of information that we should be using here and even there we're throwing out almost all the bottom limits which makes me uncomfortable.

Lauber: You know Dr. Pereyra raised an interesting point. He was saying that if we took the landing requirement out that would be a violation of National Standard 4 because it would . . .

Pereyra: No, the other way around - leave it in.

Lauber: Oh yes, excuse me. . . if you leave it in, it would be discriminatory because it would allow more vessels in one state than another, but isn't that actually true if . . . shouldn't we find out what the percentage, let's say for instance, if we have a 5,000 pound qualifying period and this, hypothetically, let's say that 5,000 pound qualifying period would cut out say 25% of the boats in one state, shouldn't we find a tonnage high enough on the larger boats that would likewise cut out 25% of those boats. That way we wouldn't be discriminating, we would be, maybe it wouldn't be as many boats but let's say we only cut out 25 of the vessels over 125', we just cut 25 of them out, find out what that poundage is and then maybe we cut out 300 under 125'. Then nobody could argue with us. We could find those figures someplace where there's landings and then there would be no allegation that we were playing favorites to one state over another.

Pereyra: Mr. Chairman, if you have a motion you would like me to make, I'd be glad to make it.

Lauber: But I don't know what the numbers are.

Mace: This really creates some problems. Quantity and value are the important issues here and vessels taking a high value product in a small quantity when you're trying to compare that to a load of arrowtooth flounder in order to reach this minimum poundage doesn't even make much sense to me and so I think we ought to leave it out.

Lauber: Any further discussion? Ready for the question? I guess you better call the roll on this one. The motion is to delete the minimum poundage requirements.

Pautzke: Mr. Benton, yes; Dr. Fluharty, no; Mr. Hegge, yes; Mr. Mace, yes; Mr. Pennoyer, yes; Dr. Pereyra, yes; Mr. Samuelson, yes; Mr. Tillion, yes; Dr. Barker, no; Ms. Behnken, yes; Mr. Lauber, yes; pass.

Benton: Next item, Who May Purchase Licenses. I would like to make a motion on this and then if I have a second I would like to speak to the motion. My motion would be to reinstate item number 2 which would mean

that licenses could only be transferred to persons with 76% US ownership with grandfather rights for those with less percentage than that.

Behnken: Second that.

Lauber: Okay, speak to your motion.

Benton: Thank you, Mr. Chairman. At the, I believe it was the January meeting, I asked I believe, well Council requested, from NOAA General Counsel an opinion regarding the percentage of US ownership issue. The question really was not one about whether or not the Council could regulate US ownership in corporations. Counselor and I had a fair amount of discussion about that on the record. My question was about whether or not the Council could condition licenses and in what regard can the Council condition licenses and establish criteria for the transfer of those licenses. I can't remember the exact example I used at the time, but I guess the example that comes to mind now is whether or not the Council could, for example, limit transfers of say licenses between vessel types for example size categories, something like that. Also, I guess just generally what is the nature of licenses somewhat comes to mind when I read NOAA General Counsel's opinion that we have received in response to the Council's request. I have two questions that really do sort of bother me when I read the opinion. First, and this is because I wasn't altogether clear at the meeting where this request came, Counselor, to me this doesn't really approach the question that I asked because what this written opinion does deal with is whether or not the Council can regulate ownership of corporations. I thought we fairly, clearly understood that the Council can't regulate that, that's established under US law. The question really was whether or not if the Council establishes criteria for initial issuance of licenses and in the subsequent transfer of those licenses to what degree can the Council establish criteria for those subsequent transfers. That was the question and to the extent that this - I'd like to have some clarification on how this particular legal opinion addresses that question. More importantly, there's something else in here that coupled with the previous opinion we got from the Department of Commerce that does bother me quite a little bit. The first opinion that we got from the Department of Commerce seemed to indicate that because of prior investments that anybody that participated in the fisheries that would be a taking to exclude them from the fisheries under international law. But that the subsequent transfer of fishing rights quota shares could be dealt with on a proscriptive basis. This legal opinion says in part that the documentation of a vessel bestows and I quote, "an unequivocal right to fish" and that is a somewhat interesting legal interpretation if we're dealing with limited access systems of any kind. If we're dealing with other fishing regulations I guess, I mean if there's an unequivocal right to fish can the Council close fisheries because of conservation concerns? What happens if we issue quota shares in an IFQ fishery and then those quota shares are devalued because stocks go down, is that a taking? What happens if we engage in developing programs to reduce bycatch that might have an economic impact on the value of those quota shares? That really is my question, what does it mean when it says an unequivocal right to fish?

Lindeman: Mr. Chair. Mr. Benton, you said a lot and I'm not really sure where I should start, but the first part is this legal opinion is in response to a request from the Council. The distinctions you were drawing in January, I'd asked for something in writing so I could respond and I never received that. That's why this doesn't respond maybe to the questions you were raising in January. The second point is the Council can set criteria for licenses, for transfer of licenses, but those criteria have to be consistent with the Magnuson Act. Magnuson Act provides that a fishing vessel is a vessel that is documented under the U.S. Coast Guard documentation laws to be able to fish. That's why the Council cannot impose restrictions on those fishing vessels that are more stringent than what is in the U.S. Coast Guard documentation laws. Right now, the documentation laws provide that fishing vessels have to have majority U.S. citizen for management and for fishing vessels other than grandfathered fishing vessels, the maximum stock ownership has to be 50% U.S. citizens. For grandfathered vessels, there's no stock ownership requirement. Whatever criteria the Council sets out for initial recipients of licenses and for transferees of those licenses, you can't be more strict than what the Coast Guard documentation laws provide now, so therefore, that's why this 75% requirement, if the Council chose to include that, the Secretary of

Commerce would have to disapprove that because he does not have the authority under the Magnuson Act to put that kind of a provision in license limitation or other limited entry programs. With respect to why can the Secretary or the Council have closed seasons or other management provisions. There's a distinction between regulating fishing and prohibiting fishing and closed seasons and other kinds of management measures that are taken under the Magnuson Act authority to manage the fisheries. The issue with unequivocal right to fish - if a fishing vessel is documented under the Coast Guard documentation laws, they have a right to fish except if the Council has some limited entry system in place that says well you don't qualify under certain criteria other than foreign investment or U.S. ownership or whatever in that vessel. In the quote you're taking from, the opinion is one that is a quote from a Supreme Court opinion. My recollection is it was a case involving the State of Virginia and they wanted to condition the rights of vessels to fish in their fisheries as long as they were, I think, Virginia citizens, something like that. . . something similar to this and the Supreme Court said you can't do that. I know I missed some of your points. The international law opinion just went to authority under international law. This opinion goes to domestic law, and frankly, if you can't do it under domestic law, you're going to be stopped there before you even get to the international.

Benton: Counselor, I guess the question I would ask then is does this unequivocal right translate into takings for quota shares?

Lindeman: What do you mean Mr. Benton?

Benton: Or licenses. My question really is to what extent this right would extend to quota shares that were allocated to a vessel or an individual, however we chose to allocate them. If those were devalued or subsequently withdrawn, would that be some kind of a taking?

Lindeman: Mr. Chairman, that question came up with the halibut and sablefish IFQ program and it's our opinion that these quota shares or IFQs or whatever, in licenses - they're privileges to fish. If they were devalued, the Secretary retains the prerogative to eliminate them, and we would not regard that as a taking.

Benton: Mr. Chairman, I find this quite inconsistent, but I'll withdraw my motion unless my second doesn't agree.

Lauber: Anyone can object to withdrawing the motion. Is there any objection to withdrawing the motion? Hearing none, the motion is withdrawn.

Behnken: Just one further question if I could. Counselor, is there any difference between limiting transfers and limiting use of licenses or quota share?

Lindeman: Mr. Chairman, Council I suppose could set up criteria for transferring use, but you could not restrict use on the basis of documentation. I think, Mr. Benton, that was related to a question you asked me back in January and it has not changed, it's still no. You couldn't condition that on anything related with the documentation laws.

Behnken: One more question. What are the requirements for operating, in terms of citizenship, operating a vessel in the United States zone.

Lindeman: I would defer to Captain Anderson. That's Coast Guard.

Captain Bill Anderson: Operating meaning the master of the vessel. The operator must be a U.S. citizen.

Behnken: If we wanted U.S. citizens operating these vessels, the license would have to go to the person who operates the vessel rather than the vessel owner.

Pereyra: Mr. Chairman, I guess this is a question for Counselor. I don't know if she's able to answer this or not. It's my understanding that the control provisions in the documentation laws turn on several issues. Ownership being one of them. Another issue is control whatsoever. Now, is that term "control whatsoever" broad enough to also include situations where a vessel which might have 75% or say 51% ownership by U.S. citizens, the output from that vessel is controlled by virtue of an exclusive marketing arrangement with a company which is 100% foreign owned. Can the "control whatsoever" language in the documentation laws be interpreted to mean that that vessel would no longer qualify?

Lindeman: Mr. Chairman, I don't know, but if the Council wants to get into that kind of questioning and detail on the documentation laws, I'm would defer to Captain Anderson.

Pereyra: The reason I raise this is because when we get into these sorts of issues and we start to raise them, I think we're getting into an area that has all sorts of ramifications that we don't realize that we're getting into. That's why I'm sort of pleased to see that we're sort of backing away from these efforts to somehow try to reshape the world as we think it should be above and beyond what others have already decided it's going to be.

Lauber: Next case. Don't we need to, I know it might be painful to have you make this motion but the Counselor raised this issue earlier about deleting the . . .

Lindeman: Yes, Mr. Chairman, to delete the "greater than 50% U.S. ownership" that's in parenthesis.

Lauber: Is there any objection to the deletion of that line?

Benton: Mr. Chairman, I would be pleased to make that motion for the Counselor.

Tillion: Second.

Lauber: It's been moved and seconded. Is there any objection to the motion which would delete the phrase, "greater than 50% U.S. ownership." Hearing none, the motion passes. Now we can move on.

Benton: I guess I don't have to make a motion with regard to Vessel License Linkages other than to say that I would suggest we accept what the AP has already done.

Lauber: Moving on.

Benton: Really, I have nothing more to add until we get down to License Ownership Caps.

Lauber: By the way, as we go through these if Mr. Benton doesn't have it locked up, anybody else that has motions as we get to an item, you can make them.

Mace: One additional item on the linkage thing is that we should subject it to the 20% rule.

Benton: Yes, Mr. Mace that's true. I think we cleared that up a little earlier with Mr. Pennoyer too, that the 20% rule applies to vessel upgrades, transfers and that kind of thing. License Ownership Caps, I would move that we delete number two. [change to tape 46]

Lauber: You're talking about a deletion in addition to those items deleted by the . . .

Benton: Yes, my understanding is that the AP motion would be to include option number 1 and option number 2, and I would move that we delete from the AP recommendation, option number 2.

Tillion (?): Second.

Benton: Mr. Chairman, if I could speak to the motion.

Lauber: Yes, please do.

Benton: For quite a while, I have believed that we should try and have some kind of license ownership cap, but having seen all the permutations that are gone through with, for example, halibut/sablefish program to deal with some of that issue with consolidation issues and the creativity that the legal profession and the fishing industry when they get together can exert to try and deal with things like this. I guess I came to the conclusion that it would not be a workable provision.

Lauber: Okay, further discussion? Is there any objection to the motion? Hearing none, it passes.

Behnken: I suppose this would be a question of Counselor again. I guess I thought under Magnuson, in crafting limited entry programs we have to ensure that no person obtains an excessive share and I'm just wondering if we drop this, how are we going to do that?

Lindeman: Under standard 4, it does say that the allocation or assignment of fishing privileges among United States fishermen, if that becomes necessary, the allocation shall be fair and equitable to all such fishermen; reasonably calculated to promote conservation; and the third is, carried out in such manner that no particular individual, corporation or other entity acquires an excessive share of such privileges. That is a requirement. I don't know how or if there are other methods of doing that.

Lauber: This is only giving the person the right to fish. By getting these endorsements or licenses does not give them an excessive share unless we're narrowing down to the point that there's not very many people in the fisheries. You might have to be concerned about that when it comes time, when a person has a lot of endorsements and licenses and we say put in an ITQ program that we would then maybe put in some kind of cap. At this point, there's nothing . . . it's not a share of the fish, it's just your right to go fishing.

Lindeman: I wasn't giving any opinion on the alternatives here, I was just confirming there was a requirement.

Lauber: I don't think that is even applicable. Any additional motions under groundfish?

Hegge: Just a clarification for me from staff. I guess for a better feeling. The way we have this written, we can be reasonably sure that only one license will be generated from a vessel, or I guess one umbrella. What we've seen in the past for instance in Chatham, is that four or five licenses would suddenly be generated off of a vessel because a number of people at one time made the landing or something like that. Are we completely safeguarded against that?

Hartley: Mr. Chairman, your license recipient issue is the current owner of the vessel and I think we took that to mean that only one license would go to that vessel, and it would be issued to the owner. If there are multiple owners of the vessel at the time, it would still only be one license. We're not issuing to permit holders in this case.

Hegge: One other thing, I see Phil's here, maybe he's going to have to answer. Say I own vessel X in the moratorium period and accrued quite a catch history on that vessel in the pollock fishery. Subsequently, sold it

to have a new vessel and I get my endorsements or whatever off that new vessel, but then we go along and do an IFQ program, I would walk in with all my landings off my first vessel and I would really be the only one who would have those landings and yet I don't think I'd get them. I think the guy that owned the vessel at that time would get them. Is that right?

Lauber: Wouldn't we have to handle that when setting up the ITQ?

Hegge: I just don't want to get us in a corner where we can't set it up, that's all. I'm trying to see that we have ...

Benton: Mr. Chairman, I don't have anything until we get over to page four. Mr. Chairman, with regard to Community Development Quotas, I would move that we restore the range of percentages that's in the Council's document. That would be 10% and 15%.

(?): Second.

Pennoyer: Mr. Chairman, I'm sorry, what was the motion?

Lauber: The motion is under Community Development Quotas and the motion proposes to put back in options 10 and 15 percent.

Mace: Question of Marcus. Is this data compiled and available on 10 and 15 percentage rates? Is this going to take extra analysis?

Hartley: There's really nothing to analyze. It's 10% of the TAC. When you set the TAC, you take 10% off of it and that's what goes.

Mace: We've cut and dried the thing.

Pereyra: What about impacts. Do you have those all covered? I mean it's nice to say just take 10% off the top, but it doesn't come without a cost.

Oliver: In the discussion we have in the original EA/RIR on the CDQ options, it's a rather qualitative discussion in terms of what a CDQ allocation would mean and whether it be 3, 5, 10 or 15 percent, it's obviously an allocation of benefit to whoever is receiving it. The reciprocal of course is it's at some expense to the remainder of the fleet. Trying to quantify the actual implications to the rest of the fleet to what that range of alternative CDQ allocations is something we didn't attempt to do really. Unless you gave us perhaps some better guidance, we're a little bit unsure what it is you would want us to try to ascertain in terms of impacts.

Pereyra: No doubt the AP discussed this because they took a vote on it. What was the flavor of the AP discussion and why did they eliminate 10 and 15 percent?

Oliver: My sense of the discussion that the Advisory Panel or as a group they felt that up to 7½% which corresponds to the existing pollock program was a reasonable amount for consideration. I guess they felt the other options for 10 and 15 percent weren't supportable by the group.

Lauber: I think it was interesting that the motion to delete number one failed 8/11, but the final motion passed 13/5. They must have been getting tired.

Benton: Mr. Chairman, the reason I made the motion is that I believe that the Council needs to have the full range of options that it's been considering in front of it. I don't think that presupposes any necessary decision on this matter. I think we're probably going to, through the course of public comment at the June meeting, get a fairly substantial amount of additional information regarding both the benefits and the costs of these various percentages. I think that we need that information from the public and from other sources of information that we may get to make a determination at that time when we act to come up with a final package here. That's why we would move to reinstate the percentages.

Pereyra: I guess there's two issues that come to mind here. One of them is we have a license program on one hand and now we have a CDQ program in the other. I guess I'm not clear in my own mind whether that's trying to mix apples and pears. That's probably something that will take place in June and I guess at that time I'd like to get some guidance from NMFS as to whether a full-blown CDQ program on all species presents the same kind of management issues that you would have if you have a full-blown ITQ program on all species. In my mind, the CDQ program is a type of ITQ program. The pollock program has certainly borne that out. That's one question which comes to mind. The other one I guess is a more recent one and that is, we received a letter from State saying in pretty strong language that they're not in favor of any more ITQ programs and yet here we have a motion which seems to me to be expanding ITQ programs from what is even being discussed. I guess I need some clarification there also.

Benton: Believe me, Dr. Pereyra, if the Governor thought I was expanding the ITQ program I would probably be on my way home at this point. I would suggest that there are some fairly substantial differences between a full ITQ program and a CDQ program. The kinds of planning and the kinds of restrictions on use that come about under a CDQ program are vastly different than what would be under an ITQ program. As you know, CDQs are not a permanent entitlement to any particular individual or corporation. They are revocable at will. There is absolutely no property right associated with them at all. Absolutely no question at all about whether or not there's a taking. The communities have to engage in extensive planning with regard as to what they are going to do. That planning before they take action is subject to approval by NMFS and the Secretary, a thorough review by the State and a recommendation to the Secretary. An IFQ holder is under none of those strictures; has to meet none of those requirements, so I don't believe that this is really analogous to an IFQ program. Certainly, it's a quota share program in one sense and that is you have a fixed amount of fish you can go catch, and you go catch it. Other than that, it is a very different beast altogether. With regards to economic information on CDQs, I would assume, and if not I will explicitly request if it isn't the case, that the information that's in the inshore-offshore analysis would be present for and part of the record for this analysis as well. Thank you.

Lauber: Mr. Samuelson, do you want to announce a new CDQ partner?

Robin Samuelson: No, thank you Mr. Chairman. I think Wally believes so much in IFQs and he's always said that CDQs are mirroring an IFQ program and he truly believes in what he's saying. However, we heard during public testimony from all the CDQ groups that testified before us that even they haven't selected or gone through all the percentages. They asked the Council to allow them to run the numbers. There's a social and economic impact on the communities if they have 3% and possibly looking at the industry side too. I go back to the halibut/sablefish allocations. When the CDQ groups received that allocation of course there was great joy being from Bristol Bay belonging to BBEDC. And BBEDC organization, we didn't get much of an award out of the halibut allocation. It's costing us to run that program; however, we've got some fishermen employed and it's costing us to manage to employ our fishermen. I think we learned a good lesson there, just because you get something doesn't mean you're going to make money on it because it surely didn't happen and we can't afford too many more of those types of programs. We want to take a realistic view on these percentages and see what we can come up with. That's why we're requesting the 10 and 15% inclusion at this time.

Pennoyer: Mr. Chairman, I think the CDQ program has been a good thing. I've appreciated the way the State has put together their part of it. I think it's going very well. I have some questions as to the appropriate venue for CDQ program and other species as connected to a license limitation program that I suppose we'll get to in June. Dr. Pereyra, we will comment and be prepared to discuss the implementation costs of various levels of CDQ for all species at that time, but I don't have any problem with analyzing different percentages and looking at it come June.

Mace: I think we have to point out that this is substantially different than the inshore-offshore allocations. If you look at the wording, the last two words say "without a sunset provision." What you're dealing with here is a permanent type of allocation and so we want to keep that in mind.

Lauber: We have a motion before us to add back in the original percentages of 10 and 15. Is there any further discussion? Any objections?

(?): Roll call.

Lauber: Call the roll.

Pautzke: Dr. Fluharty, yes; Mr. Hegge, yes; Mr. Mace, no; Mr. Pennoyer, yes; Dr. Pereyra, abstain; Mr. Samuelsen, yes; Mr. Tillion, yes; Dr. Barker, no; Ms. Behnken, yes; Mr. Benton, yes; Mr. Lauber, yes; pass.

Benton: Mr. Chairman, I have a motion that I would make regarding additional provisions for new entrants, if I may. That would be to accept the AP's recommendation regarding vessels of 35' and under, that they would be exempt from the license program and deleting the four other provisions that are in this particular section. The only thing that would be under this section of Additional Provisions for new entrants would be the 35' vessel exemption. My intention there is that it apply to the Gulf and Bering Sea.

(?): Second.

Pereyra: The State of Alaska has had a lot of experience with size limits on vessels and what happens to the configuration of vessels and the fishing power of vessels and so forth. If we don't put any fishing power restrictions of some sort on vessels that are 35' and less, will we see the emergence of a whole new fleet of vessels that are 35' wide and 35' long and have 30-40 jigging machines on them and so forth. I just raise that as a rhetorical question.

Benton: I certainly understand the concern Dr. Pereyra has raised. However, as we've noted several other times and we've discussed this program and the analysis, vessels that are of this size category have virtually a negligible impact on harvesting capacity and I don't really know what would happen if there were 10,000 little 35' boats running around, but I highly doubt that would occur. I do know that in many of the coastal communities and from outside the state, there are a number of vessels that fit into this category that might occasionally go and try to make a few landings to try and supplement their income. I don't think it's going to have a significant effect and will probably be a negligible effect on the benefits of having this program put into place.

Fluharty: It seems like the effort was made, even by the AP, to be fairly specific with respect to these provisions. I'm getting increasingly disturbed that we're using what started out as part of CRP to do something different. It's not that I disagree with the idea of focusing on what is happening with communities in Alaska and I'm perfectly willing to work towards some accommodation. I think we're making a travesty out of this document by doing the kinds of things we're doing. We're not moving towards something that I think we could put forward to the Secretary of Commerce or maybe even the Regional Director that will move us ahead. This disturbs me. I think we should be really making license limitation with a focus on limitation and to deal with the other



questions. I think there are a lot of them over and under the table that we're trying to deal with in this way. I think it's an inappropriate way to be doing it.

Hegge: I don't know if it's possible under the configuration we have here, but the way that I could really support this is if it was an entry level or a bootstrap fishery that people could get into and put themselves into the other fishery. What we're talking about is people that, for one reason or another, have never had the opportunity to gain a history to qualify through the moratorium, the process we've set up. If we had a jig fishery, quote, whatever it is, that was for those people only for them to gain some economic base, gain some ability to buy into whatever future thing we do, then it's something that's beneficial. To set up this loophole, I don't think is going to serve the right purpose. You've got a guy that has a groundfish permit, goes out and fishes groundfish until it closes, then he puts a couple jigging machines on and goes and puts these guys out of business in their little fishery. That's not the idea of this, this type of situation.

Behnken: I have a couple of questions for clarification. My understanding was that the motion dropped out the whole exemption for the jig fishery. All it retained was the exemption for under 35'. Is that right?

Benton: The reason, if I might, Dr. Fluharty mentioned something that caught my attention in that he said there were other provisions in here that seemed to be fairly explicit. I did not include the limitations using the jig gear because that was an open ended kind of an arrangement. I read that to mean that a vessel of any size with 5 jigs is exempt from a license. It certainly was not my intent to come up with a vast number of vessels that were not under any controls whatsoever. I think that might be a problem. I wonder whether or not Dr. Fluharty's concerns would not be addressed if we included the language regarding the jig fishery but put in the 35' so that there couldn't be a 60' vessel with 5 jigging machines on it. Maybe that addresses what Mr. Hegge was talking about as well. I'm not sure.

Fluharty: Mr. Chairman, I think my comment was more saying that probably 20 or 30 different specific recommendations of the type that exists here relative to jig fishing that would be appropriate for local communities depending on their specific needs and things like that. We're obviously and that's the kind of exploration that I think needs to be done if we're going to go in the direction of trying to make accommodations for local communities. I don't think we can do it in this process and I don't support doing it in this process. I think we're losing sight of the limitation component of licensing.

Tillion: Mr. Chairman, I agree with the original motion of vessels under 35', but I would move that they were only for jig gear. Vessels under 35' using jig gear would be exempt.

Lauber: Okay, let me clarify even before the second. Clem, you want vessels under 35' that would be using jig gear as follows. . .

Tillion: No, no, not "as follows" - just jig gear.

Lauber: Oh, I see, your idea is that if it's 35' you don't need to limit it to five jigging machines because you probably couldn't get more than three or four on there.

Pereyra (?): Second.

Pautzke: That's an amendment to an amendment?

Lauber: If passed, it would carry the motion because it leaves the 35' in there. If it fails, we still have the . . .

Tillion: If I may speak to it sir. I do not object to vessels under 35' being exempt. If you're worried about not being tight enough, make them jig gear only. Seeing as how I didn't get a real second here.

Pereyra: You did so. Mr. Chairman, my . . . came from a lot of experience with artesional fishermen down in Chili. I spent two years down there working with artesional fishermen and we had a lot of 12 meter boats that I worked with. These guys were out longlining in 700 meters of water. I'm reminded of the fact that there was quite a fleet of vessels flying the Maltese Cross on George's Bank and those boats were under 12 meters. I think you could have, if you look . . . [ change to tape 47 - part of conversation is missing] . . . in which this could be utilized and we could have quite an expansion. I think that Mr. Tillion's motion is probably in order. I think it's consistent with the testimony we heard from the Unalaska Fishermen's Association and so forth. I think it's proper.

Lauber: Captain Anderson, you have the floor.

Anderson: Thank you, Mr. Chairman. I'd just like to, on this particular subject, just raise the safety issue and concern on this, especially with respect to the first item which the AP noted which was additional provisions for new entrants which would exempt all vessels 35' and under would certainly heighten my concerns over safety. If we've seen some of the earlier discussions on IFQs and the difficulties in buying into that program. If people here saw that their only way into this program was with a vessel under 35' in order to go out and fish, I would have great concern with large numbers of people on boats smaller than 35' trying to fish groundfish in the EEZ and in particular because the areas in which they would fish are not a very limited area in Bristol Bay in the summer time. This would be all year-round trying to fish out in the EEZ. We made great progress in the last few years with the Fishing Vessel Safety Act and the responsible actions of the fishermen in buying their equipment, drilling and knowing how to use it. But if we regulate people into their only means of getting into the fishery is on very small boats out in the EEZ, that would be very counterproductive to the progress we've made in the last few years. So if the real issue here is allowing opportunities, with say selective gear which reduce bycatch and waste, if it's jig gear, I would say don't regulate the guy by the size of the vessel he can use - allow him to choose a vessel that's safest for him to do so and regulate the number of jig machines or types of gear on that vessel so we at least have a safe fishery.

Behnken: Thank you, Mr. Chairman. I would like to propose a substitute motion for Mr. Benton's motion. That would be under Additional Provisions that we take that number two bullet and I would add one thing to it - "exempt vessels using jig gear that do not hold a groundfish license," in response to Mr. Hegge's concern about making this truly an entry level fishery, not having it being something where a person goes out and longlines for P. cod then goes jigging. I would keep in the 5 machines per vessel, 1 line per jigging machine, and 15 hooks per line. I would also retain the last bullet there where the AP expressed it's intent about vessels targeting species such as salmon and crab being allowed to land incidentally taken groundfish. So that's my motion. It's those two bullets with that one addition to the upper one.

Hegge (about three people seconded at the same time, his was the most clear voice): Second.

Lauber: It's been moved and seconded. Any discussion? Ready for the question. Is there any objection to the motion? Hearing none, it passes.

Pennoyer: I have a couple of questions I think we've gone past that maybe we need to go back on. The Benton agenda skipped over one that I'm not really sure what we did with it. One has a Two-tiered Skipper License program that the AP recommended go down a separate track. That's not an action item to do something for this meeting, but Council didn't comment on it. Is it the Council's intent that we do that?

Pereyra: It's part of the motion.

Pennoyer: It's part of the Mace motion, okay. Then the other thing I wanted to clarify is going back, I hesitate to think of it, but going back to dealing with the exemption provision. When you exempt certain sizes of vessels, did we expand (? word garbled) the exemption for 35' and under, I missed your last motion. We got rid of that? We're just doing the jigging machines?

Lauber: No, jigging machines.

Pennoyer: I'm sorry, . . . what to do about a previous question and I guess I missed that. That clears it up now, no problem.

Behnken: Could I raise one other point that is what I think you were maybe going to ask. Just for clarification. We're exempting vessels using jigging machines from needing to have a license to go out, but my intent would be that if a vessel has qualified for a license by the rules we have set, by participating in one of these groundfish fisheries, that that vessel would get a license. Is that clear? He still would get the license, he or she, that they had coming to them. All that's exempted is jig boats from needing to have a license.

Pennoyer: You had no size exemption in here at all, so my assumption is that any size vessel that qualified gets a license for that area that they fished in if they meet the qualifying period. In addition to that, any vessel is exempt to use jig gear. I think that's the intent I see here. I think that that's clear what the intent is. I'm not yet sure how we deal with the justification when we get to it in the final analysis in June, like any of these, but what you're going to put out for public review is clear.

Benton: In that instance, then a vessel that has a license and is a longliner that's fishing P. cod using longline gear, if they decided they wanted to go jigging, they would still be allowed to go jigging. Correct?

Behnken: That's correct.

Benton: Then vessels that do not get a license, new vessels regardless of their size as long as they stick within these requirements, they would be allowed to go out and go jigging. Correct?

Behnken: That's correct.

Benton: Subject to available quotas.

Behnken: That's correct.

Benton: That is specific to jig gear.

Behnken: Roger.

Benton: Thank you.

Tillion: Aren't we talking about something that's already passed?

Pereyra: I just wanted to provide some further commentary to Mr. Pennoyer's concern regarding the Two-tiered Skipper Licensing system. If you look at this particular provision and you go back to the problem statement itself, it's hard to draw a relationship between the two-tiered licensing system and what it's intended to do; and what the problem statement states and what the 14 problems are that we're trying to address. I think it's probably appropriate to remove that because it has no relationship to what we're dealing with here. This is not a Christmas

tree bill we're working on. That isn't to say this isn't an important provision because I think it is. But I think it needs to be handled in it's own right.

Lauber: That was the AP recommendation.

Pereyra: That's right.

Mace: Before we vote on the final approval. Early on in the discussion, I had some concerns about the ability of smaller catcher vessels to upgrade their product and during the interim some members of the AP came to some of us at least and made a suggestion. I'm going to move that we amend the license designations category, number 5,000, to read as follows, "to allow processing on catcher vessels that does not exceed 18 metric tons round weight per day." As I understand it, the inshore-offshore regulation and those vessels are considered inshore vessels and so this would accommodate that ability to either freeze or otherwise improve the quality. I think this merits consideration.

Pereyra: Second.

Behnken: That's an option you're adding for consideration.

Mace: That would be to amend section 5,000, yes, part of that option.

Tillion (?): Didn't we take that out already?

Mace: No, that's the one we had categories of catcher vessels and catcher processors.

Pautzke: Doesn't that add quite a bit of potential processing capacity? I thought we were told the other day that the average was 13 tons a day in the Bering Sea for the longline vessels there.

Hartley: We used an average when trying to estimate what they might do if they fished in the Gulf and that was a 13 ton daily capacity average.

Pautzke: That's a pretty substantial increase; you may want to discuss it further in June.

Pereyra: You can't look at an issue like this and instruct use of multiplications out of context with all the ancillary systems and so forth that are required. It requires a lot more individuals to be processing any volume of fish. That requires that there be hotel accommodations for them. It requires more power. You've got to have hold facilities that are properly set aside if you're going to be processing frozen fish, etc., etc. I think what this addresses, and I think it's a very important issue, is this waste issue. There are ways in which possibly certain species or sizes can be high-graded in some of the volume fisheries and may be processed secondarily to what the main operation is and more fully utilize catch which I think is beneficial. I don't see this huge volume that would be resulting from this.

Samuelson: I will be voting in favor of the motion. We heard during the public testimony from the small boat fleet on the south side of the peninsula, as Wally said, they wanted to improve their quality. They had abundant species out there that they couldn't utilize. We had a number of individuals up here that testified to that fact, so I'll be voting in favor of the motion.

Tillion: Question. Will this allow anybody to convert to a freezer longliner operation in the Gulf of Alaska? Or their longline operation to freezer longliners?

Lauber (?): Sure.

Tillion: Then you'd wipe the Gulf out.

Lauber: This is just an option, but somebody's going to wake up here in a minute and realize what you're doing. All this little cottage industry bologna is a . . .

Tillion: Nothing "cottage" about it.

Fluharty: I think that one of the issues that was brought up in the analysis and in testimony was the question about, for very legitimate reasons, shoreside processors to whom some of this catch would be delivered were simply not prepared, they were working on different species at the time these things were caught and it just seems to me to offer an opportunity to do some very realistic kinds of diversification for a specific fleet. It doesn't increase the amount that they're going to catch, in fact, it probably slows them down if they're going to try to process and catch at the same time. I think Wally's comment about how to look at this in the short term that we're looking at this is the appropriate way.

Tillion: You know if it did not cover cod, rock fish, sablefish or halibut, that might be a different story. But what you're doing is opening the Gulf up to a freezer longline fleet. We had an agreement a long time ago, that only a small portion of the Gulf would be open to that.

Samuelson: Keep looking over here, it isn't my motion. I supported it. Discussions with folks that this amendment is going affect, they're not looking for a substantial amount of freezing opportunity. 18 tons was never mentioned to me. Most of these boats that are going out there are local seine boats that don't have any freezer capacity on them. They'd like to have the opportunity to freeze this catch rather than throw it back overboard. I think for some reason, we're comparing apples with watermelons here, and can't seem to get to the point - we're not able to focus in on helping the people we're trying to help here. Mr. Mace, would you accept a friendly amendment that would drop your 18 tons down to 5 tons?

Mace: I don't understand everything I know about that proposal. I don't know.

Lauber: Doesn't sound like a yes to me.

Hegge: Just a little bit in response to Mr. Tillion - it wouldn't affect sablefish or halibut. They're already controlled by regulation.

Tillion: It could affect gray cod.

Hegge: It could affect gray cod, but at the same time, we've had this exact rule in place for the last three years on gray cod and I don't think anybody has seen any additional freezing in the Gulf on boats switching over and freezing at sea. As far as the amount, I think the people were talking about rockfish. I don't know what that would turn out to be on a daily basis, but it probably would be 6 to 7,000 pounds a day which is not that unworkable for the type of operation they're talking about there.

Mace: We're pegging this to the proposal . . . would peg it to the inshore-offshore regimen. I would assume we've had some experience with that and I would hope that in the process of discussions and public input, we'd learn answers to these questions. I'm in favor of sending it out as proposed.

Lauber: It would be a proposed option.

Benton: Mr. Chairman, a question to the maker of the motion. Is this for catcher vessels regardless of size?

Mace: Yes. There's no size limit on it.

Benton: Mr. Chairman, I'm very sympathetic to the concern for the small vessels and the ability to utilize possible underutilized species, for example like yellowfin sole in the Bering Sea, and also some of the small vessels and their concerns on the south side of the peninsula for other species. I do have a concern however, if we are going to talk about significant amounts of added processing capacity. That would in my mind come about on vessels that were larger than 90' or larger than maybe 125' where you really have the room to put in a sizable processing facility. On some of those boats, they'd turn into additional catcher processors of significant size. I guess I'd be particularly concerned about that given the language that we have regarding vessel designations where a vessel could qualify as both a catcher vessel and a catcher processor could choose to be either one without any restrictions. Does the maker of the motion have any intent with regard to how that might work with vessel designations to ensure that what we don't do is wind up creating a whole new class of factory trawlers, and thereby exacerbating the problem of capacity.

Mace: No, I don't. I would suggest that you would propose a limit on the size of the vessel and I would consider that as an amendment to my amendment.

Benton: I can amend his motion right? We're not that far along right. Mr Chairman, I would propose that we amend the motion to apply only to vessels under 125' and the tonnage requirement that is currently in here - if I could ask a question, tonnage requirement is 18 tons? Is that correct? That is our inshore-offshore designation? Okay, I won't touch that - for vessels under 125'.

Lauber: There a second?

Tillion: I'd like to ask a question first. Could you make it two options, under 60' and under 125'. I'm far less worried about the under 60.

Mace (?): I'll add it.

Tillion: Both options if you're going to go out for comment.

Benton: Mr. Chairman, the problem is that we're dealing with two different areas. I mean we're dealing with the Gulf and we're dealing with the Bering Sea and they're two separate problems. I'm going to withdraw my motion in the hope that maybe we could withdraw the primary motion, and then maybe we could craft something that works for different areas in different ways.

Lauber: Without objection, the motion is withdrawn. That leaves us with the main motion. Any further discussions?

Tillion: Mr. Chairman, I'd rather have an amendment to the same - that made this for vessels under 125 in the Bering Sea and for under 60 in the Gulf of Alaska.

Lauber: Is that a motion?

Tillion: That's a motion.

Behnken: Second.

Lauber: What was it? Under 125' in the Bering Sea and under 60' in the Gulf of Alaska.

Pereyra: I think what we've done here is essentially created a very discriminatory amendment to an amendment. There's no justification at all given for why 60 is chosen, if a vessel is 65' long he's discriminated against over his brethren who might be 59', same fishery, same number of crewman, same amount of gear and so on and so forth. I think that's clearly in violation of National Standard #4. I think it's more appropriate to go ahead and go back to the original motion as Mr. Benton has proposed and go forward with that, and in the interim between now and June, see if there's some way in which this can be modified so I think it's consistent with the law.

Lauber: Whatever Mr. Benton had has been removed. It's not there any more. It's Mr. Mace's motion amendment.

Mace: If Dave wants to present his amendment, I would accept as a friendly amendment as 125'.

Benton: Can I do that with Mr. Tillion's motion on the floor? Mr. Tillion had a motion that I think was seconded.

Tillion: I got a second and Mr. Chairman, let me come back at it again. We have the limit seiners that are the main coastal boat in the Gulf of Alaska and that's under 60. I do not want to see a freezer fleet in the Gulf of Alaska and though the fact that you should have enough capacity to where if you're fishing cod fish and you get a few rock fish to be able to freeze them would be rather nice as long as the amounts were low. But to go out and start a new processing fleet when we're trying to have a limited entry program that holds the status quo is crazy. I'm not even in favor of allowing vessels that have not yet frozen to start.

Hegge: I think if we recall the testimony, it was to give them the opportunity to harvest some underutilized species and also to do some value added. When we did the inshore-offshore, we were dealing with cod fish which was a very abundant fish and I think by relationship requires a little bit different operation. My feeling in the Gulf on cod fish is the same as here. We're restricting the amount of catch per day and solving the problem, who cares what size boat you do it on. The thing that occurs to me though is maybe we don't need this tonnage. I think if maybe we put a range that taps out from 5 ton to 18 ton and let the public comment on what their needs are, then we can come and more properly address the situation.

Lauber: Withdraw your motion Mr. Tillion?

Tillion: I withdraw my motion.

Lauber: Mr. Mace do you accept that pot range of 5 to 15 tons?

Mace: Yes, I certainly do as long as we have a range. I'd be uncomfortable. . .

Lauber: Excuse me, it was 5 to 18 tons. Alright, any further discussion? Any objection? Hearing none, it passes.

Pautzke: Can we go back to a motion Linda Behnken made on exempting vessels with jig gear which could be any size if they don't hold a groundfish license. It seems to me that there could be a scenario where someone receives a groundfish license and because you still have an option in there to transfer a license without a vessel that someone that received a license could sell that license and then go jigging. Is that what you would want, allow a loophole for people to sell a very valuable license and still no matter what the size of their vessel to run out and jig. I just wondered if you wanted to say "initially receive a license" rather than "hold a license," or if you don't care, then that's fine too.

Behnken: Mr. Chairman, I'm wondering if we could find out, I guess there's two ways to go. One is to put both those in there to be analyzed and looked at. The other would be to find out how many people, well I guess there's no way to do that. . .

Lauber: How you going to do that?

Pautzke: You won't know. Since it's an entry level, I think those who don't receive one right?

Behnken: That's probably good clarification to say for people who don't initially receive a license.

Oliver: If I understand, Mr. Chairman, what Dr. Pautzke said, is if you initially received a license, you couldn't sell it off and take advantage of the jig gear exemption. Is that correct?

Pautzke: I'm saying that written the way it is, it does hold a groundfish license that someone could sell their very valuable license and then which would introduce another vessel into the fleet, into the limited entry system, then go off and use their vessel. . .

Oliver: . . . or they could simply acquire another vessel and keep their original license or acquire ten additional vessels and keep their original license.

Tillion: I think it's come June when we take a look at this. I think we're letting too many in. I think we're broadening this too much. I think we're going to regret the whole thing and I hope in June we prune it back down again.

Lauber: Anything else?

Tillion: Mr. Chairman, are we at the end where we vote on the whole amendment or is there some more to do?

Lauber: That's what I'm trying to find out.

Benton: Mr. Chairman, I don't have any further provisions except for down under the sunset provisions. It's a little unclear to me exactly what the AP has done here.

Tillion: I can see what they've done and that's what I was waiting to do something about if you don't do it.

Benton: Well, if you've got an idea, go ahead.

Tillion: Mr. Chairman, I move that under the sunset provisions, the option of 3 years from implementation of the limited entry proposal, this whole program sunsets.

(?) Second.

Lauber: That was three years from when?

Tillion: From implementation. In other words, when we go limited entry three years later, we have to have something in place.

Benton: After the final rule is adopted and implemented by the Secretary?

Lauber: Any further discussion?



Tillion: All I want to do is have that as an option before us in June. I feel that in view of the CDQ programs which depend on quotas and your inshore-offshore problems, that I think that this is essential for us to continue moving forward on rationalization. I don't think anybody moves unless there's something painful waiting if they don't move. So I would like to have a sunset clause and I think three years is more than adequate if we keep moving.

Hegge: Does Mr. Tillion's motion mean that the sunset clause would be the only option to go forward or would there be no sunset also.

Lauber: Yes.

Mace: As long as it's an option fine, but this business of blowing her out of the water and disappearing into smoke in three years waiting for an IFQ to go on line doesn't make much sense to me. If it is an option, fine and dandy as long as the no sunset stays in there.

Tillion: Question.

Lauber: Any further discussion? Is there any objection to Mr. Tillion's sunset motion? Hearing none, it passes.

Benton: Point of clarification. Under Other Provisions, the AP has two items. The first one is that they recommend NMFS enforcement consult with the bankers to address their concerns over license revocation. I don't believe that's applicable any longer given the public testimony that we heard, but that's advisory to NMFS and I guess they can do . . . [change to tape 48 - part of conversation is missing] . . . it's my understanding that that is the AP's statement of their intention and it is not necessarily a directive the Council is giving to anybody in particular at this time, is that correct? Is that your interpretation? I do not have to move to delete this because this is the AP making a statement about their own intentions. Then if I can Mr. Chairman, you asked Helen earlier whether or not we could have the final package in writing before we take a final vote. I for one would like to have a chance to review that if we can get it in writing before we take a final vote, but I want to ask you if you think that's appropriate and the way to proceed.

Lauber: Yes, that's what I thought we possibly could do. One of the things we could do, not to waste time, is while it's being prepared, we could move on and start our preliminary work through crab and then come back to this when we actually have a written document.

Mace: Do we need a formal motion to table time certain on this?

Lauber: No, I don't think so because actually we're . . . unless somebody complains, I'll just do it. So we'll get the printed version as soon as we can. You let me know and we'll move back to it, even though we're in the middle of crab.

Fluharty: Mr. Chairman, one thought on this option 7. I think Mr. Benton raised an appropriate question relative to this declares the AP's intent. I think it might be useful for the Council to reserve a spot in some way so that if the AP comes back with some suggestions that would help us keep this a limited license option that there may be ways to deal with some of the issues that have sort of been perking away under and on top of the table that those might help us. We may want to make a specific decision or set the course for a specific decision that allows the limited license limitation proceed as set up, but takes out some problematic things, potentially things that cause an increase that some of us are not necessarily comfortable with, or we may have limited the options for particularly small communities to one specific kind of thing and there may be some other ideas by June that we would want to be able to entertain. I suppose we can do that with or without this but I think just leaving this open just in the spirit that I understand what the AP's proposing, it might be useful.

Lauber: The AP will have this back on the agenda in June. To whatever extent that they wish to amend, change, whatever their action or come up with some new ideas, they're certainly willing to do so. The thing in here that I think isn't realistic, unless I'm not interpreting it correctly, is that they seem to want to have further deliberations, that's fine. But they wanted to have the opportunity to specify fisheries and areas which should have alternative management systems analyzed. We're hopefully going to take final action in June on this. I don't know if we're going to be able to do much alternative management analysis, but they're free to make comments that if they think something should be deleted and something else put in its place as an alternative, we could surely consider that. That's what you mean. I don't want to mislead them. Certainly, the AP's got enough experience to know that the staff is not going to be able to do any instant analysis of some new idea they get. What they could do is pull something off and come up with an alternative to put in its place.

Pereyra: Mr. Chairman, in following on your remarks and in response to Mr. Benton's remarks, just because this option 7 says AP, AP in a couple places, I don't think it's appropriate to leave any indication that somehow the Council has forfeited its right to move forward with something else. This whole process is not going to end with this license limitation program. If it is, there's all sorts of other things that are really tied to it that are in deep doo-doo, so I would hope that wasn't the intent of the remark.

Benton: I think the Council's on record numerous times regarding that this is going to be an ongoing process. It certainly wasn't my intention that it would be construed otherwise because that would mean I would have to make a motion that we would stop here. No, it was just that I wanted to ensure that we understood that that wasn't specific directive to anything in particular at this moment.

Lauber: Alright, now can we move into crab? Let's work on it for awhile before we take a break.

Benton: Before we go to crab, I had one other thing. One other matter I do need to bring up and I really regret doing this believe me, but partially because of the concerns Dr. Fluharty brought up and partly because of concerns members of the public brought to my attention several times over different breaks we had. I would propose that we amend, I'm look at Landing Requirements, and I would propose that we amend the Landing Requirements for Endorsements section to include item number 4 as well as item number one which we have. For analysis purposes, four landings during the qualifying period for endorsements so we have a range to look at.

Behnken: I'll second that.

Lauber: We have one and two . . .

Benton: I'm sorry Mr. Chairman. My intention was instead of one and two, it would be one and four.

Tillion: Both extremes.

Benton: Both extremes, correct.

Lauber: Alright, the motion under landings requirements would go forward with number one and number four and we would strike number two. So it's one year and four years.

Pautzke: Is the intent when you say a range, is the intent that you might choose two or is it that you're only going to choose one or you're only going to choose four or did you want a range?

Tillion: A range.

Lauber: I don't know that it matters whether you call it a range or you analyze one and four because we've been through this kind of thing many times before and you don't have to be right on. So if you analyzed one and four and you decided that you wanted two that would only be one up from one and if you wanted three it would only be one down from four and that's not so far that you couldn't make the stretch. It would say that it had been analyzed I think.

Mace: I think if you run a range there, the analysis problems for these people may be complicated, may be very extensive, I don't know.

Oliver: As a suggestion, Mr. Chairman, there probably are some significant differences between those three. How about we do one, two and four? We could add the four with not much problem.

Lauber: The motion now reads . . .

Benton: One, two and four, Mr. Chairman.

Lauber: The motion actually is that we adopt the AP's recommendations. Hearing no objection, it passes.

Hegge: Does Mr. Benton have the wording on the definition of a landing?

Benton: Excuse me.

Hegge: Do you have the definition of landings?

Benton: I would assume we are using the definition of landings that we've been using throughout the analysis and these guys know what they are.

Brannan: Our definition of a landing has been that it's an individual fish ticket for catcher vessels delivering shoreside, it's weekly production reports for catcher processors and it's each individual time a catcher vessel delivers to a mothership for that sector of the fleet. So it's weeks for catcher processors, fish tickets for catcher vessels.

Hegge: If a catcher processor filed five weekly catch reports, he'd have five landings.

Brannan: That's the case.

Lauber: Is there anything else under this? Let's go to crab.

Mace: I move that we adopt the AP recommendations with regard to crab.

Lauber: Is there a second?

Behnken: Second.

Benton: Mr. Chairman before we get into the middle of all the crab stuff can we take a short break?

Lauber: Sure.

Lauber: Council come back to order. Are we ready to move on to crab? Let the record show that Dr. Krygier is now seated in the State seat. Dr. Krygier we are on crab license limitation program and the motion has already

been made for the AP recommendations. As you know, our procedure is to, if you care to, amend from that. If you want to accept it the way it is, that's fine by me.

Earl Krygier: Mr. Chairman, I have some information I was able to gather which when we get to the Norton Sound area, I think we'll be able to analyze that information for the staff. I have most of it analyzed already except for option C which is going to be almost impossible to analyze. We have, I dread to say, another alternative which may be worth considering after listening to the length of discussion that went on in the AP and the folks that have been talking with us. I'll get to that as we go through this.

Behnken: Mr. Chairman, I assume that we're just going to go through this the same way as the other one. I just wanted to get clarification from someone on the AP with License Classes and Nature of License. Was the idea that the License Class gave an umbrella license basically, and then Nature of License was the endorsement and under 1,000, there basically weren't endorsements, it was one license. But under 30,000, there would be a different endorsement for each one of those species and areas. Is that correct?

Oliver: Yes, Mr. Chairman. Under the first item, License Classes, that 100,000 a single class of licenses, that was relative to that concept of an A and a B license. So the AP motion was to not have that B license. Under Nature of License, you're correct. The 10,000 single license for all species and areas, under that option you would just have a single license that would be good for all species and areas. If you went with the 30,000 where you have species/area combinations, you could determine, as with groundfish, whether or not they would be severable in which case that would kick in your umbrella relevancy. In other words, would you have to have an umbrella license to be able to acquire any of these species or area endorsements which, if you did that, would of course cap the number of vessels at that number. The potential number of vessels would not be able to increase under that endorsement concept.

Behnken: Okay, thank you.

Lauber: Anybody care to make any amendments or are you ready for the question?

Krygier: On the 10,000 alternative, the single license for all species and areas, I'd like to amend that with a single license by species if I can get a second, I'll discuss what it is I'd like to do.

Hegge: Could I ask a question. Earl, by species do you mean that for instance Tanner or bairdi and opilio or how are you breaking that up?

Krygier: Red crab, actually this is a mixture of species/area and species designation, breaks it into the larger fisheries by species and the some of the small fisheries so that we would have red king crab Pribilof, red king crab Adak, blue king crab St. Matthew, brown crab both areas, opilio all areas, bairdi all areas.

Behnken: Second that for discussion and clarification. Could you explain that motion?

Krygier: One of the concerns of the people who wanted the single license no area/species was the flexibility to move within Tanner from one area to another, opies from one area to another. This is a breakdown of trying to take care of the small species. I'll read through it and also there's some folks, because of declining stocks at Adak, who have been fishing there that wouldn't qualify because the fishery's not open.

Mace: Earl, are you working off the AP recommendations.

Krygier: No, I'm not.

Mace: This is the motion to adopt it and under Nature of Licenses that's covered under item 30,000 and I would suggest Mr. Chairman that since the motion was to adopt the AP recommendations, we work off that and make the changes on that basis because I can't follow what you're doing.

Krygier: Actually, that's what I said I was doing.

Behnken: It's an amendment to the AP motion.

Pautzke: Isn't it 30,000 but clarified?

Krygier: Actually, this would be a 30,000B.

Pautzke: Yes, you're going to clarify which species and areas you're defining then more specifically, right.

Krygier: The 30,000 that's here relates to the area/species options that are defined under 30 and 40, but this is 30,000 option B and what it would be would be a red king crab at the Pribilof making one landing during the qualifying period 1992 through 1994 would receive a Pribilof or Bristol Bay license; red king crab in Adak, one landing to qualify for Adak or Bristol Bay license; blue king crab at St. Matthews would qualify for blue king crab at St. Matthews; brown crab, five landings within the qualifying period in either Adak or Dutch Harbor would qualify for a brown crab license; opilio, five landings of opilio within the qualifying period would qualify for an opilio license in the BSAI; bairdi crab, five landings during the qualifying period would produce a bairdi in any area in the Bering Sea; Bristol Bay, a vessel qualifying for only Bristol Bay red crab if it made one landing in each of the years 1991, 1992, or 1993 . . .

Behnken: I was just wondering if we could get copies of that made. I'm lost, I don't know about anyone else.

Krygier: We could go through the rest of this; we could handle this separately as an additional . . .

Pautzke: We could make copies very easily rather than, cause I can't write this very quickly.

Krygier: We could go through the rest of the alternatives and come back with this three page which shows the number of vessels and alternatives. So we're doing Current Owners now? 1,000s?

Lauber: The next would be License Recipients. Do you have any changes you would like to make in License Recipients? Anyone have any changes they want to make? License Designations? Anyone have any comments on License Designations?

Krygier: Move to delete 300.

Pautzke: It's in 400, it's just a matter of whether that's a stand alone option, I think is where you're going with it.

Krygier: Yes.

Lauber: Was there a second to it?

Behnken: I'll second that.

Lauber: Any discussion?

Krygier: I've talked about this issue for a long time. The catcher, catcher/processor, and vessel lengths, most of the analysis covers the issue about the vessel length but we set up our pot limits to take into account the vessel lengths and the catcher, catcher processor, the way the fishery has been prosecuted it's more difficult to keep track of what's going on with the offshore processing because the size limit on the crabs so we believe it would be much more difficult to manage the fishery if we have an increase in catcher/processors within the crab fishery.

Lauber: Any further discussion? Any objection to deleting vessel length, 300? Hearing none, it's deleted. Qualifying Periods.

Pautzke: Isn't that one all wrapped in with their complicated motion that's being copied right now?

Krygier: It will be a new option that we could come back to that section. Could we work through the rest of these at this time though. The question I had was does anyone know what the option 50 as it's listed here, Mr. Pennoyer maybe you could tell us what was done on groundfish, does that affect what we do for option 50?

Pennoyer: No. Mr. Chairman, I've asked staff to compare it. I think what you need to do here, if you want to of course, to take care of the crossover provision in the other direction is to mirror what you did in groundfish in terms of the umbrella requirements and the area endorsements. We don't have the groundfish thing typed out in front of us unfortunately, but I think you need to mirror that. If that's your intent then perhaps you could just make that statement and we could go from there in getting the thing worked up. Chris, do you have the groundfish grooved?

Oliver: No.

Pennoyer: Again, I don't think just doing it this way does take care of the crossover provisions that occurred during the moratorium. You would have to mirror the same language that you had in the groundfish.

Hartley: I think that would be close, but I would have to look at it to be sure. If we could hold off on this.

Pennoyer: Mr. Chairman, given the time we spent in groundfish on this item, maybe you want to pass over it and do the rest and come back when we've got the typed up groundfish one in front of us.

Lauber: Sounds like a good idea. That moves us to Minimum Landings.

Krygier: Mr. Chairman, I would delete option 3. The proposal that I was going to bring back has minimum landings that are a little more restrictive on some and less on others, more species oriented. I think that the option 2 with the red and blue crab and the three landings for king, brown or bairdi is not a bad option for a minimum number of landings.

Behnken: I would like to see what we're replacing it with before we delete this.

Lauber: Is that contained in the Alaska option?

Krygier: Under Norton Sound, we have looked at what was proposed by the Norton Sound area. I spent quite a bit of time talking with them. I can tell you that for the 1993 and 1994 period, under option A - if you go down to 3A where it says individuals who held State of Alaska red king crab for certified fishery and who made at least one landing for '93 and '94, that's 49 vessels total; 6 in 1993; 38 in 1994; and 5 vessels that fished in both years. So option A there gives you a total of 49 participants. The option B which is the boat, there is one corporation that fished up in there, a CDQ group, they had 9 vessels between the two years. They had a number of contract permittees working. I believe they even paid for the permits, that were working as instructors on board the

vessels and they actually talked about two options. I looked at it both ways. The first thing they talked about to me was whether or not in their specific situation for the Yukon Delta nine vessels if they had a permit just for those vessels that would be 9 vessels, so 9 permits. If you did it as the way it's written down here, which says the boat in the instance where you would eliminate those higher operators, that would be 10 permits, a difference of one. So either one of those would give you either 9 or 10 under option B. That's a total of either 58 or 59 permits total, A through B licenses if you want to call them licenses. The option C that they've got down is an individual who purchased a State of Alaska card and made investments . . . [change to tape 49] . . . and effort, which means they went out fishing, but made no landings in the qualifying fishery and apparently there were some fishermen down near Unalakleet that purchased some pots, went out fishing, but did not actually find any crab. Others from Unalakleet, when that occurred, tossed their pots on a vessel and went across over to the Nome area and fished and made landings. So what some of those folks in that area say is they'd like to issue permits to those individuals who bought permits, made investment, didn't catch any crab in '93 and '94. I don't have the data on the actual number of individuals that is. It could significantly move this number much higher than what we believe is a reasonable number to manage the fishery.

Lauber: You're not making any suggested changes in this?

Krygier: Well, I wanted to explain first what we found so that you did know we've gone through and analyzed this to the best of our ability. I would guess that what we would suggest doing is adopt this and that we will come back and complete the analysis on trying to determine if we can see how many participants, if there's two, three or four individuals it probably isn't a problem and the State would be amenable to the adoption of that. But if it gets to be 8 or 10 or 15 or 20 or 40 or a 100, which it may be, this would not be a license limitation. What I'm suggesting to the Council so that they know we are working on this and not have to burden the staff, we will complete this analysis and give it to the staff to incorporate.

Lauber: It's in the motion, you don't need to do anything assuming the motion passes.

Pereyra: Mr. Chairman, I would like to offer a suggestion. I think if you were to hold 3B or the boat in this instance, where the boat is locally owned and operated by a corporation, if you were to hold 3B up against the National Standard 4, I think it's patently discriminatory and therefore, is not going to pass muster and so I would suggest 3B be removed or be reworded such so it's not discriminatory. The way it is now, I don't think it's going to pass muster under National Standard 4.

Lauber: You're probably right and can do the same thing by striking "locally owned." The problem isn't in the other ones.

Krygier: We would probably need to look at those options with respect to what Ms. Lindeman has to say as far as what's legal.

Fluharty: Mr. Chairman, I seem to be missing something. The documents I studied before coming here don't have a mention of this. This has somehow come in . . .

Krygier: I'm reading this off the AP motion . . .

Fluharty: Right, but I'm talking about what I was . . . I'm not for or against this thing. I'd just like to know the origin and some background so I can see why it doesn't fit with the things that have been analyzed already. It's just background for me.

Krygier: I can probably explain a little bit to Dr. Fluharty and probably for the record. We added Norton Sound into the license program, the Council had designated the Norton Sound fishery as superexclusive and totally

changed the complexion of that fishery two years ago. In 1993 and 1994, the first two years in which that fishery was conducted in the manner of a superexclusive fishery, and many of the participants in 1993 . . . actually in '93 there was a challenge on whether or not the State could designate the area superexclusive during the intervening summer. The fishery ended up behaving like a superexclusive fishery because vessels who had in the past participated there, did not show up and so it was mostly local. It was a small vessel fishery. The Council, in the fall 1993, sanctioned the Board's move and made the area superexclusive. In 1994, it actually was the first official year it operated as superexclusive. Many of the participants in that area, from a very economically depressed area, tried to mount their operation and start, unaware of the fact that the Council was looking at putting license limitation in effect and therefore did not develop catch histories or participation histories as would normally occur. So they're basically saying with the advent of the superexclusive fishery, they have not been able to develop the same kinds of catch histories that are done in the rest of the Council's fisheries so that we could designate by vessel ownership the licenses. That's why the community, and there were about 40 of them here from the area of the Yukon Delta, Norton Sound, Unalakleet, from all over that area came down and met with us all week long trying to put together a package that would reflect their participation in trying to enter their superexclusive fishery under the wire of a new license system. They went to the AP with this proposal and the AP said, "this is what you want for your fishery, fine."

Lauber: Helen is passing out the motion (Krygier). I assume this can be separated out and placed in the appropriate category.

Krygier: The two tables accompanying the one page description of this will give you an idea for the qualifying years; what would happen with one landing, two landings and the historic pie in each of these fisheries. The landings on the front side and one of them got left off - the blue crab which is also one landing on the back side blue crab Pribilof. There are two alternatives that we've been discussing the normal process. One was the early qualification of the last three years the fishery was open and the other one was with recent participation and it shows you what happens in those fisheries for both the Pribilof blue and in the Dutch Harbor red with a recent participation requirement on what it does to the number of licenses. You can see that in many instances the one landing requirement gets you within the ballpark of what historic participation has been. It's a little less so on some of the fisheries, but certainly on opilio and bairdi and the Dutch Harbor brown crab fishery, certainly so.

Behnken: Thank you Mr. Chairman. Am I correct in assuming that the way you came up with this breakdown on licenses and these landings was in an effort to approximate a historic participation? That's the rationale for it? Is this something developed by the Department working with the industry?

Krygier: We have been having lots of people call over the last 4-6 months trying to have us look at other alternatives than the ones that were developed here. Quite frankly, I was at a loss at how to get this on the table to even look at it, because I thought we were going to take final action at this meeting originally. We have it to offer as an alternative which if you'd like to send it out to the public. What we don't have here is the breakdowns by vessel and area and I don't know whether or not, how much of an analytical chore this would be to do if we picked one landing for red crab and five landings for the Tanner crab plus brown crab. I have the general numbers, but I don't have the breakdowns by vessel size category and classes.

Pereyra: Dr. Krygier, I assume what you're trying to do is capture the more recent character of the fisheries, that is, crab fisheries in the Bering Sea.

Krygier: Yes. Obviously, if you note the dates, the dates we have there other than Dutch Harbor red crab which we haven't had an opening since 1980 through 82, and the Pribilof blue which the last opening was in 1987, that's what this is - recent participation.



Pereyra: Right. I think probably without realizing it, the old law of unintended consequences is going to come forward here in regards to bairdi. Because in the bairdi fishery, because it's a slower fishery and it occurs at a time in the year when weather's not that bad and so forth, that the larger boats are staying out for fairly long periods of time and so as a result of that, a certain number of them - and I don't know how many there are - a certain number of them are not going to qualify even though they were legitimate participants in that fishery. Again, I'm sure that isn't what you're trying to do here. They were and had been and continue to be legitimate participants in that fishery, yet they would be excluded because of that restriction.

Krygier: The five landings over three years?

Pereyra: Yes, I think there's some boats that probably would not qualify for that. They may have made just one landing.

Krygier: That should have been analyzed under alternative 2, Minimum Landings, where it was one and three and no minimums. So that should be available for you to determine how many vessels would be sorted out under those various criteria.

Pereyra: Five. You've got five here.

Krygier: I know, but we've already analyzed no minimum landings for all the species and we have analyzed the effect of a requirement of three landings. This would be an additional range.

Pereyra: So you're not eliminating what we already have?

Krygier: No. Particularly if we're throwing something like this out, it would just increase the amount of alternatives that people could consider.

Lauber: I assume this did not go before the AP.

Krygier: No, we were at a loss of whether to even bring it forward.

Mace: Does this become the third option under the Nature of Licenses then?

Krygier: It really fits in under a couple of places. It would be a Nature of Licenses, it would be a 30,000B because it's a species thing and then it would also be under Qualifying Periods and Minimum Landings. Those are the three places that would add changes.

Lauber: Both portions of this that apply to Qualifying Periods would go in Qualifying Periods, those under Nature of Licenses would go under that, that's what you're saying?

Krygier: Yes.

Hegge: Earl, can you tell me what type of a fleet you end up with in number off of this, and then what number of vessels that would qualify as moratorium qualifying are dropped out by what you do here.

Krygier: Under the moratorium qualified, this should include mostly just moratorium qualified vessels. There may be one or two vessels that came across - I know there's a couple of vessels in the crab fishery that are not moratorium qualified vessels. They wouldn't be considered under any alternative as far as I understand with what the Council's being doing here.

Hegge: Looking at the drastic numbers you drop out with two landings.

Krygier: Actually, I'm not proposing two landings. I wanted people to see what happened. We put this together as just a little more background information so they could see what happened. My proposal other than Bristol Bay was a one or two landing type issue, but for Pribilof red it was one, for Adak red it was, oh I guess it was one or two. This is the latest iteration. I didn't see what the staff did to it.

Lauber: The people who came to you and wanted this, the industry people, is this how it was generated primarily?

Krygier: They came to us and asked us about this kind of a . . . they thought that the way we had proposed the other alternative because we have some of the fisheries more constrained, this spreads them out a little bit, some of the big fisheries.

Lauber: My next question is you've had some time Chris to look this over, could you give us any kind of an idea of what this is going to entail as far as the workload.

Oliver: I guess we've had a few minutes here to look this over so we're not sure. We're trying to figure out exactly what's in this package. It looks to me like if you look at what's in the AP minutes for example, we have some different options there that translate into different phone numbers if you will and it looks to me like this wasn't meant to fit within that structure. This is a totally different phone number, if you will. This is a totally separate program. I'm not sure yet - we're still trying to ascertain what exactly the elements of it are and I can't really tell you how much it would take. One question I have I guess that might affect that is how you meant to handle the qualifying dates on this proposal. For example, relevant to Mr. Pennoyer's point earlier that when we look at the qualification periods for crab, in order to make it consistent with what we did with groundfish to accommodate consistency with what we did with the moratorium, we would need to have the same base period qualification as well as the same secondary period qualification for area or area/species endorsements in order to make those consistent. That alone is a question I have that in this new proposal, you have one basic qualification period at the top and using that certainly wouldn't be consistent with what we did with groundfish and therefore, inconsistent with making it work with the moratorium. That's one issue and I don't know the answer to that yet. We're still talking about what this would take in terms of our work as an addition to everything we have with the AP motion. It might put us in a bind, for June anyway. We'll have to give it a little more examination and figure out exactly what's in this proposal.

Behnken: Thank you, Mr. Chairman. The . . . question, going back to the first issue raised. What you're saying is to keep this consistent with groundfish, we should have basically an umbrella that would be the same qualifying period as the moratorium consistent with the limited crossovers there and that the specific licenses, as laid out, endorsements and species would be considered the same way we did with groundfish for area endorsements? Is that correct?

Oliver: Yes, Mr. Chairman. I think it's the only way you'd be able to recognize crossovers which have occurred under the moratorium between the two fisheries.

Behnken: If I could follow up. If I understand, we need to amend this motion that you put on the table to have a moratorium date for the qualifying umbrella, the base period. I would make that amendment then. In other words, if a vessel hasn't qualified under the umbrella, it doesn't get any of these.

Mace: I not so sure that we shouldn't fall back and should not have a standard format to handle this as we did with groundfish because I would like to see these elements plugged into the elements that the AP discussed in that order. You point out, Earl, that there are four or five categories that they are involved in. It would be very nice

to have those plugged in and optioned in as categories. Say you've got a benchmark to deal from. I'm confused and the staff may be confused. I don't know, but it needs some order.

Krygier: Most of the elements remain the same within here. The areas that would be changing would be the Nature of Licenses - there would be an additional element in there; an additional element under Qualifying Periods; and an additional element under Minimum Landings. The other elements described within the context of what the AP did would be the same.

Mace: I'm wondering, Mr. Chairman, if we couldn't get this in black and white before we discuss it and go with items that aren't covered in this addition and do those and maybe tomorrow morning come back and go through it in an orderly procedure as we did with groundfish. Chris and Darrell are having some problems I'm sure in grasping this and we're going to have to find out from them if they can handle it or not. I think they need some time.

Krygier: It is possible to go through this, leave this particular issue, to come back and deal with this as an additional, just throw it in or throw it out, after the staffs get together and talk about it and explain some of Bob's concerns like how these elements in black and white might fit in here. Would that be in the effort to keep this thing moving.

Lauber: Certainly.

Krygier: Then I would suggest that we do that. Set this portion aside, complete the rest of it with the understanding that we will come back after we've had some time to work with the staff a little bit. . . what day is today, I don't even know.

Lauber: Okay, fine. We'll set this aside and move on. We're under Who May Purchase Licenses. Anybody have anything under that item? Okay, how about Vessel/License Linkages. Anybody have anything under that item? Options Regarding the Separability of Species and/or Area Designations.

Mace: Mr. Chairman, I think we should just consider number 1 as we did in groundfish. They are not separable and delete option 3.

Pereyra: This is a little more complicated than groundfish because we going into individual species and areas. The other thing is that the crab stocks themselves seem to come and go. We might be creating too many restrictions in the way in which the fisheries are prosecuted. I'm a little reluctant to jump on the same band wagon that we used for groundfish on crab.

Krygier: Mr. Chairman, I would agree with that. I'd like to leave that option in both options there. Crab fisheries are different than groundfish. In groundfish you purchase one general license to go out and do what you want. In crab, you go out and you get a specific permit for each individual species and fishery, come in, get tank checked and everything. It already is compartmentalized. I'm not certain of the effect of being able to help the fleets consolidate if that's what they want to do with an inseparable permit. I'd like to leave that in.

Mace: I'll withdraw my motion Mr. Chairman.

Lauber: Anything else under that? Okay, moving on to Vessel Replacement and Upgrades. Anything under that? License Ownership Cap.

Pereyra: Mr. Chairman, there seem to have been some strong feelings or justifications or lack of justifications depending upon which side of this issue you're talking about. I think it would be appropriate to make this one consistent with the one we had for groundfish. I think the arguments are similar in both cases.

Behnken: I questioned this last time and I would question it again. If we have a crab fishery, some of these smaller ones where there's maybe as few as 14 endorsements in that fishery and we don't in any way limit the number of endorsements that can be owned by a person individually or collectively. Doesn't that cause any concern in anybody that you could have one person that has all the endorsements for that fishery or controlling interests in the endorsements in that fishery? Doesn't that constitute an excessive share? I can see in groundfish where we weren't going to the species level. You just had a license for Western Gulf and there's hundreds of other boats out there, but I would be hesitant to drop that out, at least at the species endorsement level, from further consideration. Maybe I'm way off base, but there's some pretty small niches we're talking about here with a fishery where there may be only 14 endorsements.

Mace: Mr. Chairman in my infinite judgment, I wouldn't be able to judge whether five, ten or fifty would be the appropriate number, so how do you analyze that. Who makes the judgments on how many you ought to have or how many you ought to have in relation to how large they are.

Krygier: Top of page 29 or one of the others, it shows a table there how many individuals you're talking about. There's only like a couple of vessels that have more than two vessel ownerships. If you're talking about endorsements, I think the cap on endorsements, if we go to endorsements, is probably not worth doing, but certainly a number of licenses or vessels that you would operate or control, I believe a cap is a reasonable thing to consider. When we get to the final landing in crab fishing, there is a good analysis within the document, I think it is on page 29, 27? Is that the bar graph. The bar graph at the top. It's well described within there on the constraints on caps so I think it's probably worth leaving in.

Samuelsen: Sitting here, I think in the last 15 minutes we started at the front, went to the back, went back to the front - you've lost me about three times. I'm watching staff's reaction over there, going through what Mr. Krygier just proposed; I see members of the audience sitting out there, they didn't see it; you asked a question, the AP didn't see it. We're 15 minutes from our traditional breaking time. I don't know what time you're planning on breaking. Instead of taking action tonight, I'd recommend we break 15 minutes early, if you were planning on breaking at 5, and let Earl get together with staff and let some of us go talk to industry out there and figure out where we're headed to.

Lauber: Before we break, we need to talk about the agenda.

Tillion: That's what I was going to ask. What can we drop from the agenda to bring this thing to a close.

Lauber: Without objection, we'll take Mr. Samuelsen's suggestion. We'll break and allow staff time to look at this and allow industry to communicate with us and see where we are. I really have no idea whether this thing is worth a damn or should be bagged. I hate to throw something out that's worthwhile but nobody seems to be able to tell me anything. We have no public comment on it. It seems if it was of such pressing interest, somebody would have been up here banging on us in the public comments. I don't recall them doing this. Anyway, so we won't take this up until tomorrow morning. Now, we're not doing very well as far as time is concerned. We've got considerable things left on the agenda and we're due to go out of here on Monday night. We've got two days . . . [change to tape 50]. . . I thought Dr. Pautzke would be kind enough to go through this agenda with us and see realistically where we are and if we don't get to all of it, what you want to drop off first, second, third.

**[Discussion of remaining agenda items, then recess for the day.]**

**April 23, 1995:**

**Lauber:** Will the Council come to order on Sunday the 23rd. We're going to give some people consideration here. Number one, we've got a situation that you know yesterday evening where we made some adjustments in the agenda because of necessity that we're going to run out of time. and move some things over to the June meeting which is in Dutch Harbor. There are people here, a few that would like to testify on those items that will not be going to Dutch Harbor. So, I think it would be a good idea to allow them to testify. If you're going to be in Dutch, obviously when we bring up the agenda item, it would be better for everyone if you would hold your testimony until then. If you're not, then you can't do that then we'll let you testify. Rather than use a sign up sheet, I'll just take you if you raise your hand. Meantime, Dr. Goddard is here from the Canadian government and he wanted to appear on the bycatch issue. We're sorry that you're not going to be able to make it to Dutch Harbor. It's a beautiful picturesque spot, assuming the weather is good and we can get there.

**Dr. Goddard testifies on behalf of Canadian government on halibut bycatch in BS and GOA groundfish fisheries. (uses up the rest of tape 50 with his testimony, Bob Trumble of IPHC and Council questions)**

[change to tape 51] . . . continues with halibut bycatch discussion. Lauber calls for anyone wishing to give public testimony on agenda items moved to the June meeting. Dr. Pautzke reads list of agenda items that will be limited to reports and/or moved to June meeting; order of agenda items will be complete crab/groundfish licenses, proceed to IFQs to get implementation report from Phil Smith, observers and RFP, chinook salmon and then POP, in that order. Behnken expresses desire to eliminate POP issue because guidance has been given and don't need to take up until June.

**Public Testimony: Paul Seaton, Alliance Against IFQs [only one group testified - went about 1/2 way through tape 51]**

**Lauber:** Now we go back to the license limitation issue. As I recall, staff was going to look this over. Mr. Oliver.

**Oliver:** Yes, Mr. Chairman, you should have a draft in front of you that we hope correctly captures the actions you took with regard to the groundfish program yesterday. We didn't get through crab of course. I don't know if you want us to go through that list for groundfish or if you just want to have it in front of you and have chance to take a look at it and come back to that at some point later to make sure we got it in there correctly.

**Krygier:** Yesterday, I put a proposed addition to crab on the table and I'd like to withdraw that. I should apologize to the Council and staff for the concern that the additional qualifying time periods would have put us off our time schedule if we adopted that. I was trying to solve a specific problem or two which we can probably do a little more eloquently. The additional times, qualifying periods, and the cross-qualifying areas I think are probably not going to significantly add to the scope of the options available. So, I would like to take that off the table and clean that portion up.

**Lauber:** Any objections? The motion is withdrawn.

**Tillion:** Mr. Chairman, we're coming down to the end of the AP recommendations. We're on crab right now so I'll wait until we finish crab because I would like to do one thing.

**Krygier:** Mr. Chairman, the State, as under the delegation of this Council, has been jointly managing the crab resource and we have charge of day-to-day management. The movement from open access to restricted license limitation program, we are concerned that the flexibility to have the species/area management is important for us to continue the management as we do it today. Unfortunately, there are as you've probably heard or remember, there are some of our species/areas which are precipitously declining at the present time. The species/area

designation has the unintended consequence of possibly putting one or two individuals out of business unless we can quantitatively figure out how to move them back into the mix. Particularly at Adak where we have at least one individual who has about 30 years as a crab fisherman, does not rely on groundfish. If we keep that fishery closed they would be out of the mix. I think the intention of this Council is not to exclude people in the kinds of combinations we are putting together who are in fact reliant and have been actively involved in the fishery. Yet, if we approach the other alternative for this which would be a no species/no area type management - you could go wherever you want - that doesn't allow us the types of protection we clearly need in the small fisheries such as Pribilofs, Adak, to manage those even with the pot quotas. The potential participation is too excessive. So, I would try to suggest is maybe a way in which to accommodate the concerns that the two small fisheries, the Pribilof and the Adak, in just basically say, quantitatively, people who have fished in those two areas, if those fisheries are not open, those individual's licenses would qualify them for the Bristol Bay red crab.

Mace: I apologize for being in limbo but it would help me - the basic motion was to follow the AP recommendations and we did some of that yesterday. I'm not sure how much we covered and could we review how much we've done of the AP recommendations and then zero in on those that remain to be done. I don't see the Adak issue on this. I think it would help us to get back on track.

Krygier: Mr. Mace, actually the problem with the Adak is under option either 30 or 40. Since under option 30 or 40, it's species/area endorsements, either one of those would put this problem on the table. So what I have done was the mess I tossed on the table yesterday taken off which was another way to try and get in at that and have suggested a kind of a sub-option for Adak or Pribilof.

Lauber: Do it, make a motion.

Krygier: Oh, that's the motion that we add an alternative to either 30 or 40 which would accommodate when we have closed either Pribilof red or Adak red that those individuals for those two fisheries could fish in Bristol Bay red.

Lauber: Is there a second?

Behnken: I'll second and I have a question. For clarification, when you say when we have closed, is that closed for the year or closed within a year.

Krygier: When a fishery is not open for that year.

Mace: Mr. Chairman, I would like to identify for the record this comes under the Qualifying Period section of the AP recommendations.

Pennoyer: Mr. Chairman, just to repeat them. We have done License Recipients and License Owners. We did License Designations, we chose 400 as the option so we are on Qualifying Periods then. We've done the first two. Mr. Krygier, so if you close Adak, then those boats get to go to Bristol Bay. Why wouldn't any other area that is closed be able to go to Bristol Bay or if Bristol Bay closed be able to go to Adak or aren't there boats similarly situated in other fisheries that would be similarly disadvantaged or is this the only boat in the Bering Sea that only fishes one area?

Krygier: Actually, Adak is the critical one because they open concurrently and both Bristol Bay and Adak open at the same time. Often, we have at least one vessel that has always just gone to Adak instead of going to Bristol Bay since they open on the same date. It has a long history in that area.

Pennoyer: So these are the only two areas that open concurrently so somebody if St. Matthews was closed that wouldn't affect them because they normally could fish in either Bristol Bay or Adak. These are the only two areas that are concurrent then in their openings.

Krygier: Yes.

Pennoyer: So they would be interchangeable in only one direction or both directions.

Krygier: One direction. Individuals from that area . . .

Pennoyer: Why not the other direction?

Krygier: Well, because Bristol Bay can absorb . . . we have 349 participants at Bristol Bay which is a much larger fishery or has been until the time . . . if we had opened it this year it was 12 million pounds. A few years back it was 20 million pounds. The whole fleet has basically participated in the Bristol Bay red crab fishery. The amount of red crab available at Adak is less than a million pounds. Three years ago, it was just a little over a million, then 700,000, 200,000 this year. The last time Adak had a significant harvest was when it first opened on the virgin stocks.

Pennoyer: Mr. Chairman, I want it on the record this year we did close Bristol Bay so it's closed entirely too. It's not that we just . . . it's always a safety valve for Adak . . .

Krygier: The number of participants who have relied strictly on the Adak fishery red crab is I believe only one or two vessels. It's not more than that. There are on the other hand 340 vessels at Bristol Bay which have been reliant on its fishery. It normally can absorb one or two boats.

Pennoyer: This would be an addition to 30 and 40 then so in either case whichever was adopted, this would be a proviso? Thank you.

Lauber: Any further discussion on this motion?

Fluharty: . . . [change to tape 52, conversation missing at beginning of tape] . . . king crab endorsements?

Krygier: What I'm trying to do is those individuals at Adak who qualify for red crab endorsements in Adak would also qualify for Bristol Bay.

Fluharty: But if they have other endorsements would they now want in Bristol Bay?

Krygier: Other endorsements such as brown crab or Tanner crab out at Adak, is that what you're saying?

Fluharty: Right, something like that.

Krygier: No, that wasn't the concern.

Fluharty: Only those that just have an Adak red king?

Krygier: Yeah, red crab and . . . red crab.

Samuelson: Mr. Krygier, those that qualify for Adak would they have had to fish in the Bristol Bay red king crab fishery?

Krygier: No, in fact, the one individual who's probably the most sticking has almost 31 years participation in the fleet and in the last 10 years he's not fished Bristol Bay red crab. He's fished his red crab opening at Adak.

Pereyra: Yes, Dr. Krygier. This person then has an endorsement for Bristol Bay red king crab. Would that be separable?

Krygier: No.

Pereyra: So that would mean he couldn't fish Adak and then lease his Bristol Bay permit out.

Krygier: My intent was that his Adak license would qualify him to fish Bristol Bay. He would not get a Bristol Bay permit but his Adak license would allow him to do that in years when the Adak red crab fishery was not open.

Pereyra: Anybody with an Adak red crab license could fish Bristol Bay if they so chose.

Krygier: Actually, most all of the other participants that I know already have a Bristol Bay red crab because they fish the Bristol Bay and move out to Adak, whereas he starts his season at Adak.

Lauber: Is there any objection to adding this as one of the alternatives?

Behnken: Could I just clarify a few things on how we're handling this. My understanding is that amendment applies to 30 and 40 and those are endorsements. In order to even qualify to get any endorsements, you have to qualify for the umbrella license which is, what, number 50.

Krygier: I think that's what the Council did yesterday and it's consistent with the . . .

Behnken: So if we look back at 30,000 under Nature of Licenses, 30,000 should be a license with endorsements for different species and areas. Is that correct? Then we have two different qualifying periods, one is the umbrella license and one is qualifying for endorsements?

Lauber: Dr. Pautzke.

Pautzke: Mine wasn't answering that. I have another question after you get done answering that. I don't know the answer to that. Maybe Chris does.

Oliver: Mr. Chairman, this might be the time when it would be helpful to clarify at least what the intent of the AP's motion is that you're working from with regard to these qualification periods. You still have two options for Nature of Licenses - both the species/area specific and a general license. In the case of the general license, of course, the idea of the endorsements is moot but it would apply if you retained the species/area designations. In the qualifying periods that are listed in the AP motion, you have 30, 40 and 50. Those were intended by the AP as three options for the base qualification period. For example, under 30, your base qualification period would be June 28, 1989 to June 27, 1992. Then you would have those special time periods for those special fisheries. Under option 40, it was a more recent time period as the base qualification period. Again, you would have some special time periods for special fisheries.

Behnken: Could I just stop you before you go any further. Under 30 and 40 if we had a single license, those special considerations if you met the special years for Pribilof blue, you would get a general license for everything. That's the way the AP intended that? In other words, what we have in 30 and 40 - all the different qualifying periods would give you a single license for all species of crab in the Bering Sea/Aleutian Islands. That's the way those years were intended?



Hartley: I think there's a dual qualifying period contained within that either of those alternatives. I think you can still maintain within the wider, I mean for the early periods you have to have fished in the later period contained within option 30 and 40.

Behnken: That's part of my question. Is that true? Is there still this dual qualifying period for . . .

Oliver: The major fisheries so to speak. Was that the question?

Hartley: Yes, I think there is unless you changed it.

Brannan: Mr. Chairman, for the Dutch Harbor red and Pribilof blue king crab fisheries there is that dual qualification period embedded in each of those options. So for those two specific fisheries you would have to meet the dual qualification period under a single license in order to qualify.

Behnken: Okay, if I could follow up. If we were to choose option 30,000 where we have basically a license umbrella and when we have endorsements for different fisheries, then do we still have this understanding that the license umbrella would be according to 30 and 40 or is the license umbrella at that point the moratorium with endorsements going by these years.

Oliver: Mr. Chairman, the assumption is that if you have those species/area combinations that 30 and 40 would be the base period for that umbrella and that the only dual qualification at that point would be for these others. The 50 is the only option that contains the base period that's consistent with the moratorium. If I might follow up on that Mr. Chairman. Again, 30 and 40 were intended in the Advisory Panel motion to be base period options and 50 is a separate base period option that is consistent with the moratorium. And what is not shown in their minutes but was part of the document they were working from is that under option 50, it reads 1/1/88 to 6/27/92 to qualify for the umbrella license. Then according to their motion or what they were working from you would also have to have made three landings in the three years prior to Council final action as a secondary period. Neither of these three options is really consistent with what the Council did yesterday with regard to groundfish where we took into account the moratorium crossover provisions. If you wanted to be consistent, and this is back to Dr. Pennoyer's issue yesterday with the moratorium, I think you would need some adjustment to these qualifying periods, at least number 50 which is a base period qualification of the moratorium. It may include a secondary period for area/species endorsements for crab, but it would also need to recognize the crossovers that have occurred through 1994 from groundfish to crab.

Krygier: Chris, I thought the way I understood this in our discussion last night and I heard some discussion from the AP folks, maybe we need clarification from someone from the AP because I thought they were really saying 50 was going to be like 'the umbrella' and the other two, even though as you pointed out, 30 is within so that you had to do both, you had to be moratorium qualified. Option 40 is outside the moratorium.

Oliver: That's correct. Option 40 was always intended in my understanding as a separate base option that as opposed to using the moratorium period, you would be using a more recent time period for the base qualification.

Krygier: Under that type of scenario, are we talking about umbrella licenses under all these options?

Oliver: You could certainly still retain the umbrella under any of those. It's simply a different base qualification period for what years determine whether you're in or out under the main umbrella.

Krygier: Whatever we do, I would want to make sure that the Council, the staff did an excellent job of pointing out how it may not be covered in the document on crab where it is clearly, umbrella, is covered under groundfish. We do need an umbrella so that individuals, if we end up with species/area endorsements, someone with five

endorsements might sell off a couple and increase the fleet. So whatever the combination, we need to make sure we have an overall umbrella so that we limit the overall size of the fleet.

Pennoyer: Mr. Chairman, I'm not sure why the AP chose to or maybe they didn't, maybe we changed it, to change from the way we handled groundfish. I can understand why different areas might have different qualifying periods to get an area endorsement. You know a fishery that hasn't been open for a long time or some other rationale, new superexclusive area in Norton Sound or whatever. I don't know why we just didn't follow the groundfish pattern where we had an umbrella and you had to get that regardless. And then you had the ability to have qualified under the moratorium for the crossovers allowed under the moratorium during that interim period of time. And then your area endorsements were based on your recent fishing history or if the fishery's been closed, on past fishing history and you do that separately by different areas. We seem to have gotten ourselves off on a whole different track, maybe it works, but it doesn't track the way we did the groundfish very well.

Oliver: Mr. Chairman, the way you did groundfish where you took into account those moratorium provisions was not the way the AP did it. They weren't explicitly trying to mesh this with the moratorium in their motion.

Pennoyer: I guess I understand it, maybe I misstated it. I don't know why we want to go back and do it this way. We did change the AP to take into account the moratorium qualification option. We added that option. Now if we added it here, it seems to me we can still go back to the base the same way we did groundfish and devise our own little process that takes into the AP's concerns for area endorsements in these different areas. I think Dr. Krygier is correct, we should maintain the base umbrella period for the moratorium, recognize the crossover provisions allowed for similar gear types during the '92-94 period, and then discuss area endorsements in each fishery separately as to what's the best qualifying period for it. If we logically proceed in that fashion, I think we can get through this. Going back and doing this, then flipping over to something else, I don't think we'll ever get it done. Staff could probably lead us through that I think.

Oliver: Mr. Chairman, you could certainly do that. I guess in the AP's minutes, the option 30 and the option 40 were meant as alternative base qualification periods and so if you go back and use what you did with groundfish as a starting point, I guess you wouldn't need 30 and 40 that are listed in the AP minutes because those are very different basic qualification periods. One other clarification, under number 50 where it does use the base moratorium qualification period, the other parenthetical periods for some of these special fisheries were meant to apply to 50 as well.

Lauber: We technically still have Dr. Krygier's amendment.

Behnken: Can I clarify that for us. The reason I asked that is I would expect the maker of the motion would want that to apply to 30, 40 and 50. Maybe we're going to turn around and get rid of 30 and 40 but I would expect you would want it to apply to 50 as well. Isn't that correct?

Krygier: Get rid of 30 and 40. I'm sorry, maybe I'm not tracking what you're saying.

Behnken: I just dropped that. You made your motion to only amend the qualifying periods for 30 and 40. We just had the discussion about maybe we want to use only one base period which is the one in 50, but if you're making special qualifying criteria for endorsements, then I don't understand why you wouldn't apply it to 50 as well.

Pennoyer: Mr. Chairman, may I make a suggestion. I don't know if this is what we want to do. We have in front of us the draft for groundfish license limitation program. Perhaps the best way to do this is to look at that and for both the options under Qualifying Period we included for general licenses, January 1, 1988 to June 27, 1992

with the additional provision that any vessel that crossed over, in this case from crab to groundfish, under the provisions of the proposed moratorium would also qualify for a general license. And that applies to anything. It would have applied if you had three other things to three other things. I don't know if we need to do any of these different configurations here, but we could then go to for area endorsements and pick up what the AP has differentially by their subareas in 30 and 40. Then if you wish to take the AP motion into account for base period, you could have two additional options. Alternatively the base period could be June 28, 1989 to June 27, 1992 or January 1, 1992 to December 31, 1994. So we could pick that up as two modifiers to the basic motion which is what I just read and would that do it or am I missing something?

Behrken: I guess in response to what you're saying, that would certainly clarify and simplify things, but it is dropping out two base periods different from the moratorium that the AP recommended.

Pennoyer: Mr. Chairman, I said that you could then, having done that, you could have two modifiers and say alternatively the base periods which could be considered which would modify anything else we do would be June 28, 1989 to June 27, 1992 or January 1, 1992 to December 31, 1994 if we wanted to consider those. I'm not sure why different base periods were proposed. I have heard no rationale as to why it varies from the moratorium although Chris says he's got it.

Oliver: Mr. Chairman, if I could explain a little bit of how the AP went through the crab license limitation options and maybe give you some idea of why those are in there. We had a draft working document, a straw man set of proposals if you will that the AP worked from. There was a fairly unified version for groundfish and they spent a lot of time crafting that. When it got to crab, they were literally running short on time and what they did is they had three different configurations that were proposed that were separate programs if you will and each of those contained different provisions and each of those contained at least three different qualification periods. The AP basically adopted all three of those as alternative programs and then we broke down the elements of each of them and laid them out on this list for you in terms of presenting them in the AP minutes. So that's why they didn't engage in the depth of discussion that they did with regard to groundfish in the Qualification Periods.

Pennoyer: Mr. Chairman, but is there a rationale for choosing a different qualification period in crab than the moratorium which applied to both crab and groundfish.

Oliver: They wanted to have those options available, Mr. Chairman, was the only rationale I think.

Pennoyer: Mr. Chairman, so you've got analysis for those various options. This isn't a new analytical problem for the June meeting.

Oliver: For 30 and 40, in other words option 50 where you have a base period and then a secondary period is something new that we haven't looked at before. So we would be looking at it with the various other components of the package. In terms of option 40, it goes through '94 so in effect it contains within it in that secondary period so I believe, Darrell will correct me, that one we would not have to rerun so to speak. Option 30 is actually a subset of the time period contained in option 50 and so it's really not much different than option 50 if you look at it in terms of the secondary period though it's a little bit shorter time period. So, two of the three we would have to rerun.

Pennoyer: Mr. Chairman, want a motion?

Lauber: What we were going to do was expecting that why don't we take a break and come back and you can have time to jot it down or whatever. Then we'll have the motion after we come back from the break.

Krygier: The amendment I brought up earlier. Staff brought up that if we moved that up to 30,000 it would make the analysis work a little cleaner. I would like to propose we do that.

Lauber: The same motion except it would be moved up to 30,000.

Krygier: Right. That covers both areas.

Lauber: So how would that read. You're actually substituting . . .

Krygier: It would be just an exception. It would go the license for each species/area combination except . . .

Lauber: Except?

Krygier: Whatever I said before.

Lauber: Adak . . .

Pautzke: When they're not open. The Pribes and Adak when they're not open. That motion?

Krygier: Yes.

Pautzke: They would qualify for a Bristol Bay red king crab permit if it's closed for a full year?

Krygier: Yes.

Pennoyer: Mr. Chairman, effectively treats Adak and Bristol Bay as one area, endorsements for the one way flow between them, not one way, not as one but as a common unit for the one way flow between them. It can flow from Adak to Bristol Bay if Adak is closed, not the other way.

Pautzke: Right.

Lauber: So then we can take care of that issue separately, then your motion . . . maybe get this one out of the way. Is there any further discussion on Mr. Benton's motion. Excuse me, Dr. Krygier.

Pereyra: Mr. Chairman, one comment. I have a real problem with this particular motion because it seems to be crafted for just one vessel and not that that vessel may not be deserving. There are all sorts of special circumstances like this that come up and I find it difficult to support the motion for that reason. I'd like to be 'no' on this one.

Lauber: Any further discussion? There were several objections so we'll call the roll on this one. We're voting on Mr. Benton's motion on the Adak, or on Mr. Krygier's motion, on the Adak exemption and move it to 30,000.

Pautzke: Mr. Hegge, yes; Mr. Mace, no; Mr. Pennoyer, no; Dr. Pereyra, no; Mr. Samuelson, no; Mr. Tillion, yes; Dr. Barker, no; Ms. Behnken, yes; Dr. Krygier, yes; Dr. Fluharty, no; Mr. Lauber, yes. Failed.

Pennoyer: Mr. Chairman, on the Qualifying Periods what we've done here, staff is frantically typing, so maybe I can give you a little overview first and if they have it then we'll do it, otherwise I'll just read it. There are basically a couple of issues here. One was the AP's desire to have different qualifying periods to the base and the other is to have different qualifying periods for area endorsements. Those two get kind of mixed up in the discussion, particularly when you go back to groundfish. The other issue is that we probably want the option,

or I assume you may want the option as you did under groundfish, as you proposed under groundfish - you haven't adopted it yet, to take into account moratorium crossovers that were legally done during the moratorium. Now I'm not saying that sometime you don't cut some of these things out, but if they're going to be consistent that's the way so far you've proposed to handle groundfish. So what I've done, I did not do the 30, 40, 50 idea, but simply have a base period with different area endorsements in each case. The way I've done that after discussions with Ms. Behnken and Mr. Krygier is to, I don't know if I've done it on the screen, I will separate this into pieces and vote on it if you wish one piece at a time since I think these are separate issues. The first two things I'll present, I'm using the same base period but different area endorsements. I don't know what the number would be - if it's 30A or whatever - for general licenses, January 1, 1988 through June 27, 1992 with the additional provision that any vessel which crossed over to crab from groundfish under the provisions of the proposed moratorium would also qualify for a general license. That will be the same in both the motions I'm going to make. Then I would have, if you go back to the AP recommendation, I would say to qualify for species/area endorsements and then I would put all of what's in 30 as the follow up.

Lauber: You put all of what . . .

Pennoyer: All of what's in 30 in the AP recommendations. So in other words, you have this basic qualifying period and then to get an area endorsement you had to have done these things: fished in areas from June 28(???) to June 27, 1992 with the exceptions as listed. So I do all of 30. That's the first of these if that's acceptable.

Lauber: And that one, you would propose as a motion.

Pennoyer: Yes.

Lauber: Now it might be wise, we'll consider that the motion if there's a second.

Behnken: Second.

Lauber: Okay, we'll consider that the motion but it might be . . .

Pennoyer: The second motion will be to do the same thing but to include for the species/area endorsements all the things under 40. So the same base period, but different set of species/area endorsements time qualifications as listed under 40. That'll be my second motion. And my third motion would be whether you want to consider a modification of the base period. So the first motion is to do as I said for general licenses, January 1, 1988 to June 27, 1992 same as groundfish with the additional provision that any vessel which crossed over to crab from groundfish under the provisions of the proposed moratorium would also qualify for a general license. To qualify for species/area endorsements, it's June 28, 1989 to June 27, 1992 with the other exceptions as listed under the item 30 in the AP. That's the first motion that was seconded.

Lauber: And what would happen to 50?

Pennoyer: 50 no longer exists.

Lauber: Okay. Now speaking to the motion, the original motion which was the first two parts of that. . .

Pennoyer: I believe I spoke to it. This offers you the alternative similar to groundfish for the same base period . . .

Lauber: I didn't mean you, I'm opening it up for debate.

Behnken: Thank you Mr. Chairman. I think we've finally sorted it out and what this motion does, using the moratorium base period and recommendations for endorsements and also as the AP recommended giving us the opportunity to modify that base period. I think we've finally pulled in a way of doing it that would be consistent with groundfish if we so choose, but also taking the AP recommendation if we choose. So I think this suite of motions finally gets us through this.

Lauber: Any further discussion on Mr. Pennoyer's motion, the first part of it.

Pautzke: This applies it just to 30 or do you want to just combine 30 and 40 . . . was there some reason not to take them . . .

Pennoyer: Well, I was just trying to simplify it in case people had a problem doing either one of them.

Lauber: There may be someone, I assume, that might have a problem with the second part.

Pennoyer: Yes, somebody might have a problem with the dates in 30 for area endorsements and then later somebody might have a problem with the dates in 40 so that's why I just separated them. The first one is just 30.

Tillion: Mr. Chairman, I'd be for combining them. I might very well have some problems as we're going out with a suite of options, I think that what he's recommending is very reasonable and just no promises that you're not going to vote for cutting things back considerable when we get to Dutch.

Lauber: In your motion, however, they're not combined.

Pennoyer: Well, Mr. Chairman, I don't think they combine well because of the same thing with different dates. So they're really two separate options and I think that's why you should consider them separately.

Lauber: The first option is contained in the motion. There will be another motion.

Pennoyer: There will be another motion for 40, that's correct.

Lauber: Is there any . . . I've gone blind . . .

Pennoyer: I think that says what I said doesn't it Marcus?

Hartley: Yes.

Pennoyer: Thank you.

Tillion: Well, I'd rather vote on what he said than try to read that.

Pennoyer: Why don't you vote on what I said and then they can make it work later. It's in the record.

Lauber: Is there any further discussion on Mr. Pennoyer's motion? Is there any objection to the motion. Since we're in the dark, speak up I can't see whether anybody is objecting. Okay, the motion passes.

Pennoyer: The second part is again for general licenses January 1, 1988 to June 27, 1992 with the additional provision that any vessel which crossed over to crab from groundfish under the provisions under the proposed moratorium would also qualify for a general license . . . [change to tape 53] . . . for a species and area

endorsements January 1, 1992 to December 31, 1994 and then the rest of the items listed under that item 40 in the AP recommendation.

Lauber: Is there a second to the motion?

Behnken: Second.

Lauber: It's been moved and seconded. Is there any discussion that this be added as an alternative?

Behnken: Can I ask one question of staff?

Lauber: Yes, go ahead Ms. Behnken.

Behnken: Because this was brought to my attention at the break. What would be the implications of considering as one option that if an individual qualified for one Tanner fishery, they'd qualify for the other. In other words, if they qualified for opie, they'd qualify for bairdi. Is that something that's been analyzed?

Tillion: That would merely mean combining two that we already have analyzed, wouldn't it?

Brannan: Mr. Chairman, we have not analyzed looking at the two Tanner crab species analyzed as one unit. In the alternatives we've looked at so far are with this alternative.

Behnken: Okay, thank you.

Lauber: Alright, are you ready for the question on the second motion, Mr. Pennoyer's motion. Is there any objection to the motion? Hearing none, it passes.

Pennoyer: Mr. Chairman, the third part now deals with whether you want to look at different qualifying periods than the base moratorium period. That question has particular relevance to perhaps the Norton Sound. I would have to have Mr. Krygier answer that because the Norton Sound participants who have fished recently under this superexclusive registration area may not have fished during the base period, I don't know. The other question is whether you just want to include different base periods in the moratorium. Do you want to include, for example, as base period alternatives which would be sort of a modified 50 - base period alternatives June 28, 1989 to June 27, 1992 or January 1, 1992 to December 31, 1994. It wouldn't change any of the rest of this just do you wish to consider different base periods for the overall qualification for either Norton Sound separately or everybody. I can't answer that question and I haven't heard any justification why you would.

Lauber: We have in the original umbrella motion, the Norton Sound red king crab issue that we're treating separately. Does that solve the problem?

Pennoyer: It may do it. The AP felt that they needed to say must have made a landing in '93 and '94 in Norton Sound. That could be treated as a species/area endorsement if we treated Norton Sound separately. So that could do it. I guess the basic question then is do you want to consider different base periods as the AP did? And if so, you could just list below two additional alternatives or different base periods or you could just stay with the moratorium period. I haven't heard any discussion of why it would be justifiable to go to a different base period.

Lauber: Do we have the moratorium base period now in there?

Pennoyer: Yes, that's what you adopted in 30 and 40.

Lauber: Well, if someone cares to make the motion fine, otherwise it's not before us.

Krygier: The two fisheries that don't fit within the base period - one is the Norton Sound '93 and '94, but the Pribilof red is also a fishery which did not - we've never opened it. There is no historic harvest during the base period. So both of those would have to be included as special exceptions if you're going to just leave that as a base option.

Pennoyer: The only way you could handle that if you have a date is to list just as, I don't know it would be 30C or whatever - I don't know what the telephone number would be for it but include that Council would consider different base period options specifically for Norton Sound and the Pribilofs and just have years you could put in or just leave it like that so the public could comment on it. I'm not sure. Staff is there . . . Chris? Perhaps, staff would wish to comment on whether different base periods for Norton Sound and the Pribilofs create some kind of analysis problem. Mr. Krygier suggested that perhaps we choose a different base period specifically for the Pribilofs and the Norton Sound because they are special circumstances.

Oliver: We've been assuming the language in the parentheticals there where it says for Norton Sound red and blue king crab fisheries and for Pribilof red king crab you must have made a landing in '93 or '94, our assumption that was the base period to be considered for those fisheries.

Pennoyer: That would then be perhaps a separate option for a separate base period for just those two.

Krygier: I think they said they've included it within their assumption.

Pennoyer: But it's not in your options. The options right now is just species/area endorsements, not a modification of the base period. The base period for everybody at the moment is January 1988 to June 1992 so if you wanted a different base period for those two you'd have to move that.

Krygier: I move that we include those separate base periods as described above in '93 and '94 for Pribilof and Norton Sound.

Pereyra: Second.

Lauber: Is there any discussion? Is there any objection to the motion? Hearing none, it passes.

Tillion: Linda brought up the issue of the Tanner crabs. I just assumed that we could combine the two if we wished to in our June meeting without any difficulty. It's seems a little strange to have separate periods for opies than you have for bairdi. I can't imagine that the boats haven't fished both. Could staff tell me?

Brannan: Mr. Chairman, we haven't explicitly looked at that option, but it's a possibility that we could for June. It wouldn't be that difficult to combine the two species together and do a couple of runs.

Tillion: I move that we have the option of combining the two into a single license at our June meeting.

(?) Second.

Pennoyer: Is this the qualifying period we're talking about.

Tillion: No, I'm not changing the qualifying period. It's just that they have separate endorsements for opilio than they do for bairdi and that seems rather ridiculous to have two when I don't know of any vessels that didn't fish both. If we want to combine the two, let's be able to.



Pennoyer: Mr. Chairman, excuse me sir, going back to Nature of License then?

Tillion: Yes.

Pennoyer: Mr. Chairman, we're finished with Qualifying Period?

Lauber: I don't know if we're finished with it. We've moved on to something else.

Pereyra: Mr. Chairman, yesterday I think I asked Mr. Krygier if it wouldn't be expeditious to revisit this locally owned and operated phrase here and whether you'd had a chance to . . .

Lauber: We haven't resolved that motion yet.

Behnken: I had a question to ask the maker of the motion. My understanding is from the concern voiced by industry that they wanted if you qualified for one, you qualified for the other. Is that your intent? So you would like to have information available in June to where we could choose to do that.

Tillion: Yes.

Behnken: I guess that the staff understands that.

Pennoyer: Mr. Chairman, since we adopted licenses for each species/area combination aren't we free to recombine those in some fashion in June anyhow? The data would be in front of us so that we have now license species/area combination. My assumption was that there was some rationale for combining some of them in June. We could just do that. We don't need a specific motion to combine this opilio fishery with that bairdi fishery or this king crab with that something else now do we? We could reach those.

Hartley: You might want to tell us if that might be your intent cause we wouldn't necessarily list the Tanner crab combination. We were listing out by species because in fact some people do qualify for one and not the other. I mean there are differences. You can't make a direct comparison. You can't add them because some do both.

Lauber: My understanding is that this motion would insert this option that would allow us to do that. Is that correct? Is there any further discussion? Is there any objection to the motion of Mr. Tillion's allowing us to combine. Hearing none, it passes.

Pereyra: The question is to Dr. Krygier and I'm waiting for a response from him.

Krygier: What was the question.

Pereyra: Yesterday, I expressed some concern about the wording in 3B under Norton Sound. The fact that it spoke to locally owned and operated and I felt that was a discriminatory statement you might want to revisit. I was curious whether you had a chance to review that and what your response is.

Krygier: Actually, I noted your concern and what I was going to try to do is look at some ways around the mess. A couple of different alternatives which may or may not lead us down the track of using that locally owned and qualified, but I did notice what you said and I haven't had chance to visit with Counsel yet on the issue. We'll deal with that.

Lauber: I don't think it's that complicated. If you merely stated in 'B' would read where a boat was owned and operated by a corporation and a skipper was a temporary contract employee, that's all you need to do is take out

the locally. Is there any objection to deleting in 3B under Norton Sound crab any reference to the "locally" local situation ownership by a corporation. Hearing none, we'll delete that. Do we have anything else moving along on crab. Where are we, we've jumped all over the place.

Pautzke: We've done Qualifying Periods. Minimum Landings, I think you should probably go back and take a look at that since you were up to 5 yesterday at one point and it was mixed in with a lot of the other motions that you had on the floor yesterday.

Krygier: I withdrew that motion that would have put that on the table. In fact, there was consensus with counsel, so that 5 is off the table.

Lauber: So it currently reads 1 and 3, options 2 and 3.

Krygier: Yes, options 2 and 3 are the only ones on the table.

Lauber: Is there any other as we're working our way down through here.

Pautzke: I think when we went down through Who May Purchase Licenses I have that was okay, Vessel/License Linkages was okay, Options Regarding Separability was okay, Vessel Replacement and Upgrades was okay, License Ownership Caps - did we get through that?

Krygier: Yeah, we did. We left the options on the table. We had the discussion with Wally and Linda and myself decided to leave it on the table as what the AP had recommended 0, 5, and 10 licenses.

Mace: Yesterday, on groundfish Vessel/License Linkages we added subject to the 20% rule there and that wording isn't in that particular section so I move that we add that.

Pereyra: Second.

Lauber: Where are you now?

Mace: Vessel/License Linkages.

Lauber: Oh, okay.

Mace: We approved that yesterday for groundfish as I recall subject to the 20% upgrade rule.

Lauber: Looking at the graph, I don't see that.

Mace: When we come back to review that I'm going to bring that point up, but it was in this.

Lauber: Again, what did the language say?

Mace: Subject to the 20% rule.

Lauber: Subject to the 20% rule. Is there a second to that.

Pereyra: Second.

Lauber: Is there any objection to adding under Vessel/License Linkages "subject to the 20% rule"?

Hegge: I don't object, I just have a question. Does that relate to transfers, Bob?

Mace: Yes.

Hegge: Is the language in there that would allow only one upgrade, not an upgrade on each transfer or anything like that.

Mace: No, it isn't. Not in this wording.

Hegge: I think we need something like that or you can have a paper shuffle and end up with a very big boat.

Pereyra: My assumption all along and maybe it was the wrong assumption, that all of those provisions in the moratorium that related to this particular issue which we debated long and hard over many meetings are by reference incorporated into the vessel licensing program both for crab and groundfish. I assume that by reference, it's in there. At least we had some discussion on it earlier. Am I correct?

Hartley: Your assumption being that the 20% rule is that whole package that is in that 20% upgrade rule, one-time only . . .

Lauber: I'm just getting that that's the sense of the Council. Alright then, that is the sense of the Council. Then there's no objection to that addition? Hearing none, it passes. Ownership Caps, we covered that.

Lindeman: Mr. Chairman, could somebody explain what the phrases in 2 and 3 mean with grandfather provisions.

Lauber: We may have done that but it won't hurt to do it again.

Oliver: I can explain what our assumption is. As with previous discussions, as with sablefish and halibut where we used the term "grandfather" and you had an ownership cap that if someone was initially allocated six licenses and you picked the five cap that they would get their six licenses but they just wouldn't be able to acquire additional ones.

Lauber: You would be retained licenses to which you're entitled but you could not obtain licenses in addition to whatever the caps may be if any.

Fluharty: Just a clarification. What would be the date at which we count grandfather licenses? Is that today?

Krygier: Issuance and qualification. If you qualified and got a license.

Fluharty: Whatever date we determine when we take final action?

Lauber: Now wait a minute. No, I don't want to leave that impression. That's not the case. It would be with all these other things we have done, if it's determined that that entitles you to something that's over some type of a cap, we would grandfather that in. But it's not . . .

Fluharty: But that would count for someone now who would acquire them.

Tillion: No, no, they couldn't acquire it now. They would have to have owned them prior to those dates.

Fluharty: I don't want to get hung up on this.

Lauber: Don't we go by ownership at the time so if someone today doesn't own a boat but in the interim buys one that has all of these, yes it would go along with it. They would buy those rights.

Behnken: Can I just clarify one more point on that ownership cap. As I understand what we ended up clarifying for the sablefish and halibut is that applies individually and collectively and that's the intent of the Council. That's how this cap would apply as well?

Krygier: Yes.

Pereyra: Mr. Chairman, the difficulty there is that in sablefish and halibut, maybe with the exception of freezer sablefish I believe, don't we have that it's tied to the individual and that the corporate issue doesn't come into play? I see situations where you have one individual that might be involved in half dozen corporations and those corporations might only have say two vessels each. It can get rather convoluted.

Behnken: Mr. Chairman, in response to Mr. Pereyra's comments. As I understand it, we may need clarification from RAM division or someone, we've run up against that in sablefish and halibut and there are some corporations that received quota share although new people can't buy them. Some corporations received them and I understand they are applying the caps individually and collectively.

Pereyra: What does that mean?

Behnken: That yeah, if you participate in more than one corporation everything in which you participate is limited by the caps - collectively. And I see Phil Smith nodding his head.

Krygier: That's what the grandfather clause is supposed to take care of generally is allow people who were in multiple corporations to not cause them to be stopped from gaining, but they can have what they are now but if they want to go further they need either to divest themselves or do something different.

Lauber: Not only is that what RAM is doing. My recollection is that's what we intended for them to do. It's not some new interpretation by them.

Pereyra: What happens in the situation of an individual, say an individual's involved in three corporations and they're a minority shareholder in all three of those corporations. Those corporations collectively own six licenses and one of the corporations in which this individual is a minority shareholder, the majority decides they're going to acquire one more license. That corporation then can go ahead and acquire a license and that one individual who was a minority would then have to divest himself of some other corporations. Is that how it would work?

Behnken: That's my understanding. If the cap indeed was set at six, he would either divest or the corporation can't purchase that license. That's the idea of vessel cap is to prevent any person from having excessive share. That was the Council's intent under sablefish and halibut, that's how it's being applied and that was my, I'm not sure if I made that motion, but it was my intent as we voted on this.

Pereyra: I see a few smiling lawyers in the audience. I think we've given them some additional employment. There are several ways in which you can get around that issue.

Lauber: That's alright. Just about everything we do falls in that category.

Oliver: I just wanted to clarify Mr. Chairman that the ownership caps as discussed at least as in the AP motion were meant to apply to the general license not to endorsements.

Lauber: I see where the 20% rule is mentioned in fact, but it was under Vessel Replacement and Upgrade, so I stand corrected.

Pereyra: What would happen then if Tyson Seafoods bought Trident after we go ahead and go through this program. Does that mean that at that point in time that they can't have more than 5 licenses? Is that the idea? So that Trident would then have to start divesting themselves and some of those vessels as would Tyson?

Lauber: I don't know if that's a legal opinion or not, but it sounds like it. The idea, I think, the sense of the Council was that it had very strong concerns about corporate, not necessarily corporate but even individuals coming in and buying the whole industry. That's what we were addressing. Painful as it may be . . .

Pereyra: I was just trying to clarify because I suspect there's going to be some folks that are not going to be too pleased about that particular provision. Not the first time.

Lauber: No that's right. Now let's move along here. We took care of the Buy-back and Retirement Program - we deleted that did we . . .

Pautzke: Just keep the AP thing, it does become inappropriate it says.

Lauber: Right. So the AP recommendation deleted it. Okay, moving on. Two-tiered Skipper License Program. Under the groundfish, we recommended that that be put on a separate track.

Pennoyer: Mr. Chairman, the language here and it may have been in groundfish too and I didn't pay any attention to it, that the AP would prefer this timeline parallel license limitation - that's their preference. Obviously, we're not going to do that unless in fact license limitation doesn't go forward that won't happen but it's not mandate it's just a recommendation. Thank you.

Lauber: Okay so that's in the main motion. Community Development Quotas. We currently have the same language that was in before.

Samuelsen: I would like to make a motion to amend inclusion of 10 and 15 percent.

Lauber: So you would add back in options 4 and 5?

Samuelsen: Yes.

Krygier (?): Second

Lauber: It's been moved and seconded. Is there any discussion? Any objection to the motion?

Pereyra: Mr. Chairman, I have to abstain on that.

Pautzke: We had a roll call vote on this issue I think in the groundfish.

Lauber: Okay, fine. Call the roll on Mr. Samuelsen's motion which would add back in options 4 and 5, 10 and 15 percent on crab.

Pautzke: Mr. Mace, no; Mr. Pennoyer, yes; Dr. Pereyra, abstain; Mr. Samuelsen, yes; Mr. Tillion, yes; Dr. Barker, no; Ms. Behnken, yes; Dr. Krygier, yes; Dr. Fluharty, yes; Mr. Hegge, yes; Mr. Lauber, yes. Pass.

Lauber: Alright, we move then to Community Development Licenses.

Mace: Can someone explain to my why we're considering licenses under the crab program and we didn't under the groundfish and what's the rationale for this inclusion?

Samuelsen: I move to delete the licenses for crab CDQs.

Behnken: Second.

Lauber: It's been moved and seconded that we delete Community Development Licenses. Is there any discussion?

Samuelsen: Yes, a little explanation, Mr. Chairman, on my motion here. The way I envision the crab CDQ program to be implemented is kind of mirroring the pollock program that the individual CDQ groups that are awarded quota would not be granted a license because they will have to again prove up to the State, put in an RFP (Regional Fisheries Plan) and prove up to the State that they're living by it. So, if a CDQ group does not live up to what it says in that plan then allocation could be taken away from that CDQ group and awarded to those in the CDQ program that are proven up on their plan. If we give it non-transferable license then we're preempting that option.

Lauber: Further discussions? Ready for the question? Is there any objection to the motion of deleting Community Development Licenses?

Pereyra: I object. I'd like to see it continued in there for more discussion.

Lauber: Call the roll. It's on deleting Community Development Licenses.

Pautzke: Mr. Pennoyer, yes; Dr. Pereyra, no; Mr. Samuelsen, yes; Mr. Tillion, yes; Dr. Barker, no; Ms. Behnken, yes; Mr. Krygier, yes; Dr. Fluharty, yes; Mr. Hegge, yes; Mr. Mace, yes; Mr. Lauber, yes. Pass.

Lauber: Alright, Other Provisions under option 3 add . . . AP recommendation . . .

Tillion: Those are just recommendations.

Lauber: Is there any motion to that? Alright, Individual Transferable Pot Quota System. Anything under that? Additional Provisions. What is a no lease class distinction?

Pautzke: The boats only need to be so fast.

[change to tape 54, some of tape seems to be missing]

Mace: . . . is there any limit to the numbers it can be included in the fishery. What's the parameters of this, it looks like an open ended provision to me.

Oliver: I think this will be helpful but when the AP was dealing with the crab license program, they basically took three separate programs that were proposed as packages by three separate AP members and then we tried to take and depict all the provisions of each of those proposals in this list. And these additional provisions were included in one of the AP members proposed packages. For example, it included an exemption for vessels under 35 feet with intent the traditional management tools be used in the future in the fishery and that we publish a list of vessels before the Council votes. Now you may have already dealt with the Norton Sound issue, I'm not sure if

the exemption is something you need additionally but these three provisions were part of one the AP member's package that was carried over as part of the whole thing.

Behnken: Chris, it says exempt vessels under 35 feet in state waters. This whole plan doesn't apply to state waters. Is that correct?

Oliver: That's correct.

Behnken: So was that really the AP's intent - to only apply that exemption in state waters or . . .

Oliver: That was contained within one AP member's motion and so the panel as a whole didn't go through those specific provisions and I'm not sure that there was an understanding by that proposer that this didn't apply to state waters.

Behnken: Can I ask one more question? Thank you. Captain Anderson, do you have safety concerns if we were to do under 35 foot exemptions for all crab fisheries?

Anderson: Yes, Mr. Chairman. The same concerns I had yesterday would apply if it was certainly to be carried out outside of state waters from people trying to use crab pots. I think it's fair to say, it's the most dangerous of dangerous fisheries from our experience is from people trying to use pots in lousy weather from a small boat that would probably cause the same concerns that were expressed yesterday.

Krygier: Mr. Chairman, in particular on this Norton Sound vessels under 35 feet - most of the vessels already are under 35 feet so I think we've taken care of them when the . . .

Pennoyer: Mr. Chairman, move to delete the first provision from AP recommendations.

Tillion (?): Second.

Krygier: Thank you. I was going to do that.

Lauber: That's the first two lines . . .

Pennoyer: Yes, Mr. Chairman.

Lauber: It was seconded. Any discussion? Any objection. Hearing none. . .

Pennoyer: Mr. Chairman, isn't the second item sort of the no action alternative which is in front of us anyway and already analyzed so nothing additional is needed there.

Lauber: I think that's correct.

Pennoyer: Mr. Chairman, the third item I don't think is one we can do anyway.

Lauber: I think that's one we discussed that we couldn't do or you said you couldn't do. I guess it doesn't keep us from still saying we'd still like to see it, but seeing you won't do it anyway doesn't make much difference.

Pautzke: I need permission from NOAA general counsel to do it.

Fluharty: Mr. Chairman, I think that it may be not possible to publish lists that qualify but I do hear people expressing in groundfish and crab the desire to have assistance from staff or Council in helping them sort through themselves whether they do qualify or don't qualify, so if we could keep that intent. I don't think it requires a motion, but it is something that could be done that would help people in the spirit of this recommendation.

Tillion: One of the problems, Dr. Fluharty, is going to be when in June I hope we get to the cutting and splicing in which case there's no way for us to tell anyone now whether they'd be in or not in. Once we've sent it back to Washington why we should be able to tell them then whether they're in or not.

Fluharty: I agree. I think it's just helping them find the place and they can determine how they think the Council might act, but just sort of locating themselves in the scheme of things would be helpful.

Pennoyer: Mr. Chairman, I think that as with sablefish and halibut it's probably our obligation to make the information as simple as possible so people can determine where they're going to fall. I doubt the staff's going to answer individual requests of people who are writing do I or don't I. They incur some liability in that case as well. I think basically what they need to do as we did with sablefish and halibut and it might be a question of where we are in this program is put things out so people can as easily as possible determine where they are. In sablefish and halibut, we took some care in trying to show people where they might fall so they could calculate what their quota share would be. It was tough. We tried to do that. So I would think we would try to do that but I'm not sure that staff's going to try to respond to individual requests and say well you're in, you're out type of thing.

Pautzke: Mr. Chairman, we'll broadcast the newsletter far and wide and if people ask us on the phone what the systems looks like we'll send them the criteria. They can determine whether they're in or out. We're not going to take phone calls from people and look up their vessel to find out. First off we have no verification who the guy is who's calling and we're not going to give information out over the phone.

Lauber: In the past, I think one of the problems might be, and in this I think it would be, is the individual may know the vessel's fishing history since he owned it, but he may not know the vessel's fishing history prior under someone else's name. The problems we had in the past of you supplying that information is one of the same old problems and I don't know what we can do about it. So what's your pleasure?

Behnken: I guess we already deleted that as an option. The issue I would raise, maybe there's not enough time, but I know with sablefish and halibut those True North publications that were much more readable to people, made a huge difference in people being able to understand what was coming down the pike and where they fit. More than anything else this Council has done, those things really help people. Is there any possibility of doing, . . . no money.

Pennoyer: Before June? What I stated before was in terms of where you are in the program, one of the things you have to decide when you reach June is whether there has been adequate public notice so people can determine where they would fall so they can intelligently comment. You could do a publication like that and then you would be looking at September.

Tillion: The thing is that the options we're taking for the June meeting are so broad you might just say everyone's in that fished before that date and is still involved. The thing is we're going to whittle that thing down I would hope substantially. So therefore, to put a publication out now even if you had time to do it . . . you know people can pretty well figure whether they're in or whether they're out right by this paper now. What they can't figure is what we're going to do in June and there isn't any way to tell them. This is not that complicated, believe me the industry knows whether they're in or out under all these different options. What they don't know is which one of them we're going to leave in June and how we're going to cut it. There isn't any way to put a publication



out that telegraphs what you're going to do because I don't think we know. They just have to show up. Many of them have made their points to us already, some of which I'm inclined to go with and some of which are just too expensive to go with. I don't think we need a publication. We have done a very adequate job here. Anybody that's in the business and looks over what we're going to have finished today will be able to figure out with very little difficulty where they are under what option and I think that's adequate.

Lauber: I don't know what way out of this is. One of the problems our system causes I think is that where we have a series of options, obviously people are well noticed that we could pick any one of those options. I don't think legally there is any problem, but as a practical matter, I know people maybe fishermen in particular are optimists and I think tend sometimes to go through options and pick out options that look good to them. You know they sit down at the kitchen table and go over this and say wow this doesn't look so bad. They pick this one and this one and this one. Okay, we're fine, except sometimes the Council isn't going to pick this one, this one and this one, they're going to pick that one, that one and that one. So when the bell rings they find out that the door's been slammed, but they're adequately noticed that we well could pick any series of these. The only thing they can do is make those known to us. I don't know how many copies of that newsletter. . . and this is distributed widely.

Pautzke: Even after that, Mr. Chairman, we don't know which options the Secretary of Commerce is going to pick. So it's real tough to telegraph what's going to happen.

Tillion: Are we done with crab?

Lauber: Have we, in effect, deleted all of the additional provisions?

Pautzke: I think we effectively have, haven't we.

Lauber: Now we have one other item. Sunset provisions.

Tillion: Are we ready for a motion on the Sunset Provisions.

Pautzke: We already have the AP's on the table.

Lauber: The AP's motion is in effect there would be no sunset.

Tillion: And, Mr. Chairman, I wish to amend that to a 3 years from date of implementation this shall sunset.

Pautzke: As an option to no sunset.

Tillion: As an option to no sunset.

Samuelsen: Second.

Lauber: It's been moved and seconded. Is there any discussion?

Pereyra: Mr. Chairman, I think this is appropriate, it's consistent with what we did on groundfish and we can have some input from interested parties for the June meeting and make our decision then. We'll have two options.

Lauber: Alright, any further discussion?

Mace: Well, except I want to object when we get ready to vote.

Lauber: I think we'll call the roll then for the addition of the option 3-year sunset and in effect we'll have two options either no sunset or a three year sunset. Call the roll.

Pautzke: Dr. Pereyra, yes; Mr. Samuelsen, yes; Mr. Tillion, yes; Dr. Barker, yes; Ms. Behnken, yes; Mr. Krygier, no; Dr. Fluharty, yes; Mr. Hegge, no; Mr. Mace, no; Mr. Pennoyer, yes; Mr. Lauber, no. Pass.

Lauber: Okay, now that completes the first run through.

Pereyra: Mr. Chairman, I would like to go back to this ownership cap thing again. It's been really bothering me. I've been trying to think of all the various permutations of this; maybe Ms. Behnken can lead me through this maze here. What happens with publicly traded corporations. I will be . . . I hope I will be . . . I am partners in a boat that will get a crab license. I also own a hundred shares of ConAgra stock. Now, periodically, and ConAgra owns Trident so if you go in this torturous route, I guess I'll be the proud owner of a group of crab boats that have licenses. I don't know what level we . . . let's say we select five, that means that I am based on our previous discussion, I'm over the limit. Every so often, there's a stock dividend that doesn't amount to much. But what do I have to do. Do I have to go ahead and not accept the dividend or what's the story here and how is this tracked. I'm not alone and I'm not just trying to raise a hypothetical question to be funny here. I think it's a particular issue with publicly created corporations.

Lauber: The long answer here to your question is no, you haven't got a problem. We're talking about persons as a corporation not the individual stockholders of the corporation.

Tillion: In his case, don't you think he ought to be considered guilty.

Lauber: I'm not trying to usurp you or anything, but that's not, you know, you could carry this to ridiculous -why don't you say you own four mutual funds that have stock in everything in the world. That doesn't make you an entity . . .

Mace: Well, Mr. Chairman, we have one option - no limit.

Tillion: You have a limit and no limit, right?

Mace: These particular concerns can be expressed in June I guess.

Benton: Actually, I was thinking about the ownership caps issue myself. You're still on the crab licenses aren't you? We're going to come back to the groundfish licenses?

Tillion: Yeah, I want to go back to groundfish on one myself, but let's finish with crab.

Oliver: We had one item we needed some clarification on with regard to crab and that goes back to the Nature of the License. You have two options there. One would be a single license good for all species and areas and the other of course is species/area endorsement. Then you have a qualifying period that consists of a base qualification period for general license and secondary period, or two options for secondary qualification periods, for the species/area endorsements. When we examine the option for the single license, should we assume that the qualifying period for those purposes are only the base period?

Pennoyer: Well, I assume that's the way it would work wouldn't it? How would you assume anything else? If you have a single for everything, why would you not be able to fish in a certain area when you got the single license?

Hartley: You'll have the dual qualification period, the more strict current definition. You have to meet both. The moratorium and the more strict two years or three years for the single license.

Pennoyer: I assume . . . am I missing something. . . for a single license whatever qualification period that you pick, that's what you're stuck with. There are different qualifying periods.

Hartley: You have to make the moratorium and you also had to qualify in the recent period in order to get this single license.

Oliver: If you didn't fish in the second period, would you still get a license?

Pennoyer: I don't think we addressed that.

Lauber: I think staff agrees with you.

Behnken: My understanding is from the AP where they put those stricter ones in say Dutch Harbor red '80-83 and '89-92 that you need to do both to qualify as you said. So my understanding would be if you didn't fish both those periods, you wouldn't qualify for a general license. Or did the AP not address this either?

Oliver: They addressed it specifically with regard to groundfish that you would get in essence an empty umbrella if you didn't fish in the second period, i.e., you wouldn't get a license. The effect of that is basically a dual qualification for that single license. We just want to make sure that's what you understood which way we should examine it.

Behnken: How complicated would it be - you probably know the answer to this - to keep both options right now where you qualify during the base period, you qualify, and then also have the two prong you have to qualify during both to qualify so we have some information in front of us when we make that decision?

Pennoyer: Mr. Chairman, if it's the Council intent, could we not just simply add a footnote under single license saying in the event single license is adopted, the two 30 and 40 dual periods would govern it? So you still have the base period which is '88 to '92 which I think the Council intended. But in the case a single license is adopted to qualify for that single license you also have to make additional landings in the period June 28, 1989 to June 27, 1992 or January 1, 1992 to December 31, 1994. Wouldn't that do it? Mr. Chairman, I move that under Qualifying Periods we include a footnote that if a single license is adopted that the base qualifying period of January 1, 1988 to June 27, 1992 remain as the base period, but you also have to additionally have fished in the second qualifying period of either June 28, 1989 to June 27, 1992 as an option or January 1, 1992 to December 31, 1994. Does that not do it?

Lauber: Is there a second?

Mace: Second.

Oliver: In the numbers, the way the tables are constructed, the actual numbers will be in there anyway and you could compare them to the runs that were in this iteration of analysis in which we did look at the single license for the base moratorium period. So you would in fact end up having all the numbers there as well, but we wanted I think notice in the intent . . .

Pennoyer: But this motion would in fact notice the intent to look at that in June. Having a dual qualifying period under the single license provision that includes both the primary period of the moratorium and then a secondary period which would be the two periods recommended by the AP.

Oliver: Yes sir.

Pennoyer: That was the intent of the motion, Mr. Chairman, was to provide us with that option.

Lauber: Any further discussion? Is there any objection to the motion? Hearing none, it passes. Is that all?

Tillion: Does that finish crab?

Lauber: We can come back to it of course.

Mace: If we're done with crab, Mr. Chairman, I suggest that we charge the staff with getting a summary like this and then take a break and come back and finalize the groundfish issues if that's realistic.

Lauber: Okay, I think that's fine. We'll do the same thing. We need a time out anyway so we'll take . . .

Pautzke: Hold it. Is that easy to do or should we go on to another agenda item and come back to this after we break?

Oliver: It could take us more than 10 minutes.

Lauber: Number one, when we come back from the break there was some indication that somebody wanted to readdress groundfish and I don't know how long that's going to take, but if we get done with that and finalize groundfish and we don't have the print out on crab, we'll go on to some other agenda item and then come back to this.

Lauber: Council come to order. Can we have it quiet out there - continue discussions in the hall. Alright, now we're going to move back to the groundfish portion of Vessel Licensing someone was looking to be recognized.

Tillion: Mr. Chairman, during the interim since we left this, we realized that we were a little broad and under everything we have before us; we'd end up with about 40 vessels more in the Gulf of Alaska than have fished there. So I'd like to under Qualifying Period, page 2 of AP, I'd like to put an additional consideration for our June meeting. We could call it 400D maybe on Qualifying Periods. For vessels over 125 feet in length to qualify for a Gulf subarea endorsement, the vessel must have made at least one landing in each of the subarea qualifying years, January 1, 1992 through December 31, 1994.

Benton (there were several): Second.

Tillion: This would leave those vessels that have consistently fished the area the right under any scenario to continue to fish it, but we have a number of vessels that in their transiting routes had made one dip this year or another year and under our existing scenario, all of them would have been allowed. This merely gives us the choice to look that one over in June. Thank you.

Pennoyer: Mr. Chairman, does that mean that over 125 feet you have to have a landing in each of those subareas every year during that period of time so one landing in an area one year in that qualifying period does it? I'm not clear if that's an appropriate division in terms of the landings or the vessel length. Probably we need something on the record. We had a 20,000 pound option at one time and some other things. I'm not clear why one landing or two landings or poundage, maybe you've got enough options to look at, I don't know.

Benton: Mr. Chairman, the reason I seconded the motion and will vote for it is that Mr. Pennoyer is correct. We've looked at a number of these kinds of options already. It's my understanding that the purpose here is for

that to be a landing in each of the years for the Qualifying Period for vessels over 125. The reason for that I think comes from, if you review the analysis and the information we've been going over for quite some time, that for larger vessels in particular they often times transit between areas and might take an opportunistic tow just to say we've been here. When really what they were doing was transiting an area and moving say into the Bering Sea. If you want to try and ensure that the character of the fleet is truly reflected in the spread of the designations then I think the intention of the motion here at least for analytical purposes is to see what the effects of such a landing requirement are to ensure that these are vessels that actually operate consistently in a particular area. Of course, we have the other options in front of us that we've already had analyzed and there's a whole suite of those which we don't need to go into. The reason I think that it's justified with vessels over 125 as opposed to the other that the vessels categories either under 60 or 60-125 are by and large a totally different kind of operation. Vessels over 125 generally are in the industrial fleet and fish primarily in the Bering Sea, a lot of them do. From the analysis we've seen that those very small vessels, a high number of those vessels exist but they don't contribute to the capacity problems we're talking about or the preemption problems whereas a lot of the vessels over 125 can contribute to the preemption issue and certainly contribute to the capacity issue. I think, in terms of having it analyzed, it's a reasonable proposal.

Pennoyer: I wasn't necessarily arguing that there aren't differences in all of this that we may want to treat quota industrial fleets different than others. If the main difference is that some people sort of dipped in and go . . . [change to tape 55, part of conversation is missing at the beginning of tape] . . .

Tillion: . . . you'll find when they analyze it, which is really what I'm putting it out for that those under 125 have not been the ones doing the speculative single dip now and again. When I see the analyzation I'll know better, but I need to have this option before us so that I can look. We've in the past made that cut off of 125 which I picked but it's like some of my own family that bought crab licenses year after year when the season didn't open so they wouldn't be left out. There are people looking down the line that have done some speculation, we might find that this is not serious and we won't bother with it, but let's take a look.

Pennoyer: I understand that and I guess what I'm concerned about and maybe we don't care about it or maybe in the final analysis the Council won't care if some boats under 125 feet did the same thing or not. What you're going to get is an analysis of boats over 125 that did and no analysis of boats under 125 in terms of what their participation pattern has been. That's my only concern. Now you may, having that in front of you, decide to go ahead and do something else with it anyway, but the analysis requested is only for those boats over 125 feet and their participation pattern and I'm not sure there hasn't been speculation in vessels 120 feet long or 122 feet or 118 feet, but you're not asking for that so I'm not clear how you draw the judgment when you get to June.

Behnken: Mr. Chairman, I move to amend to also consider vessels . . . 60 and 90 for purposes of analysis.

Lauber: What happens between 90 and 125?

Behnken: I assume that's the information we would receive. If we said you have to make one landing in each of those areas for vessels over 60, for vessels over 90, vessels over 125, what are the effects?

Lauber: Between 60 and 90, and 90 and 125, and 125 and above. There would be three categories.

Pautzke: Just a minute. Hold it. Do you have 90 in your computer?

Hartley: We're really complicating - this doesn't sound like anything that's going to come back in June. We can certainly bring it back in September for you.

Tillion: You could do the over 125?

Hartley: Even that one is a difficult procedure. It greatly complicates the analysis to do this. Now we can certainly do it, but it is a big addition.

Tillion: I would like to have the over 125, because looking at the printouts that I've seen that looks like that one would be very simple. There's about 40 boats that have made only one landing or two landings in that area. Obviously it's not a critical part of their economy and I realize that as you expand the fleet this becomes more and more difficult but the great bulk of the capability to impact those that are doing it on a regular basis lies with those vessels that are over 125. If Marcus feels that we can have at least a rough idea at the June meeting, I'm not necessarily advocating waiting until September to vote when it comes time to vote in June. I'm going to be ready to vote, but this would be a piece of information that I would certainly like to have at the time that I vote.

Benton: Thank you Mr. Chairman. Mr. Chairman, we have looked at so far one landing in the qualifying period, two landings in a qualifying period, three landings in a qualifying period, four landings in a qualifying period, one landing in the year prior to Council action, two landings in the year prior to Council action, three and four landings in the year prior to Council action, all of those by vessel size category, all of those by catcher - catcher/processor, all of those by areas and by species. Now that's a fairly comprehensive look at the composition of the fleet and the years that we are considering. There have been by my count 7 different combinations of years in the first suite we looked at. I think there was an addition on this one so that's maybe 8 combinations of years that have been looked at. I think this data has been cut and put together in many, many different configurations and, frankly in my own view, I'm not sure that we have to have this analyzed in order to make a decision about this particular type of provision if we want to because of the level of analysis that has already occurred. I think staff has done an excellent job and this is not a criticism of staff at all. I think you guys have done a very good job of putting this information together, given all the different permutations you had to deal with. Nonetheless, I think that Mr. Tillion is correct in that having the option in front of us now with the best data the staff can put together for us at the time we want to look at this proposal is important. Announcing this option at this time in order to allow for public comment and consideration and at the next meeting is important and I think we have to put this in the mix so people can be looking at it from their particular perspective so when we get to the June meeting that they will have had time to look at it and we will have opportunities to get substantial amounts of information I'm sure from the public in reaction to this kind of an option. Of course, that will all be part of the public record on which the Council will make a decision. I certainly appreciate the problems that staff might have and I agree with Mr. Tillion that if at all possible if this goes through that staff would make every effort to try and put together at least some of the available information so that we would have it to look at. I also believe that based on the kinds of analysis that we've already had that it's certainly reasonable to try to narrow this down in a manner that Mr. Tillion has suggested in order to relieve staff of the burden and also to focus in on that component that Council believes is the one where we may want to take such an action if we decide to do so based on the record we get in June because we see that this is perhaps the sector of the fleet that we have the most concern about with regard to this particular issue. Thank you.

Mace: I'm troubled by piling more hay on this wagon that the staff is going to try to haul to Dutch Harbor in June. They point out that this is a major effort and if we think we're going to make a decision based upon a broad brush look at this data as important as this is to some people, I don't think this is going to happen and so I think we either tell them to do this and delay our decision in June or forget it.

Pautzke: Chris wanted to be recognized, Mr. Chair, maybe they've talked it over a little bit more and can tell you what's going on.

Oliver: I just wanted to clarify what years you were talking about in the motion and it would apply to these area endorsements only and we would be looking at a landing each of which years?

Tillion: The years would be January 1, 1992 to December 31, 1994.

Pautzke: Three years you'd be looking at.

Tillion: You'd be looking at three years, Gulf of Alaska only in those three areas.

Oliver: Yes, that's something we haven't looked at.

Hartley: There's no information in the documents that would allow you to kind of generalize. Further, as the problem was before, we still don't have any '94 data for these catcher vessels. It would be a time consuming look at this thing and you know we could certainly do that if that's the only thing you want us to do but I don't see us filling in the rest of the blanks that you wanted us to fill in along with this.

Pereyra: I don't think this is a very difficult problem if you look at some of the companion documents, for example, the social impact document. I think it really clearly showed that vessels over 125 feet are primarily factory trawlers. They're primarily home-ported in Seattle. They mostly work in the Western and Central Gulf. So simplifying the amendment or proposal would just be counting up all the factory trawlers in Seattle and just don't issue them a permit in the Gulf of Alaska. That would be a simple way to do it. You wouldn't have to do all the analysis, it's already in the documents.

Lauber: Is that a motion?

Pereyra: I'm just suggesting to Mr. Tillion.

Tillion: There are some trawlers that depend on this on an every year arrangement. I am not attempting in any way to impact them, but for those who have done speculative tows, I don't see why they should increase the number of vessels that are capable of doing it above that which we have now. I do not want to see more vessels licensed in the Gulf than we have now. In June when I'm looking at things, I will want to be a great deal stricter than I have been here. Taking a look at the fleet size as it is and trying to hold the licenses insofar as possible to that number and those participants in most cases. I have to have this to be able to look at it.

Pautzke: Mr. Chairman, I can't see why it is so difficult not using our data base and our analysts, but someone at the region who is tracking vessels all the time. All they have to look at is just the vessels above 125 feet and go over the records for the last three years and find out if they made one landing and give us a list of the number of vessels. I don't see why we need to go into our computer or anything. You've got it through '94, you've got it for '93 and '92. There's not that many vessels over 125 feet. Why doesn't someone down at the region just count them up and give us a number.

Lindeman: I think for purposes of the record notwithstanding more time needed for analysis but if you going to be looking at vessels over 125, I think you need to include vessels - the 60, the 90 also, even if you choose not to include them in any final cut or whatever.

Lauber: It's been lost in the shuffle, but actually that's the motion that's on the floor. Someone ignored what is still there.

Pennoyer: I think that we can do that for processors, we can't do it for catcher vessels. So the catcher vessels over 125 feet are not something we can just go back and dip into the records and do. We don't have them. I guess my point was not, I understand what Mr. Benton was saying, we have a number of things here although this landings requirements we've got one landing, two landings and four landings in a qualifying period under our list and this just seems to be a little farther out in that range. It was a vessel size class and it was all years by area. We haven't required that in any of the rest this. I'm not saying this isn't a viable thing to consider. I was just concerned that when you do it, you have enough of a record so that for both catchers and

catcher/processors maybe for some other length classes you could make the statement as to why you're going to do it. I'm interested in whatever you do in June being supported by the record that you've got in front of you. I'm not saying you can't do it although I may as an individual vote for or against some particular proposal or option just because I don't like it. I'm trying to make sure that whatever you are going to do has enough of a record available to you in June so that you can make the decision and it will hold. Mr. Benton put several things on the record and others have. Obviously use the best available data and I guess we'll take a look at it if that's your desire to do that. I was trying to find out how we could get at the comparison between quote "the industrial fleet" and the non-industrial fleet. Whether there really is a pattern in the rest of the fleet of more consistent participation; whether you're just saying that as some of these things seem to be going, it's a semi-open access in the smaller fleet is okay because you don't catch too many fish or whatever your rationale is, I was interested in the record being there in June so you could come and deal with it. This option seemed to jump quite a bit above the other options in terms of being more strict in terms of qualification and I wanted to see what the bridge was.

Lauber: We have before us Ms. Behnken's amendment to the motion which would add 60-90, 90-125 and above to the 125.

Behnken: Thank you Mr. Chairman. I guess I need to ask one more question of staff. My understanding from the original documents we had on licenses that there . . . we had tables in there, we had information in there that used that 90 split and that's one of the reasons I put 90 in my motion. I'm talking about - I have my notebook here - the first one. If 90 is much more problematic than 60 and 125 it seems to me that might give us enough information.

Hartley: I don't really think the problem is the lengths splits. Recall that 90 is not one of your vessel classes that you defined, vessel length classes. It's that would involve a different set of vessel lengths than we've looked at before and additional tables. The problem is combining landings records over different years for any vessels. That is a time consuming process. We don't have those qualifying periods developed. The methodology that we used would be for any given qualifying period to create a list of vessels that meet those criteria from the raw data. This is a new qualifying criteria, qualifying period criteria and then again because '94 is a key year in this thing, they must have qualified in '94. Without that data none of the vessels would show up. I mean it would be a ludicrous kind of an analysis if you leave '94 out because nobody would qualify clearly.

Benton: Thank you Mr. Chairman. I guess I have a couple of things I'd like to point out and maybe a question of staff. In response to Dr. Pereyra's earlier comment, I would just like to point out if you look at the tables, there are numerous Alaska catcher vessels and catcher/processors that are over 125 that would be subject to this analysis as well as vessels from outside the State of Alaska. Mr. Tillion's motion was not directed just at catcher/processors, of course, it was directed at catcher vessels. There are almost the same number, not quite the same number, but close to the same number of catcher vessels over 125 as there are catcher/processors. I don't think it is a violation of national standards in order to analyze this particular option. My question for staff, if I could Mr. Chairman, for analysis purposes is it easier for you to just use up to and including 1993? Is that really the issue?

Hartley: Well, that would be easier. It wouldn't probably give you an answer that you could translate over because patterns have changed. You would use a three-year period I assume or one would be 1991 which would include the non-inshore/offshore years.

Benton: '92, '93 and a rough guesstimate about '94 is really what we would get, is it not? Because you already told us previously that you do have National Marine Fisheries Service data. The ones you don't have are the data from CFEC regarding shoreside landings.



Hartley: Right. The difficulty involved in putting the years together and comparing across years. We certainly have that capability, it's just not something you push a button and get out. Like I said before, we don't have a problem doing it, we can do it, but doing that puts something else off the table and it might be a priority kind of an examination.

Benton: One of the options that has been on the books here for quite a while and has been analyzed to the extent it can using the best available data has been the 3 years prior to date of final Council action. That option has been in here. We have not had tables that projected all of the various numbers that would go along with it, but we have had that analyzed and certainly have been considering it as an option throughout the discussion and debate all these many meetings over license limitation alternatives. Mr. Tillion's proposal really is not inconsistent with that seeing as how if we take final action in 1995. The three years he has described indeed include the three years prior to the date of final Council action. Is that not correct? To the extent we can use the available information to make some reasoned decisions about what the effects of Mr. Tillion's proposed alternative would be, I would assume that we could use a lot of the information we have here regarding '90 to '93. Probably what we would want to do is have some kind of configuration run that uses that best available information. I guess I'd look to National Marine Fisheries Service or Clarence and see what kind of response I get to my question.

Pautzke: I think we're beating this to death. I don't think it's for our staff to do. I've talked to the region. They've got people sitting down at the center that can do these match up lists for the three periods - '92, '93, '94 - if they don't quite have it for '94, possibly they could ask ADF&G for help with their fish tickets and they'll bring back whatever information they can get to us by the June meeting so we can take action on this thing. It won't be our staff's work. It'll be the region's work. They'll be able to do it for us. They've got people lined up ready to go right now, I'm sure.

Pennoyer: Easily done.

Lauber: Let me clarify this. Now we're talking about the main motion - 125 feet and above. . .

Pautzke: . . . and the 60 and the 90. . .

Lauber: . . . and the 60 and 90 as well. So it's germane to the amendment as well.

Pennoyer: Mr. Chairman, I can't promise what we can do on all those different vessel size classes. You know, Dr. Pautzke rather quickly assumed and some other people may have quickly volunteered. We will bring back what we can. I think what I was interested in is that this analysis include more than just 125 feet so if we vote yes on Ms. Behnken's motion and I think we'll do what we can to bring you the information. Then you'll have something in front of you whereby you can make judgments on over 125 feet, under 125 feet, all areas, some areas, 3 years, 2 years, 1 year, whatever it's going to be.

Lauber: I was going to say, wouldn't that also help us with the landing requirement endorsements - 1, 2, and 4 years and so forth? We have some of that of course already.

Tillion: A question to the maker of the amendment to my motion. Wouldn't it be more practical to say 60 and over, 125 and over, 60 and under because 90 is a size as they just said isn't in the data.

Behnken: That would be acceptable to me. I was suggesting 90 because of looking at some of the original documents. If it's more problematic than just using 60 and 125 and that's acceptable to NOAA general counsel.

Tillion: Under 60, over 60, over 125 then you're in a category that you already have. . .

Lauber: It's over 60, under 60 is not in there. They're not going to look at those. Over 60 but under 125, 125 and above - that's what the amendment is.

Pereyra: Mr. Chairman, point of clarification. As I understand it then, any vessel that did not make one landing in all areas during that three time period. . .is that the correct way. . .how is it stated so I understand how ridiculous this is?

Lauber: Let's get an idea what the motion says.

Tillion: My original motion endorsements the vessel must have made at least one landing in each of the subarea qualifying years.

Pautzke: Years, not areas. In other words, to get an endorsement for an area, they had to land in all three years in that area.

Pereyra: But you would get an endorsement for the other areas.

Behnken: Right. If you made a landing.

Pereyra: So if you didn't have a landing in Southeast Outside for those three years, you wouldn't get an endorsement for Southeast Outside.

Lauber: Right, but you would get one for those in which you did make the landings. Did you accept that as a friendly amendment?

Tillion: Yes I did.

Lauber: So it's not a portion of the main. Alright, ready for a vote on the main motion which is. . .

Benton: Mr. Chairman, could we have Clarence tell us.

Pautzke: If it's amended and that carries the main motion then you will essentially look at data over 60, 60 to 125, and over 125 feet in the Gulf of Alaska; it must have made one landing in each of the three qualifying years from '92 to '94 to qualify in a particular area.

Lauber: You know that wording to me is confusing because it says each of the qualifying years. What you want to mean is that in order to get an endorsement you have to have made a landing in that area in each year. It's not each of the qualifying periods.

Pautzke: It's each of the qualifying years.

Tillion: To qualify for a Gulf subarea endorsement, a vessel must have made at least one landing in each of the subarea qualifying years.

Lauber: That's what bothers me. That seems to be saying - read it again one more time.

Tillion: So they could get it for one area, but not another.

Lauber: I know what you intend to do, but I'm not sure that that's what the motion says.

Tillion: To qualify for a Gulf subarea endorsement, the vessel must have made at least one landing in each of the subarea qualifying years.

Lauber: It should be that subarea . . .

Tillion: Yes.

Lauber: . . . each of the qualifying years.

Tillion: That's what I meant.

Lauber: So it's amended by the Chair. Clarified by the Chair. Is there any objection to the motion?

Pereyra: I object.

Lauber: Okay, call the roll, I guess.

Pautzke: Mr. Samuelson, yes; Mr. Tillion, yes; Dr. Barker, no; Ms. Behnken, yes; Dr. Benton, yes; Dr. Fluharty, yes; Mr. Hegge, yes; Mr. Mace, yes; Mr. Pennoyer, yes; Dr. Pereyra, no; Mr. Lauber, yes. Passes.

Lauber: Okay, now is there anything else under groundfish?

Pereyra: Mr. Chairman, this is more a point of clarification than anything else, and that is, if you'll look at on the first page under License Designations we have here. It lists for example 5,000, this is for catcher vessels, catcher/processors and vessel length. The way this could be interpreted, and I think this is unintended, is that if a person had over a 125 foot vessel for example that license would be valid to be transferred to say a vessel that was 130 feet long. I know that in the moratorium language over 125 feet you are required to stay at the same size and I would assume we're going to maintain that same language.

Pautzke: That's what we said we were going to do.

Pereyra: Okay, I clarified that. The other thing is down on Vessel License/Linkages - down second from the bottom - I assume in this then that license transfers are only allowed within vessel length classes. In other words, if you're going to transfer, you can't go ahead and take a vessel in the under 60 foot and transfer it's use for a vessel over 60 feet, for example.

Mace: I think that we want to add subject to the 20% rule.

Pereyra: Yeah, that's for the ones under 125 subject to the 20% rule. Just a point of clarification.

Lauber: Is that the sense of the Council?

Mace: I have an objection. On License Designation, the squiggle before the 60 ought to be headed in the other direction. What it's saying there is more than 60 feet and don't you mean less than 60 feet on the License Designation?

Hartley: Typo.

Mace: Sort of an important typo.

Oliver: Mr. Chairman, under the Vessel License Linkages where it says license may be transferred, we assume that means subject to the 20% rule as well as any other vessel designations.

Pautzke: That's what we just clarified.

Hegge: What do you do then, if you've got an [change to tape 56] under 60 foot category and it's a 58 foot boat and he sells it to a guy that's 20% larger and it puts him in a new category?

Tillion/Pautzke (in unison): He can't go above 60.

Hegge: Same way with 125?

Pautzke: That's correct.

Hegge: So the 20% doesn't apply to those guys.

Pereyra: It's called SOL.

Pautzke: It's called, "there's a limit."

Lauber: Does anyone have anything additional under Vessel License groundfish.

Benton: Mr. Chairman, under crab for analysis purposes and for public comment purposes, as I understand it, the Council kept in two options for License Ownership Caps. I believe that in order to provide the public with the opportunity to comment about ownership caps for licenses, recognizing all the problems we have discussed with actually making something like that functional, I still believe we probably need to add back in the option that I moved to delete. So I would move that we add in under License Ownership Caps, the original item that the AP did include which was no more than 5 licenses per person with grandfather provisions.

Behnken: Second.

Benton: Mr. Chairman, I don't want to belabor this. The only reason I think it needs to be in there is so that we can receive public comment on this kind of concept and have it in front of us when we get to our next meeting for consideration.

Pereyra: Point of clarification. What is the magic of 5? Why 5, why not 10, why not 20?

Benton: I would be amenable to adding in other numbers, but frankly, I don't think it serves much purpose. I think that we do need to have a two options for the public to comment on and for us to review when we get to a final decision. Dr. Pereyra, as you know, it was me that moved to delete that provision. A number of people in the public have come up to me since we did this original motion and suggested that it would be useful to have the ability to comment on this when we get to our final meeting on this matter. That's the reason that I would put this back in. The rationale for putting in 5 instead of 10 or 15 is that the AP considered this after a fair amount of public debate and consideration and I think that we should go with their judgment in that particular matter.

Lindeman: I don't recollect. Did the AP explain why the number 5, not so much as putting something in for analysis, but why 5 versus another number? That would be good to get on the record.

Lauber: Somebody should put something on the record but it doesn't have to be now does it?

Lindeman: No Mr. Chairman, not now, but there should be some explanation of why the number.

Lauber: Mr. Benton indicated that he wanted in there so people could come up and explain why in June, not now.

Mace: Mr. Chairman, it would appear to me that if we really wanted to get a reading out of the public, you would use the term or the phrase, "two or more" and not zero it down to a limit. It would seem to be more appropriate if you would accept that as a friendly amendment.

Benton: Mr. Chairman, if I might. The only reason I can . . . that might be an acceptable alternative except that if you think about it, one alternative is as many as possible that's the one we have in there now. The other one is only 5 and if we want to have a range to have people comment on, the range is now 5 to however many there are - 3,000 licenses I would assume. So I don't see a vast difference between 2 or more and 5 other than you have a definite number and then you have an unlimited number and people can comment on that as they deem appropriate.

Behnken: Thank you, Mr. Chairman. That was basically my comment that all we're saying is that we want to consider having a vessel limit or not having it. If we need to have a number in there so that we can elicit those comments we've given a number. We can pick a different one based on the comments we get and a review of the information.

Pennoyer: Mr. Chairman, just for clarification. These are general licenses, not the area endorsements so this would be 5 general licenses - might be a whole bunch of subarea endorsements under those.

Benton: That's correct.

Pennoyer: Okay, thank you.

Lauber: Alright, is there any objection in letting Benton off the hook on this one?

Pereyra: I object.

Lauber: You object. You want him to twist in the wind? Dr. Pereyra wants to keep him on the hook. He objects but other than that, it passes. Now any other suggested changes in our groundfish . . . alright, are you ready for the question on groundfish portion of the license limitation program?

Mace: I move that we adopt the AP recommendations with respect to groundfish licenses as amended.

Behnken: Second.

Lauber: Any discussion? Ready for the question. Is there any objection to the motion? Hearing none, it passes. Now how are we doing on crab here? Shall we move on to . . . I think it's - we don't have food brought in today.

Pautzke: Yes, we do.

Lauber: Oh, we do. So I don't know if we have something that will take 5 minutes? Okay, let's take a break. We'll be back at 1:00 p.m.

Lauber: Council come to order. The crab document will be ready within the hour. We'll move on to the IFQ report.

**[April 23, 1995 Tape 62 - this entire side is Observer Program public testimony]**

**[April 23, 1995 Tape 64 - begins with the end of public testimony]**

Lauber: Alright, that concludes the public testimony. Should I dare say that we could . . . did we ever get the crab thing back . . . is it possible that we could approve that or do you want to wait until the morning?

Tillion: Let's do it.

Pereyra: The qualifying periods and the landings requirements for endorsement - I have some concerns for example that we may have some circumstances here that we are unaware of. For example, if you look at B. . .

Benton: Are you on crab or groundfish?

Pereyra: I'm on crab license.

Lauber: Page 4?

Pereyra: Page 4, Landing Requirements for Endorsements - B. It says three landings for any species in the endorsement period. If you go up above and you look at qualifying periods, you know we've got various options here and one of them is the qualifying period of '92 to '94. That's three years, yet one of those years the Bristol Bay red crab season was closed. So that would mean that we got an option here with three landings required and the fishery only opened for two years and during those two years, the fishery was quite short and some of the vessels only make one landing. I would hope, Mr. Chairman, that in June when we come back to this, we have the opportunity to maybe in the meantime be getting some input from the AP and from others that we might be able to more artfully craft these so that they're more realistic. I think we'll find other problems here as we go along.

Mace: Mr. Chairman, before we get started on this little exercise, could we ask how many people have questions with regard to this before we go any further?

Lauber: If this is going to take any significant time, I was thinking we were going to approve the crab and go, but if it's going to take any time, I think you take a look at it and come back in the morning. Would you rather do that Mr. Pennoyer?

Pennoyer: Fine.

Lauber: My heart was in the right place. Alright, we will be in recess until 8 a.m. tomorrow morning. We'll take up right away bycatch and the moratorium and move on from there.

**[April 24, 1995 Tape 64]**

Lauber: Council come to order. If I remember correctly we are on crab license limitation and are attempting to approve that.

Oliver: Mr. Chairman, I think we can clarify at least one item for you and that was with regard to the issue Dr. Pereyra brought up at the end of the meeting yesterday with regard to minimum Landings Requirements for Endorsements under the crab program. Just to make sure we had two different versions of this document yesterday. The one we are working off of has the time of 2:48 p.m. at the bottom right of the page. That's the corrected version. There's still one item we didn't quite get right when we carried over the AP's recommendation

onto this sheet. They had a series of separate packages that were put on the table at the AP, and they asked us to interleave the components of that within this list. In that translation, I think we got one item wrong and that is item B under Landings Requirements for Endorsements. It says three landings of any species in the endorsement period. If you're talking about a species/area endorsement for crab that really doesn't make a lot of sense in terms of species and that was actually meant to pertain to one of the base qualification periods that was proposed in the Advisory Panel. So it really wasn't meant to be carried over under the endorsement landing requirements.

Lauber: What should be done to correct that?

Oliver: Delete that line D.

Lauber: Delete that line?

Oliver: Yes sir.

Mace: I move we do so.

Benton (?): Second.

Lauber: Is there any objection? Hearing none, the B section of landing requirements for endorsements is deleted.

Pennoyer: Can we move along Mr. Chairman? Wally had some things and I think I had some things.

Pereyra: Several days ago, if you may recall when we were talking about the use of current dates for establishing qualification periods, we talked about whether December 31, 1994, really represented the current participants or whether we needed to make the date of this meeting. I note that the one date that's in here is 12/31/94 for 50 plus 40 there and I just wanted to get some sense that when we come back in June if the Council so chooses it could use the date of this meeting as the date that represented the date of cutting off the current participants.

Lauber: Lisa will listen right here. I believe we can pick a date, any date, as long as we justify and explain why we're using that date without prejudging whether it can be justified or not. I don't think the date we put in here is absolutely critical.

Lindeman: That's right Mr. Chairman.

Lauber: It would be better if we did probably.

Pereyra: I just feel that with groundfish using 12/31/94, while it might be an eloquent date from a statistical standpoint, may not be a true reflection of just what really defines current participants so I just wanted to put the Council on notice that I'd probably like to revisit that in June.

Benton: I've got a couple of items I think are just matters of clarification. We've actually already taken care of one this morning. Under the crab program License Recipients, number 4,000 item C where it says the individual who purchased a State of Alaska card and who purchased pots, I believe the original language was who purchased pots, went fishing but had no landings. I don't know exactly how you make the determination of going fishing, but that was the language that was in and that was sort of the intent. I don't know if we need to add it in here or not necessarily, but I'd ask staff what they think.

Hartley: When I was talking with Earl, he agreed with me that there probably wasn't any way you could determine whether a person had gone fishing but had not made any landings and that at least evidence of having purchased pots might be something that you could round up.

Benton: That's fine for me, Mr. Chairman. Thank you.

Lauber: That would be purchased pots in anticipation of engaging in this fishery, not that somebody back in '36 purchased crab pots for subsistence or sport fish use.

Benton: Another matter just for clarification with staff. Vessel Designation limits, it's on page 5 item number 1. I think the intent here is a vessel which qualified for multiple designations during the endorsement period, I mean if we have a suite of gears for endorsements that you qualify for a particular endorsement, that's when you get the designation as catcher vessel or catcher/processor. It's not some time outside that endorsement period.

Hartley: I guess that's an issue with any of the endorsements - the designation qualification - if that's the Council's intent, we can do that and I guess that would also have to be mentioned for groundfish. We had always assumed that only one period and so it was not a question of which one . . .

Benton: I think it's the endorsement period really was what we were discussing for those designations.

Pennoyer: Mr. Chairman, clarification. During the endorsement period then you have to be catcher/processor or catcher vessel, not during the base period . . .

Benton: That's what I'm trying to clarify, Mr. Pennoyer. That was certainly my understanding on the groundfish when we were doing the groundfish discussions. That was also the understanding with crab.

Behnken: Does that mean a vessel could qualify as a catcher vessel in one area and a freezer vessel in another area?

Benton: Only if you had different endorsement periods for different kinds of operations.

Behnken: A follow up. If you had the same qualifying period, but in one area for some reason you froze and in another area you didn't . . .

Benton: No, it would be the endorsement period for that area.

Pereyra: I think I might have some problems with that. Of course, I'm not reflecting so much on the crab fishery. I know in the groundfish fishery of at least one vessel, small vessel 108 foot vessel, the individual recently decided to upgrade the processing capacity of that boat by putting freezers on so that he's more able to fully utilize catch. Follow that reasoning, a person would qualify for the qualifying period but for endorsement purposes would not be able to utilize that equipment. It seems to me to be contrary to some of the other objectives that we're trying to achieve here. Maybe we have to revisit that and give a little discussion on it.

Benton: Mr. Pereyra, let me ask you this. If it's in that instance, what I'm thinking is, that would be in a recent period I would assume then right.

Pereyra: Yeah, very recently.

Benton: And what I was thinking about is having those endorsements and those designations reflect the most recent activity of the vessel. In other words, we going to choose endorsement periods that probably reach further



into the future than the cut-off date of 1992 under the endorsement language. So the activity under the endorsement language would accommodate, or what I'm proposing under endorsements, would accommodate what you're speaking to.

Pereyra: Okay, I misunderstood. I thought that if a person qualified as an ice boat say during the qualifying period and then more recently went ahead and made some changes to the vessel so that he could more fully utilize the catch . . .

Benton: It's the other way around. What I'm trying to do is ensure that a vessel, and I can see it going the other way, maybe a vessel was a catcher/processor at one point and in recent years the guy said to heck with this, said I'm going to be a catcher vessel, it goes either direction.

Lauber: Isn't that consistent with what we did in halibut/sablefish. With what we were doing at the time even though you had received some of both or whatever, they were all in that one category.

Hartley: Mr. Chairman, what we did with sablefish and halibut, at least in terms of catcher/processor designations, was if during the last year of participation that vessel froze any fish in any species whether or not it was sablefish or not in any area that vessel was designated as a catcher/processor. In terms of our analysis, we have the designations in our database from the last year of participation a similar kind of assumption. It is not broken out in terms of area or species. It's a one designation suite per vessel. Now I think you could do what Linda is talking about, but we wouldn't be able to provide that into your data. It would be a one designation per vessel regardless.

Pautzke: I wasn't quite sure what the conclusion of what Mr. Benton and Ms. Behnken's conversation was. Was it that if they had operated in different designations in the period that's used to assign the endorsement, they were going to get different designations or were you going to take one common designation say catcher/processor and apply it to all area endorsements they got if they operate . . . I wasn't quite sure where you concluded, we all nodded our heads, but I wasn't sure if you agreed on things.

Behnken: My understanding of what he was saying - it was by area which would be very complicated and very different from sablefish and probably not what we want to do. That's what I thought he was saying.

Benton: No, what I was contemplating was whether you use different qualifying periods for different areas - it may look different for a vessel, but generally speaking, within the qualifying periods for the subarea endorsements, you are operating whatever way you are operating there as on your records, that's what you would get.

Pautzke: So you could have a catcher vessel for one area and a catcher/processor for another area.

Benton: If you use different qualifying periods you could conceivably wind up with that. I don't envision us looking quite like that myself.

Pautzke: Where am I missing this? Why can't you use the same qualifying period and the guy . . .

Benton: Well, that's what I'm saying Clarence. All I'm saying is giving you the instance where you could reach what you're talking about. I don't think you're going to do that necessarily.

Behnken: Maybe we should also put in as an option that we will use an index here as we did with sablefish and halibut. Sablefish and halibut used '91 basically as the index year for what you ended up qualifying for, isn't that

right? I mean it wasn't even really the last year of operation because our cut-off for qualifying history was 1990, but '91 was used as the index for your mode of operation wasn't it.

Hartley: Yeah, September 25, 1991, or your last year of participation. That was the assumption that we made in our data. You would get one suite and it's based on '93 participation or your last year of participation.

Benton: 1993 or your last year, is that the idea?

Hartley: Right, and if you had made a delivery of fish to a processor and processed some of your own fish then you would get both catcher/processor and catcher vessel designations.

Benton: Yeah, I don't have a particular problem with that myself. I just wanted to ensure that we were clear on what we were saying here.

Hegge: Did our moratorium information prohibit people from switching from a catcher to a freezer basis? I know it never got into law but did that control anything how they would do? My concern was, I wasn't sure on that one, but even on the question I asked yesterday on the 125 foot, people have made changes based on what we had passed. For instance, the person with a 120 foot boat would have thought he could upgrade 20%, lengthen it 20% so he would then have a 140 foot boat.

Pennoyer: No, you can't pass 125.

Tillion: 125 was the shut off gate. It would be 20% below 125, fine. If he's just a couple feet below 125, he can only go to 125.

Pennoyer: Mr. Chairman, I'm still not totally clear what we're trying to do here except clarify what we're trying to do. The intent is that we use the more recent period than the base period if there's a difference to decide which categories you get to fish in. We're not trying to do that by micro managing by subarea, we're just saying by year. However, for some of the areas the qualifying period for endorsements is different and so is your intent that somebody who was a catcher/processor back in 1983 when the fishery closed in that fishery he could now be a catcher/processor even though he hadn't done it in a more recent period? Why did he go back and try to key for the different periods for endorsements? I'm not sure what the relevance of that is. Those were different periods to get an area license and I understand that. So you wouldn't get an area license for that area . . . if you had participated back then before the fishery closed, you'd get an area license. But your mode of operation still is more relevant to the recent period, whatever area you were fishing in, so why worry about any of the earlier . . . let's just leave it at the more recent qualifying period for endorsements - the overall qualifying period for endorsements, it's not the exceptions, dictates what type of mode you can operate in.

Benton: Well, the problem with that Mr. Pennoyer, Mr. Chairman, if I might - sorry - is that in some of those qualifying periods they reach back all the way to 1988. It may not be what you want to do. You may not then be capturing the most recent years. That's why I was sort of thinking of this, but you're right. You brought up an interesting point, 1983's a long ways ago.

Behnken: Mr. Chairman, I would move that we maintain the interpretation that the staff has been using. It seems to me the most clear cut of '93 or year of most recent participation and that's what the analysis is based on and I don't have a problem with doing that. We're not trying to match by subarea.

Lauber: Put that in a motion.

Behnken: I did, I moved . . .

Tillion: Second it.

Lauber: It has been moved and seconded. Is there any further discussion?

Hartley: I'm just wondering. We had '93 in there strictly because it's our most recent year of data. Now we've got a commitment to get '94 data. We won't be getting designations probably in that suite of definitions, but maybe you're intent might be the most recent full year of participation.

Lauber: I don't know that we have to use '93 year; we could use '94 year even though we don't have it. Obviously, we did that under halibut/sablefish because we wouldn't have had, at the time I don't think we had . . . we sure didn't have exact information because if we did, we wouldn't have had these different figures that showed up.

Behnken: So it's most recent year.

Lauber: I think that would be the likelihood of least dislocation and forbid dislocation, not hardship. Okay, is there any objection to the motion? Hearing none, it passes. Now, do you have anything else, Mr. Benton?

Benton: I just want to confirm Mr. Chairman, that that applies also to groundfish just for clarity's sake. Is that alright?

Pereyra: That's fine. I just want to make certain that this is very clearly spelled out in whatever document we release because we need to get feedback to find out how many people we're affecting by this.

Lauber: And it's the intent of the Council that this also applies to groundfish as well? Alright, do you have anything else?

Benton: Actually, I found this in the groundfish document and it's another thing to be clarified, but I believe it also applies - let me check this just a second - yes, it would also apply to crab. That is, if you look at crab on page 5, Vessel Replacement and Upgrades item number 1, it's just another thing for clarity's sake. It's the point that Mr. Hegge brought up yesterday. The vessel may be replaced or upgraded within the bounds of the 20% rule defined in the moratorium proposed rule. I think we need to make it clear that it is actually within the bounds of vessel size categories and subject to the 20% rule. So that you cannot go beyond the vessel size category if you're upgrading 20%.

Pautzke: We clarified that yesterday as the 20% rule was just kind of a short shorthand for the broad suite of things that go in the proposal . . .

Benton: I think for the public, I agree with you Clarence. I just think for the public we need to ensure the wording there is very clear so that people understand what it is we're talking about.

Pereyra: How would that relate to a 59 foot vessel.

Benton: If the license program went forward they would be at 59 feet by my reading. They could go up to 60 if they wanted to add a foot.

Pereyra: Okay. Is that really what we want to do?

Benton: In fact, they couldn't go 20% beyond 59 because it takes them over 60 feet is the answer.

Tillion: You know I have a Coast Guard requirement on crewing at 65 so my boat is 64.11 cause I'm not going to put on a licensed engineer. There's things like that just happen.

Pereyra: Do we really want to be the authors of something like that?

Tillion: It's already there. Relax, it's all in it. You stay within your vessel category of which we've done everything.

Pereyra: We're establishing the categories now so I think it's good for us to give some thought to what we're doing.

Tillion: Well, a 60 foot limit is the category.

Pereyra: How does this relate to a person that may today decide that they want to increase the size by 20% for whatever reason within their size category? How does that relate to the moratorium rule? Would they be in violation or would they be consistent with the moratorium rule?

Pautzke: The moratorium rule has 125 in it, doesn't it, as an actual benchmark so you can't upgrade over 125 feet, but the closer you get to 125 feet, the more constrained you are on using the 20%.

Pereyra: How about as of the date? If you started today are you going to be violation of the moratorium rule or will you be consistent?

Hartley: No, there's no upgrade date if you're qualified for the moratorium. The way it interplays with vessel classes and the 20% rule is that essentially now you have vessels less than 60 feet may upgrade 20% unless it exceeds the 60 foot mark so you have basically two limits on upgrades. If you're moving it in with this vessel class designation.

Pereyra: What's the date that the moratorium rule kicks in? What is the actual kick-in date? Is it the date it actually . . .

Hartley: The way we've done that rule was that the upgrades were limited as of June 27, 1992. It's the vessel length as of that time that we're measuring.

Pereyra: So you use that as your date to determine what class the boat falls into?

Hartley: That's what will determine the original moratorium qualified length but the vessel designation as you just voted would determine . . . the vessel length class would be determined by the last year participation. So if a vessel had been 51 feet in 1992 and it upgraded to 61 feet in 1994, then it would be legal under the moratorium and it would fall into the 60-125 foot class.

Lauber: Is there anything else under this . . .

Pereyra: What if the vessel had been 51 feet in 1992 and then in 1994 he went to 95 feet?

Hartley: Then he wouldn't be moratorium legal. He would have exceeded the 20% limit . . . [change to tape 65] . . . under the moratorium proposed rule.

Lauber: Is there anything else . . .

Hegge: Marcus, on what you just said. If we pass groundfish is there anything in the future for if he upgraded in 1995, extended his boat from 59 feet out to 65, he's going to be in the above 60 class.

Hartley: He would have to sell his licenses, presumably in the under 60 class, and purchase new licenses in the above 60 class or he couldn't fish for groundfish. Now, I think our rules don't say that you may not upgrade, it's just you may not upgrade and continue to participate in the fishery as you had before.

Hegge: But you just said a minute ago that the moratorium didn't constrain him from going over 60 foot.

Hartley: The moratorium alone does not constrain him, but with the interplay of the vessel classes that you have now, you have a 60 foot limit. If that vessel wants to be within his license designation where you've given him a license in the lowest class, he would be constrained by that. So what we have essentially done is where before we had a 125 foot that you may not exceed 125 feet you also now are overlaying on that a 60 foot limit as well. So you have two simultaneous 20% rules if you will. One for small vessels up to 60 feet, and one for larger vessels up to 125 feet.

Lauber: Unless somebody has a motion, this is the end of this. You have any other item you want to bring up? That was clarified and now we move on. Is there any other motions or questions on this issue?

Pennoyer: Mr. Chairman, a question Marcus brought up to me, I think it's reasonable. You may decide to go with it but you need to know the workload. On groundfish under the 400C option, the area endorsement period is actually a 7-year period of time. The motion introduced by Mr. Tillion included that for each GOA subarea endorsement one landing in each calendar year in the FMP subarea, so we'll actually be doing seven years of bean counting as Clarence volunteered us for instead of just a four-year period of time. It extends the amount of analysis that would be required. If it's your intent that each apply to the extended seven-year period of time under 400C, then I guess that's what we'd look at but that's a fairly rigorous requirement.

Lauber: As I understand Mr. Tillion's motion was four years.

Tillion: Four years.

Benton: I think that should have been up to three years.

Pautzke: '92, '93 and '94.

Hartley: Okay, so we misinterpreted and . . .

Lauber: Thank you Mr. Pennoyer, you saved us and you a lot of work. Is there anything else under crab? Anyone have any changes or motions or whatever?

Mace: I move that the crab license limitation program as amended be approved.

Lauber: Is there a second to the motion?

Behnken: Second.

Lauber: Is there any discussion? Is there any objection? Hearing none, it passes.

Benton: Before we completely leave this item, I don't know if I need to do this or not so I'm going to ask the question. During the course of the public discussion and debate about the CDQ program and during the public testimony, we received a proposal for draft goals and purposes for the CDQ program under the license program.

I guess my question is of staff: would it be, and maybe counselor I'm not sure, would it be useful or appropriate at this time to adopt some draft goals and purposes for the CDQ program? I guess that's particularly important to the Council.

Tillion: In other words, different?

Benton: No, they're not different. I particularly think they are very close but they are a little more focused as to what it would be under the license program as opposed to just under the pollock CDQ on inshore-offshore. I just want to know from counselor whether I need to have something in there or not.

Lindeman: Mr. Chairman, at some point you would have to build a record on justifying a CDQ program and license limitation. It doesn't have to be on the record now.

Benton: Okay, then we'll do this in June.

Lauber: One of the items we have to get to is item C-5, the moratorium. . .

# BAN TRAWLING IN SOUTHEAST Petition

Whereas the Southeastern Gulf of Alaska has been a significant hook and line fishing area for almost 100 years and most of the high value fisheries in the area are full utilized by the hook and line fishing fleet, and this fleet is the economic backbone of Southeast communities now more than ever; and

Whereas the trawl fishery in the Southeast Gulf of Alaska can significantly disrupt the traditional fisheries on which 6,000 Southeast Alaska hook and line fishermen and families depend; and

We, the undersigned citizens say;

Be it resolved by the Alaska State Legislature that the United States Secretary of Commerce and the North Pacific Fisheries Management Council be respectfully requested to immediately implement permanent regulations closing the Southeast Gulf of Alaska East of 140 degrees West longitude to pelagic and bottom trawling.

	Name (please print)	Mailing Address/City/Zip Code	Signature
1	Lynne Lane	P.O. BOX 1462	LYNNE LANE
2	Cory Nelson	Box 1621	Cory Nelson
3	Greg Kahler	PO Box 741	Greg Kahler
4	Lorraine Carter	POB 1491	Lorraine Carter
5	Cathy Curran	17550 Anderson, Prineas 99801	Cathy Curran
6	Mary Chambers	231 Katlian 2-11 Sitka	Mary Chambers
7	Kerry Chambers	231 Katlian 2-11 Sitka	Kerry Chambers
8	Kristy Totten	311 Erbes St.	Kristy Totten
9	Nancy Behnken	Box 6065 SITKA	Nancy Behnken
10	Dick Curran	Box 1336 SITKA	Dick Curran

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	Name (please print)	Mailing Address/City/Zip Code	Signature
1	Hettie Rodgers	P.O. Box 1046 City SITKA	Hettie Rodgers
2	CLAIRE JOHNSON	910 BOX 6384 SITKA	Claire Johnson
3	Jennifer Steele	200 Lakeview Drive	Jennifer Steele
4	J Heleen Trucks	617 Katlian St #14	J Heleen Trucks
5	Shirley Ruter	417-De Armond ST.	
6	MARK JACOBINA	622 DeGroff ST SITKA	Marilyn
7	David Browning	158 LIFESAVER DR.	David Browning
8	Oliver Bickar	316 CASASDE	Oliver Bickar
9	Brenda Shoemaker	P.O. Box 2174	Brenda Shoemaker
10	Bill Brady	Box 904	Bill Brady



# BAN TRAWLING IN SOUTHEAST Petition

	Name (please print)	Mailing Address/City/Zip Code	Signature
1	Mary McGraw	Box 324	MARY MCGRAW
2	DONALD MCGRAW	Box 324	Donald McGraw
3	D. Carpenter	204 Crabapple	D. Carpenter
4	E. Carpenter	" "	Ⓢ E Carpenter
5	GARY McMASTER	1722 Edgcomb Dr. Sitka	Gary McMaster
6	Cynthia Vidal	Box 1406 Sitka	Cynthia Vidal
7	Dylan Mahoskey	2309 H.P.R. #39	Dylan Mahoskey
8	Brandon Galmin	1503 Edgcomb Dr. Sitka	Brandon Galmin
9	Ⓢ Roy Meyle	2213 SMC R.d. Sitka AK	
10	Aaron Bernhardt	BOX 1312	
11	JEFF McFADYEN	Box 592 Petersburg AK	Jeff McFadyen
12	GEORGE DODDINGTON	Box 294 PETERSBURG AK	
13	Carolyn Servid	Bx 2420 Sitka AK	Carolyn Servid
14	J.D. Pannegro	1293 Seward Ave. Sitka AK	J.D. Pannegro
15	Susan Padilla	312 Workmen Loop Sitka AK	Susan Padilla
16	Jorik V. Medau	Box 2420 Sitka AK 99835	Jorik V. Medau
17	Ben Mitchell	103 Dawin	Ben Mitchell
18	Kathleen Meats	Box 3076 Sitka	Kathleen Meats
19	Clarice Johnson	506 O'Carin Sitka	Clarice Johnson
20	BOB REID	Box 6483 SITKA	Robert Reid

# BAN TRAWLING IN SOUTHEAST Petition

Name (please print)	Mailing Address/City/Zip Code	Signature
1 William V Paden	610 Etolin St. Sitka 99835	William V Paden
2 Nick Goodwin	801 Lincoln st, Sitka 99835	Nick Goodwin
3 PAUL POST	Box 6513 Sitka	Paul Post
4 MICHAEL P MASON	P.O. BOX 223 SITKA, AK.	Michael P. Mason
5 C. LATOUELLE	Box 2621 SITKA, AK	C. Latouelle
6 Anika Lange	Box 6307 Sitka, AK	Anika Lange
7 Larry Tran	2008 HPR Sitka	Larry Tran
8 Helena Gladke	Po Box 202 Sitka	Helena Gladke
9 Betty Kwata	2039 HPR Sitka	Betty Kwata
10 LINDA BEHNKEN	403 Lincoln SITKA	Linda Behnken
11 David Kawash	1205 Edgecumbe	David Kawash
12 M. Saller	7603 Ketchikan AK	M. Saller
13 Kathy Komonko	107 Somer Dr.	Kathy Komonko
14 JAMES R. KOMONKO	107 SOMER DR.	J. R. Komonko
15 KAREN L. JOHNSON	617 Katlian E-33	Karen L. Johnson
16 TERI ROEKAR	820 CHARLES ST	Teri Roekar
17 Christie Jones	PO Box 2728	Christie Jones
18 COLIN HERFORTH	"	Colin Herforth
19 Tom L Thompson	Box 830 Sitka	Tom L Thompson
20 Sarah Thompson	to 830 hkn	Sarah Thompson

# BAN TRAWLING IN SOUTHEAST Petition

	Name (please print)	Mailing Address/City/Zip Code	Signature
1	BRADLEY ARNOLD	P.O. Box 2034 SITKA AK 99835	Bradley Arnold
2	Bary Egerton	P.O. Box 3094 SITKA	Bary Egerton
3	Jack Egenoth	Box 1271 Sitka AK	Jack Egenoth
4	Mike McVey	P.O. Box 6467 SITKA AK	Mike McVey
5	Kenneth Bickford	802 Lincoln St. Sitka, AK	Kenneth Bickford
6	Michael Shephard	P.O. Box 1175 Sitka	Michael Shephard
7	Joanne Thomas	P.O. Box 2746 Sitka	Joanne Thomas
8	Corinne Weefelt	Box 6155 "	Corinne Weefelt
9	Casey Cassian	Box 6154	Casey Cassian
10	Beverly B Chesnut	Box 2374 Sitka	Beverly B Chesnut
11	Amanda Cunningham	Box 3182 Sitka	Amanda Cunningham
12	Caroline Davis	Box 2552 Sitka	Caroline Davis
13	Mary Ann James	415 Monastery MARIANISTINES	Mary Ann James
14	Terry Perensovich	506 Baranof	Terry Perensovich
15	Joanna Perensovich	506 Baranof St.	Joanna Perensovich
16	Bryan Baker	1293 Seward Ave sitka	Bryan Baker
17	Gloria Frazier	1293 Seward Ave	Gloria Frazier
18	MARTI MARSHALL	Box 1481 SITKA	Marti Marshall
19	Michael R. Hornum	Box 58 SITKA	Michael R. Hornum
20	DENNIS HICKS	726 Signoka Way	Dennis Hicks

# BAN TRAWLING IN SOUTHEAST Petition

Name (please print)      Mailing Address/City/Zip Code      Signature

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# BAN TRAWLING IN SOUTHEAST Petition

Name (please print)	Mailing Address/City/Zip Code	Signature
1 Sean McMillin		<i>Sean McMillin</i>
2 NICOLE TRIVETT	P.O. BOX 1315 SITKA	<i>Nicole Trivett</i>
3 RACHEL PATE	P.O. BOX 644 SITKA	<i>Rachel Pate</i>
4 Wm. H. Miller	720 Sigonaba Sitka, AK 99835	<i>Wm. H. Miller</i>
5 Simona Quaglia	1 MAKSOOTOFF, SITKA AK 99835	<i>Simona Quaglia</i>
6 Jim Finkwood	P.O. BOX 2503 SITKA AK 99835	<i>Jim Finkwood</i>
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# BAN TRAWLING IN SOUTHEAST Petition

Name (please print)	Mailing Address/City/Zip Code	Signature
1 RIVER CAREY	507 KATHIAN DR SITKA AK 99835	River Carey
2 Carrie Joy Warren	801 Lincoln Sitka	Carrie J. Warren
3 <del>Alton McAllister</del>	Box 684 Sitka	Alton McAllister
4 Carol Price Spurling	256 Kathian Sitka	Carol Price Spurling
5 Walt Spurling	256 Kathian Sitka	Walt Spurling
6 Brady Martin	P.O.B. 6461 SITKA	Brady Martin
7 Feryl Woodworth	411 Degroff Sitka	Feryl Woodworth
8 Kathleen O'Gara	Box 3047 Sitka	Kathleen O'Gara
9 Cindy GARAY	1604 DAVIDOFF #17 Sitka	Cindy Garay
10 Joy Stelzenmuller	2511 SMC SITKA	Joy Stelzenmuller
11 Paige V Else	2219 SMC Sitka	Paige V. Else
12 SANDRA J KINCHER	335 WERTMAN LOOP	Sandra Kincher
13 Tess dleyburn	Box 6310 Sitka	Tess Dleyburn
14 James Peterson	# 1604 Davidoff S	James Peterson
15 Kelly Ferguson	Box 2713, Sitka, AK 99835	K. Ferguson
16 Anne Jara	SITKA, AK 511 KINKADAN ST. 99835	Anne Jara
17 Linda Peichlová	Box 2932, Sitka, AK, 99835	Linda Peichlová
18 Sotera Perez	801 Lincoln 99835	Sotera Perez
19 Richard Petersen	"	Rick Petersen
20 Sydney Erickson	P.O. Box 1152	Sydney Erickson

# BAN TRAWLING IN SOUTHEAST Petition

Name (please print)	Mailing Address/City/Zip Code	Signature
1 Lily Pearson	420 E. Meade St. Pt. WA	Lily Pearson
2 <del>Randy Bergman</del>	190 Kathleen	
3 Joseph W. Huff	Box 1395 SITKA AK 99835	Joseph W. Huff
4 GLEGG JONES	Box 594 SITKA.	GleGG Jones
5 Randy Sordella	PO Box 663 "	Randy Sordella
6 Denny Tokkar	820 Charles "	Denny Tokkar
7 Bert Bergman	Box 6423 Sitka	Bert Bergman
8 Sharon Weiss	Box 6285 Sitka	Sharon Weiss
9 Korie Wysocki	Box 6285 Sitka	Korie Wysocki
10 KELLI M. LEONARD	PO Box 6008 SITKA	Kelli M. Leonard
11 Ted J. Merkel	Gendel. Sitka	Ted J. Merkel
12 Danno Girardot	Box 2175 Sitka	Danno Girardot
13 Nathann Mounel	801 Lincoln St. Sitka	Nathann Mounel
14 Josh Culp	403 Lincoln	
15 Craig D Crandall	PO Box 3032 LaGrande OR	Craig D. Crandall
16 James Parkin	206 seaward St #3	James Parkin
17 Deann Wick	421 Andrews St	Deann Wick
18 Paul Schreiber	231 Kathleen M-6 Sitka, Ak.	
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	Name (please print)	Mailing Address/City/Zip Code	Signature
1	TIM R RYAN	207 CEDAR HTS SITKA, AK 99835	<i>Tim Ryan</i>
2	IDA ELIASON	216 LAKEVIEW SITKA AK 99835	<i>Ida Eliaison</i>
3	MIKE MEVEY	P.O. 6467 SITKA AK 99835	<i>Mike Mevey</i>
4	M. J. Howard	106 Pattison Sitka AK 99835	<i>M. J. Howard</i>
5	Cam Bembach	P.O. Box 6248 Sitka AK 99835	<i>Cam Bembach</i>
6	Jleana Tabara	PO Box 6316 Sitka ak 99835	<i>Jleana Tabara</i>
7	Kandylia	305 Iceland Dr SITKA AK 99835	<i>Kandylia</i>
8	KYM LASCOUTY	PO. 6502 SITKA 99835	<i>Kym Lascouty</i>
9	Rebecca Poulson	206 Seward No. 3 Sitka Ak 99835	<i>Rebecca Poulson</i>
10	Bonnie Sue Hitchcock	107 SMC Sitka AK 99835	<i>Bonnie Sue Hitchcock</i>



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Name (please print)	Mailing Address/City/Zip Code	Signature
1 Barbara Bingham	Po Box 4112, Sitka, AK 99835	Barbara Bingham
2 LEO E EVANS	P.O. Box 902 SITKA AK	Leo Evans
3 Jim. Poesch	149 Price St. Sitka AK	Jim Poesch
4 John Larson	P.O. Box 871	John Larson
5 Michael W. White	P.O. Box 812 Sitka AK 99835	Michael W. White
6 Raymond Stein	702 Pherson Sitka AK 99835	Ray Stein
7 Marvin Proctor	Box 6174 SITKA, AK 99835	Marvin Proctor
8 James Elstad	P.O. Box 1522 Sitka " " "	James Elstad
9 Cimp Marano	PO Box 1603 Sitka	Cimp Marano
10 Theresa Weiser	P.O. Box 2300 Sitka AK 99835	Theresa Weiser
11 Jan Studnicki	1950 Dodge Cr. Sitka	Jan Studnicki
12 N Boyer	Po Box 3107 SITKA AK 99835	N Boyer
13 Michael Reif	PO Box 2346 Sitka	Michael Reif

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# BAN TRAWLING IN SOUTHEAST Petition

	Name (please print)	Mailing Address/City/Zip Code	Signature
1	Mike White	PO Box 2402 Sitka, 99835	Mike White
2	Paul Mattee	301 Peterson Sitka AK	Paul Mattee
3	Dom Monaco	Box 1704 Sitka AK	Dom Monaco
4	Kent Hall	500 Lincoln St Sitka	Kent Hall
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	Name (please print)	Mailing Address/City/Zip Code	Signature
1	TIM RILEY	507 PARK ST SITKA 99835	<i>T. Riley</i>
2	Harold Thompson	Box 681 Sitka AK 99835	<i>H. Thompson</i>
3	Don Knutson	P.O. Box # 71151 Sea Wa 98107	<i>Don Knutson</i>
4	Paul H. Ash	504 Skennett St Sitka	<i>P. H. Ash</i>
5	<del>Don Knutson</del> TEAS	113 HR. Mt. Rd. # 7 Sitka	<i>Teas</i>
6	Tom Braxton	Box 22520 Juneau AK 99802	<i>Tom Braxton</i>
7	JEFF D. SMITH	P.O. Box 714 Brooklums OR 97415	<i>J. D. Smith</i>
8	George Beaty	4792 B H.P.R. Sitka AK 99835	<i>George Beaty</i>
9	Alan Lazar	89487 Hwy 107 N Florence, OR 97439	<i>Alan Lazar</i>
10	DAVID LAIRD	2653 Northshore Bellingham	
11	Rod Laezza	132 Wolf Dr. Sitka, AK. 99835	<i>Rod Laezza</i>
12	Bennett Carlson	Box 2896 Sitka, AK. Bennett Carlson	<i>Bennett Carlson</i>
13	Danny Whitson	Box 1315 Sitka AK	<i>Danny Whitson</i>
14	Richard Eliason	709 Sirstad St Sitka	<i>R. Eliason</i>
15	Jos Jens	Bx 462 Sitka AK	
16	Rick Giltman	110 Whistle Lk Rd Anacortes WA 98221	
17	Blenda Enloe	Box 265 Sitka AK 99835	
18	DREWY TORRESOM	4017 H.P.R. CITY	<i>Drewy Torresom</i>
19	GEOFFROY GEORAN	PO BOX 2645 SITKA	<i>G. Georan</i>
20	<del>Bruce Whitson</del> Duane Whitson	PO. 1456	<i>Duane Whitson</i>

*H*

# BAN TRAWLING IN SOUTHEAST Petition

*Joseph K. Donohue*

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	Name (please print)	Mailing Address/City/Zip Code	Signature
1	JOSEPH K. DONOHUE	1713 EDGECLUMBE DR., SITKA 99835	<i>Joseph K. Donohue</i>
2	GAIL B. STROMME	1717 EDGECLUMBE DR. SITKA AK 99835	<i>Gail B. Stromme</i>
3	ERIC SWANSON	BOX 2622 SITKA 99835	<i>Eric Swanson</i>
4	Keith Buchner	Box 6298 Sitka 99835	<i>Keith Buchner</i>
5	Kinda Walker	Box 1254 SITKA 99835	<i>Kinda Walker</i>
6	FORREST DODSON	607 ETOLEW ST SITKA AK	<i>Forrest Dodson</i>
7	JOE DALTON	P.O. BOX 113 SITKA AK	<i>Joe Dalton</i>
8	CARL DOMINICKS	Box 4 SITKA AK	<i>Carl Dominicks</i>
9	KALEB ALURED	P.O. 6123 SITKA 99835	<i>Kaleb Alured</i>
10	Eric Peterson	P.O. Box 2976 Sitka 99835	<i>Eric Peterson</i>

# BAN TRAWLING IN SOUTHEAST Petition

Name (please print)	Mailing Address/City/Zip Code	Signature
1 Mark Roberts	P.O. Box 248 Petersburg AK 99833	Mark Roberts
2 Scott R. Guthrie	P.O. Box 2075 Petersburg AK	Scott R. Guthrie
3 S LAWRIE	P.O. Box 2976 SITKA	S Lawrie
4 Norm White	P.O. Box 462 SITKA	Norm White
5 Mike Roberts	P.O. Box 475 Sitka AK 99835	Michael P. Roberts
6 GERALD R. PATYSTEAN	Gen Del Sitka AK 99835	Gerald Patystean
7 PAT MCGUIRE	117 KNUITSON SITKA, AK 99835	Pat McGuire
8 Stan Harmon	P.O. Box 6501 Sitka AK	Stan P. Harmon
9 Keith Buchner	PO Box 6298 Sitka AK	Keith Buchner
10 Dore Schaeffer	P.O. Box 2298 HOMER AK	Dore Schaeffer
11 Buter Bush	POB 1802 Sitka AK	Buter Bush
12 MICHAEL J. MORENO	2805 Saw Mill Cr Hwy, Sitka AK	Michael J. Moreno
13 Heidi Aldrich	309 Nicole Dr.	Heidi Aldrich
14 Dan Moreno	1110 Edescomb Dr 75454	Dan Moreno
15 DAN MORENO	Box 1432 SITKA	Dan Moreno
16 Ray Nielsen	20813 KOGWANTON ST Ray Nielsen	Ray Nielsen
17 Leroy H. Martin	PO Box 48 Angoon AK	Leroy H. Martin
18 Roland Martin	PO Box 272 KAKE AK	Roland C. Martin
19 Dan Stockel	TD Box 850 SITKA, AK	Dan Stockel
20 Tony McDonald	Box 1436 Petersburg	Tony McDonald

# BAN TRAWLING IN SOUTHEAST Petition

	Name (please print)	Mailing Address/City/Zip Code	Signature
1	WARD CARLSON	343 7889 Ketchikan SITKA	Ward Carlson
2	Jamie Chevalier	Bx 6364 Sitka Ak	Jamie Chevalier
3	Walter C Pasternak	Box 830 Sitka Ak	Walter C Pasternak
4	Christine Scansone	Box 2622 Sitka	Christine Scansone
5	Mike Weyhmill	PO Box 2132 SITKA	Mike Weyhmill
6	PETER RODDY	BOX 6436 SITKA	Pete Roddy
7	John Wolford	231 KATHIAN MITA-SITKA	John Wolford
8	Laurie Krause	PO BOX 1065 SITKA AK	Laurie Krause
9	Signal D Rytter	89 Kathian - Frg	Signal D Rytter
10	Charlie K Bower	6407 SITKA	Charlie K Bower
11	PAAVO K CARROLI	BOX 6822 KETCHIKAN	Paavo K Carrol
12	John Lee	BOX 8143 PA	John Lee
13	Sam Nelson	PO Box 18 WESTPORT WA	Sam Nelson
14	Darrell A. Thomas	2040 HPR SITKA, AK 99835	Darrell A. Thomas
15	Matt Dandros	PO Box 3114 SITKA AK	Matt Dandros
16	<del>XXXXXXXXXXXXXXXXXXXX</del>	<del>XXXXXXXXXXXXXXXXXXXX</del>	<del>XXXXXXXXXXXXXXXXXXXX</del>
17	Dan Sever	1706 Edgcombe Dr. SITKA	Dan Sever
18	SCOTT BALOVICH	101 VIKING WAY SITKA	Scott Balovich
19	Marc Throat	P.O. Box 3076 Sitka	Marc Throat
20	Chris MSewer	P.O. Box 2725 SITKA	Chris MSewer
	Linda Blake	PO Box 994, Sitka	Linda B. Blake
	Louise Smith	POB 6304 SITKA	Louise Smith



# BAN TRAWLING IN SOUTHEAST Petition

Name (please print)	Mailing Address/City/Zip Code	Signature
1 Robert A. Heffield	P.O. Box 2212	Robert A. Heffield
2 Dennis Eames	210 crabapple Drive <sup>Sitka</sup> 99835	Dennis Eames
3 MARK Pawley	P.O. Box 6572 Sitka 99835	Mark Pawley
4 Ken Belcows	Box 004 Sitka, AK 99835	Ken Belcows
5 LAURA BOWER	POB 6407 SITKA	Laura Bower
6 Jay Jetter	231 Kallian M-1 Sitka	Jay Jetter
7 Bonnie Grant	117 New Archangel - Sitka	Bonnie Grant
8 Trika Grant	117 New Archangel Sitka 99835	Trika Grant
9 Josh Mitchell	117 New Archangel sitka AK 99835	Josh Mitchell
10 Scott Cassedy	Box 452 Sitka 99835	Scott Cassedy
11 John Kelly	2010 CASCADE CRK. RD. SITKA AK	John Kelly
12 John M. [unclear]	2675 A.P.R. #6 Sitka,	John M. [unclear]
13 J. C. MORRISON	Box 2514 Sitka, ak.	J. C. Morrison
14 Louise P. Simpson	Bx 766 SITKA AK.	Louise P. Simpson
15 Chuck Woolsey	2309 HPR #38	Chuck Woolsey
16 Rick Rocheletu	1109 Edgecombe DR SITKA AK	Rick Rocheletu
17 Larry Smith	P.O. Bx. 2202 Sitka AK	Larry Smith
18 Joshua Moore	Box 770 Haines AK	Joshua Moore
19 [unclear]	Box 3182 SITKA AK	SACHA BOTBOL

BAN TRAWLING IN SOUTHEAST  
Petition

John W. Skeele

1171 Rawlins Rd 99213  
Mt. Vernon, Wa

*[Signature]*

Daniel W. Whinn

1308 34th St. Anacortes Wa.

~~AS Young~~ Robert Younger

311 Peterson Av. Sitka, AK 99835

Tom Budd

1718 Edgcombe Dr., Sitka 99835

Stacy Sabo

2413 Kqa-Seem An Dr.

Juneau, AK 99801

Rebecca Lawrie

Box 2976

Sitka AK 99835

Becky J. Hall

106 Bahovec Ct.

Sitka, AK. 99835

Becky Hall

# BAN TRAWLING IN SOUTHEAST Petition

Name (please print)

Mailing Address/City/Zip Code

Signature

- 1) Robert J. Kirkman P.O. Box Robert J. Kirkman  
2716 Sitka, AK
- 2) E J Karros 230 Back<sup>st</sup> Sitka AK
- 3) James Hendricks PO Box 8756 Port Alexander
- 4) Jim Rymann BOX 1032 SITKA
- 5) Norman Ralph Guthrie Box 595 P.S.G.
- 6) E Mattheson E Nutt Box 6089 Sitka
- 7) Todd Jones PO Box 2783 SITKA 99835
- 8) GORDON L GRANT P.O. Box 2622 SITKA
- 9)
- 10)
- 11)
- 12)
- 13)
- 14)
- 15)

# BAN TRAWLING IN SOUTHEAST Petition

Name (please print)

Mailing Address/City/Zip Code

Signature

1) Robert J. Kirkman  
P.O. Box 2710  
Ark.

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# BAN TRAWLING IN SOUTHEAST Petition

Whereas the Southeastern Gulf of Alaska has been a significant hook and line fishing area for almost 100 years and most of the high value fisheries in the area are full utilized by the hook and line fishing fleet, and this fleet is the economic backbone of Southeast communities now more than ever; and

Whereas the trawl fishery in the Southeast Gulf of Alaska can significantly disrupt the traditional fisheries on which 6,000 Southeast Alaska hook and line fishermen and families depend; and

We, the undersigned citizens say;

Be it resolved by the Alaska State Legislature that the United States Secretary of Commerce and the North Pacific Fisheries Management Council be respectfully requested to immediately implement permanent regulations closing the Southeast Gulf of Alaska East of 140 degrees West longitude to pelagic and bottom trawling.

	Name (please print)	Mailing Address/City/Zip Code	Signature
1	DAN FALVEY	Box 6083 SITKA AK	<i>Dan Falvey</i>
2	GREGORY JOANSTONE	501 VERSTOVIA, SITKA, AK	<i>Gregory Joanstone</i>
3	SIMON ANDERSON	Box 166 SITKA AK	<i>Simon Anderson</i>
4	Darlene Brevick	Box 491 SITKA AK	<i>Darlene Brevick</i>
5	TIMOTHY A. NORTHROP	414 CHARLES ST.	<i>Timothy A. Northrop</i>
6	Michael Knouss	PO Box 211 Sitka	<i>M Knouss</i>
7	Gary Winger	720 A Sirkstad sitka AK	<i>Gary Winger</i>
8	Alicia Munger	231 Kathlan St. M-37 Sitka, AK	<i>Alicia Munger</i>
9	Paul J. Kaban Jr	P.O. Box 1655, Sitka, AK 99835	<i>Paul J. Kaban Jr</i>
10	Grant J. Miller	Box 2456 Sitka AK 99835	<i>Grant J. Miller</i>

# BAN TRAWLING IN SOUTHEAST Petition

	Name (please print)	Mailing Address/City/Zip Code	Signature
1	PAUL A. YANAK	Box 1462 SITKA AK 99835	Paul A. Yanak
2	William BERNHARDT	<sup>SITKA, AK</sup> 3208-32 HPR	Will Bernhardt
3	Phyllis Mulligan	Box 8082 Port Alexander	Phyllis Mulligan
4	EARL P. REAVES	BOX 2168 (SITKA)	Earl P. Reaves
5	Rob Dahlquist	224 Lakeview Dr	Rob Dahlquist
6	DAVE WIDEMAN	3902 HPR-SITKA	Dave Wideman
7	DWIGHT DOWNER	Box 1045 HAINES, AK	Dwight Downer
8	Bert R. Bergman	Box 6423 Sitka, AK 99835	Bert R. Bergman
9	John Maher	<sup>SITKA AK</sup> 231 Katlian M-37	John Maher
10	Charles E. Wilton	705 E. 1st St	Charles E. Wilton
11	Kenneth Muns	4570 Hidden River	Kenneth Muns
12	Jeffrey M. Widman	107 Lance Dr #1 SITKA	Jeffrey M. Widman
13	Mark Bagley	P.O. Box 4 SITKA	Mark Bagley
14	VALENTINE ECKLUND	1701 # FIVE HALIBUT RD, SITKA	Valentine Ecklund
15	Gene Frew	716 Lake St.	Gene Frew
16	HEATHER J. HARRIS	507 KATLIAN	Heather J. Harris
17	Kristie Tombsom	<sup>SITKA</sup> P.O. 6662 AK 99835	Kristie Tombsom
18	M. K. Warren	PO BOX 6467 SITKA AK 99835	M. K. WARREN
19	Greg Adkins	P.O. Box 2301 SITKA, AK 99835	Greg Adkins
20	Don Koston	PO BOX 6432 Sitka, AK 99835	Don Koston

# BAN TRAWLING IN SOUTHEAST Petition

Name (please print)	Mailing Address/City/Zip Code	Signature
1 BOB WILKINS	408 MONASTERY SITKA AK 99835	Robert Wilkins
2 JAMES E. Phillips	Box 52	James E. Phillips
3 Glenn A. Wilber	605 Degroff SITKA, AK. 99835	Glenn A. Wilber
4 Lodger A. Wilber	PO Box 3204 SITKA AK 99835	Lodger A. Wilber
5 DAN REAR	1007 HPR SITKA AK. 99835	Daniel R. Rear
6 Glen Mielke	P.O. Box 34375 Juneau, AK 99803	Glen H. Mielke
<del>Anna M Erb</del>	<del>P.O. Box 2813</del>	<del>Sitka, AK 99835</del>
8 Anna M Erb	P.O. Box 2813 Sitka	Anna M. Erb
9 LEE S. PRUITT	P.O. Box 1802, SITKA	Lee S. Pruitt
10 R.L. KRUEGER	Box 3225, SITKA	R.L. Krueger
11 James W. Roberts	Box 475 SITKA, AK	James W. Roberts
12 Cynthia Johnstone	501 Verstonia St. Sitka, AK.	CYNTHIA JOHNSTONE
13 Robert & Rebecca Hall	105 BARBOUR CR. SITKA	Robert Hall
14 JAMES MOORE	Box 770 Haines	James Moore
15 LEE KRAUSE	Box 1150 SITKA AK	Lee Krause
16 GERALD PATYTON	Gardel SITKA	Gerald Patyton
17 Cleo Klumyak	Box 325 Sitka	Cleo Klumyak
18 Merry Ann	2037 HPR	Merry Ann
19 Kevin Koelling	P.O. Box 1222 Sitka	Kevin Koelling
20 Orric Bell	Box 200 Petersburg	Orric Bell

# BAN TRAWLING IN SOUTHEAST Petition

	Name (please print)	Mailing Address/City/Zip Code	Signature
1	Amy Kramer	507 KATHIAN SITKA 99835	Amy K. Kramer
2	Andrew Cesario	P.O. Box 2034 Sitka AK 99835	Andrew Cesario
3	John Gurth	PO Box 2462 SITKA AK 99835	John Gurth
4	RON BARBER	617 KARLAW B32 SITKA 99835	Ron Barber
5	Robert D. Schell	Box 1367 SITKA, AK, 99835	Robert D. Schell
6	Melvin H. Hougren	236 OBSERVATORY SITKA AK 99835	Melvin H. Hougren
7	John A. Teas	247 Kogwonten Sitka AK 99835	John A. Teas
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HOUSE JOINT RESOLUTION NO. 25  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE GRUSSENDORF

Introduced: 1/25/95

Referred: House Special Committee on Fisheries, Resources

A RESOLUTION

1 Relating to a ban on trawling in the eastern Gulf of Alaska.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the eastern Gulf of Alaska has been a significant hook and line fishing  
4 area for almost 100 years and most of the high value fisheries in the area are fully utilized by  
5 the hook and line fishing fleet; and

6 WHEREAS the level of trawl fishing effort in the eastern Gulf of Alaska is expected  
7 to exert undue fishing pressure on fish stocks in the area and displace traditional hook and line  
8 fisheries; and

9 WHEREAS foreign trawl fishing in the Gulf of Alaska resulted in depressed  
10 populations of several species of rockfish; and

11 WHEREAS federal fishing regulations require that all fisheries that take a species of  
12 fish must be closed when the allowable biological catch for the species is reached; and

13 WHEREAS the trawl fishery in the eastern Gulf of Alaska can significantly disrupt  
14 the traditional fisheries on which 3,000 Southeast Alaska hook and line fishermen depend; and

15 WHEREAS the narrowness of the continental shelf and continental slope in the eastern  
16 Gulf of Alaska concentrates trawl fishing effort in a small area and as a result prevents  
17 recovery of trawl fishing areas and may permanently impoverish the ecosystem of the eastern

1 Gulf of Alaska; and

2 WHEREAS the Southeast Alaska area contains limited smooth bottom areas suitable  
3 for trawls, but many rocky areas that support an abundant, diverse, but fragile deep water  
4 habitat; and

5 WHEREAS the impact of trawl roller gear and trawl doors could significantly affect  
6 corals and associated hard bottom species; and

7 WHEREAS only by closing the eastern Gulf of Alaska east of 140 degrees west  
8 longitude to trawl fishing will the local marine resources be protected;

9 BE IT RESOLVED by the Alaska State Legislature that the United States Secretary  
10 of Commerce is respectfully requested to immediately implement emergency and permanent  
11 regulations closing the eastern Gulf of Alaska east of 140 degrees west longitude to pelagic  
12 and bottom trawling.

13 COPIES of this resolution shall be sent to the Honorable Ron Brown, Secretary, U.S.  
14 Department of Commerce; and to the Honorable Ted Stevens and the Honorable Frank  
15 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of  
16 the Alaska delegation in Congress.