

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke  
Executive Director



ESTIMATED TIME  
2 HOURS

DATE: May 24, 2000

SUBJECT: Halibut Management

**ACTION REQUIRED**

- (a) Review Gulf Coastal Communities Coalition halibut IFQ discussion papers
- (b) Final action to extend halibut donation program

**BACKGROUND**

- (a) Gulf Coastal Communities Coalition halibut IFQ discussion papers

In February, the Council approved development of a discussion paper by Gulf Coastal Communities Coalition (GOAC3) of an IFQ proposal to allow a community-based, non-profit entity to hold commercial quota share. This proposal was not recommended for development by the IFQ Implementation Committee, which convened in October 1999 to review IFQ proposals. It failed on a tie vote (4:4). The committee was split on whether or not to involve the Council in designing a program that would provide access to GOA communities as a QS holding entity that would then compete with fishermen currently eligible to be QS holders.

In April, the Council approved development of a discussion paper of a proposal offered in public testimony by GOAC3 to include certain coastal communities in Areas 2C and 3A as initial quota share issues (for charter IFQs), despite their lack of past participation in the charter IFQ fishery in the proposed qualifying years. Duncan Fields will present the two discussion papers, which are included in your supplemental meeting materials..

- (b) Halibut Donation Program

Amendments 50/50 to the BSAI and GOA Groundfish FMPs authorized the retention and processing of halibut taken as bycatch up to a limit of 50,000 pounds, for donation to economically disadvantaged individuals. Known as the Halibut Donation Program (HDP), Federal regulations allow a NMFS-authorized distributor to receive and distribute halibut bycatch. Two of the three processors in Dutch Harbor, Unisea and Alyeska, have participated in the HDP. Together, they donated 21,196 pounds of halibut in 1998 and 4,476 pounds in 1999. The program was implemented for 1998-2000, and will sunset at the end of this year.

Final action is required to extend the program. An EA/RIR/IRFA will be provided by NMFS staff.

HALIBUT ASSOCIATION



OF NORTH AMERICA

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MAY 30 2000

May 30, 2000

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Richard Lauber, Chairman  
 North Pacific Fishery Management Council  
 605 West 4<sup>th</sup> Avenue, Suite 306  
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VIA FAX: (907) 271-2817

## RE: C-1 Halibut Management

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Dear Chairman Lauber:

We are writing to request that the agenda for the Council's June meeting be amended under C-1 Halibut Management by adding (c) Processor harvesting IFQs.

We appreciate the Council and staff's full workload and their preference that amendments to the IFQ program follow the year 2001 rotation. The Council has already deviated from this plan, however, by considering two halibut IFQ proposals out of cycle. We believe that those proposals to expand the halibut IFQ program to include charter fishermen and communities warrants analysis of a third amendment that would allow processors to buy and hold halibut harvesting quota shares, too.

We are using the word "processor" as defined in the Magnuson-Stevens Act to mean "facilities located within the United States for, and vessels of the United States used or equipped for, the processing of fish for commercial use or consumption".

The National Research Council report on IFQ, Sharing the Fish: Toward a National Policy on Individual Fishing Quotas concluded that "IFQs have proven to be a good way to rationalize the fishery, but other stakeholders need to be considered." Processors have a direct stake in the IFQ program and experience its impact on a daily basis. Obviously, now that the program as originally conceived might change fundamentally away from commercial harvesters only, we believe that the processing sector has a legitimate claim to opportunities for ownership and that changes to the program must be examined concurrently and comprehensively along with the community and charter proposals.

HANA 5/30/00

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Congress recognized this, too, when they authorized coops in the American Fisheries Act to allow processors to participate in those coops as owners of harvesting rights.

There is already precedent for processing companies to own harvesting quota shares because some were eligible as original recipients when the program began and have gone on to trade shares for both halibut and sablefish during the ensuing years.

One argument for allowing processors to acquire and hold harvesting quota shares is the advantage they might gain from vertical integration. A vertically integrated firm might be better able to develop an economically efficient operation than one having to negotiate with independent vessel owners about prices and delivery conditions. For example, in Iceland, the ownership of IFQs is restricted to vessel owners, but vertically integrated firms are recognized as vessel owners.

We would appreciate the opportunity to address the issue in June and hope that you are able to accommodate our issue.

Sincerely,



John Woodruff, President

May 11, 2000

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N.P.F.M.C.

Chairman Richard Lauber  
North Pacific Fishery Management Council  
605 W. 4th Ave., Suite 306  
Anchorage, AK. 99501-2252

Dear Chairman Lauber:

I am writing to comment on the Gulf Coalition proposals. The IFQ program was originally designed to prevent corporations from owning quota. A non-profit community-based organization is no different than a corporation, it's just another flavor of the same beast. I am a small-boat fisherman and I cannot compete on the open market with these communities for quota shares. They have a lot of money, and my funds are limited, so the amount I pay for quota is very calculated. If their goal is to buy quota, what is to prevent them from outbidding those of us in competition with them for quota shares? Also, with a bunch of coastal communities holding quota share, what is to prevent them from grouping together and controlling the resource? The people in these coastal communities have access to all of the same loan programs as I do, plus, Native Alaskans have access to a few which I do not. The Bureau of Indian Affairs has a loan program where individuals can borrow up to \$500,000, and the village corporation can borrow up to \$5 million. I can't even come close to that. Many villages in the Central Gulf have received tens of millions of dollars from the Exxon oil spill. Why haven't individual village corporations used any of this money as loans to individuals for quota?

Where were these communities when halibut was not yet limited? They were fishing salmon and herring, more lucrative at the time, and it was a pain to gear up for halibut for only 24-48 hours. In fact, one of the early Gulf Coalition letters pointed out that many villagers chose to fish herring in the spring instead of halibut during some of the qualifying years, because of herring's higher price. However, now that halibut is a very bright spot in Alaskan fisheries, they want a piece of the action. Fostering dependence on a natural resource which goes through cyclical fluctuations does not help any community anywhere in the long run. This is not the answer to their problems. Why is this issue even before the Council? The individuals in these communities have access to many different revenue sources, and if they wanted to buy IFQs, they could have already done so. Why does there need to be any special consideration given to these communities? There are many resources already available to help them help themselves. I suggest they explore those avenues vs. corporate control of our natural resource.

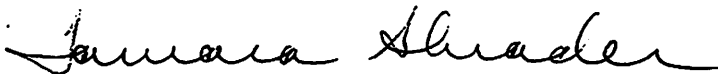
The next issue is that they want some of the charter boat IFQs. I understand that this program is in its beginning stages, but my two cents' worth is that the charter boat IFQs should come from a

separate pool of quota share based on historic catch levels, rather than from the whole pot. These are separate entities sharing the same resource, and with different interests. The potential for continual conflict between the user groups if we share the same pool is endless. They should be maintained separately. The Gulf Coalition can access the charter IFQs in the same manner. Let the individuals buy the quota. The communities have ample financial resources to back their respective members. Let the individuals stand up for themselves.

I fear too much control over a small-boat person such as myself if communities are allowed to buy any form or fashion of any quota. The communities have the resources to back their individuals, let them do that. Social engineering should not be the business of the Council.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Tamara Shrader".

Tamara Shrader  
P.O.Box 2601  
Homer, AK. 99603  
(907)-235-7670

***\*\*DRAFT for Final Action by the  
North Pacific Fishery Management Council at its June 2000 Meeting***

**ENVIRONMENTAL ASSESSMENT/ REGULATORY IMPACT REVIEW**

**For Establishing the Halibut Provisions  
of the Prohibited Species Donation Program**

**Implemented Under The Authority Of The  
Fishery Management Plans  
For The  
Groundfish Fishery Of The Bering Sea And Aleutian Islands Area  
And  
Groundfish Of The Gulf Of Alaska**

**June 1, 2000**

**Lead Agency:** National Marine Fisheries Service  
Alaska Regional Office  
National Marine Fisheries Service  
Juneau, Alaska

**Responsible Official:** James W. Balsiger  
Regional Administrator  
Alaska Regional Office

**For Further Information Contact:**  
Jill Stevenson, Sue Salvesson, Alaska Regional Office  
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**Abstract:** Halibut are taken incidental to the Alaska groundfish fisheries. A portion of the trawl bycatch is landed dead at shoreside processing facilities and NMFS considers alternatives regarding extension of the existing voluntary program that allows these halibut to be donated. The halibut are currently donated by participating processors and distributed by an authorized organization to economically disadvantaged individuals through December 31, 2000. This program has operated successfully over the last two years. In 1998, enough halibut were donated through this program to provide an estimated 65,000 meals to needy individuals in the Puget Sound area. In this document, NMFS considers the potential environmental and economic impacts of the halibut donation program, which are not considered to be adverse. Extending this program would not have any adverse impacts on target or non-target species, nor would it have adverse impacts on protected species. This program would not be expected to have any adverse economic impacts.

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## EXECUTIVE SUMMARY

Halibut are taken incidental to the Alaska groundfish fisheries. Vessels that use trawl gear account for most of the groundfish catch, and for about 86 percent of the halibut bycatch mortality. A portion of this bycatch is landed dead at shoreside processing facilities and must be returned to Federal waters for disposal as a prohibited species. Total halibut bycatch mortality was estimated to be 6,551 metric tons (mt) in the 1999 Alaska groundfish fisheries.

In 1998, the Council adopted and NMFS implemented Amendments 50/50 to the groundfish fishery management plans. These amendments authorize the distribution of halibut bycatch by a NMFS-authorized distributor, in order for the halibut to be used by non-profit organizations to feed economically-disadvantaged individuals. Regulations implementing these amendments (63 FR 32144, June 12, 1998) expire December 31, 2000, to accommodate an agreement by the Council and the International Pacific Halibut Commission (IPHC) that the halibut donation program should have a three-year trial period, during which data would be collected and evaluated to determine if the program was a success.

Since that time, the program has been evaluated. The halibut donation program has been operating successfully for the last two years and has shown to be effective at reducing bycatch waste; 9,635 kg (21,196 lbs) and 2,814 kg (6,190 lbs) of eviscerated halibut were donated in 1998 and 1999, respectively. In order to avoid a lapse of the halibut donation program at the end of 2000, the following alternatives are considered:

- Alternative 1: No Action. The halibut donation program would not be continued. All bycaught halibut landed at shoreside processing facilities would be retained until they could be transported to an appropriate site for discard in Federal waters as a prohibited species.
- Alternative 2: Permanently extend existing regulations establishing a voluntary halibut donation program. Halibut taken as bycatch in the groundfish trawl fishery would be distributed to economically disadvantaged individuals. The program could be evaluated at any time.
- Alternative 3: Extend existing regulations establishing a voluntary halibut donation program through December 31, 2003. Halibut taken as bycatch in the groundfish trawl fishery would be distributed to economically disadvantaged individuals during a three-year period. During that time, the program would be evaluated for continuation.

None of the alternatives would be expected to change fishing activities in a manner that would affect the amount of groundfish harvested nor the amount of halibut taken as bycatch in the Alaska trawl fisheries. None is likely to negatively affect the quality of the human environment, and the preparation of an environmental impact statement for the proposed action is not required by Section 102(2)(C) of the National Environmental Policy Act (NEPA) or its implementing regulations. The total burden to shoreside processors resulting from the preferred alternative cannot be estimated because participation would be voluntary. However, NMFS does not expect that any processor would participate if there were significant negative economic impacts resulting from participation in this program. In 1998 and 1999, respectively, approximately 65,000 and 18,600 halibut meals were served to needy individuals as a result of this program.

## 1.0 INTRODUCTION

The groundfish fisheries in the Exclusive Economic Zone off Alaska are managed under the groundfish Fishery Management Plans (FMPs) prepared by the North Pacific Fishery Management Council (Council) under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). Actions taken to amend these FMPs or implement other regulations governing the groundfish fisheries must meet the requirements of Federal laws and regulations. In addition to the Magnuson-Stevens Act, these include NEPA, the Endangered Species Act (ESA), the Marine Mammal Protection Act (MMPA), Executive Order (E.O.) 12866, and the Regulatory Flexibility Act (RFA).

This EA/RJR addresses a proposed regulatory amendment to extend the existing halibut donation program. This would permit the limited retention of halibut taken as trawl bycatch, and landed dead at shoreside processing plants. These fish could then be donated, through tax-exempt organizations, to economically-disadvantaged individuals. The intended effect of the proposed measure is to provide an opportunity to the groundfish industry to reduce the discard of bycaught halibut that would otherwise be discarded dead as a prohibited species.

### 1.1 Purpose and Need for Action

The halibut donation program resulted from discussions about trawl vessels landing unsorted catch at processing plants in Dutch Harbor, AK. Halibut are taken incidentally to the Alaska groundfish trawl fisheries. These fish, if not released during preliminary sorting, are landed dead at shoreside processing facilities and must be disposed of in Federal waters as a prohibited species. NMFS determined these vessels were targeting pollock and landing unsorted catch because sorting at sea was impractical. Although offloading dead halibut at shoreside processing plants is not preferable, the amount of halibut being landed in unsorted trawl catches was relatively low. The objective of this program is to reduce seafood waste generated by the bycatch of halibut by groundfish trawl vessels.

In 1998, the Council approved and NMFS implemented regulations to amend the FMPs for the groundfish fisheries in the Bering Sea/Aleutian Islands and the Gulf of Alaska (Amendment 50/50; 63 FR 32144, June 12, 1998). These regulations authorized the distribution of halibut bycatch by a NMFS-authorized distributor, in order for the halibut to be used by non-profit organizations to feed economically-disadvantaged individuals. The only halibut that could be distributed were those caught by trawl gear and sorted after landing at an inshore processor. At that time, the Council and IPHC agreed that the program should have a three-year trial period, during which data would be collected and evaluated to determine if the program successfully met intended goals and objectives. The program operated successfully in the first two years of operation. Halibut which would have been taken back out to sea and dumped were served to economically-disadvantaged individuals. Since the time of the program's inception, data have been submitted to NMFS and the IPHC and IPHC staff have recommended that the program should continue (Appendix A is a discussion paper provided by IPHC.)

### 1.2 Alternatives

#### Alternative 1. No Action.

Halibut regulations in §679.26 would expire and all halibut bycatch would have to be returned to Federal waters. This alternative would waste halibut bycatch and is inconsistent with Council objectives.

Further, economically-disadvantaged individuals would not be provided access to halibut. Based on 1998 data, 65,000 high-protein meals to needy individuals would be foregone.

Detailed information about the status quo regulations for this program can be found in the 1998 EA/RIR for Amendments 50/50 to the Alaskan Groundfish FMPs (NMFS, 1998a).

**Alternative 2. Renew halibut provisions of the Prohibited Species Donation (PSD) program. Council can evaluate program at any time.**

Donation of halibut under existing regulations would continue indefinitely. These regulations would authorize issuance of authorized distributor permits that would be effective for a 3-year period before permits must be renewed. The Council could evaluate the program at any time to address concerns that might be raised by NMFS, IPHC, other management agencies, or the public.

**Alternative 3. Renew halibut provisions of PSD program for three years (until December 31, 2003).**

Donation of halibut under existing regulations would continue through December 31, 2003. At that time, NMFS would need to evaluate, with the IPHC, the need to continue the program. If the program was continued, NMFS and the Council would need to develop and publish proposed and final regulations and supporting documents.

### **1.3 Description of the Fishery**

Trawl gear operation accounts for most of the groundfish catch, harvesting 91 percent of the groundfish catch in the BSAI in 1999 and 79 percent in the GOA in 1999. Trawl fisheries also account for most of the halibut bycatch mortality (86 % in 1999). However, the mid-water trawl pollock fishery has very low rates of halibut bycatch. Appendices B and C include halibut bycatch summary information by target fishery.

Halibut bycatch from the groundfish trawl fisheries is either returned immediately to the sea when brought aboard, or offloaded dead at shoreside processing plants as part of unsorted catch. The catch in some fisheries, particularly the BSAI pollock trawl fishery, is not sorted at sea due to logistical constraints associated with pumping or dumping fish directly from cod ends to fish holds with little opportunity for sorting. The bycatch of halibut in the groundfish trawl fisheries is controversial as Pacific halibut are a fully fished resource. Halibut are used as catch and bycatch in directed commercial, sport, and subsistence fisheries and as bycatch in other non-halibut and non-groundfish fisheries. The bycatch of halibut in the groundfish trawl fisheries intensifies the management issues associated with the allocation of a limited resource.

In general, no information exists to indicate that the current level of halibut bycatch landed at shoreside processing sites presents critical conservation issues. In 1998, 9.6 mt of eviscerated halibut were donated through the program at 2 shoreside processors in Dutch Harbor, AK. In 1999, 2.8 mt of halibut were donated. Despite the fact that BSAI groundfish trawl catches declined by approximately 20 percent in 1999 from 1998 levels, a 70 percent decline in halibut donations occurred. The decrease in halibut donations may reflect decreased bycatch by catcher vessels which have altered their fishing patterns to comply with the RPAs established by NMFS in 1999. Alternately, many of the halibut that have been

brought in have been too small to process (1-2 lbs) and have been returned to sea. The 1998 and 1999 halibut donation data provided by the participating processors and matched with state fish tickets indicate that pollock was the apparent target for all groundfish trips that donated halibut.

Vessel-specific halibut donation data is available only for 1999. Eighteen unique vessels donated halibut to the program in 1999 from 79 trips. During those trips, 2.8 mt of eviscerated halibut and 32,685 mt of groundfish were reported landed (Table 1). Two shoreside processors in Dutch Harbor participated in the program.

**Table 1. Landings of groundfish from trips in which halibut was donated.**

Time Period	# of Participating Trips	# of Unique Participating Vessels	Halibut Donated <sup>1</sup> (kg)	Groundfish Landed on Trips that Donated Halibut (mt)	Average Halibut Bycatch Rate (kg halibut/mt groundfish)
Spring 1999	46	15	1,088	19,776	0.059
Fall 1999	33	17	1,338	12,909	0.119
<b>1999 Total</b>	<b>79</b>	<b>18</b>	<b>2,427</b>	<b>32,685</b>	<b>0.086</b>

<sup>1</sup>For the purposes of comparison with groundfish landings, eviscerated weight of donated halibut was converted to net weight (dressed weight) using the formula: net weight = round weight x 0.7519.

Bycatch rates ranged from 0.004 to 0.225 kg halibut/mt groundfish in the Spring of 1999, with an average of 0.059 (n=46 trips), and 0.007 to 0.519 kg halibut/mt groundfish in the Fall of 1999, with an average of 0.119 (n=33 trips). These bycatch rates are quite low compared to halibut bycatch in other fisheries (e.g., 0.89-72 kg/mt in the 1999 BSAI Pacific cod fishery, NMFS/AKR Fisheries Outlook, [www.fakr.noaa.gov](http://www.fakr.noaa.gov)). Further, the donated halibut comprises only 0.04 percent of the trawl-caught halibut in the BSAI area and only 0.02 percent of all Alaskan trawl-caught halibut.

## 2.0 ENVIRONMENTAL IMPACTS OF THE ALTERNATIVES

An EA is required by NEPA to determine whether the action considered will result in significant impact on the human environment. The environmental analysis in the EA provides the basis for this determination and must analyze the intensity or severity of the impact of an action and the significance of an action with respect to society as a whole. The environmental impacts associated with this fishery management action could be effects resulting from catch of non-target organisms in active or inactive fishing gear (population or ecosystem effects of bycatch). In addition, there may be environmental impacts resulting from fewer dead fish being discarded at sea. However, the amount of fish harvested in the Alaska groundfish fisheries is not expected to change under any of the alternatives. The impacts of current harvest levels of groundfish and prohibited species authorized under the FMP is presented in the Final EA for the 2000 Groundfish Total Allowable Catch Specifications (NMFS, 1999).

### 2.1 Impacts to Target and Non-Target Species

None of the alternatives would be expected to change fishing activities in a manner that would affect the amount of groundfish harvested or the amount of halibut incidentally caught in the Alaska trawl fisheries. Relative to the status quo, Alternatives 2 and 3 would reduce the discard of dead halibut that are

discarded in Federal waters to the extent that they are diverted to economically-disadvantaged individuals. Donations of halibut decreased in 1999 and could further decrease based on evidence of low donations in the Spring 2000 pollock fishery. Any effect on the biological or physical environment resulting from a reduction in halibut discard amounts would be insignificant relative to overall discard amounts of fish or fish parts associated with groundfish harvesting and processing operations.

## 2.2 Impacts on Endangered or Threatened Species

Twenty-three species occurring in the GOA and/or BSAI groundfish management areas are currently listed as endangered or threatened under the ESA (Table 2).

**Table 2. ESA Listed Species. The following species are currently listed as endangered or threatened under the ESA and occur in the GOA and/or BSAI groundfish management areas.**

Common Name	Scientific Name	ESA Status
Northern Right Whale	<i>Balaena glacialis</i>	Endangered
Bowhead Whale <sup>1</sup>	<i>Balaena mysticetus</i>	Endangered
Sei Whale	<i>Balaenoptera borealis</i>	Endangered
Blue Whale	<i>Balaenoptera musculus</i>	Endangered
Fin Whale	<i>Balaenoptera physalus</i>	Endangered
Humpback Whale	<i>Megaptera novaeangliae</i>	Endangered
Sperm Whale	<i>Physeter macrocephalus</i>	Endangered
Snake River Sockeye Salmon	<i>Onchorynchus nerka</i>	Endangered
Short-tailed Albatross	<i>Phoebastria albatrus</i>	Endangered
Steller Sea Lion	<i>Eumetopias jubatus</i>	Endangered and Threatened <sup>2</sup>
Snake River Fall Chinook Salmon	<i>Onchorynchus tshawytscha</i>	Threatened
Snake River Spring/Summer Chinook Salmon	<i>Onchorynchus tshawytscha</i>	Threatened
Puget Sound Chinook Salmon	<i>Onchorynchus tshawytscha</i>	Threatened
Lower Columbia River Chinook Salmon	<i>Onchorynchus tshawytscha</i>	Threatened
Upper Willamette River Chinook Salmon	<i>Onchorynchus tshawytscha</i>	Threatened
Upper Columbia River Spring Chinook Salmon	<i>Onchorynchus tshawytscha</i>	Endangered
Upper Columbia River Steelhead	<i>Onchorynchus mykiss</i>	Endangered
Snake River Basin Steelhead	<i>Onchorynchus mykiss</i>	Threatened
Lower Columbia River Steelhead	<i>Onchorynchus mykiss</i>	Threatened
Upper Willamette River Steelhead	<i>Onchorynchus mykiss</i>	Threatened
Middle Columbia River Steelhead	<i>Onchorynchus mykiss</i>	Threatened
Spectacled Eider	<i>Somateria fishcheri</i>	Threatened
Steller Eider	<i>Polysticta stelleri</i>	Threatened

<sup>1</sup> The bowhead whale is present in the Bering Sea area only.

<sup>2</sup> Steller sea lion are listed as endangered west of Cape Suckling and threatened east of Cape Suckling.

Section 7 consultations with respect to actions of the federal groundfish fisheries have been done for all the species listed in Table 3, either individually or in groups. See section 3.8 of the SEIS (NMFS, 1998), for summaries of Section 7 consultations done prior to December 1998. A Section 7 Biological Opinion on all ESA listed species present in the fishery management areas for the entire groundfish fisheries program is pending at this time; expected completion date is Summer 2000. This action would not have any impact on Pacific salmon, Steller sea lions, endangered cetaceans, or short-tailed albatross as it is not expected to change fishing patterns, or target or non-target catch.

### **2.3 Impacts on Marine Mammals**

Marine mammals not listed under the ESA that may be present in the GOA and BSAI include cetaceans (minke whale, killer whale, Dall's porpoise, harbor porpoise, pacific white-sided dolphin, and the beaked whales. Pinnipeds (northern fur seals, and Pacific harbor seals) and sea otters may also be present. A list of marine mammal species and detailed discussion regarding life history and potential impacts of the 2000 groundfish fisheries can be found in the EA prepared for the 2000 Total Allowable Catch Specifications for Groundfish (NMFS, 1999). None of the alternatives would be expected to adversely affect marine mammals.

### **2.4 Coastal Zone Management Act**

Implementation of each of the alternatives considered would be conducted in a manner consistent, to the maximum extent practicable, with the Alaska Coastal management program within the meaning of Section 30(c)(1) of the Coastal Zone Management Act of 1972 and its implementing regulations.

## **2.5 Conclusions and Finding of No Significant Impact**

This document considered possible actions for management of the halibut donation program in the Alaskan groundfish fisheries. In view of the analysis presented in this document, none of the alternatives will significantly affect the quality of the human environment, and the preparation of an environmental impact statement for the proposed action is not required by Section 102(2)(C) of NEPA or its implementing regulations.

Date:

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### **3.0 REGULATORY IMPACT REVIEW**

This section provides information about the economic and social impacts of the alternatives including identification of the individuals or groups that may be affected by the action, the nature of these impacts, quantification of the economic impacts if possible, and discussion of the tradeoffs between qualitative and quantitative benefits and costs.

The requirements for all regulatory actions specified in E.O. 12866 are summarized in the following statement from the order:

In deciding whether and how to regulate, agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating. Costs and benefits shall be understood to include both quantifiable measures (to the fullest extent that these can be usefully estimated) and qualitative measures of costs and benefits that are difficult to quantify, but nevertheless essential to consider. Further, in choosing among alternative regulatory approaches, agencies should select those approaches that maximize net benefits (including potential economic, environment, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.

E. O. 12866 requires that the Office of Management and Budget review propose regulatory programs that are considered to be "significant." A "significant regulatory action" is one that is likely to:

- (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;
- (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

### **3.1 Purpose and Need for Action**

The objective of this action is to reduce the discard of incidentally-caught halibut in groundfish trawl fisheries. Groundfish fisheries catch Pacific halibut, incidental to fishing for other groundfish species. The groundfish trawl vessels are not allocated any directed fishery quota for halibut and must, therefore discard all halibut. Many trawl vessels discard halibut at sea; some portion of which is alive. However, many trawl vessels, for practical reasons, cannot sort their catch at sea and catch remains unsorted until it is offloaded at a shoreside processor. Because of this process of shoreside sorting, halibut are 'landed' dead, and then must be returned to sea for discarding. The halibut donation provisions of the Prohibited

Species Donation (PSD) program (also includes salmon provisions) allow for donation of those shoreside-landed halibut so they may be distributed to economically-disadvantaged individuals. This reduces discards of halibut and provides a source of food to many needy individuals. In 1998 and 1999, respectively, it is estimated that 65,000 and 18,600 meals were provided from donated halibut. The regulations that provide for halibut donation expire in December 31, 2000 and the PSD program is being evaluated for renewal of the halibut provisions.

### **3.2 Alternative 1: No Action**

Under Alternative 1, no halibut would be retained and processed for donation to economically disadvantaged individuals through tax-exempt organizations. Although no new costs would be incurred by the groundfish industry, economically-disadvantaged individuals would not be provided access to halibut that otherwise would be discarded. In 1998, approximately 65,000 meals were served by hunger relief agencies in the Puget Sound area from donated halibut. In 1999, enough halibut was donated to serve approximately 18,600 meals. Under the No Action alternative, these meals would be foregone. This alternative would eliminate the administrative costs associated with this program. Further, it would eliminate the costs to the authorized distributor and the participating processors. However, this program is voluntary and NMFS has not received any comments indicating that costs outweigh the social benefits.

### **3.3 Alternative 2: Extend the halibut provisions of the PSD program indefinitely. The Council can evaluate the program at any time.**

Under this alternative, the halibut provisions of the PSD program would be established permanently by proposed and final regulations. NMFS supports a commitment from the Council to evaluate this program in the future; both to evaluate the success and the extent of the program and to identify any issues of concern regarding the program. Costs associated with this alternative relate to reporting costs and are outlined in Section 3.5.

### **3.4 Alternative 3 : Extend the halibut provisions of the PSD program until December 31, 2003.**

Under Alternative 2, a regulatory amendment would authorize the continuation of the halibut donation program for an additional three years (until December 31, 2003). In 2003, NMFS would need to develop and publish proposed and final regulations in order to continue the program. The costs associated with this alternative are identical to Alternative 2, with one exception. Under this alternative, administrative costs would increase substantially. In three years, after reviewing the program and deciding to continue it, NMFS, upon Council recommendation, would need to develop and publish proposed and final regulations and associated analyses.

### **3.5 Reporting Costs**

Currently one distributor is authorized to handle donated halibut. NMFS estimates that no more than one additional applicant would be interested in submitting an application to be an authorized distributor. The application process would be necessary once every three years and is estimated at 40 hours per applicant. An additional 40 hours each year may be required to develop a list of participating processors, track them, and provide documentation to NMFS. Additional costs to the distributor include storage and transport/distribution. Expenses for cold storage and transportation are reimbursed to the existing distributor by the Second Harvest Food Bank Network. The costs for shipping are estimated to be about

\$5.50-8.50 per hundred weight depending on the quantity, however, much of the shipping is currently donated by the carriers. There have been no costs to the distributor associated with the processing of donated species, except reprocessing costs which vary depending on the needs of the receiving food bank distributor. Direct project expenses for packaging, reprocessing, shipping, trucking, and cold storage are reimbursed to the distributor by the food banks receiving the products.

Two shoreside processors and 18 catcher vessels participated in the halibut donation program in 1999. The costs to vessels and processors associated with this program (for halibut only) include application and selection process costs, and costs derived from reporting requirements, receiving, handling, processing, and labeling/packaging the fish. The amount of time necessary for processors to apply to the distributor for participation in the program is estimated at 0.25 hours for each respondent. NMFS anticipates that about 5 processors could apply to participate. Processors would be further required to label all processed halibut as required under the PSD Program. NMFS estimates that this would take 6 minutes for each day that halibut are retained and processed, or about 90 days per year. (Refer to Table 4 for annualized costs to distributors and processors).

These estimates of hourly burden were based on results from the Exempted Fishing Permits (EFPs) issued to assess the salmon donation program when it began and are summarized below. The annualized cost to respondents for the hourly burden is based on a wage rate of \$25 per hour. This estimated hourly burden includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collections of information. Though the EFPs addressed only the salmon donation program, the information gained as a result of the study is directly applicable to halibut.

**Table 4. Annual Costs to NMFS-Authorized Distributors and Processors as result of the Halibut Provisions of the PSD Program.**

Respondent	Costs
<b>Distributor Application</b> Number of distributors expected Time Requirement for each application Annual time requirement Cost per hour Total Cost	2 40 hours/3 years 27 hours/year \$25/hour \$675/year
<b>Distributor Documentation</b> Number of distributors expected Annual documentation time per distributor Total annual time requirement Cost per hour Total Cost	2 40 hours 80 hours \$25/hour \$2,000/year
<b>Total Cost to Distributors</b>	<b>\$2,675; 107 hours</b>
<b>Processor Documentation – Labeling and product tracking requirements</b> Number of processors expected Time requirement for documentation Total annual time requirement (5 x 0.1 x 90 processing days/yr) Cost per hour Total Cost	5 0.1 hours/day 45 hours \$25/hour \$1,125/year

No capital or significant startup costs are associated with this program. Additional costs associated with the PSD program include costs associated with mailing or faxing permit applications and lists of participating processors (every 3 years) or faxing modifications of the list of program participants to NMFS as required. These costs are not expected to exceed those associated with the customary and usual business of private practice.

Appendix A outlines the recommendations from the IPHC regarding reporting of halibut donation information to NMFS, the Council, and IPHC. NMFS currently receives, on a quarterly basis, state fish ticket data which indicate halibut and groundfish catch of all trawl catcher vessels that might participate in the halibut donation program (in addition to other vessels). Further, NMFS collects data from logbooks submitted by shoreside processors. IPHC also recommends criteria for evaluation of the halibut donation program and NMFS currently has access to information that enables a thorough evaluation of the program, either directly through its own databases or through the authorized distributor. This information includes: (1) halibut and groundfish landings by participating vessels; (2) originating fishery providing the donations; (3) record of violations with respect to this program; (4) quality control criteria to be followed by all participating parties (processors, distributors, hunger relief agencies, etc.); and (5) benefits to needy individuals. NMFS agrees that this information is important and can access it whenever necessary. If the Council recommends reporting requirements in addition to those that currently exist for the PSD program, NMFS could request approval from the Office of Management and Budget, subject to the provisions of the Paperwork Reduction Act.

### **3.6 Administrative, Information, and Enforcement Costs**

NMFS would not require additional staff resources to administer, monitor, and enforce the voluntary PSD program. The program uses a NMFS-authorized distributor as a means of allowing the private sector to handle the administration to reduce NMFS' costs. Comprehensive reporting requirements allow enforcement to monitor compliance through the reports submitted. At this time, NMFS estimates that a fraction of a part-time position (one-tenth) would be required to administer this program and an additional part-time (one-tenth) position would be required to monitor and enforce it.

NMFS will be required to review applications for NMFS-authorized distributors every three years and to publish in the Federal Register a notice of qualified applicants that have been issued a PSD permit. A total of 40 hours is estimated for the review, processing, and issuance of each PSD permit. Given that each permit would be effective for a 3-year period and that no more than 2 permits for NMFS-authorized distributors likely would be issued, the total annual burden is estimated at 27 hours.

NMFS currently has one special agent and two enforcement officers in Dutch Harbor, AK; the location of halibut donations in 1998 and 1999. In addition, NMFS anticipates placing an additional enforcement officer in Dutch Harbor in the Fall of 2000. These officers routinely monitor vessel offloading and observe fish processing in Dutch Harbor for compliance with all NMFS regulations, including the requirements of the halibut donation program. No information about abuse of this program has been reported to NMFS or observed by NMFS officers.

### **3.7 Benefits**

This program provided approximately 65,000 and 18,600 meals to economically-disadvantaged individuals in the Puget Sound area in 1998 and 1999, respectively. The processed halibut was delivered to the Food Lifeline (a member of the Second Harvest Food Bank Network), which distributed halibut to a number of hunger-relief agencies in the Puget Sound area. The authorized distributor distributed about 1.8 million pounds of food, including halibut, in 1999 to needy individuals and has administered this program to NMFS' satisfaction. This program benefits the nation and reduces discards from the Alaska pollock trawl fishery.

## **4.0 SUMMARY AND CONCLUSIONS**

The halibut program has been operating successfully for the last two years, by all accounts. The IPHC seems pleased with the program, the current authorized distributor is pleased with the program, and NMFS enforcement has neither observed nor received reports of any violations associated with the program. While donations are down since 1998, possibly due to decreased bycatch in the fishery and bycatch of small halibut, high-quality halibut continues to be donated, processed, and distributed to needy individuals in the Puget Sound area.

While potential exists for this program to expand in the future in numbers of participating processors, distributors, and vessels, halibut bycatch levels remain fairly stable in the groundfish trawl fisheries and a limited source of donated product is not likely to attract multiple distributors. Because the criteria for authorizing a distributor is linked to the available vessel participants and donated product, the program is likely to be limited to 1-3 distributors. While the success of the program may have generated interest

from other non-profit organizations (although NMFS received only 2 applications in the past two years and only one was authorized), NMFS does not view this as problematic. NMFS retains the authority to evaluate each applicant with respect to criteria required on the application. Therefore, NMFS can deny authorization to any distributor that does not meet the criteria, one of which is to document their ability to meet regulatory requirements. NMFS does not anticipate increased enforcement concerns, even if the program expands to include other areas.

This program, even if it did expand, would not be likely to have adverse environmental impacts on any species; it would not affect target catch of groundfish, nor would it be expected to affect halibut bycatch rates or bycatch rates of other species, including marine mammals. Further, because this action would not affect fishing patterns, it would not be expected to have any effect, positive or negative on threatened or endangered species. Alternative 2 would provide the social benefit to the nation by providing economically disadvantaged individuals with a healthy source of protein through distribution of trawl bycaught halibut. In addition, this alternative would minimize costs to the government, and would achieve the program objective of reducing waste in the groundfish trawl fisheries.

At any time, the Council can request that NMFS evaluate the donation program, including a request to compare amounts of donated halibut and groundfish landings based on fish ticket data, record of violations, product quality reviews, and benefits to needy individuals.

## **5.0 REFERENCES**

NMFS. 1999. Environmental Assessment For The Interim and Final Total Allowable Catch Specifications for the Year 2000 Alaska Groundfish Fisheries. December 1999. National Marine Fisheries Service, P.O. Box 21668, Juneau, Alaska 99802. 69 pp.

NMFS. 1998a. Environmental Assessment/Regulatory Impact Review for Amendment 50 to the Fishery Management Plan for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area and Amendment 50 to the Fishery Management Plan for the Groundfish Fishery of the Gulf of Alaska to authorize distribution of halibut bycatch in the Groundfish Fisheries off Alaska to Economically Disadvantaged Individuals. April 1998. National Marine Fisheries Service, P.O. Box 21668, Juneau, Alaska 99802. 22 pp.

NMFS. 1998b. Final Supplemental Environmental Impact Statement: Groundfish Total Allowable Catch Specifications and Prohibited Species Catch Limits Under the Authority of the Fishery Management Plans for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area and Groundfish of the Gulf of Alaska. December 1998. National Marine Fisheries Service, P.O. Box 21668, Juneau, Alaska 99802. 692 pp + Appendices and Comments.

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## **Appendix A. The 1998-1999 Halibut Donation Program: A Discussion Paper**

### **The 1998-1999 Halibut Donation Program (HDP):**

#### **A Discussion Paper**

**Gregg H. Williams  
International Pacific Halibut Commission  
May 12, 2000**

#### **Program Background**

At its April, 1997 meeting, the North Pacific Fishery Management Council (Council) approved Amendments 50/50 to the Bering Sea/Aleutian Islands (BSAI) and Gulf of Alaska (GOA) Fishery Management Plans that would authorize the retention and processing of halibut taken as bycatch, for donation to economically disadvantaged individuals. Known as the Halibut Donation Program (HDP), the regulatory amendments allow a NMFS-authorized distributor to receive and distribute halibut bycatch.

Adoption of the HDP by the Council followed several years of National Marine Fisheries Service (NMFS), International Pacific Halibut Commission (IPHC), and Council staff efforts to design a plan. At its January 1993 meeting, the Council recommended to NMFS and IPHC that limited retention of halibut be permitted, on a temporary basis, to assess the feasibility of a charitable donation program for dead prohibited halibut bycatch. The Council's recommendation endorsed the policy of reducing unnecessary discard waste of dead but wholesome fish and in doing so provide public benefit by allowing fish that would otherwise be discarded to be retained for processing and delivery to economically disadvantaged individuals through tax-exempt organizations. The Council's intent in making its recommendation was to reduce protein waste in the groundfish trawl fisheries, provide additional opportunity to collect biological samples or scientific data, and potentially provide an incentive to vessel operators to take action to reduce halibut bycatch rates to avoid costs associated with retaining and processing halibut for human consumption.

During the period the Council was considering the retention of dead prohibited halibut bycatch for delivery to economically disadvantaged individuals, Terra Marine Research and Education and Northwest Food Strategies (NFS) applied for an Experimental Fishing Permit (EFP) to develop a means to improve resource utilization and reduce waste. Regulations at 50 CFR 672.6 and 675.6 authorize, on a limited basis, experimental fishing to provide information not otherwise available through research and commercial fishing operations. Unless otherwise specified in the EFP or a superseding notice or regulation, an EFP is effective for no longer than one calendar year but may be revoked, suspended or modified during the calendar year. EFPs may be renewed following the application



procedures at 50 CFR 672.6(b). Results may be used to supplement analysis for implementing regulations, if warranted.

NMFS approved three EFPs to NFS, effective 1993 through 1996. The first tested the feasibility of mandatory retention of salmon caught as bycatch in the BSAI trawl fisheries. The purpose of this EFP was to reduce salmon bycatch amounts while increasing the utilization of bycatch that is discarded under existing regulations. NFS concluded that the EFP was successful in increasing the utilization of salmon bycatch while reducing bycatch. However, it was determined that NMFS lacked the authority, under the Magnuson Fishery Conservation and Management Act (Magnuson Act), to require onshore processors to retain and process salmon caught as bycatch in the groundfish trawl fisheries off Alaska.

Therefore, the second permit to be approved by NMFS tested the feasibility of voluntary retention. The Final Report submitted by NFS indicated that the voluntary program is equally if not more successful at decreasing the quantities of protein discard.

The third EFP approved by NMFS extended the second EFP for an additional year until the FMP and implementing regulations were developed and approved (Amendments 26/29 to the BSAI and GOA Fishery Management Plans). The success of this program, and the pending expiration of the third EFP at the end of the 1996 fishing season, necessitated further action by the Council. Ultimately the Council adopted a program designed to reduce the amount of discarded protein from the fishery by authorizing the retention of salmon with the intention of to feed economically disadvantaged individuals through tax-exempt organizations.

The three EFPs addressed only the retention of prohibited salmon bycatch. However, the information gained as a result of the study is directly applicable to the retention of dead prohibited halibut bycatch landed at shoreside processing sites.

At its January 1996 Annual Meeting, the IPHC approved a pilot program allowing limited retention of halibut bycatch for use by food banks. The pilot program was intended to explore ways to reduce waste and to improve bycatch records. The Commission approved retaining up to 50,000 pounds (net weight) of halibut, landed in unsorted catches by catcher vessel trawlers at shore plants in Dutch Harbor, for distribution in the manner previously used for salmon bycatch from factory trawlers. NFS was responsible for conducting the distribution. NMFS was to oversee the operation. NMFS approval of the NFS program was not effective until the start of the pollock B season.

During 1996, NFS received from two shore plants only 572 pounds of halibut bycatch for the project. The low retention resulted because NMFS Enforcement and NOAA General Counsel could not identify an acceptable administrative procedure to transfer halibut bycatch landed at shore plants from the vessel or plants to the government.

At its 1997 Annual Meeting, the IPHC requested that its staff work with the staffs of NOAA General Counsel and NMFS to find an acceptable administrative procedure for limited retention of halibut bycatch landed at shore plants. The staffs recommended, and IPHC

concluded, developing a plan amendment with a three-year sunset that allows a NMFS-authorized distributor to receive and distribute halibut bycatch. The authorized distributor must file a plan stating the specifics of the operation, including port of landing, identification of participating plants, quantity of total halibut retention, and procedure for identifying participating vessels.

At the April 1997 meeting, the Council approved Amendments 50/50 to the BSAI and GOA Fishery Management Plans, which authorize the retention and processing of halibut taken as bycatch for donation to economically disadvantaged individuals. The Secretary of Commerce (Secretary) will review the progress of the program during the period leading up to the sunset date. The Secretary may modify or rescind the program if deficiencies occur.

### **Program Details**

Halibut are taken incidental to the Alaska groundfish trawl fisheries. With few exceptions, groundfish catches by trawl catcher/processors and catcher vessels are sorted at sea, with halibut and other prohibited species returned to the sea. The resulting mortality of discarded halibut ranges from 45 to 90 percent, depending on the vessel's target fishery. Regulations at 50 CFR 679.21(b)(2)(ii) require a vessel to sort its catch immediately after gear retrieval and return all prohibited species to the sea. Rarely, halibut are also found in a sorted catch during offload.

In recent years some trawl vessels had developed a system whereby the catch is dumped directly into the fish hold, precluding any sorting of the catch until the vessel offloads at a shoreside processing facility. Typically these vessels operate in high-volume, relatively "clean" fisheries such as midwater pollock. The halibut in the catch experience 100 percent mortality when landed, but must still be returned to the sea. The HDP seeks to utilize these halibut through the use of voluntary processing and transportation of the fish from remote landing ports in the Alaska groundfish fishery to food banks for distribution to economically disadvantaged individuals.

Under the HDP, the Regional Director will select a NMFS-authorized distributor to administer the HDP and to issue Halibut Retention Permits (HRPs) annually to qualified vessel and processor applicants. These permits would be issued free of charge. An application for a NMFS-authorized distributorship would be required and would include the following information.

NMFS will select an authorized distributor(s) from eligible applicants. Factors that will be considered in the selection of a NMFS-authorized distributor include:

- (1) Applicant's tax-exempt status;
- (2) bylaws, which state that the primary purpose of the organization is to provide food resources to hunger relief agencies, food bank networks, and/or food bank distributors;
- (3) a proposed operation budget to cover the expenses of insuring that halibut donated under this program will be distributed to hunger relief agencies, food bank

networks, and/or food bank distributors that maintain the halibut in a manner fit for human consumption;

(4) documentation that all regulatory requirements will be met under the HDP;

(5) documentation describing the ability to coordinate the transportation, while providing quality control mechanisms, of halibut products from remote Alaskan locations to hunger relief agencies, food bank networks, and/or food bank distributors; and

(6) documentation describing the maximum number of vessels and processors that the applicant is capable of administering effectively. The NMFS-authorized distributor(s) is responsible for issuing HRPs to vessels and processors that participate in the HDP and for monitoring the retention and processing of halibut by HDP participants.

The number of NMFS-authorized distributors selected by the Regional Director will be based on the following criteria:

(1) the number of harvesters and the quantity of halibut that the applicant can effectively administer;

(2) the anticipated level of halibut bycatch to be landed at specified shoreside processing sites in the groundfish trawl fisheries off Alaska; and

(3) the potential number of vessels and processors participating in the groundfish trawl fisheries off Alaska.

#### Responsibilities of a NMFS-Authorized Distributor

A NMFS-authorized distributor(s) is responsible for coordinating the processing, storage, transportation, and distribution of halibut donated by vessels and processors to hunger relief agencies, food bank networks and food bank distributors. The NMFS-authorized distributor must submit a plan to the IPHC and the NMFS stating how the above items will be accomplished. The HDP is effective for a 3-year period after: (1) A Federal Register notice is published announcing the Regional Director's selection of a NMFS-authorized distributor; (2) each vessel and/or processor has a signed HRP, issued by a NMFS-authorized distributor, on board their vessel or at the site of the processing facility; and (3) the Regional Director receives a list of participants who are issued HRPs by the NMFS-authorized distributor.

#### Application and Selection Process for Vessels and Processors

Vessels and processors seeking to participate must submit to the NMFS-authorized distributor the following information:

(1) A Federal fisheries permit or Federal processor permit number;

(2) the name of the owner or responsible operator;

(3) telephone and fax number;

(4) a signature verifying participation in the HDP or, alternatively, documentation of current participation in the SDP; and

- (5) a description of the methods for processing, freezing, and packaging halibut in accordance with directions from the NMFS-authorized distributor.

NMFS-authorized distributor(s) will select vessels and processors from qualified applicants and issue HRP's to vessels and processors that qualify to participate in the HDP.

Reporting Requirements -- Documentation and Labeling for Vessels, Processors and the NMFS-Authorized Distributor(s)

Vessels and processors must comply with the following new documentation requirements: (1) All packages must be labeled with the date of processing, the name of the processing facility, the contents and the weight of the halibut contained in the package and the words, "NMFS HALIBUT DONATION PROGRAM - NOT FOR SALE - PERISHABLE PRODUCT - KEEP FROZEN"; (2) All vessels or processors retaining or receiving halibut and the NMFS-authorized distributor(s) must keep on file and make available for inspection by a NMFS-authorized officer receipt and cargo manifests describing the contents and weight of Pacific halibut retained under the HDP and shipped from each processing facility; (3) The NMFS-authorized distributor must keep on file and make available, from each hunger relief agency, food bank network, and/or food bank distributor, receipt and cargo manifests describing contents and weight of halibut; (4) Prior to retaining any halibut under the HDP, the NMFS-authorized distributor shall provide the Regional Director with a list of all participants in the HDP including vessels and processors that are issued a HRP and a list of locations where halibut must be delivered by vessels and processors prior to the issuance of an HRP from the NMFS-authorized distributor. The list provided by the NMFS-authorized distributor shall include the following information from each vessel or processor: Federal fisheries or processor permit number, the name of the owner or responsible operator, telephone number, fax number, and a signature from a responsible party verifying participation in the program or, alternatively, documentation of current participation in the SDP. Any modification of the list of vessels, processors or deliver locations must be submitted to the Regional Director, prior to the issuance of an HRP. The NMFS-authorized distributor will notify vessel operators and processors of any modifications to the HDP permit.

Responsibilities of Participating Vessels and Processors

A valid HRP, issued from a NMFS-authorized distributor, and a copy of the HDP permit are required to be on each vessel permitted to participate in the HDP and at each permitted processor site and made available for inspection by an authorized officer. Vessel operators and processors are responsible for processing all donated halibut in a manner that is fit for human consumption. Participation in the HDP does not relieve any vessel operator or processor from existing reporting requirements.

Three new sets of information are required under the voluntary HDP: (1) An application from interested persons to participate as a NMFS-authorized distributor, (2) documentation requirements for NMFS-authorized distributor, and (3) an application for a HRP, or

alternatively, an approved application for a SRP, and associated packaging requirements for vessel operator and processors wishing to voluntarily participate under the HDP.

## 1998 & 1999 Donations and Landings

Two processors in Dutch Harbor participated in the HDP in 1998 and 1999. Information provided by NFS regarding donated amounts by processor are:

**Landings (pounds, headed and gutted) of halibut into the Halibut Donation Program during 1998-1999. Source: Northwest Food Strategies.**

	1998	1999
<b>Unisea, Inc.</b>		
Pollock A season	---	1,476
Pollock B/C season	10,498	2,286
<b>Total</b>	<b>10,498</b>	<b>3,762</b>
<b>Alyeska</b>		
Pollock A season	---	410
Pollock B/C season	10,698	304
<b>Total</b>	<b>10,698</b>	<b>714</b>
<b>Grand Total</b>	<b>21,196</b>	<b>4,476</b>

Halibut attributed to the pollock A season was shipped in May, 1999 to NFS. The pollock B/C season amounts were shipped during October in 1998 and 1999. A third Dutch Harbor processor, although eligible, was unable to participate in 1998 or 1999. Only Unisea has participated thus far in 2000.

Information was provided by Unisea and Alyeska regarding their 1999 landings. Unisea had 12 vessels providing halibut to the HDP. Forty HDP landings were made between February 8 and March 2, 1999. The number of landings per vessel ranged from 1 to 6, with three vessels making six landings each. Landings ranged from 6 to 253 pounds (head on, eviscerated), averaging 55 pounds. During August 2 through September 28, 28 landings occurred at Unisea from 11 trawl catcher vessels. All but two had landed halibut in February. The landings ranged from 10 to 554 pounds, averaging 106 pounds.

Alyeska had 11 landings from six different vessels during 1999, with six occurring from February 3-16 and the remainder during August 4-13. The size of the landings ranged from 23 to 178 pounds, averaging 85 pounds. Alyeska also counted the number of fish donated (64), which results in an average weight of 11.2 pounds (headed and gutted).

The halibut landings were only part of the overall landing of groundfish. Information on the amount of groundfish landed for each vessel could be used in part to estimate halibut bycatch rates and to evaluate the success of the HDP in achieving IPHC's and

the Council's goals of reducing bycatch. Groundfish catch information from each delivery was not part of the HDP reporting requirements and would have been available from state fish tickets or, if an observer was on board during the trip, from observer reports. These data were not readily available for evaluation and inclusion in this report.

### **Issues Associated With the HDP**

During development of the HDP, concerns about the enforcement and monitoring of the program were raised by IPHC. Retention of halibut for food banks puts otherwise illegal halibut in the system -- fish that are undersized, trawl-caught, and out of season in some cases. The ability of NMFS Enforcement to track halibut designated for food banks, keep halibut which was originally not part of the HDP out of the market, and be certain of full reporting was unknown. Specifically, issues surrounding the origin of donated halibut, monitoring of vessel offloads, processing of halibut, and shipping of product to food bank distributors are potential points for abuse and/or leakage.

#### Origin of Donated Fish

The impetus for the HDP came from reports that several trawl catcher vessels were landing unsorted codends at processing plants in Dutch Harbor and dead halibut were found in the catch during sorting. NMFS later determined that these vessels were targeting pollock and delivering unsorted catches because sorting at sea was impractical for these vessels. Under the regulations existing at that time, the sorted halibut were taken back out to sea and dumped.

During its discussions of the HDP proposal, IPHC recognized that, although neither desirable nor preferable, landed dead halibut from certain trawl catcher vessels that were unable to sort at sea appeared to be inevitable. Since these trawl vessels were fishing for pollock, where halibut bycatch was inherently quite low, it was generally believed that the amount of halibut being landed in unsorted trawl catches was quite low. This could not be confirmed, however.

It was also recognized that, on occasion, dead halibut are landed by trawl catcher vessels that sort at sea. Although halibut (and other prohibited species) are to be returned to the sea by regulation, sorting halibut out of a codend of groundfish can be difficult in certain circumstances. In particular, it can be difficult to sort halibut out of hauls with a preponderance of flatfish. It is not uncommon to find an occasional halibut landed from a sorted-at-sea trawl landing.

The Final Rule published by NMFS (63 FR 32144) implementing Amendments 50/50 states the program is limited to dead halibut landed by trawl catcher vessels to shoreside processors. No restrictions were included to limit participation to vessels from specific fisheries or with certain sorting capabilities.

The information supplied by Unisea and Alyeska, shown in the previous section, indicates that the 1999 landings of halibut for the HDP coincide with the pollock A and

B/C seasons in the Bering Sea. It is unknown whether the trawl catcher vessels landing the halibut were actually fishing pollock or targeting other groundfish without groundfish catch data for evaluation.

NMFS Enforcement personnel have indicated their understanding that most of the halibut entering the HDP in 1998 and 1999 were small fish from vessels fishing in the summer targeting yellowfin sole and other flatfish (S. Meyer, NMFS, pers. comm.). Had it been available, groundfish catch data would have been used to verify this statement.

#### Offload monitoring

The halibut landed and processed for the HDP are fish that are otherwise illegal. The potential exists for halibut to enter and leave the HDP process during offloading through several avenues. Additional halibut from other vessels could be added to the HDP halibut. Conversely, halibut could be removed by vessel crews and/or processing plant personnel. No reports have been received to indicate that either situation is occurring.

NMFS Enforcement has not heard of any halibut leaking from the HDP into the market, nor of any violations or enforcement concerns to date (S. Meyer, NMFS, pers. comm.).

#### Reporting

One opportunity created by the HDP program was an accurate accounting of the amount of halibut landed by trawl catcher vessels. As outlined previously, landed unsorted catches from trawl catcher vessels are known to contain halibut but the quantity was unknown. The reporting requirements of the Prohibited Species Donation (PSD) program (§ 679.26(c)) consist of the following three provisions, with Paragraph (3) containing the requirements for recording the landed bycatch:

- (1) A vessel or processor retaining prohibited species under the PSD program must comply with all applicable recordkeeping and reporting requirements. A vessel or processor participating in the PSD program must comply with applicable regulations at §§ 679.7(c)(1) and 679.21(c) that allow for the collection of data and biological sampling by a NMFS-certified observer prior to processing any fish under the PSD program.
- (2) Prohibited species retained under the PSD program must be packaged, and all packages must be labeled with the date of processing, the name of the processing facility, the contents and the weight of the fish contained in the package, and the words, "NMFS PROHIBITED SPECIES DONATION PROGRAM - NOT FOR SALE - PERISHABLE PRODUCT - KEEP FROZEN".
- (3) A processor retaining or receiving fish under the PSD program and an authorized distributor must keep on file and make available for inspection by an authorized officer all documentation, including receipt and cargo manifests setting forth the origin, weight, and destination of all prohibited species bycatch. Such documentation must be retained until 1 year after the effective period of the PSD permit.



These provisions allow for observer sampling, specify packaging and labeling requirements, and stipulate the availability of records with halibut (and salmon) received through the PSD program. Additional reporting requirements for donated fish are specified in the regulations at § 679.5 for catcher vessel logbooks (Daily Fishing Log, or DFL) and shoreside processor production logbooks (Daily Cumulative Production Logbook, or DCPL).

NFS has also voluntarily provided IPHC reports of the amount of halibut processed by Unisea and Alyeska and distributed to Seattle-area food banks. These reports are the basis for some of the landings data reported in this discussion paper.

To date IPHC has not pursued any landings information other than what NFS has provided or obtained informally from Unisea and Alyeska. Availability and accuracy of logbook information is unknown. NMFS Enforcement has reportedly had little involvement with the HDP through 1999. They have not received any reports about improper reporting (S. Meyer, NMFS, pers. comm.).

### Product Quality

IPHC expressed concern at its 1998 Annual Meeting about the quality of the halibut products produced through the HDP. Poor quality halibut could create a marketing problem for the halibut industry. However, NFS has an interest in ensuring that the fish is good quality in order for it to be accepted by the food banks it supplies. To monitor the quality, NFS had Seafreeze (Seattle) examine the fish prior to processing.

According to NFS, the halibut were evaluated by Jon McGraw, the quality assurance manager at Seafreeze. He reported that the fish were excellent, except for a few with a "sour belly". To ensure quality NFS had the belly flaps trimmed prior to steaking and any fish found not suitable was discarded.

### **Discussion**

The HDP program was created to utilize halibut that, by regulation, would have been run back out to sea and dumped. Certain trawl catcher vessels targeting pollock deliver unsorted catches which occasionally contain a small number of halibut. IPHC recognized the inevitability of the landed bycatch and, while not wanting to condone bycatch, decided in 1996 to endorse a pilot program distributing the halibut to food banks and limited the retention to 50,000 pounds annually during 1998-2000.

The proposal adopted by the IPHC at its 1996 Annual Meeting was specific to shoreside trawl vessels which do not sort at sea. The HDP regulations adopted by NMFS do not contain any restrictions to limit participation to vessels from specific fisheries or with certain sorting capabilities. Participation is only limited to trawl catcher vessels delivering dead halibut to shoreside processors. No restrictions were enacted to limit participation to vessels from specific fisheries or with certain sorting capabilities. Therefore, there may be more vessels participating in the HDP than envisioned by IPHC and halibut may be coming from vessels that are sorting at sea.

The HDP regulations limit the annual donations to no more than 50,000 pounds. According to NFS, total donations have been far below this limit (21,196 pounds in 1998, 4,476 pounds in 1999), but only 2 of 3 Dutch Harbor processors have been participating. It is unknown how much halibut will be donated in 2000. The sizeable decrease from 1998 to 1999 suggests that the donations may not be dependant on predictable factors (e.g., number of vessel landings, total groundfish catch), but on other unidentified variables.

Offload monitoring minimizes the potential for leakage and abuse of the program. NMFS Enforcement has not heard of any violations or enforcement concerns with the HDP. The number of offloads monitored by enforcement agents in Dutch Harbor is unknown, but the amount of halibut involved may not demand a large enforcement presence. Information provided by Unisea and Alyeska indicate that much of the 1999 HDP landings took place during February and August, so the period of HDP enforcement is fairly limited.

Reporting and recordkeeping of HDP donations takes place in logbooks, fish tickets, and by NFS, the latter being voluntary. Unisea and Alyeska also furnished data upon request to IPHC for this paper. The NFS reports were used quite heavily in examining and documenting the HDP, and proved to be sufficient for describing the overall program. No attempt was made to obtain data from logbooks or fish tickets, so an assessment of these data is not available.

Concerns about product quality expressed by IPHC appear to have been addressed by NFS. During processing halibut were examined for quality. Halibut with quality concerns either had the questionable portions trimmed or the entire fish was discarded. The comments made by a quality assurance manager provided by NFS suggested that quality was a problem for only a few fish.

## **Recommendations**

This review of the HDP has indicated that the program operated successfully in the first two years of operation. Halibut which would have been taken back out to sea and dumped instead benefited economically disadvantaged individuals and reduced fishery waste, two of the Council's original goals for the program. NFS estimates that in 1998 roughly 65,000 meals were served by hunger relief agencies in the Puget Sound area from 21,196 pounds of donated halibut. Voluntary reports provided by NFS proved to be sufficient to track the amount of halibut entering the program. Measures were taken to ensure a high product quality. However, the level of enforcement oversight of the HDP during 1998-1999 was low (S. Meyer, NMFS, pers. comm.) and some types of information regarding the individual vessel landings were not readily available.

## **Program Renewal**

The HDP program sunsets on December 31, 2000 and Council action is needed to renew the program. IPHC cannot support an open-ended renewal of the program based on only two years of program performance. Despite the general success of the program, IPHC

finds several issues that warrant caution and continued program review if the program is allowed to continue. The low level of enforcement is troublesome and is cause for concern, as the potential for abuse and leakage into commercial markets would undercut efforts at bycatch reduction and improved survival of discarded halibut. The decrease in donations from 1998 to 1999 is hard to explain without further information on the accompanying groundfish catches, which was not readily available. Lastly, the success of the program appears to have generated interest from other tax-exempt organizations. While additional interest is perhaps problematic, IPHC would prefer to see the NFS program in Dutch Harbor tightened before branching out to other areas and fisheries.

IPHC's priority remains bycatch reduction wherever possible and does not want to condone general bycatch retention by endorsing the HDP program if it involves halibut that would have otherwise not been available to the HDP. Sorting of trawl catches at sea is preferred, as this provides for some survival of the bycatch. Sorting at the dock during the offload results in 100% mortality and does not provide the incentive to reduce bycatch. **It is recommended that the HDP be renewed for another 3 years (2001-2003) in order to provide for another assessment of the program's performance relative to the goals of the Council and IPHC.**

Additionally, IPHC recognizes the problems that sunset dates create for NMFS and the Council. We suggest that the Council and NMFS consider a renewal framework as an option. Under such an arrangement, renewing the program would be left to the NMFS Regional Administrator. Renewal would be based on a positive review of specific elements of the program or achieving certain prescribed standards. This could include, but not be limited to, the following:

- (1) A comparison of reported donated halibut to fish ticket data;
- (2) Submission of reports to NMFS, the Council and IPHC by specific dates (e.g., December 31);
- (3) Donations within the prescribed total of 50,000 pounds;
- (4) Documentation of originating fishery providing donations;
- (5) No record of violations, as provided by enforcement officials;
- (6) Adequate offload monitoring, as documented by enforcement officials;
- (7) Documentation of product quality reviews and measures taken to ensure high product quality;
- (8) Information on the benefits provided to economically disadvantaged individuals; and
- (9) A recommendation for renewal by International Pacific Halibut Commission.

Should NMFS find that the program and/or administering organizations fail in some aspect of the review, NMFS could either award the program to another organization, reprimand the organization and ask for proposed measures that would resolve problems, or report on the problems and propose program modifications to the Council.

#### Reporting and Recordkeeping

Evaluation of the HDP would have been more complete and thorough with additional information on groundfish landings and vessel deliveries. Also, it would be beneficial to have the administering organization provide reports to NMFS, the Council, and IPHC by specified dates, such as June 30 and December 31. Such reports would contain total landings (groundfish and halibut) by processor, and amount of finished product provided to food distribution agencies.

#### Increased Enforcement Presence

NMFS Enforcement should increase its presence during offloads to insure against leakage of fish from the landings. Absence of such oversight removes a necessary evaluation tool for the program.

**Appendix B. 1999 Halibut Bycatch by Target Fishery in the Bering Sea and Aleutian Islands**

1999 Halibut Bycatch by target fishery and week  
in the Bering Sea and Aleutian Islands

Trawl Gear

KEY	Groundfish	Halibut Bycatch		Halibut Mortality	
	Metric Tons	Metric Tons	Rate (kg/mt)	Metric Tons	%
A 01/23/99	2,803.37	3.77	1.35	3.20	0.1
A 01/30/99	5,067.51	3.93	0.77	3.34	0.1
A 02/06/99	3,564.35	0.00	0.00	0.00	0.0
A 02/13/99	2,742.81	3.68	1.34	3.13	0.1
A 02/20/99	934.66	0.03	0.03	0.03	0.0
A 02/27/99	1,246.32	0.00	0.00	0.00	0.0
A 03/06/99	1,426.92	0.43	0.30	0.37	0.0
A 03/13/99	2,242.66	0.86	0.38	0.73	0.0
A 03/20/99	1,425.01	0.00	0.00	0.00	0.0
A 03/27/99	1,997.03	0.05	0.02	0.04	0.0
A 04/03/99	1,808.67	0.00	0.00	0.00	0.0
A 04/10/99	797.25	0.00	0.00	0.00	0.0
A 04/24/99	145.92	1.39	9.52	1.19	0.8
A 05/01/99	92.95	1.05	11.35	0.89	1.0
A 05/15/99	248.33	25.00	100.69	21.26	8.6
A 05/22/99	52.79	0.00	0.00	0.00	0.0
A 07/24/99	48.48	0.00	0.00	0.00	0.0
A 07/31/99	92.64	2.53	27.36	2.15	2.3
A 08/21/99	66.03	0.26	4.00	0.22	0.3
A 09/04/99	5,618.04	62.72	11.16	53.30	0.9
A 09/11/99	5,184.03	22.52	4.34	19.14	0.4
A 09/18/99	5,895.96	3.43	0.58	2.91	0.0
A 09/25/99	5,814.25	9.80	1.69	8.32	0.1
A 10/02/99	3,696.95	5.66	1.53	4.82	0.1
A 10/09/99	1,569.01	0.40	0.25	0.34	0.0
A 10/16/99	2,646.73	15.29	5.78	12.99	0.5
A 10/23/99	2,133.48	0.76	0.36	0.65	0.0
A 10/30/99	1,975.18	1.02	0.52	0.87	0.0
A 11/06/99	234.83	0.00	0.00	0.00	0.0
A 11/13/99	194.73	10.03	51.48	8.52	4.4
A 11/27/99	2.15	0.15	71.40	0.13	6.0
B 01/23/99	144.05	0.49	3.41	0.37	0.3
B 01/30/99	919.76	0.24	0.26	0.18	0.0
B 02/06/99	257.33	2.67	10.39	2.03	0.8
B 02/13/99	3,234.45	1.49	0.46	1.13	0.0
B 02/20/99	194.46	0.02	0.08	0.01	0.0
B 02/27/99	1,507.76	0.45	0.30	0.34	0.0
B 03/06/99	59.45	3.33	55.96	2.53	4.3
B 03/20/99	13.26	0.01	0.72	0.01	0.1
B 04/24/99	18.62	0.00	0.00	0.00	0.0
B 05/08/99	732.60	53.17	72.58	40.41	5.5
B 05/29/99	52.58	2.41	45.84	1.83	3.5
B 07/31/99	45.35	0.03	0.72	0.03	0.1
B 08/07/99	123.81	0.52	4.16	0.39	0.3
B 08/14/99	20.79	0.96	46.10	0.73	3.5
B 08/21/99	10.17	0.00	0.00	0.00	0.0
B 08/28/99	35.87	2.11	58.93	1.61	4.5
B 09/04/99	5.42	0.78	144.65	0.60	11.1
B 09/11/99	33.91	0.49	14.53	0.37	1.1
B 09/18/99	573.09	0.02	0.03	0.01	0.0
B 10/02/99	561.09	0.10	0.18	0.08	0.0
B 10/09/99	172.45	0.00	0.00	0.00	0.0
C 01/23/99	875.11	46.30	52.91	31.96	3.7
C 01/30/99	3,878.45	179.27	46.22	123.68	3.2

C 02/06/99	3,267.14	79.12	24.22	54.63	1.7
C 02/13/99	4,445.42	87.64	19.71	60.46	1.4
C 02/20/99	4,852.51	107.06	22.06	73.87	1.5
C 02/27/99	5,370.60	161.21	30.02	111.24	2.1
C 03/06/99	12,087.46	326.08	26.98	225.00	1.9
C 03/13/99	10,051.98	160.84	16.00	110.99	1.1
C 03/20/99	11,093.20	126.34	11.39	87.19	0.8
C 03/27/99	5,403.03	60.49	11.20	41.72	0.8
C 04/03/99	9,343.78	127.87	13.68	88.21	0.9
C 04/10/99	5,689.28	83.77	14.72	57.80	1.0
C 04/17/99	3,377.25	84.54	25.03	58.33	1.7
C 04/24/99	1,675.21	109.19	65.18	75.35	4.5
C 05/01/99	3,136.24	181.08	57.74	124.93	4.0
C 05/08/99	802.05	22.91	28.56	15.80	2.0
C 05/15/99	0.25	0.00	0.00	0.00	0.0
C 05/22/99	64.44	3.01	46.76	2.08	3.2
C 09/11/99	3.14	0.34	108.99	0.24	7.6
C 10/09/99	167.17	2.73	16.33	1.88	1.1
C 10/16/99	136.80	1.65	12.06	1.15	0.8
C 10/23/99	143.21	3.35	23.41	2.32	1.6
C 11/20/99	176.93	6.12	34.60	4.22	2.4
C 11/27/99	303.86	11.04	36.34	7.62	2.5
C 12/04/99	41.28	3.87	93.78	2.67	6.5
C 12/11/99	22.19	0.42	18.91	0.29	1.3
C 12/18/99	32.98	0.62	18.91	0.43	1.3
F 04/17/99	735.47	57.54	78.24	35.67	4.8
F 05/01/99	117.48	3.93	33.42	2.43	2.1
F 07/10/99	298.94	2.54	8.49	1.57	0.5
F 07/17/99	491.91	5.00	10.17	3.11	0.6
F 07/24/99	119.04	0.99	8.35	0.62	0.5
F 07/31/99	284.12	2.41	8.49	1.49	0.5
F 08/07/99	31.94	0.27	8.49	0.17	0.5
F 08/21/99	243.98	4.71	19.30	2.91	1.2
F 08/28/99	205.42	1.22	5.94	0.76	0.4
F 09/04/99	228.56	1.36	5.94	0.84	0.4
F 10/16/99	4.84	0.84	174.02	0.52	10.7
K 02/06/99	63.14	0.00	0.00	0.00	0.0
K 02/13/99	601.28	0.63	1.05	0.45	0.1
K 04/10/99	17.30	1.00	57.72	0.72	4.2
K 07/10/99	3,066.33	19.19	6.26	13.81	0.5
K 07/17/99	2,831.48	3.77	1.33	2.71	0.1
K 07/24/99	4,042.91	7.58	1.87	5.46	0.1
K 07/31/99	2,825.74	40.29	14.26	29.01	1.0
K 08/07/99	64.53	0.08	1.31	0.06	0.1
K 08/14/99	17.53	0.07	4.00	0.05	0.3
L 01/30/99	138.94	3.47	24.96	2.15	1.5
L 02/06/99	186.15	3.86	20.76	2.39	1.3
L 02/20/99	60.95	0.78	12.79	0.48	0.8
L 03/06/99	41.32	0.91	21.98	0.56	1.4
L 03/13/99	151.46	8.26	54.53	5.12	3.4
L 03/20/99	481.85	10.37	21.52	6.42	1.3
L 03/27/99	221.33	28.02	126.61	17.37	7.8
L 04/03/99	1,425.70	60.90	42.72	37.76	2.6
L 04/10/99	2,088.29	63.89	30.59	39.61	1.9
L 04/17/99	920.58	48.40	52.57	30.01	3.3
L 04/24/99	1,708.01	90.01	52.70	55.81	3.3
L 05/01/99	128.41	4.03	31.36	2.49	1.9
L 07/10/99	2,324.73	31.77	13.67	19.70	0.8
L 07/17/99	1,870.01	38.67	20.68	23.97	1.3
L 07/24/99	2,253.37	43.65	19.37	27.07	1.2
L 07/31/99	4,119.16	47.32	11.49	29.32	0.7
L 08/07/99	2,662.99	29.21	10.97	18.12	0.7

L 08/14/99	2,258.90	28.57	12.65	17.72	0.8
L 08/21/99	2,723.81	15.27	5.61	9.47	0.3
L 08/28/99	3,960.07	33.86	8.55	20.99	0.5
L 09/04/99	1,147.00	6.19	5.40	3.83	0.3
L 09/25/99	67.17	0.57	8.55	0.35	0.5
L 10/02/99	400.24	3.43	8.58	2.12	0.5
P 01/23/99	8,693.18	1.58	0.18	1.33	0.0
P 01/30/99	38,397.56	5.66	0.15	4.83	0.0
P 02/06/99	70,389.09	11.53	0.16	9.76	0.0
P 02/13/99	64,578.12	15.52	0.24	13.19	0.0
P 02/20/99	32,419.30	7.12	0.22	6.06	0.0
P 02/27/99	58,472.80	6.52	0.11	5.54	0.0
P 03/06/99	47,286.52	7.16	0.15	6.09	0.0
P 03/13/99	14,021.73	1.39	0.10	1.17	0.0
P 03/20/99	4,714.86	0.15	0.03	0.13	0.0
P 03/27/99	329.08	0.00	0.00	0.00	0.0
P 04/03/99	60.71	0.00	0.00	0.00	0.0
P 05/01/99	14.92	0.05	3.09	0.04	0.3
P 07/31/99	1.60	0.00	0.08	0.00	0.0
P 08/07/99	43,240.94	2.86	0.07	2.43	0.0
P 08/14/99	59,667.34	2.74	0.05	2.32	0.0
P 08/21/99	58,170.12	3.44	0.06	2.90	0.0
P 08/28/99	52,519.48	1.72	0.03	1.49	0.0
P 09/04/99	20,712.56	2.43	0.12	2.05	0.0
P 09/11/99	17,694.12	0.26	0.01	0.22	0.0
P 09/18/99	36,049.58	4.73	0.13	4.01	0.0
P 09/25/99	80,652.48	5.12	0.06	4.37	0.0
P 10/02/99	51,964.21	2.01	0.04	1.69	0.0
P 10/09/99	51,418.25	1.18	0.02	0.99	0.0
P 10/16/99	15,466.07	0.55	0.04	0.45	0.0
P 10/23/99	6,867.23	0.70	0.10	0.60	0.0
P 10/30/99	14,576.41	0.23	0.02	0.20	0.0
P 11/06/99	628.65	0.03	0.04	0.02	0.0
R 01/23/99	1,373.05	32.28	23.51	24.54	1.8
R 01/30/99	635.51	19.20	30.22	14.58	2.3
R 02/06/99	3,826.86	45.00	11.76	34.18	0.9
R 02/13/99	6,057.20	116.94	19.31	88.87	1.5
R 02/20/99	6,443.54	101.06	15.68	76.80	1.2
R 02/27/99	7,188.09	197.26	27.44	149.92	2.1
R 03/06/99	353.41	9.93	28.09	7.55	2.1
R 04/03/99	65.97	2.28	34.54	1.73	2.6
R 04/17/99	29.29	1.48	50.57	1.13	3.9
R 05/01/99	381.77	2.35	6.16	1.79	0.5
R 07/24/99	22.86	0.00	0.00	0.00	0.0
R 07/31/99	440.49	25.50	57.88	19.37	4.4
R 08/07/99	43.17	2.38	55.16	1.81	4.2
R 08/21/99	326.73	4.48	13.72	3.40	1.0
R 09/04/99	7.90	0.12	14.94	0.09	1.1
R 10/16/99	67.70	2.13	31.52	1.62	2.4
T 04/24/99	92.70	1.33	14.31	0.97	1.0
T 07/10/99	308.05	3.81	12.38	2.78	0.9
T 07/17/99	221.25	4.18	18.88	3.05	1.4
T 07/24/99	322.35	4.98	15.46	3.63	1.1
T 07/31/99	445.47	2.08	4.67	1.51	0.3
T 08/07/99	130.64	0.70	5.32	0.51	0.4
T 08/14/99	61.89	0.58	9.36	0.42	0.7
T 08/21/99	162.58	3.81	23.40	2.77	1.7
T 08/28/99	232.51	4.90	21.09	3.58	1.5
T 09/04/99	2.95	0.30	100.00	0.22	7.5
W 04/24/99	22.04	4.03	183.06	2.86	13.0
W 05/08/99	53.62	3.95	73.73	2.81	5.2



W 05/15/99	65.29	2.57	39.41	1.83	2.8
W 05/22/99	207.12	43.21	208.65	30.69	14.8
W 05/29/99	120.88	4.52	37.38	3.21	2.7
W 06/05/99	79.14	5.29	66.85	3.76	4.8
W 07/10/99	15.75	0.00	0.00	0.00	0.0
W 07/17/99	61.46	5.03	81.87	3.57	5.8
W 08/07/99	203.68	5.74	28.17	4.07	2.0
W 08/21/99	80.06	0.00	0.00	0.00	0.0
W 08/28/99	183.64	3.22	17.52	2.29	1.2
W 09/11/99	14.46	0.60	41.20	0.42	2.9
W 10/16/99	28.73	1.53	53.30	1.09	3.8
Y 01/30/99	125.47	4.63	36.91	3.61	2.9
Y 02/06/99	212.93	0.58	2.72	0.45	0.2
Y 02/27/99	38.27	0.16	4.10	0.12	0.3
Y 03/06/99	3,426.42	29.41	8.58	22.93	0.7
Y 03/13/99	5,284.54	27.34	5.17	21.32	0.4
Y 03/20/99	7,516.22	25.69	3.42	20.04	0.3
Y 03/27/99	7,348.79	11.55	1.57	9.00	0.1
Y 04/03/99	7,746.57	41.34	5.34	32.25	0.4
Y 04/10/99	4,845.26	38.93	8.04	30.39	0.6
Y 04/17/99	4,682.95	49.91	10.66	38.91	0.8
Y 04/24/99	3,885.74	25.04	6.44	19.54	0.5
Y 05/01/99	4,182.53	6.41	1.53	5.00	0.1
Y 05/08/99	5,328.61	24.78	4.65	19.32	0.4
Y 05/15/99	5,994.05	82.44	13.75	64.30	1.1
Y 05/22/99	5,348.08	18.66	3.49	14.57	0.3
Y 05/29/99	2,379.04	47.16	19.82	36.79	1.5
Y 06/05/99	692.74	12.73	18.37	9.93	1.4
Y 06/12/99	715.92	21.68	30.28	16.91	2.4
Y 06/19/99	1,127.73	16.64	14.75	12.98	1.2
Y 06/26/99	1,469.71	29.34	19.96	22.89	1.6
Y 07/03/99	117.72	4.84	41.14	3.78	3.2
Y 07/24/99	103.51	1.30	12.58	1.02	1.0
Y 08/07/99	10.98	0.04	4.10	0.04	0.4
Y 08/14/99	505.34	3.63	7.18	2.83	0.6
Y 08/21/99	2,739.18	100.15	36.56	78.12	2.9
Y 08/28/99	4,157.87	115.24	27.72	89.90	2.2
Y 09/04/99	1,080.56	6.60	6.11	5.16	0.5
Y 09/11/99	3,023.22	27.25	9.01	21.24	0.7
Y 09/18/99	4,154.42	35.13	8.46	27.42	0.7
Y 09/25/99	2,783.30	17.23	6.19	13.45	0.5
Y 10/02/99	3,076.76	70.33	22.86	54.86	1.8
Y 10/09/99	4,051.02	117.16	28.92	91.36	2.3
Y 10/16/99	3,911.60	95.63	24.45	74.58	1.9
Z 01/23/99	16.51	0.40	24.08	0.00	0.0
Z 02/27/99	46.54	0.05	1.03	0.00	0.0
Z 03/06/99	6.94	0.00	0.00	0.00	0.0
Z 03/27/99	0.22	0.00	0.00	0.00	0.0
Z 05/15/99	259.00	23.89	92.22	0.00	0.0
Z 07/24/99	33.36	0.00	0.00	0.00	0.0
Z 09/25/99	910.11	0.00	0.00	0.00	0.0
Z 12/04/99	18.00	0.00	0.00	0.00	0.0

1999 Halibut Bycatch by target fishery, zone and mode  
in the Bering Sea and Aleutian Islands

Trawl Gear

KEY	Groundfish Metric Tons	Halibut Bycatch		Halibut Mortality	
		Metric Tons	Rate (kg/mt)	Metric Tons	%
A 517 P	289.12	9.43	32.60	8.00	2.8
A 518 P	52.79	0.00	0.00	0.00	0.0

A 519 P	2,447.68	67.08	27.41	57.02	2.3
A 541 P	15,939.59	55.57	3.49	47.22	0.3
A 542 P	22,998.26	18.30	0.80	15.55	0.1
A 543 P	20,041.60	24.40	1.22	20.75	0.1
B 509 M	2,556.45	0.92	0.36	0.70	0.0
B 509 P	2,481.83	4.69	1.89	3.56	0.1
B 513 P	693.55	2.51	3.62	1.90	0.3
B 513 S	123.81	0.52	4.16	0.39	0.3
B 514 P	751.22	53.17	70.78	40.41	5.4
B 516 P	49.97	0.00	0.00	0.00	0.0
B 517 M	458.61	0.38	0.83	0.29	0.1
B 517 P	1,400.73	4.95	3.53	3.76	0.3
B 517 S	58.61	0.04	0.72	0.04	0.1
B 519 P	35.87	2.11	58.93	1.61	4.5
B 521 P	89.89	0.00	0.00	0.00	0.0
B 523 P	10.42	0.00	0.00	0.00	0.0
B 542 P	5.31	0.00	0.00	0.00	0.0
C 509 M	82.96	2.78	33.56	1.93	2.3
C 509 P	19,301.52	634.34	32.86	437.73	2.3
C 509 S	18,267.38	250.82	13.73	173.05	0.9
C 513 P	1,153.16	31.00	26.88	21.39	1.9
C 513 S	55.92	0.62	11.15	0.43	0.8
C 516 P	942.68	19.15	20.31	13.19	1.4
C 517 M	147.32	8.46	57.42	5.84	4.0
C 517 P	4,608.33	331.43	71.92	228.66	5.0
C 517 S	22,357.45	574.31	25.69	396.30	1.8
C 518 P	93.66	1.48	15.79	1.02	1.1
C 518 S	11.10	0.13	11.64	0.09	0.8
C 519 P	255.23	15.84	62.06	10.94	4.3
C 519 S	183.41	6.62	36.10	4.57	2.5
C 521 M	2,227.42	14.59	6.55	10.08	0.5
C 521 P	611.34	18.55	30.34	12.79	2.1
C 521 S	78.82	0.74	9.39	0.51	0.6
C 523 M	161.79	1.58	9.76	1.09	0.7
C 523 P	40.76	0.65	16.06	0.45	1.1
C 541 M	2,532.25	10.82	4.27	7.46	0.3
C 541 P	10,435.77	46.36	4.44	31.97	0.3
C 541 S	2,126.56	5.93	2.79	4.10	0.2
C 542 P	766.13	0.68	0.89	0.47	0.1
F 509 P	4.84	0.84	174.02	0.52	10.7
F 517 P	2,239.37	71.44	31.90	44.28	2.0
F 519 P	517.49	8.53	16.49	5.29	1.0
K 517 P	54.09	0.00	0.00	0.00	0.0
K 518 P	80.44	1.00	12.41	0.72	0.9
K 519 P	27.97	0.15	5.52	0.11	0.4
K 541 P	2,706.74	17.59	6.50	12.66	0.5
K 542 P	3,910.53	46.18	11.81	33.25	0.9
K 543 P	6,750.47	7.68	1.14	5.53	0.1
L 509 P	490.65	2.77	5.64	1.71	0.3
L 512 P	3.04	0.06	20.40	0.04	1.3
L 513 P	14,228.12	222.96	15.67	138.18	1.0
L 516 P	3.93	0.45	113.89	0.28	7.1
L 517 P	8,586.84	222.83	25.95	138.16	1.6
L 519 P	96.36	0.41	4.21	0.25	0.3
L 521 P	7,927.31	151.86	19.16	94.16	1.2
L 524 P	4.19	0.09	20.40	0.05	1.2
P 509 M	30,444.06	4.36	0.14	3.70	0.0
P 509 P	35,675.36	12.17	0.34	10.30	0.0
P 509 S	93,559.02	8.15	0.09	6.86	0.0

P 513 M	14,158.66	2.68	0.19	2.29	0.0
P 513 P	47,171.87	5.34	0.11	4.56	0.0
P 513 S	31,313.63	9.10	0.29	7.75	0.0
P 516 P	267.69	0.00	0.00	0.00	0.0
P 517 M	25,106.49	3.56	0.14	3.01	0.0
P 517 P	93,188.91	11.39	0.12	9.65	0.0
P 517 S	299,866.79	20.35	0.07	17.33	0.0
P 519 P	362.45	0.00	0.00	0.00	0.0
P 519 S	1,404.34	0.22	0.15	0.19	0.0
P 521 M	38,512.90	0.19	0.01	0.16	0.0
P 521 P	136,918.46	7.13	0.05	6.04	0.0
P 521 S	661.39	0.04	0.06	0.04	0.0
P 523 P	95.36	0.00	0.00	0.00	0.0
P 524 M	136.62	0.00	0.00	0.00	0.0
P 524 P	102.20	0.00	0.00	0.00	0.0
P 542 P	60.71	0.00	0.00	0.00	0.0
R 509 P	14,982.96	394.16	26.31	299.56	2.0
R 513 P	381.77	2.35	6.16	1.79	0.5
R 514 P	737.41	29.34	39.79	22.29	3.0
R 516 P	11,079.30	135.07	12.19	102.64	0.9
R 517 P	82.10	1.45	17.68	1.10	1.3
T 517 P	1,245.88	17.14	13.75	12.50	1.0
T 519 P	734.51	9.53	12.97	6.94	0.9
W 517 P	784.14	57.30	73.08	40.70	5.2
W 519 P	351.73	22.40	63.67	15.90	4.5
Y 509 P	26,541.89	364.76	13.74	284.51	1.1
Y 513 P	39,894.76	255.73	6.41	199.51	0.5
Y 513 S	1,567.50	6.42	4.10	5.01	0.3
Y 514 P	22,296.40	196.14	8.80	152.99	0.7
Y 517 P	11,619.60	283.48	24.40	221.13	1.9
Y 519 P	99.95	2.20	22.02	1.72	1.7
Y 524 P	46.95	0.18	3.74	0.14	0.3
Z 509 P	16.51	0.40	24.08	0.00	0.0
Z 514 P	247.54	0.00	0.00	0.00	0.0
Z 517 P	1,002.35	0.33	0.33	0.00	0.0
Z 518 P	18.00	0.00	0.00	0.00	0.0
Z 519 P	6.06	23.60	3,894.24	0.00	0.0
Z 541 P	0.22	0.00	0.00	0.00	0.0

1999 Halibut Bycatch by target fishery and week  
in the Bering Sea and Aleutian Islands

Hook & Line Gear

KEY	Groundfish	Halibut Bycatch		Halibut Mortality	
	Metric Tons	Metric Tons	Rate (kg/mt)	Metric Tons	%
C 01/02/99	1,227.00	55.61	45.33	6.13	0.5
C 01/09/99	4,787.66	288.75	60.31	31.75	0.7
C 01/16/99	4,550.59	261.38	57.44	28.75	0.6
C 01/23/99	3,923.85	137.62	35.07	15.14	0.4
C 01/30/99	4,233.55	157.98	37.32	17.36	0.4
C 02/06/99	3,974.29	123.70	31.12	13.62	0.3
C 02/13/99	4,587.89	157.08	34.24	17.26	0.4
C 02/20/99	4,507.88	150.53	33.39	16.57	0.4
C 02/27/99	4,285.12	116.96	27.29	12.86	0.3
C 03/06/99	4,387.42	161.50	36.81	17.76	0.4
C 03/13/99	3,716.70	132.48	35.65	14.55	0.4
C 03/20/99	3,991.04	100.17	25.10	11.05	0.3
C 03/27/99	4,586.39	133.62	29.13	14.70	0.3

C 04/03/99	4,714.47	144.40	30.63	15.87	0.3
C 04/10/99	4,501.07	136.61	30.35	15.02	0.3
C 04/17/99	5,039.02	170.85	33.91	18.80	0.4
C 05/01/99	2.10	0.00	0.00	0.00	0.0
C 05/22/99	26.57	0.99	37.17	0.11	0.4
C 05/29/99	79.82	2.34	29.36	0.26	0.3
C 06/05/99	53.75	1.56	28.99	0.17	0.3
C 06/12/99	47.87	1.78	37.11	0.20	0.4
C 06/19/99	7.03	0.00	0.00	0.00	0.0
C 06/26/99	2.74	0.02	5.57	0.00	0.0
C 07/03/99	52.96	22.41	423.15	2.47	4.7
C 07/10/99	20.04	5.23	261.04	0.57	2.8
C 07/17/99	25.73	0.30	11.77	0.03	0.1
C 07/24/99	6.38	0.00	0.00	0.00	0.0
C 07/31/99	0.52	0.00	0.00	0.00	0.0
C 08/07/99	11.33	0.62	54.49	0.07	0.6
C 08/14/99	5.78	0.00	0.00	0.00	0.0
C 08/21/99	7.90	0.04	4.90	0.00	0.0
C 08/28/99	4.58	0.07	15.94	0.01	0.2
C 09/04/99	1.97	0.00	0.00	0.00	0.0
C 09/11/99	2.68	0.00	0.00	0.00	0.0
C 09/18/99	2,480.44	187.38	75.54	20.61	0.8
C 09/25/99	5,545.42	425.35	76.70	46.80	0.8
C 10/02/99	4,283.22	342.39	79.94	37.63	0.9
C 10/09/99	3,944.91	309.18	78.38	34.01	0.9
C 10/16/99	4,745.04	478.95	100.94	52.69	1.1
C 10/23/99	1,663.64	154.35	92.78	16.98	1.0
C 10/30/99	33.21	3.58	107.91	0.40	1.2
C 11/06/99	2.45	0.04	16.86	0.00	0.0
C 11/13/99	0.02	0.00	51.50	0.00	0.0
C 11/27/99	0.59	0.00	0.00	0.00	0.0
C 12/11/99	497.91	58.51	117.51	6.44	1.3
C 12/18/99	937.62	94.94	101.26	10.44	1.1
C 12/25/99	225.99	14.56	64.43	1.60	0.7
C 12/31/99	531.86	11.49	21.61	1.26	0.2
K 05/15/99	0.45	0.18	409.80	0.02	4.4
K 05/29/99	12.42	2.79	224.92	0.35	2.8
K 06/05/99	0.16	0.04	278.88	0.00	0.0
K 06/12/99	0.58	0.24	409.81	0.03	5.2
K 06/26/99	9.87	1.08	109.73	0.13	1.3
K 07/03/99	0.11	0.00	0.00	0.00	0.0
K 09/25/99	1.86	0.52	278.88	0.06	3.2
O 07/03/99	0.43	0.00	9.35	0.00	0.0
O 07/24/99	1.40	0.01	9.34	0.00	0.0
O 07/31/99	0.23	0.00	9.35	0.00	0.0
O 08/07/99	0.05	0.10	2,029.80	0.01	20.0
O 09/11/99	0.55	0.01	9.35	0.00	0.0
S 04/17/99	0.08	0.00	0.00	0.00	0.0
S 04/24/99	46.61	4.59	98.57	0.00	0.0
S 05/01/99	15.64	5.66	361.61	0.00	0.0
S 05/08/99	42.25	18.79	444.82	0.00	0.0
S 05/15/99	23.27	6.76	290.55	0.00	0.0
S 05/22/99	78.69	9.25	117.54	0.00	0.0
S 05/29/99	99.46	17.59	176.86	0.00	0.0
S 06/05/99	63.66	15.63	245.52	0.00	0.0
S 06/12/99	100.41	16.97	168.98	0.00	0.0
S 06/19/99	87.35	11.40	130.52	0.00	0.0
S 06/26/99	78.06	3.08	39.51	0.00	0.0
S 07/03/99	76.72	12.88	167.84	0.00	0.0
S 07/10/99	62.45	27.91	446.95	0.00	0.0
S 07/17/99	149.76	24.38	162.81	0.00	0.0
S 07/24/99	83.41	18.75	224.74	0.00	0.0

S 07/31/99	79.87	8.34	104.47	0.00	0.0
S 08/07/99	24.76	1.78	71.82	0.00	0.0
S 08/14/99	46.02	2.81	61.04	0.00	0.0
S 08/21/99	66.13	1.98	30.01	0.00	0.0
S 08/28/99	24.92	2.00	80.34	0.00	0.0
S 09/04/99	0.62	0.04	67.16	0.00	0.0
S 09/11/99	8.46	1.07	126.00	0.00	0.0
S 09/18/99	0.28	0.03	110.29	0.00	0.0
S 09/25/99	31.29	3.70	118.33	0.00	0.0
S 10/02/99	14.26	2.09	146.28	0.00	0.0
S 10/09/99	3.03	0.33	110.29	0.00	0.0
S 10/16/99	25.22	1.55	61.55	0.00	0.0
S 10/23/99	40.27	4.66	115.83	0.00	0.0
S 10/30/99	29.42	0.31	10.66	0.00	0.0
S 11/06/99	2.88	0.04	15.42	0.00	0.0
S 11/13/99	0.17	0.01	41.47	0.00	0.0
T 05/01/99	119.00	59.32	498.46	11.28	9.5
T 05/08/99	1,177.86	252.37	214.26	47.96	4.1
T 05/15/99	961.36	23.14	24.07	4.42	0.5
T 05/22/99	36.73	1.83	49.79	0.35	1.0
T 05/29/99	6.99	14.90	2,131.32	2.83	40.5
T 06/19/99	3.41	0.12	34.60	0.02	0.6
T 06/26/99	18.29	1.65	90.29	0.31	1.7
T 07/24/99	74.58	1.51	20.29	0.29	0.4
T 07/31/99	7.75	0.20	25.39	0.04	0.5
T 09/04/99	448.15	14.09	31.43	2.67	0.6
T 09/11/99	1,367.54	38.93	28.46	7.40	0.5
T 09/18/99	478.90	7.03	14.68	1.33	0.3
T 10/02/99	4.42	0.08	18.09	0.02	0.5
T 10/09/99	38.72	0.50	13.00	0.09	0.2
T 10/23/99	14.69	0.10	7.11	0.02	0.1
T 10/30/99	20.19	0.07	3.50	0.01	0.0
T 11/06/99	45.34	5.01	110.52	0.95	2.1
T 11/13/99	30.19	5.50	182.06	1.04	3.4
T 11/20/99	25.43	1.29	50.82	0.25	1.0
W 09/11/99	1.19	0.00	0.00	0.00	0.0
Z 01/30/99	0.19	0.38	2,010.95	0.00	0.0
Z 05/08/99	1.37	0.56	410.15	0.00	0.0

1999 Halibut Bycatch by target fishery, zone and mode  
in the Bering Sea and Aleutian Islands

Hook & Line Gear

KEY	Groundfish Metric Tons	Halibut Bycatch		Halibut Mortality	
		Metric Tons	Rate (kg/mt)	Metric Tons	%
C 509 P	14,392.47	422.94	29.39	46.55	0.3
C 512 P	287.53	13.45	46.79	1.49	0.5
C 513 M	224.93	11.82	52.56	1.30	0.6
C 513 P	12,963.73	497.67	38.39	54.75	0.4
C 514 P	23.73	0.97	41.08	0.11	0.5
C 514 S	2.16	0.10	46.71	0.01	0.5
C 516 P	1,643.27	28.41	17.29	3.14	0.2
C 517 P	14,944.64	1,215.76	81.35	133.73	0.9
C 518 P	1,408.59	205.54	145.92	22.60	1.6
C 518 S	11.82	3.96	335.26	0.43	3.6
C 519 P	489.27	64.38	131.59	7.07	1.4
C 519 S	110.85	1.26	11.37	0.14	0.1
C 521 P	33,175.03	1,593.32	48.03	175.20	0.5
C 521 S	1.52	0.06	41.22	0.01	0.7
C 523 P	2,875.22	98.78	34.35	10.87	0.4

C 523 S	9.72	0.24	24.66	0.03	0.3
C 524 P	735.48	4.51	6.13	0.49	0.1
C 541 P	4,484.02	279.74	62.39	30.76	0.7
C 541 S	213.96	15.52	72.52	1.71	0.8
C 542 P	3,815.62	75.00	19.66	8.25	0.2
C 542 S	6.11	0.18	29.93	0.02	0.3
C 543 P	446.34	11.70	26.21	1.28	0.3
K 518 S	0.27	0.08	278.89	0.01	3.7
K 519 S	1.93	0.54	278.88	0.06	3.1
K 521 P	8.22	2.29	278.88	0.28	3.4
K 521 S	0.24	0.07	278.88	0.01	4.2
K 541 P	0.11	0.00	0.00	0.00	0.0
K 541 S	1.21	0.50	409.81	0.06	5.0
K 542 P	9.63	1.02	105.51	0.12	1.2
K 543 P	3.84	0.38	98.21	0.05	1.3
O 521 S	2.06	0.02	9.34	0.00	0.0
O 524 S	0.05	0.10	2,029.80	0.01	20.0
O 541 S	0.55	0.01	9.35	0.00	0.0
S 516 P	0.62	0.04	67.16	0.00	0.0
S 517 P	48.75	3.87	79.46	0.00	0.0
S 517 S	11.83	0.66	55.99	0.00	0.0
S 518 P	111.49	32.67	293.00	0.00	0.0
S 518 S	260.51	46.17	177.22	0.00	0.0
S 519 P	1.15	0.00	0.00	0.00	0.0
S 519 S	51.74	1.22	23.52	0.00	0.0
S 521 P	0.99	0.01	9.21	0.00	0.0
S 523 P	3.31	0.12	36.17	0.00	0.0
S 541 P	409.18	50.23	122.75	0.00	0.0
S 541 S	246.08	33.99	138.14	0.00	0.0
S 542 M	17.13	0.95	55.22	0.00	0.0
S 542 P	165.33	31.80	192.32	0.00	0.0
S 542 S	76.63	22.68	295.98	0.00	0.0
S 543 P	0.68	0.00	0.00	0.00	0.0
T 509 S	2.48	0.23	91.62	0.04	1.6
T 517 P	755.57	62.23	82.36	11.83	1.6
T 517 S	94.38	94.93	1,005.80	18.04	19.1
T 518 P	190.87	12.50	65.50	2.39	1.3
T 518 S	31.51	2.90	92.19	0.56	1.8
T 519 P	154.55	1.22	7.89	0.23	0.1
T 519 S	59.09	1.50	25.39	0.29	0.5
T 521 P	1,542.11	82.41	53.44	15.67	1.0
T 521 S	3.99	0.14	34.60	0.02	0.5
T 523 P	1,120.90	126.28	112.66	24.00	2.1
T 523 S	25.94	4.52	174.25	0.86	3.3
T 524 P	470.92	12.44	26.41	2.36	0.5
T 541 P	289.06	24.15	83.55	4.59	1.6
T 541 S	38.21	0.69	18.09	0.12	0.3
T 542 P	96.13	1.47	15.25	0.27	0.3
T 542 S	3.83	0.03	7.11	0.01	0.3
W 524 P	1.19	0.00	0.00	0.00	0.0
Z 509 P	0.19	0.38	2,010.95	0.00	0.0
Z 519 P	1.37	0.56	410.15	0.00	0.0

1999 Halibut Bycatch by target fishery and week  
in the Bering Sea and Aleutian Islands

Pot Gear

Groundfish                      Halibut Bycatch                      Halibut Mortality

KEY	Metric Tons	Metric Tons	Rate (kg/mt)	Metric Tons	%
C 01/16/99	5.66	0.08	14.64	0.00	0.0
C 03/06/99	13.09	0.00	0.34	0.00	0.0
C 03/13/99	14.92	0.01	0.34	0.00	0.0
C 03/20/99	3.82	0.02	5.97	0.00	0.0
C 03/27/99	0.27	0.00	0.11	0.00	0.0
C 04/03/99	594.63	0.17	0.29	0.00	0.0
C 04/10/99	1,358.99	0.27	0.20	0.00	0.0
C 04/17/99	2,920.29	3.02	1.03	0.11	0.0
C 04/24/99	259.50	1.44	5.57	0.06	0.0
C 05/01/99	79.53	0.06	0.81	0.00	0.0
C 05/08/99	1,711.47	9.10	5.32	0.35	0.0
C 05/15/99	2,397.02	8.73	3.64	0.36	0.0
C 05/22/99	1,460.23	5.65	3.87	0.24	0.0
C 05/29/99	1,341.85	5.92	4.41	0.24	0.0
C 06/05/99	1,125.59	4.41	3.92	0.17	0.0
C 06/12/99	590.46	2.27	3.84	0.09	0.0
C 09/04/99	179.21	1.58	8.82	0.05	0.0
C 09/11/99	567.08	4.29	7.57	0.18	0.0
C 09/18/99	542.39	5.19	9.56	0.21	0.0
C 09/25/99	604.39	7.09	11.73	0.26	0.0
C 10/02/99	715.23	6.43	8.98	0.26	0.0
C 10/09/99	473.81	4.44	9.37	0.18	0.0
C 10/16/99	44.86	0.57	12.80	0.01	0.0
C 11/13/99	3.57	0.00	0.34	0.00	0.0
C 12/18/99	9.49	0.00	0.34	0.00	0.0
C 12/25/99	14.14	0.00	0.34	0.00	0.0
O 10/09/99	1.27	0.00	0.00	0.00	0.0
S 05/15/99	3.00	0.50	168.26	0.02	0.7
S 05/22/99	5.78	1.10	190.83	0.04	0.7
S 07/24/99	1.11	0.17	153.38	0.01	0.9
S 08/21/99	2.16	0.33	151.72	0.01	0.5
S 10/30/99	3.14	0.41	129.65	0.02	0.6
S 11/06/99	5.85	0.76	129.65	0.03	0.5
S 11/13/99	10.84	1.41	129.65	0.06	0.6
T 05/08/99	2.12	0.02	8.77	0.00	0.0
T 05/15/99	6.21	0.00	0.00	0.00	0.0
T 07/31/99	3.16	0.07	21.36	0.00	0.0
T 08/07/99	1.86	0.00	0.00	0.00	0.0
T 08/14/99	1.75	0.00	0.00	0.00	0.0
T 09/04/99	11.78	0.07	5.80	0.00	0.0
T 11/20/99	4.59	0.03	5.80	0.00	0.0

1999 Halibut Bycatch by target fishery, zone and mode  
in the Bering Sea and Aleutian Islands

Pot Gear

KEY	Groundfish	Halibut Bycatch		Halibut Mortality	
	Metric Tons	Metric Tons	Rate (kg/mt)	Metric Tons	%
C 509 P	815.63	0.16	0.19	0.00	0.0
C 509 S	1,773.94	1.74	0.98	0.05	0.0
C 513 P	265.67	0.18	0.67	0.00	0.0
C 513 S	39.70	0.03	0.86	0.00	0.0
C 516 P	4.48	0.00	0.00	0.00	0.0
C 517 P	0.43	0.00	0.00	0.00	0.0
C 517 S	1,207.32	4.60	3.81	0.19	0.0
C 518 M	67.44	0.19	2.81	0.01	0.0
C 518 P	4.40	0.16	35.29	0.01	0.2
C 518 S	613.52	11.67	19.01	0.47	0.1

C 519 P	26.79	0.61	22.68	0.02	0.1
C 519 S	7,294.30	35.22	4.83	1.39	0.0
C 521 P	396.71	1.48	3.72	0.07	0.0
C 524 P	556.42	4.00	7.19	0.16	0.0
C 541 M	23.09	0.09	3.95	0.00	0.0
C 541 P	316.88	1.74	5.51	0.05	0.0
C 541 S	1,867.89	6.28	3.36	0.25	0.0
C 542 M	336.85	0.44	1.31	0.01	0.0
C 542 P	298.33	0.46	1.54	0.02	0.0
C 543 M	574.38	1.57	2.73	0.07	0.0
C 543 P	547.32	0.14	0.26	0.00	0.0
O 541 S	1.27	0.00	0.00	0.00	0.0
S 518 P	10.94	1.94	176.92	0.07	0.6
S 519 P	1.11	0.17	153.38	0.01	0.9
S 519 S	19.83	2.57	129.65	0.11	0.6
T 518 P	0.42	0.02	44.29	0.00	0.0
T 521 P	11.78	0.07	5.80	0.00	0.0
T 541 P	14.68	0.07	4.60	0.00	0.0
T 541 S	4.59	0.03	5.80	0.00	0.0

Groundfish tons is total of all allocated groundfish species harvested in the target fishery.

The KEY is composed of a target fishery, the zone (subarea), and the processing mode. Targets and modes are defined below.

1999 Groundfish Targets:

A	Atka Mackerel	BSAI,GOA
B	Pollock -- bottom*	BSAI,GOA
C	Pacific Cod	BSAI,GOA
D	Deep Water Flatfish*	GOA
F	Other Flatfish*	BSAI
H	Shallow Water Flatfish*	GOA
K	Rockfish	BSAI,GOA
L	Flathead sole	BSAI,GOA
O	'Other'	BSAI,GOA
P	Pollock - midwater*	BSAI,GOA
R	Rock Sole	BSAI
S	Sablefish	BSAI,GOA
T	Greenland turbot	BSAI
W	Arrowtooth Flounder	BSAI,GOA
X	Rex sole	GOA
Y	Yellowfin sole	BSAI

- \* Pollock targets defined by catch composition, not reported gear type.
- \* Deep Water Flatfish includes Dover sole and Greenland turbot.
- \* Shallow Water Flatfish includes flatfish not including Deep Water Flatfish, Flathead sole, Rex sole, or Arrowtooth Flounder.
- \* Other Flatfish includes all flatfish species except for Pacific Halibut (a prohibited species) and all other flatfish species that have a separate specified TAC amount.

Modes

M : Mothership                      P : Catcher/Processor                      S : Shore Plant



**Appendix C. 1999 Halibut Bycatch by Target Fishery in the Gulf of Alaska**

1999 Halibut Bycatch by target fishery and week  
in the Gulf of Alaska

Trawl Gear

KEY	Groundfish	Halibut Bycatch		Halibut Mortality	
	Metric Tons	Metric Tons	Rate (kg/mt)	Metric Tons	%
B 01/23/99	542.26	1.68	3.09	1.22	0.2
B 01/30/99	321.55	1.33	4.13	0.97	0.3
B 02/06/99	31.89	0.21	6.65	0.15	0.5
B 02/20/99	72.82	0.48	6.65	0.35	0.5
B 05/29/99	94.37	0.25	2.67	0.18	0.2
B 10/02/99	338.89	0.90	2.67	0.66	0.2
B 10/09/99	1,006.82	0.12	0.12	0.08	0.0
B 10/16/99	1,204.86	8.01	6.65	5.85	0.5
B 10/23/99	30.78	0.20	6.65	0.15	0.5
C 01/23/99	174.05	4.30	24.72	2.84	1.6
C 01/30/99	355.36	9.33	26.26	6.16	1.7
C 02/06/99	791.45	19.48	24.61	12.87	1.6
C 02/13/99	1,569.63	27.70	17.65	18.28	1.2
C 02/20/99	5,007.39	107.67	21.50	71.06	1.4
C 02/27/99	8,169.79	268.95	32.92	177.52	2.2
C 03/06/99	9,381.49	333.49	35.55	220.12	2.3
C 03/13/99	7,468.41	271.98	36.42	179.50	2.4
C 03/20/99	1,656.60	64.46	38.91	42.55	2.6
C 04/17/99	27.57	0.19	6.91	0.13	0.5
C 10/02/99	895.07	156.77	175.15	103.47	11.6
C 10/09/99	5,632.14	607.01	107.78	400.65	7.1
D 03/20/99	375.92	26.10	69.43	17.23	4.6
D 03/27/99	1,030.19	52.64	51.10	34.74	3.4
D 04/03/99	37.07	2.30	61.98	1.52	4.1
D 04/10/99	848.27	42.88	50.55	28.30	3.3
D 04/17/99	599.74	27.93	46.58	18.44	3.1
D 04/24/99	812.67	53.26	65.54	35.14	4.3
D 05/01/99	33.89	1.40	41.40	0.93	2.7
D 07/10/99	132.34	5.48	41.40	3.62	2.7
D 08/21/99	1.46	0.06	41.40	0.04	2.7
H 03/06/99	10.56	0.73	69.44	0.52	4.9
H 03/20/99	36.84	0.72	19.55	0.51	1.4
H 09/04/99	4.24	0.50	117.07	0.35	8.3
H 10/16/99	1,327.25	69.67	52.49	49.47	3.7
H 10/23/99	68.35	4.85	71.02	3.45	5.0
K 02/13/99	12.50	0.52	41.28	0.33	2.6
K 07/10/99	5,154.71	152.08	29.50	97.32	1.9
K 07/17/99	6,725.22	138.01	20.52	88.33	1.3
K 07/24/99	3,209.69	42.55	13.26	27.24	0.8
K 08/07/99	1,501.88	51.25	34.12	32.78	2.2
K 08/14/99	5,083.35	82.50	16.23	52.81	1.0
K 08/21/99	388.24	5.85	15.08	3.75	1.0
K 10/23/99	25.41	0.22	8.59	0.14	0.6
O 03/20/99	804.88	9.19	11.42	6.07	0.8
O 03/27/99	9.77	0.11	11.42	0.07	0.7
O 04/24/99	2.53	0.03	11.42	0.02	0.8
O 10/16/99	4.65	0.05	11.42	0.04	0.9
P 01/23/99	5,098.58	3.61	0.71	2.74	0.1
P 01/30/99	11,938.24	4.61	0.39	3.51	0.0
P 02/06/99	5,166.85	2.21	0.43	1.68	0.0

P 02/13/99	3,809.63	0.47	0.12	0.36	0.0
P 02/20/99	4,643.25	0.10	0.02	0.08	0.0
P 02/27/99	484.49	0.01	0.03	0.01	0.0
P 03/06/99	1,100.22	0.00	0.00	0.00	0.0
P 03/13/99	767.08	0.00	0.00	0.00	0.0
P 03/20/99	42.59	0.00	0.00	0.00	0.0
P 05/22/99	34.53	0.01	0.18	0.00	0.0
P 06/05/99	8,125.35	2.09	0.26	1.59	0.0
P 06/12/99	11,002.74	2.19	0.20	1.68	0.0
P 06/19/99	227.02	0.02	0.09	0.01	0.0
P 09/04/99	7,722.93	0.14	0.02	0.10	0.0
P 09/18/99	8,197.81	1.89	0.23	1.43	0.0
P 09/25/99	12,204.05	2.57	0.21	1.96	0.0
P 10/02/99	6,468.00	0.35	0.05	0.26	0.0
P 10/09/99	2,128.36	0.06	0.03	0.03	0.0
P 10/16/99	3,724.57	0.01	0.00	0.00	0.0
P 10/23/99	137.76	0.01	0.09	0.01	0.0
S 08/21/99	16.12	0.30	18.60	0.21	1.3
W 03/27/99	67.34	3.32	49.28	2.19	3.3
W 04/03/99	143.32	4.95	34.57	3.27	2.3
W 04/10/99	131.27	6.70	51.08	4.43	3.4
W 04/17/99	468.50	23.09	49.28	15.24	3.3
W 04/24/99	204.68	9.51	46.46	6.28	3.1
W 05/01/99	164.54	8.56	52.01	5.64	3.4
W 07/17/99	272.67	12.99	47.63	8.57	3.1
W 07/24/99	262.63	11.81	44.95	7.79	3.0
W 08/07/99	99.58	2.90	29.13	1.91	1.9
W 10/02/99	9.22	0.27	29.13	0.18	2.0
W 10/09/99	1,089.57	65.22	59.86	43.04	4.0
W 10/16/99	1,040.33	47.92	46.06	31.62	3.0
X 01/23/99	25.48	1.44	56.42	0.79	3.1
X 01/30/99	126.32	6.98	55.28	3.84	3.0
X 02/06/99	73.96	4.14	55.99	2.28	3.1
X 02/13/99	53.09	3.00	56.42	1.65	3.1
X 02/20/99	58.16	3.28	56.42	1.80	3.1
X 03/06/99	188.08	7.83	41.63	4.31	2.3
X 03/13/99	363.89	15.69	43.11	8.63	2.4
X 03/20/99	508.42	12.44	24.48	6.85	1.3
X 03/27/99	518.50	16.63	32.07	9.14	1.8
X 04/03/99	590.72	36.40	61.61	20.02	3.4
X 04/10/99	1,712.25	96.08	56.11	52.84	3.1
X 04/17/99	1,449.98	79.60	54.90	43.78	3.0
X 04/24/99	1,492.41	108.30	72.57	59.57	4.0
X 05/01/99	32.91	2.60	79.07	1.43	4.3
X 07/10/99	63.79	3.98	62.41	2.19	3.4
X 07/17/99	159.54	10.34	64.81	5.69	3.6
X 07/24/99	17.22	1.05	61.09	0.58	3.4
X 08/07/99	96.07	4.27	44.43	2.34	2.4
X 08/14/99	633.55	14.82	23.40	8.16	1.3
X 08/21/99	57.32	3.37	58.83	1.85	3.2
X 10/02/99	43.56	2.35	54.04	1.29	3.0
X 10/16/99	48.06	8.23	171.28	4.53	9.4

1999 Halibut Bycatch by target fishery, zone and mode  
in the Gulf of Alaska

Trawl Gear

KEY	Groundfish Metric Tons	Halibut Bycatch Metric Tons	Rate (kg/mt)	Halibut Mortality Metric Tons	%
B 610 S	24.38	0.01	0.21	0.00	0.0

B 620 S	2,537.84	10.30	4.06	7.50	0.3
B 630 S	1,082.02	2.89	2.67	2.11	0.2
C 610 M	54.43	1.29	23.73	0.86	1.6
C 610 P	932.45	48.29	51.79	31.86	3.4
C 610 S	16,271.02	569.49	35.00	375.91	2.3
C 620 P	222.39	11.21	50.41	7.39	3.3
C 620 S	3,556.65	71.93	20.22	47.48	1.3
C 630 M	172.29	4.93	28.60	3.25	1.9
C 630 P	1,614.07	212.24	131.50	140.09	8.7
C 630 S	18,200.52	950.42	52.22	627.29	3.4
C 650 P	105.13	1.54	14.67	1.02	1.0
D 620 P	198.98	4.14	20.79	2.73	1.4
D 620 S	266.78	9.84	36.88	6.49	2.4
D 630 S	2,633.01	166.09	63.08	109.61	4.2
D 640 P	132.34	5.48	41.40	3.62	2.7
D 640 S	640.44	26.51	41.40	17.51	2.7
H 610 P	30.71	0.50	16.16	0.35	1.1
H 620 S	20.93	1.45	69.44	1.03	4.9
H 630 P	48.56	1.17	24.02	0.83	1.7
H 630 S	1,347.04	73.35	54.46	52.09	3.9
K 610 P	2,872.51	9.96	3.47	6.37	0.2
K 620 P	4,250.60	90.66	21.33	58.00	1.4
K 620 S	366.58	4.33	11.80	2.77	0.8
K 630 P	5,084.84	173.40	34.10	110.97	2.2
K 630 S	8,430.61	189.93	22.53	121.56	1.4
K 640 P	952.51	4.05	4.25	2.60	0.3
K 640 S	143.35	0.66	4.59	0.43	0.3
O 630 S	821.83	9.38	11.42	6.20	0.8
P 610 M	98.08	0.00	0.00	0.00	0.0
P 610 S	23,281.95	1.55	0.07	1.19	0.0
P 620 S	36,679.32	7.31	0.20	5.54	0.0
P 630 S	29,006.84	11.51	0.40	8.72	0.0
P 640 S	1,742.61	0.00	0.00	0.00	0.0
P 649 S	2,215.25	0.00	0.00	0.00	0.0
S 640 P	16.12	0.30	18.60	0.21	1.3
W 610 P	1,849.27	66.05	35.71	43.59	2.4
W 620 P	193.92	7.69	39.64	5.07	2.6
W 620 S	25.20	0.48	19.22	0.32	1.3
W 630 P	938.54	70.09	74.68	46.25	4.9
W 630 S	783.83	38.62	49.27	25.49	3.3
W 640 P	156.75	13.76	87.81	9.08	5.8
W 640 S	6.14	0.54	87.81	0.36	5.9
X 610 P	1,362.87	47.36	34.75	26.04	1.9
X 620 P	4,234.40	212.42	50.17	116.82	2.8
X 630 P	2,716.01	183.04	67.39	100.70	3.7

1999 Halibut Bycatch by target fishery and week  
in the Gulf of Alaska

Hook & Line Gear

KEY	Groundfish Metric Tons	Halibut Bycatch		Halibut Mortality	
		Metric Tons	Rate (kg/mt)	Metric Tons	%
B 06/05/99	0.04	0.00	0.00	0.00	0.0

C 01/02/99	207.39	17.88	86.23	2.87	1.4
C 01/09/99	713.27	58.66	82.24	9.38	1.3
C 01/16/99	1,028.11	86.07	83.72	13.79	1.3
C 01/23/99	800.18	67.73	84.65	10.84	1.4
C 01/30/99	1,014.97	104.98	103.43	16.82	1.7
C 02/06/99	844.31	86.26	102.16	13.80	1.6
C 02/13/99	672.87	61.74	91.75	9.87	1.5
C 02/20/99	1,221.59	107.08	87.66	17.13	1.4
C 02/27/99	2,239.17	333.85	149.09	53.42	2.4
C 03/06/99	2,121.31	312.25	147.20	49.95	2.4
C 03/13/99	1,141.30	220.52	193.22	35.27	3.1
C 03/20/99	110.12	16.81	152.63	2.68	2.4
C 03/27/99	22.87	3.38	147.79	0.52	2.3
C 04/03/99	9.79	2.46	250.94	0.39	4.0
C 04/10/99	10.58	1.83	173.41	0.30	2.8
C 04/17/99	20.05	4.72	235.52	0.75	3.7
C 04/24/99	1,477.13	605.11	409.65	96.81	6.6
C 05/01/99	14.58	1.92	131.40	0.31	2.1
C 05/08/99	21.57	1.17	54.23	0.20	0.9
C 05/15/99	17.88	1.67	93.61	0.27	1.5
C 05/22/99	17.65	1.89	107.11	0.30	1.7
C 05/29/99	18.73	2.62	139.95	0.42	2.2
C 06/05/99	9.68	1.36	140.18	0.23	2.4
C 06/12/99	9.00	1.11	123.61	0.19	2.1
C 06/19/99	6.72	0.83	123.92	0.14	2.1
C 06/26/99	7.28	1.15	157.63	0.18	2.5
C 07/03/99	8.75	1.47	168.25	0.22	2.5
C 07/10/99	4.85	0.78	160.06	0.12	2.5
C 07/17/99	2.48	0.34	135.43	0.06	2.4
C 07/24/99	3.89	0.63	161.82	0.10	2.6
C 07/31/99	5.31	1.03	194.31	0.16	3.0
C 08/07/99	1.40	0.29	206.37	0.04	2.9
C 08/14/99	3.70	0.33	89.75	0.04	1.1
C 08/21/99	10.71	0.98	91.63	0.14	1.3
C 08/28/99	5.48	1.22	223.38	0.19	3.5
C 09/04/99	2.07	0.33	161.47	0.05	2.4
C 09/11/99	9.50	0.66	68.98	0.11	1.2
C 09/18/99	12.22	1.10	90.08	0.17	1.4
C 09/25/99	17.36	1.23	70.91	0.20	1.2
C 10/02/99	10.49	1.56	149.09	0.25	2.4
C 10/09/99	3.47	0.35	100.09	0.05	1.4
C 10/16/99	4.29	0.63	147.53	0.09	2.1
C 10/23/99	7.81	1.00	128.66	0.17	2.2
C 10/30/99	5.71	0.47	82.82	0.08	1.4
C 11/06/99	4.67	1.08	231.13	0.18	3.9
C 11/13/99	19.70	3.91	198.66	0.63	3.2
C 11/20/99	21.00	4.48	213.27	0.72	3.4
C 11/27/99	8.92	2.59	290.60	0.41	4.6
C 12/11/99	12.19	3.80	311.34	0.61	5.0
C 12/18/99	12.69	3.95	311.34	0.64	5.0
C 12/25/99	4.49	0.72	161.32	0.12	2.7
D 09/18/99	1.96	0.00	0.00	0.00	0.0
K 01/02/99	2.53	2.04	807.10	0.00	0.0
K 01/09/99	85.18	69.52	816.12	0.00	0.0
K 01/16/99	24.85	16.98	683.12	0.00	0.0
K 01/23/99	77.47	54.04	697.59	1.23	1.6
K 01/30/99	14.85	10.27	691.40	0.00	0.0
K 02/06/99	8.06	0.03	4.07	0.00	0.0
K 02/13/99	0.36	0.00	0.00	0.00	0.0
K 02/20/99	5.67	0.00	0.00	0.00	0.0
K 02/27/99	9.15	7.18	784.22	0.42	4.6
K 03/06/99	5.19	0.84	162.75	0.00	0.0
K 03/13/99	3.51	1.12	320.09	0.10	2.8

K 03/20/99	3.95	0.46	116.26	0.01	0.3
K 03/27/99	5.45	0.89	162.51	0.00	0.0
K 04/03/99	19.92	5.21	261.42	0.02	0.1
K 04/10/99	4.97	0.00	0.00	0.00	0.0
K 04/17/99	6.60	0.75	113.07	0.02	0.3
K 04/24/99	9.76	3.66	374.74	0.24	2.5
K 05/01/99	5.95	0.62	103.37	0.05	0.8
K 05/08/99	4.59	0.22	48.24	0.02	0.4
K 05/15/99	13.34	3.12	233.60	0.20	1.5
K 05/22/99	5.46	1.80	328.93	0.16	2.9
K 05/29/99	5.57	1.10	197.29	0.07	1.3
K 06/05/99	4.26	0.79	184.80	0.07	1.6
K 06/12/99	9.64	3.91	405.78	0.25	2.6
K 06/19/99	5.45	1.34	245.27	0.02	0.4
K 06/26/99	5.24	2.73	521.15	0.15	2.9
K 07/03/99	2.12	0.37	174.07	0.00	0.0
K 07/10/99	7.32	4.75	648.66	0.03	0.4
K 07/17/99	2.43	1.27	523.09	0.11	4.5
K 07/24/99	4.40	1.34	305.66	0.01	0.2
K 07/31/99	7.38	4.53	614.50	0.02	0.3
K 08/07/99	5.25	3.01	573.27	0.10	1.9
K 08/14/99	5.54	3.73	673.52	0.03	0.5
K 08/21/99	5.52	1.82	329.81	0.02	0.4
K 08/28/99	1.47	0.21	145.05	0.02	1.4
K 09/04/99	3.20	1.21	379.28	0.00	0.0
K 09/11/99	3.32	1.00	301.35	0.00	0.0
K 09/18/99	0.41	0.03	80.00	0.00	0.0
K 09/25/99	4.05	1.71	423.20	0.00	0.0
K 10/02/99	3.94	0.39	99.91	0.02	0.5
K 10/09/99	4.53	1.98	438.09	0.05	1.1
K 10/16/99	0.60	0.00	0.00	0.00	0.0
K 10/23/99	0.73	0.00	0.00	0.00	0.0
K 10/30/99	7.02	4.67	665.87	0.39	5.6
K 11/06/99	0.12	0.09	751.67	0.00	0.0
K 11/13/99	1.11	0.74	664.92	0.01	0.9
K 11/20/99	11.67	8.78	752.61	0.00	0.0
K 11/27/99	15.41	10.92	708.32	0.00	0.0
K 12/04/99	17.76	14.56	820.07	0.00	0.0
K 12/11/99	3.70	1.03	277.05	0.00	0.0
K 12/18/99	0.74	0.61	820.07	0.00	0.0
O 03/20/99	0.56	0.40	721.30	0.06	10.7
O 04/03/99	0.09	0.00	0.00	0.00	0.0
O 05/08/99	47.55	0.61	12.89	0.10	0.2
O 06/12/99	1.40	0.00	0.00	0.00	0.0
O 07/03/99	1.00	0.72	721.30	0.12	12.0
O 07/10/99	0.02	0.01	721.50	0.00	0.0
O 07/24/99	16.42	11.84	721.30	1.90	11.6
O 10/02/99	0.24	0.17	721.29	0.03	12.5
O 10/23/99	0.01	0.01	721.00	0.00	0.0
O 11/06/99	0.04	0.03	721.25	0.00	0.0
P 04/24/99	0.05	0.00	0.00	0.00	0.0
S 05/01/99	0.07	0.00	0.00	0.00	0.0

1999 Halibut Bycatch by target fishery, zone and mode  
in the Gulf of Alaska

Hook & Line Gear

KEY	Groundfish Metric Tons	Halibut Bycatch		Halibut Mortality	
		Metric Tons	Rate (kg/mt)	Metric Tons	%
B 630 S	0.04	0.00	0.00	0.00	0.0

C 610 P	5,528.50	889.49	160.89	142.34	2.6
C 610 S	38.79	3.13	80.72	0.49	1.3
C 620 P	190.26	37.60	197.64	6.02	3.2
C 620 S	204.38	38.75	189.61	6.21	3.0
C 630 M	3.32	0.60	181.38	0.10	3.0
C 630 P	111.22	20.18	181.42	3.22	2.9
C 630 S	7,403.69	1,007.69	136.11	161.19	2.2
C 640 S	27.46	0.20	7.39	0.03	0.1
C 649 S	260.62	79.16	303.75	12.66	4.9
C 650 S	16.21	1.93	118.99	0.32	2.0
C 659 P	19.05	5.93	311.34	0.95	5.0
C 659 S	177.75	55.34	311.34	8.85	5.0
D 610 S	1.96	0.00	0.00	0.00	0.0
K 610 S	1.40	1.15	820.06	0.10	7.1
K 620 S	0.51	0.42	820.08	0.04	7.8
K 630 P	5.23	4.29	820.07	0.39	7.5
K 630 S	15.83	9.50	599.90	0.84	5.3
K 640 S	33.61	27.56	820.07	2.47	7.3
K 649 S	10.88	0.00	0.00	0.00	0.0
K 650 S	267.83	214.46	800.72	0.00	0.0
K 659 P	0.48	0.00	0.00	0.00	0.0
K 659 S	130.94	0.00	0.00	0.00	0.0
O 610 S	16.42	11.84	721.30	1.90	11.6
O 630 S	1.31	0.94	721.30	0.15	11.5
O 649 S	46.79	0.00	0.00	0.00	0.0
O 650 S	1.41	1.02	721.30	0.16	11.3
O 659 S	1.40	0.00	0.00	0.00	0.0
P 630 S	0.05	0.00	0.00	0.00	0.0
S 630 S	0.07	0.00	0.00	0.00	0.0

1999 Halibut Bycatch by target fishery and week  
in the Gulf of Alaska

Pot Gear

KEY	Groundfish		Halibut Bycatch		Halibut Mortality	
	Metric Tons		Metric Tons	Rate (kg/mt)	Metric Tons	%
C 01/02/99	179.30		1.03	5.74	0.06	0.0
C 01/09/99	1,361.27		19.54	14.35	1.18	0.1
C 01/16/99	1,009.64		8.29	8.21	0.49	0.0
C 01/23/99	1,944.58		15.75	8.10	0.95	0.0
C 01/30/99	528.40		2.92	5.53	0.17	0.0
C 02/06/99	345.26		1.10	3.18	0.05	0.0
C 02/13/99	387.45		1.11	2.85	0.07	0.0
C 02/20/99	1,663.33		9.81	5.90	0.59	0.0
C 02/27/99	2,004.88		13.82	6.89	0.83	0.0
C 03/06/99	1,481.80		13.60	9.18	0.79	0.1
C 03/13/99	2,042.18		13.64	6.68	0.80	0.0
C 03/20/99	389.20		1.91	4.90	0.11	0.0
C 03/27/99	15.77		0.14	8.90	0.01	0.1
C 04/03/99	24.40		0.22	8.90	0.01	0.0
C 04/10/99	26.74		0.22	8.34	0.01	0.0
C 04/17/99	204.46		1.23	6.02	0.07	0.0
C 04/24/99	117.47		0.74	6.30	0.04	0.0
C 05/01/99	79.14		1.37	17.36	0.08	0.1
C 05/08/99	133.31		2.58	19.33	0.16	0.1
C 05/15/99	255.11		3.03	11.87	0.18	0.1

C 05/22/99	159.90	4.00	24.99	0.23	0.1
C 05/29/99	247.91	12.16	49.04	0.73	0.3
C 06/05/99	384.45	25.30	65.82	1.52	0.4
C 06/12/99	294.31	38.81	131.88	2.32	0.8
C 06/19/99	392.71	179.38	456.76	10.77	2.7
C 06/26/99	253.65	122.85	484.35	7.38	2.9
C 07/03/99	177.40	0.57	3.22	0.03	0.0
C 07/10/99	178.40	3.76	21.10	0.22	0.1
C 07/17/99	347.48	24.91	71.68	1.50	0.4
C 07/24/99	243.99	11.53	47.25	0.69	0.3
C 07/31/99	255.27	9.43	36.94	0.57	0.2
C 08/07/99	225.88	11.73	51.93	0.71	0.3
C 08/14/99	267.36	15.26	57.08	0.91	0.3
C 08/21/99	161.87	0.73	4.49	0.04	0.0
C 08/28/99	128.38	0.41	3.21	0.03	0.0
C 09/04/99	95.42	1.57	16.44	0.10	0.1
C 09/11/99	249.35	37.91	152.04	2.28	0.9
C 09/18/99	262.13	38.03	145.08	2.29	0.9
C 09/25/99	169.62	8.84	52.14	0.53	0.3
C 10/02/99	453.76	25.24	55.62	1.50	0.3
C 10/09/99	114.65	0.67	5.83	0.04	0.0
C 11/06/99	7.63	0.07	9.79	0.00	0.0
K 04/03/99	0.03	0.00	0.00	0.00	0.0
O 03/20/99	0.02	0.00	0.00	0.00	0.0
O 03/27/99	0.83	0.00	0.00	0.00	0.0
O 04/03/99	1.09	0.00	0.00	0.00	0.0
O 04/10/99	0.77	0.00	0.00	0.00	0.0
O 04/17/99	1.98	0.00	0.00	0.00	0.0
O 04/24/99	1.60	0.00	0.00	0.00	0.0
O 05/01/99	1.20	0.00	0.00	0.00	0.0
O 10/16/99	0.39	0.00	0.00	0.00	0.0
O 10/23/99	0.04	0.00	0.00	0.00	0.0
O 10/30/99	0.55	0.00	0.00	0.00	0.0
O 11/06/99	0.25	0.00	0.00	0.00	0.0
O 11/13/99	1.32	0.00	0.00	0.00	0.0
O 11/20/99	4.56	0.00	0.00	0.00	0.0
O 11/27/99	1.39	0.00	0.00	0.00	0.0
O 12/04/99	5.80	0.00	0.00	0.00	0.0
O 12/11/99	3.59	0.00	0.00	0.00	0.0
O 12/18/99	3.04	0.00	0.00	0.00	0.0
O 12/25/99	2.90	0.00	0.00	0.00	0.0
P 04/03/99	0.06	0.00	0.00	0.00	0.0
P 11/06/99	0.04	0.00	0.00	0.00	0.0
S 09/11/99	10.73	0.00	0.00	0.00	0.0
S 09/18/99	0.14	0.00	0.00	0.00	0.0
S 10/02/99	23.68	0.00	0.00	0.00	0.0
S 10/09/99	9.65	0.00	0.00	0.00	0.0
W 03/13/99	12.25	0.00	0.00	0.00	0.0

1999 Halibut Bycatch by target fishery, zone and mode  
in the Gulf of Alaska

Pot Gear

KEY	Groundfish Metric Tons	Halibut Bycatch Metric Tons	Halibut Bycatch Rate (kg/mt)	Halibut Mortality Metric Tons	Halibut Mortality %
C 610 M	187.02	1.05	5.61	0.06	0.0
C 610 P	1,439.51	56.79	39.45	3.40	0.2
C 610 S	1,172.18	6.57	5.61	0.38	0.0



C 620 P	2,939.16	411.82	140.11	24.73	0.8
C 620 S	5,509.03	17.21	3.12	1.04	0.0
C 630 M	39.86	0.32	7.93	0.02	0.1
C 630 P	5.90	0.04	6.65	0.00	0.0
C 630 S	7,665.24	188.66	24.61	11.26	0.1
C 649 S	299.68	2.67	8.90	0.15	0.1
C 650 S	7.63	0.07	9.79	0.00	0.0
K 630 S	0.03	0.00	0.00	0.00	0.0
O 610 S	0.02	0.00	0.00	0.00	0.0
O 620 S	6.46	0.00	0.00	0.00	0.0
O 630 S	24.84	0.00	0.00	0.00	0.0
P 620 S	0.10	0.00	0.00	0.00	0.0
S 659 S	44.20	0.00	0.00	0.00	0.0
W 620 S	12.25	0.00	0.00	0.00	0.0

Groundfish tons is total of all allocated groundfish species harvested in the target fishery.

The KEY is composed of a target fishery, the zone (subarea), and the processing mode. Targets and modes are defined below.

#### 1999 Groundfish Targets:

A	Atka Mackerel	BSAI,GOA
B	Pollock -- bottom*	BSAI,GOA
C	Pacific Cod	BSAI,GOA
D	Deep Water Flatfish*	GOA
F	Other Flatfish*	BSAI
H	Shallow Water Flatfish*	GOA
K	Rockfish	BSAI,GOA
L	Flathead sole	BSAI,GOA
O	'Other'	BSAI,GOA
P	Pollock - midwater*	BSAI,GOA
R	Rock Sole	BSAI
S	Sablefish	BSAI,GOA
T	Greenland turbot	BSAI
W	Arrowtooth Flounder	BSAI,GOA
X	Rex sole	GOA
Y	Yellowfin sole	BSAI

\* Pollock targets defined by catch composition, not reported gear type.

\* Deep Water Flatfish includes Dover sole and Greenland turbot.

\* Shallow Water Flatfish includes flatfish not including Deep Water Flatfish, Flathead sole, Rex sole, or Arrowtooth Flounder.

\* Other Flatfish includes all flatfish species except for Pacific Halibut (a prohibited species) and all other flatfish species that have a separate specified TAC amount.

#### Modes

M : Mothership

P : Catcher/Processor

S : Shore Plant

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# INTERNATIONAL PACIFIC HALIBUT COMMISSION

ESTABLISHED BY A CONVENTION BETWEEN CANADA

AND THE UNITED STATES OF AMERICA

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June 2, 2000

Dr. Clarence Pautzke, Executive Director  
North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, AK 99501-2252

Re: June 2000 Meeting, Agenda Item C-1(b): Halibut Donation Program

Dear Clarence:

As you may recall, at the April 1997 meeting the Council approved the Halibut Donation Program (HDP) for a three-year period (1998-2000). The staff of the International Pacific Halibut Commission has reviewed the performance of the HDP during 1998-1999 and prepared a discussion paper containing our findings and recommendations. One of our recommendations was to renew the program for another three years (2001-2003).

We have recently discussed the various aspects of renewing the HDP with NMFS staff and can support Alternative 2 (open-ended renewal) if the Council, in consultation with IPHC and NMFS, commit to a periodic review and opportunity for revision of the HDP. NMFS and IPHC staffs have developed the following review outline:

(A) A joint review of the HDP by IPHC and NMFS will occur prior to the 2003 IPHC Annual Meeting. The joint review will be submitted to IPHC for program evaluation and comment. The review will include, but not be limited to, the following:

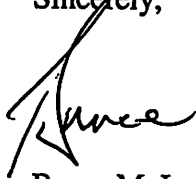
- (1) A comparison of reported donated halibut to fish ticket data to confirm reporting compliance;
- (2) The level of total donations;
- (3) Information of the originating fishery providing donations;
- (4) Any record of violations, as provided by enforcement officials;
- (5) Information on any enforcement concerns;
- (6) Measures taken to ensure high product quality which are submitted as a requirement under § 679.26(b); and
- (7) Information on the benefits provided to economically disadvantaged individuals.

(B) IPHC's comments will be provided to the North Pacific Fishery Management Council for consideration at its April 2003 meeting. At this meeting, the Council may recommend changes to the HDP based on IPHC's and its own evaluation of the program, with the intent that such program revisions would be implemented for 2004.

The IPHC staff believes that a periodic review and evaluation of the HDP is important to ensure that the goals of the Council and IPHC for the program are being met. The addition to the HDP of a scheduled joint review strengthens the program.

Gregg Williams from our staff will be attending the June meeting and can address any questions the Council may have about our position.

Sincerely,



Bruce M. Leaman  
Executive Director

cc: IPHC commissioners

# **NOTICE**

**Following are the Gulf of Alaska Coastal Communities' Discussion Papers regarding Community Purchase of Existing Commercial IFQs and Community "Set Aside" of halibut charter IFQ.**

**These documents, although approved in concept by the GOACCC Board of Directors, have not been approved in their final form and may be edited prior to final approval at the May 31, 2000 GOACCC Board of Directors meeting.**

**Community Purchase of Halibut and  
Sablefish Individual Fishing  
Quota Shares  
Discussion Paper  
May 30, 2000**

**Prepared by Staff:**

**Gulf of Alaska  
Coastal Communities Coalition**

**P.O. Box 201236  
Anchorage, AK 99520**

**May 30, 2000**

# Executive Summary

- ▶ National Standard 8 of the Magnuson-Stevens Fishery Conservation Management Act directs that “Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts in such communities.”
- ▶ The Oceans Studies Board of the National Academy of Science’s National Research Council (NRC) report on Individual Fishing Quotas, Sharing the Fish: Toward a National Policy on IFQs, explicitly recommends that “For existing IFQ programs, councils should be permitted to authorize the purchase, holding, management and sale of IFQ by communities.”
- ▶ Alaska’s halibut and sablefish IFQ program, created prior to the adoption of National Standard 8, was not designed to minimize adverse economic impacts on smaller fisheries-dependant coastal communities in the Gulf of Alaska and, by all current indications, will not provide for the sustained participation of many of Alaska’s smaller Gulf communities in the halibut and sablefish IFQ fisheries.
- ▶ Existing loan programs or newly created community loan entities may help reverse current trends regarding quota share transfer and job loss. However, these approaches still focus on individual ownership and are subject to an individual’s economic needs and decisions.
- ▶ Community IFQ ownership provides an alternative model that could allow qualifying communities to obtain halibut and sablefish fishing rights and preserve those rights in perpetuity — similar to an endowment.
- ▶ Eligible communities are defined by four criteria: 1. located on salt water (coastal); 2. fisheries-dependant; 3. remote (no road access); and 4. less than 2,500 people as recorded by the 2000 census. These criteria qualify six communities in halibut management area 3B, twelve communities located in halibut management area 3A, and twenty-two communities located in halibut management area 2C.
- ▶ A non-profit community development corporation or fisherman’s association would be an appropriate ownership and management entity for community IFQs. The entity must be inclusive of all residents in qualifying coastal communities, native and non-native alike.
- ▶ Communities should be restricted by the same ownership caps currently applied to individual IFQ

holders. In addition, communities should be restricted to purchasing shares for areas in proximity to their communities. Additional limitations should be applied to halibut management area 2C and sablefish area "Southeast" and "West Yakutat".

- ▶ Given community caps and geography limitations as well as market costs, it is improbable that a cumulative cap for the program is needed.
- ▶ Once IFQs are purchased by the community ownership entity, they become "community fishing quota" (CFQ) and can be fished by community residents without block or vessel class distinction.
- ▶ If blocking restrictions are imposed, they should not be limited in number nor more restrictive than the current ratio of blocked and unblocked shares.
- ▶ Allocations within communities should primarily be determined by the community ownership entity -- with each community developing its own criteria.
- ▶ Communities are required to have some community residents involved in the fishing of community quota shares and cannot "lease" quota share for fishing by non-residents with non-resident crews.
- ▶ Individuals should have use caps, probably in the range of 25,000 to 75,000# per individual — inclusive of privately held IFQs.
- ▶ The community ownership entity remains the registered owner of community quota shares and annually notifies RAM division of its intent to transfer an amount of quota to an designated community member.
- ▶ Communities are free to resell their quota shares; however, upon resale quota retains its block and vessel size restrictions. (Some exceptions may apply for blocks in area 3B).
- ▶ Codes of conduct will be established for the ownership entity, quota transferee and crewmembers. Administrative costs and dept service will be limited to 25% of ex-vessel value.
- ▶ Sunset provisions would compromise the program's objective of creating endowment like fishing opportunities for residents of qualifying Gulf of Alaska coastal communities.
- ▶ RAM division of the National Marine Fisheries Service would be the primary agency for administration and oversight of the program.
- ▶ Community governing structures provide another approach to natural resource management that may enhancement the success of Alaska's halibut and sablefish IFQ program.

# Problem Statement

National Standard 8 of the Magnuson-Stevens Fishery Conservation and Management Act directs that "Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities in order to (a) provide for the sustained participation of such communities, and (b) to the extent practicable, minimize adverse economic impacts in such communities."<sup>1</sup> The current halibut and sablefish IFQ management structure, despite its many benefits, was not designed to minimize adverse economic impacts on fisheries-dependant coastal communities in the Gulf of Alaska, and by all current indications, will not provide for the sustained participation of many of Alaska's smaller Gulf communities in the halibut and sablefish IFQ fisheries.

## Requested Action:

GOAC<sup>3</sup> requests that the council adopt, for staff analysis, this discussion paper and the draft Elements and Options for Analysis Regarding Community Ownership of IFQs.

## Background:

The NPFMC reviewed IFQ proposals and staff tasking at their February 2000 meeting. Also at this meeting the GOAC<sup>3</sup> presented a "Supplemental Memorandum" to its proposed regulatory changes which further outlined the concept of community purchased fishing quotas (CFQs). Because of concerns about Council staff time and available Council resources, the Council directed GOAC<sup>3</sup> staff to assist council by developing a "Discussion Paper" that would address seven issues regarding their proposal.<sup>2</sup>

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<sup>1</sup>16 U.S.C. 1851, Sec 201.

<sup>2</sup> Mr. O'Leary, in a friendly amendment accepted by Mr. Benton, moved to have the GOACCC's proposal regarding the community ownership if IFQ's forwarded for the Coalition to work with Council staff to develop a discussion paper to discuss the following issues:

1. Community qualifications to purchase and hold IFQ's.
2. Appropriate ownership entity within the qualifying community.



Also, during the February Council meeting, Council Staff was directed to "fast track" the halibut charter IFQ proposal. Gulf of Alaska Coastal Communities in halibut management areas 3A and 2C requested that, consistent with the recommendations of Sharing the Fish,<sup>3</sup> coastal communities be considered for analysis as possible recipients of halibut charter quota share.

During the April council meeting, the Advisory Panel (AP) to the Council, in deference to the NRC report, supported inclusion of communities in the halibut charter analysis. For the Councils discussion of the issue, the GOAC<sup>3</sup> presented a concept document outlining a halibut charter IFQ "set aside". The Council directed GOAC<sup>3</sup> to include community halibut charter IFQs in their forthcoming "discussion paper". Although they are related issues, the halibut charter IFQ discussion will be presented separately.

## History

The halibut and sablefish Individual Fishing Quota (IFQ) Share system had significant impacts on the Gulf of Alaska fishing industry as well as those fisheries dependant coastal communities which border Alaska's Gulf Coast. Initial allocation criteria limited recipients of

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3. Applicable ownership caps.
    - A. For individual communities.
    - B. For all qualifying communities.
  4. Purchase, sale and use restrictions.
    - A. Blocked and unblocked issues.
    - B. Transferee residency requirements.
    - C. Individual use caps.
  5. "Codes of conduct" for the owner/transferee relationship.
    - A. Skipper and crew shares.
    - B. Administrative costs.
  6. Appropriate administration and oversight.
  7. Other issues as related and appropriate.

<sup>3</sup>"The Committee recommends that councils consider including fishing communities in the initial allocation of IFQs, ..." P. 200, Sharing the Fish: Toward a national Policy on IFQs.

quota share to vessel “owners” and “lessees” who had participated in the fishery in a three year window between 1988 and 1990 and proportioned quota share exclusively on the basis of catch during the best five of seven years (1984-90) for halibut and the best five of six years (1985-1990) for sablefish. The IFQ program attempted to protect small boat fishermen by creating a “block” system and classes of shares based on vessel length and to address the problem of limited “rural coastal community development of a small-boat fishery.”<sup>4</sup> Nevertheless, there were no safeguards implemented to inhibit transfer of quota from Gulf of Alaska coastal communities and no regulations tying economic benefits from the resource to these communities.

Because of concerns raised about IFQ type fisheries management,<sup>5</sup> Congress, in 1996 as part of the Sustainable Fisheries Act, imposed a moratorium on new IFQ programs and directed the National Academy of Science’s National Research Council (NRC) to study a wide range of questions concerning the social, economic, and biologic effects of IFQs and to make recommendations about existing and future IFQ programs. The Ocean Studies Board of the Academy conducted five hearings and heard testimony from a host of witnesses. Their report, entitled Sharing the Fish: Toward a National Policy on Individual Fishing Quotas (Sharing the Fish) was published in December 1998 and sets forth a number of recommendations and public policy concerns regarding the use of individual fishing quotas.

The NRC report makes four recommendations to the Secretary of Commerce and the National Marine Fisheries Service regarding review and implementation of IFQ programs and then lists 14 issues that regional fisheries management councils should address in developing and implementing IFQ programs. One of the four recommendations and six out of the fourteen issues include fishery dependant coastal communities. The Magnuson-Stevens Fishery Conservation and Management Act indicates that the NRC report is the national policy document on IFQ’s, and

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<sup>4</sup>The Halibut and Sablefish IFQ program’s Environmental Assessment/Regulatory Impact Review identifies ten problems that the IFQ program was intended to address. P. 307, Sharing the Fish: Towards a National Policy on IFQs.

<sup>5</sup>“A number of problems were identified in operative IFQ programs during the committee’s work. Prominent among them are concerns about the fairness of the initial allocations, effects of IFQs on processors, increased costs for new fishermen to gain entry, consolidation of quota shares (and thus economic power), effects of leasing, confusion about the nature of the privilege involved, elimination of vessels and reduction in crew, and the equity of gifting a public trust resource.” P. 4, Sharing the Fish: Toward National Policy on IFQs.

requires that the report's recommendations are considered by the Secretary of Commerce and regional management councils. "After the expiration of the moratorium, Congress requires any council submitting an IFQ program, and the Secretary of Commerce in reviewing that program for approval, to consider this NRC report and ensure that the program includes a process for review and evaluation . . . and to facilitate new entry, especially of those not favored by the initial allocation (Sec. 303 [d][5])."<sup>6</sup>

With respect to the Secretary of Commerce, the report states: "Councils should consider including fishing communities in the initial allocation of IFQ (as community fishing quotas), where appropriate. The Secretary of Commerce should interpret the clause in the Magnuson-Stevens Act pertaining to fishing communities (National Standard 8)<sup>7</sup> to support this approach to limited entry management."<sup>8</sup>

The report advises regional councils that they "could avoid some of the allocation controversies encountered in the past by giving more consideration to (1) who should receive initial allocation, including crew members, skippers, communities, and other stakeholders; (2) how much they should receive; and (3) how much the potential recipients should be required to pay for the initial receipt of quota. . . ."<sup>9</sup> It further cautions that "if important objectives include maintaining owner-operated fisheries and fishery-dependant coastal communities, greater attention may have to be given to equity considerations in setting upper limits on ownership, limiting transfer of quota share outside communities, and similar measures."<sup>10</sup>

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<sup>6</sup>P. 18, Sharing the Fish: Toward a National Policy on IFOs.

<sup>7</sup>16 U.S.C. 1851, Sec 201. "Conservation and Management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts in such communities."

<sup>8</sup> P.8, Sharing the Fish: Toward a National Policy on IFOs

<sup>9</sup>P. 9, Sharing the Fish: Toward a National Policy on IFOs

<sup>10</sup>P.10, Sharing the Fish: Toward a National Policy on IFOs

Finally, the National Research Council concludes, (w)hen designing IFQ programs, councils should be allowed to allocate quota shares to communities or other groups, as distinct from vessel owners or fishermen. For existing IFQ programs, councils should be permitted to authorize the purchase, holding, management, and sale of IFQ by communities. Such quota shares could be used for community development purposes, treated as a resource allowing local fishermen to fish, or reallocated to member fishermen by a variety of means, including loans.<sup>11</sup>

On August 16, 1999, the Gulf of Alaska Coastal Communities Coalition (GOAC<sup>3</sup>) submitted a proposal to the North Pacific Fisheries Management Council (NPFMC) requesting minor regulatory changes to the limitations on ownership of halibut and sablefish quota shares. The requested language would “allow small fishing dependant communities in the Gulf of Alaska, with no road access to larger communities, to form community-based, non-profit organizations which could acquire - through the open market - halibut and sablefish quota shares for the purpose of retaining quota shares in the communities for lease to and use by resident commercial fishermen.”

The GOAC<sup>3</sup>'s proposed changes are consistent with the directives of Sharing the Fish: “(a)nother way to implement Community Fishing Quotas (CFQs) would be to modify existing legislation and practice to allow communities and other organizations such as co-operatives and community development associations, to enter into the markets for IFQ. . . .”<sup>12</sup> The proposal will not compromise the substantial benefits of the IFQ program — safety, conservation, the elimination of ghost fishing, economic efficiency, better quality and longer market access,<sup>13</sup> and it is designed to minimally disrupt existing participants while expanding opportunities for coastal communities. Moreover, the proposal may provide markets for a class of fishermen with difficult to sell quota share.

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<sup>11</sup> P. 9, Sharing the Fish: Toward a National Policy on IFOs

<sup>12</sup> P. 128, Sharing the Fish: Toward a National Policy on IFOs

<sup>13</sup>P. 35, See Also “Problems & Issues”, P. 73, Sharing the Fish: Toward a National Policy on IFOs

In October, 1999, the Council's IFQ Implementation Committee reviewed the GOAC<sup>3</sup> proposal. Several members of the committee saw the proposal as a way to address concerns about declining economic opportunities in rural communities while others were concerned that the proposal would create competition for quota share and would move away from an owner/operator fishery. The Implementation Committee had a tie vote regarding whether or not to recommend the proposal for analysis. The AP, during the February meeting, briefly discussed the community IFQ ownership proposal but focused their attention on prioritizing other amendments to current IFQ regulations.

## **Initial Allocations**

Residents of smaller<sup>14</sup> fisheries-dependant coastal communities in the Gulf of Alaska initially qualified for and were issued, relative to their fishing heritage and the total number of quota shares, a small amount of halibut and sablefish quota. Commercial Fisheries Entry Reports 98-SPSGOA-N (Smaller Gulf of Alaska Communities) and SPLGOA-N (Larger Gulf of Alaska Communities) confirm that, in Areas 2C, 3A and 3B, residents in the smaller communities were initially issued 3,938,949 pounds of halibut IFQ or @10.5% of the total halibut IFQ pounds issued and 1,402,430 pounds of sablefish IFQ or @ 3.01% of the total sablefish IFQ pounds issued. In contrast, vessel owners living in Alaska's larger Gulf communities<sup>15</sup> were issued 24,838,167 pounds of halibut IFQ or 66% of the total halibut IFQ pounds issued and 10,672,846 pounds of sablefish IFQ or 23% of the total sablefish IFQ pounds issued.

Although historical data is limited, "[i]n most cases, the lack of socioeconomic data makes it impossible to characterize precisely how communities may be affected by the implementation of an

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<sup>14</sup>Based on the 1990 census data for communities of less than 2,000 residents and as used in the August 1998 CFEC report "Holdings of Limited Entry Permits, Sablefish Quota Shares, and Halibut Quota Shares Through 1997 and Data on Fisheries Gross Earnings." In this report, small communities include Chignik, Chignik Lake, Chignik Lagoon, Chignik Bay, King Cove, Prerryville, Sand Point, Ivanof Bay Akhiok, Karluk, Larsen Bay, Old Harbor, Ouzinkie, Port Lions, Chenega, Chenega Bay, English Bay, Nanwalek, Ninilchik, Port Graham, Seldovia, Tatitlek, Angoon, Craig, Elfin Cove, Hoonah, Hydaburg, Kake, Kasaan, Klawock, Klukwan, Metlakatla, Pelican, Saxman and Yakutat. The CDQ communities of Akatan, Atka and Belkofski, although included in the CFEC information, are excluded from the discussion herein.

<sup>15</sup>Large communities include Cordova, Haines, Homer, Kenai, Ketchikan, Kodiak, Juneau, Petersburg, Seward, Sitka, Valdez, Whittier and Wrangell.

IFQ program . . .”<sup>16</sup> it is widely understood by fishermen from rural areas that, had the IFQ allocation criteria reached back 10 or 20 years for fishing catch history and, like the state of Alaska in their salmon limited entry program, awarded points for longevity---for those who participated in the fishery when it lasted for more than a few days---and recognized economic dependance on the halibut and sablefish fisheries, substantially more of the halibut and sablefish quota share would have been allocated to residents in smaller coastal communities. As the NRC report explains, “ The particular years used to determine historical participation and eligibility for IFQ can have profound social and distributional effects. . . .”<sup>17</sup>

Fairness, that is equity among a broad spectrum of stakeholders,<sup>18</sup> in the initial allocation of quota share is crucial for the success of an IFQ program. The NRC report talks about a “critical mass” of quota being allocated to an individual or community for them to be economically able to continue to participate in the fishery and further expands the concept of “catch history”. “Catch history, as a measure of participation in a fishery, reflects the participation not only of individual and occupational groups, but also of fishing communities. From this perspective, communities may be entitled to initial quota allocations.”<sup>19</sup> The “block system” and other exemptions for Southeastern Alaskan small boat fishermen attempted to provide a “critical mass” of quota for small boat fishermen, but parallel limitations on quota transfer were not considered for coastal fishing communities.

Those that designed and implemented the halibut and sablefish IFQ program are correct in clarifying that their motives were not to harm rural communities and that IFQs were intended as a fisheries management program and not a “social program”. Furthermore, the Magnuson/Stevens Act required the regional councils to consider “recent participants” when designing IFQ initiatives.<sup>20</sup>

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<sup>16</sup>Page 386, Sharing the Fish: Toward a National Policy on IFQs

<sup>17</sup> Page 140, Sharing the Fish: Toward a National Policy on IFQs

<sup>18</sup> “Such stakeholders include vessel owners, hired skippers, crew member, processors, communities, fishery managers, environmental groups, and others.” P.8, Sharing the Fish: Toward a National Policy on IFQs.

<sup>19</sup> P. 200, Sharing the Fish: Toward a National Policy on IFQs

<sup>20</sup>16 U.S.C. 1853, Section 303(b)(6) “Discretionary Provisions”

And finally, residents from rural communities were treated equitably within the criteria adopted by the program --- they received the quota that they qualified for just like residents from all other communities. Nevertheless, limitations on initial allocations did not “minimize adverse economic impacts in (fishing) communities,” and it has contributed to the continuing erosion of “sustained participation of such communities” in the halibut and sablefish fisheries.

GOAC<sup>3</sup> understands that many of the problems currently being experienced by Gulf of Alaska communities, such as decline in community fishermen and separation of communities from proximate marine resources, are transgenerational trends that existed before the implementation of the IFQ program. Other community problems, particularly problems of substance abuse and welfare dependence, also cannot be blamed on IFQs. For the most part, the issuance and implementation of IFQs simply accelerated existing community trends or combined with existing resource management strategies to cumulatively impact rural communities. Community ownership of quota share will not solve all of the problems rural communities face, and it is unknown if community fishing quotas will reverse existing trends. However, “(c)ontinued low prices for salmon (and herring) have made halibut and sablefish catches increasingly important to regional fishing economies”<sup>21</sup> and the GOAC<sup>3</sup> proposal will provide qualifying communities a tool for stopping current trends and for working toward community jobs and economic stability or, as Magnuson-Stevens says, “provide for the sustained participation of such communities.”

## **Quota Share Transfers**

In the first three years of the IFQ program, 1995- 1998, almost 25% of the available halibut quota share has transferred from Alaska’s smaller gulf communities. During the same time period, rural residents holding quota share has declined by 33%.<sup>22</sup> Although larger Gulf of Alaska community halibut quota share holders have declined by 20% the quota share in these communities has increased by 7%.<sup>23</sup> Granted, consolidation was a goal of the IFQ program and sale and transfer of quota share is an individual, and not a community choice based on many factors or

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<sup>21</sup> P. 316, Sharing the Fish: Toward a National Policy on IFQs

<sup>22</sup>CFEC, Report 99-SGOA Communities - SN

<sup>23</sup>CFEC, Report LGOA Communities - SN

circumstances. A prevailing pattern, however, is for a disproportional amount of rural residents to sell their quota shares, and anecdotal evidence suggests that these fishermen do not believe that they were awarded enough quota share to justify continued fishing.

Many have argued that rural fishermen with small amounts of quota have equal standing with other fishermen to fish their allocations and purchase additional quota. This is the “why couldn’t they just buy it” argument. In this context “small quota”<sup>24</sup> recipients, whether they live in rural or urban communities, have been selling their shares.<sup>25</sup> Sharing the Fish recognized that “the bulk of consolidation has taken place in the smaller holdings”<sup>26</sup> In fact, given the number of smaller quota share holders that choose not to fish at all,<sup>27</sup> it is possible to conclude that, for many small quota share holders, it is not economically practical to fish less than 10,000# of quota share. Consequently, smaller quota share holders have had limited halibut or sablefish profits to reinvest in additional IFQs — whether or not they live in rural communities.

In contrast, fishermen that received larger initial quota allocations<sup>28</sup> have generally purchased additional shares. This made economic sense because they were able to “leverage” their “gifted”<sup>29</sup> capital of quota shares and, in part, pay for additional purchases with their new asset base. “Any value provides the initial recipients with the capital they may be able to leverage for additional purchases of quota shares. The recipients of initial allocations of quota shares reap a windfall profit. . . .”<sup>30</sup>

The contrast between consolidation by larger quota share holders and selling by smaller

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<sup>24</sup>Under 10,000 pounds — the reporting category established by RAM division

<sup>25</sup>P. 25, “1999 Report to the Fleet”

<sup>26</sup>P. 77, Sharing the Fish: Toward a National Policy on IFQs

<sup>27</sup>As confirmed by RAM division, National Marine Fisheries Service

<sup>28</sup>More than 25,000#

<sup>29</sup>Term used by NRC on page 6, Sharing the Fish: Toward a National Policy on IFQs

<sup>30</sup>P. 140, Sharing the Fish” Toward a National Policy on IFQs.



quota issuants has a disproportionately negative impact on isolated fisheries dependant coastal communities. First, very few initial larger quota share recipients reside in smaller coastal communities.<sup>31</sup> Second, when rural residents sell quota share — even if smaller amounts — a larger portion of the economic base for a small community is lost. Many of these communities rely entirely on fishing employment and income and therefore don't have other employment sectors to mediate loss of fishing opportunities. And finally, the rate of decline of quota share from smaller coastal communities is much higher than for the larger communities.<sup>32</sup>

Some of the literature on IFQ predicted that smaller communities would be disadvantaged.

Freely transferable quota shares may concentrate over time in some communities while other communities lose part or all of their quota (Eythorsson, 1996). . . . Generally, however, one may expect communities with a large share of quota to gain more because of more infrastructure and better access to capital. Some smaller communities dependent on fisheries and without alternative means of support are likely to suffer severe unemployment and related social and economic problems. . . . In Iceland, the main accumulators of quota are companies in the larger towns of the northern part of the country. Small communities, with less than 500 inhabitants, have lost a much greater share of their quotas to larger communities.<sup>33</sup>

This result was not expected from the Alaska halibut and sablefish IFQ program. The September 15, 1992 Environmental Impact Statement (EIS) for the program addressed community concerns in section 3.4, "Potential Movement of Qs Away from Rural Areas Adjacent to the Fishing Grounds." "The concern is that the percentage of QS owned by Alaska residents of coastal communities adjacent to the fishing grounds will decrease substantially and such a change may decrease landings in these communities." The EIS optimistically predicted "[t]he net transfer of Qs from Alaskan residents to non residents is not expected to be substantial and the net transfer

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<sup>31</sup>As confirmed by RAM division, National Marine Fisheries Service

<sup>32</sup>See, for example, Table 11-1a and 12-1a of CFEC's "Changes Under Alaska's Halibut IFQ Program, 1995 -1998.

<sup>33</sup>P.166 Sharing the Fish: Toward a National Policy on Individual Fishing Quota

from local rural residents to other Alaskan residents is expected to be substantially less than it has been for Alaskan limited entry permits. . . .” The GOAC<sup>3</sup> proposal is an important supplement to the existing IFQ program, because prior to the implementation of IFQs, the current migration of IFQs from Alaska’s rural coastal communities was not expected, and these communities were not protected by IFQ regulations.

## **Employment Loss**

The halibut and sablefish IFQ program has resulted in substantial “harvesting sector” employment loss for residents of coastal communities. Although “decreases in total harvest-sector employment has been documented in some IFQ fisheries”<sup>34</sup> much of the evidence regarding Alaska’s halibut and sablefish IFQ program is yet to be documented. “There is anecdotal evidence that fishermen have reduced crew size and that quota share holders are crewing for each other. However since there are few data on pre-IFQ crewing practices, it is difficult to determine the magnitude of changes or the opportunity costs of crew who are no longer in these fisheries.”<sup>35</sup> Prior to IFQ’s, in 1994, approximately 3800 vessels participated in the halibut fishery. Rural residents could easily find crew jobs on both local vessels and vessels from other ports. However, by 1998 only 2,239 vessels participated.<sup>36</sup>

The 40% decline in halibut vessels, with an average of 2 -3 crewpersons per vessel, represents a probable loss of between 3,000 and 5,000 crew jobs. In addition, reports indicate that many IFQ holders get together on a single vessel to fish their shares — without traditional crewmen. Also, since the pace of the fishery has slowed, some participating vessels have reduced the number of crewpersons they hire. “With a steadier, more evenly paced fishery it’s tough for skippers to keep their big crews.”<sup>37</sup> Loss of crew jobs has a disproportionately negative impact on

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<sup>34</sup>P. 100, Sharing the Fish: Toward a National Policy on IFQs

<sup>35</sup> P. 77, Sharing the Fish: Toward a National Policy on IFQs.

<sup>36</sup>See, for example, Table 16-1 of CFEC’s “Changes Under Alaska’s Halibut IFQ Program, 1995-1998.

<sup>37</sup>P. 25, “Pacific Fishing”, April 2000.

isolated rural communities because there is often limited employment<sup>38</sup> apart from fishing.<sup>39</sup>

It is important to note that the types of crew jobs have also changed. Prior to IFQs, Alaskan halibut and sablefish crewman tended to be more short term or temporary crew and fit halibut fishing into their year round fishing calendar. Currently many halibut and sablefish crew jobs are more long term or full time "longlining" jobs generally tied to a single vessel or vessel owner. Consequently, a large portion of rural residents who worked as halibut\sablefish crewmen during pre-IFQ fisheries are unable to obligate for halibut and sablefish crew jobs that now conflict with salmon, herring, or winter fishery commitments. Despite the experiences of most halibut and sablefish crewman from smaller coastal communities, job loss hasn't been well documented. "The regional impacts of reductions in crew size are unknown because information on crew participation in the pre-IFQ fisheries, their residencies, demographics, and opportunity costs is limited and has not been compiled adequately."<sup>40</sup>

## Processing Concerns

The IFQ program has reduced the amount of halibut and sablefish processed in several rural communities.<sup>41</sup> IFQ fishermen, without pre IFQ time restraints, often travel from remote areas to a favored port or choose the highest priced market for their fish. "There is anecdotal evidence that an increasing number of halibut fishermen are bypassing traditional processors and marketing directly to wholesalers and retailers, but the magnitude and impact of this phenomenon has not been documented. . . . In the Canadian halibut fishery, implementation of IFQs resulted in a replacement of many of the larger, frozen produce processors..."<sup>42</sup> Remote processors in rural communities are

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<sup>38</sup> Northern Economic's study regarding the unreliability of self employed employment statistics illustrates the problem with existing employment data. Informal surveys in Old Harbor indicate that crew jobs have declined by more than 1/2.

<sup>39</sup>See, for example Table 26 of UAA ISER report "Gulf of Alaska Coastal Communities: An Overview."

<sup>40</sup>P. 77, Sharing the Fish: Toward a National Policy on IFQs.

<sup>41</sup> As confirmed by Aleutions East Borough. See, for example, Table 14-2 of CFEC's "Changes Under Alaska's Halibut IFQ Program, 1995-1998.

<sup>42</sup>P. 77, Sharing the Fish: Toward a National Policy on IFQs

often limited to processing and shipping frozen product. At least one community, Pelican, lost its processor, in large part, because of reduced opportunities to process frozen halibut.

Less locally processed halibut or sablefish results in fewer processing jobs for residents, declining community sales revenues as well as reduced raw fish tax income. Gunner Knapp stated this obvious fact in his 1997 ISER report, "Modeling Community Economic Impacts of the Alaska Halibut IFQ Program:" "[f]or processing workers or suppliers to the fishing industry, lower landings will almost always mean less income."<sup>43</sup> Decreased local sales and employment does not minimize the impact of the IFQ program on smaller Gulf of Alaska fisheries-dependant coastal communities.

Sharing the Fish recognized rural communities have proportionally more to lose when processing jobs and product moves elsewhere:

The impact of IFQs on fishing communities is likely to be more or less stressful depending on how fishing and fishing-related activities are organized, the isolation of communities, and their ability to switch among fish species as stocks and ex-vessel values fluctuate. The members of some fishing communities derive significant income from work in processing plants located in their communities. The extent to which the impact of IFQ programs on processor-dependent communities can be mitigated ... merits serious discussion when IFQ programs are contemplated.<sup>44</sup>

"Modeling Community Economic Impacts of the Alaska Halibut IFQ Program" concluded much the same thing for both processing and crew jobs:

Three changes in the halibut fishery which we examined in our model and which are primarily attributable to IFQ management had significant effects on the distribution of income from the halibut fishery between and within communities. First, the implementation of IFQ management shifted the distribution of ex-vessel value from crew, vessel owners and captains to IFQ holders. In practice, this represents a shift in the distribution of ex-vessel value away from crew, since most IFQ holders are

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<sup>43</sup>P 20, "Modeling Community Economic Impacts of the Alaska Halibut IFQ Program"

<sup>44</sup>P. 181, Sharing the Fish: Toward a National Policy on IFQs

vessel owners and captains. Second, the IFQ program likely contributed to shifts in the distribution of landings between communities — although it is difficult to quantify how much of the shift in landings between 1994 and 1995 is attributable to IFQ management. Third, the shift from frozen to fresh processing of halibut reduced processing income in most communities.<sup>45</sup>

## **Population Declines**

Fishermen and crewmen are leaving rural communities. Population declines are being experienced throughout the Gulf of Alaska. During the past four years, since the implementation of the IFQ program in 1995, Alaska's population has increased by 3.3%. However, the Gulf of Alaska's smaller community population has decreased by more than 1% and, if communities with less than 500 residents are considered, the decrease is approximately 4%.<sup>46</sup> Moreover, on Kodiak Island, the rural school population has declined 20% from 1995 to 1999,<sup>47</sup> and in one community, the school was closed. Again, these population trends are not exclusively due to the IFQ program. However, income loss resulting from the IFQ program certainly has contributed to existing population trends.

## **Current Community Impacts**

Limited issuance of halibut and sablefish IFQ to residents of smaller coastal communities, the subsequent loss of harvesting and processing sector jobs, as well as the continuing transfer of quota share all contributed to an eroding economic base for Gulf of Alaska rural coastal communities. Many fishermen and crewmembers have, for many years, relied on an economic

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<sup>45</sup>P. 21, "Modeling Community Economic Impacts of the Alaska Halibut IFQ Program", February 1997, Gunner Knapp, Institute of Social and Economic Research.

<sup>46</sup>As provided by Department of Community and Economic Development, Division of Municipal and Regional Assistance

<sup>47</sup>As provided by Kodiak Island Borough School District

“three legged stool” (salmon\herring, halibut\blackcod, and a winter fishery like crab or cod) to provide income and to pay for the expense of living in an isolated coastal community. With the reduction of halibut\blackcod fishing opportunities, as well as loss of winter crab fisheries and the decline in herring and salmon prices, this earning pattern is increasingly unstable and, for many rural fishermen, has all but collapsed. “The economic and social outcomes of the halibut and sablefish IFQ programs for dependent communities are largely anecdotal. Continued low prices for salmon have made halibut and sablefish catches increasingly important for regional fishing economies.”<sup>48</sup>

## Solutions:

### Working Within the Existing IFQ Program

In Sharing the Fish, a wide range of non-buy in alternatives were reviewed by the NRC. These include issuing CDQs to Gulf Communities, annual “zero revenue” auctions of a portion of each IFQ holders shares, issuance of a second class of “community” shares, taxing or retaining a portion of quota shares upon transfer, a “drop through” system limiting shares in time and character, and a community set aside similar to the bycatch or sport fishery allocation. While several of these concepts may have merit, the NRC recommendation was that “(w)here an IFQ program already exists, councils should be permitted to authorize communities to purchase, hold, manage, and sell IFQ’s.”<sup>49</sup> In other words, the NRC directive for existing IFQ programs was a “buy in” approach. The remainder of the discussion will focus on specific details regarding modification of the current halibut and sablefish IFQ programs to accommodate the community “buy in” concept. Following the discussion will be a draft of “Elements and Options for Analysis.”

It is important to balance changes to the current IFQ program with the existing benefits from the program and to think in terms of program modifications rather than wholesale revisions. As the National Research Council’s recommends, “(c)ouncils should proceed cautiously in changing existing programs, even to conform to the recommendations of this report”<sup>50</sup> Consequently, the

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<sup>48</sup> P.77, Sharing the Fish: Toward a National Policy on IFQ

<sup>49</sup>P.200, Sharing the Fish: Toward a National Policy on IFQs

<sup>50</sup>P.215, Sharing the Fish: Toward a National Policy on IFQs

GOAC<sup>3</sup> proposal attempts a cautious solution in balancing the existing program with identified problems or trends and the need to change. Additionally, a “buy in” proposal is much less disruptive to existing program participants. The goal of the GOAC<sup>3</sup> “buy in” proposal is to provide an opportunity for some Gulf of Alaska communities to affirm National Standard 8 and “(A) provide for the sustained participation of such communities. . .”<sup>51</sup> in IFQ managed fisheries.

## **Individual vs. Community Harvesting Privileges**

From the outset, some have suggested that community ownership is unnecessary. Instead, improved loans and purchase opportunities for individuals resident in smaller coastal communities is their preferred solution. Problems associated with IFQs will be solved if more rural residents purchase and fish IFQs. The argument continues: the North Pacific loan program is available for IFQ purchase and, if taken advantage of, will cumulatively provide rural communities with jobs and an economic base. Or, in the alternative, communities could form Business Industrial Development Corporations (BIDCOs) to provide loans to community members. In fact, some have taken this thesis a step further and suggested that ANCSA corporations associated with rural communities or tribal entities in these communities function as financing institutions for the individual’s purchase of IFQs.

We agree that improved loan programs may enable some individuals within rural communities to purchase IFQs. And, should this occur, it would help or contribute to the economic base of the community. Currently however, less than 25% of IFQ purchases are bank financed<sup>52</sup> and very few of the loans are for “new entrants” into the fishery.

Only a few fishermen have benefitted from the North Pacific Loan Program and applications for loans far exceed funds. In 1998 “from more than 1,000 applicants on a waiting list”, only 48 loans were approved.<sup>53</sup> Few, if any, of the approved loans were to residents from smaller coastal

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<sup>51</sup> 16 U.S.C.1851, Sec. 201

<sup>52</sup>Table 6-2a of “Changes Under Alaska’s Halibut IFQ Program, 1995 - 1998”

<sup>53</sup>P. 26, “Pacific Fishing”, April 2000

communities.<sup>54</sup> Ironically, current loans have contributed to the sale of quota share from smaller coastal communities.

The concept of regional Business Industrial Development Corporations parallels many of the objectives of the community ownership proposal. The corporation would obtain financing and from the "money pool" make loans to individuals for IFQ purchases. Repaid monies would provide funding for additional loans. The BIDCO would have a right of first refusal should the individual sell their quota shares. Again, there is some question as to individual qualifications for loans — would they be based on fishing history or available collateral? Would the BIDCO primarily advantage those in the community that already have IFQs or other collateral? Furthermore, the regional aspects of the BIDCO may serve to disproportionately distribute loans or capital within the region. Some rural residents also suggest that the BIDCO is another "western" financial concept focused on individual achievement and opportunity rather than the greater community good. Many rural communities stress that, historically, their culture approached fishing on more of a communal basis and that they would like to reinstate some aspects of the historical model. Although the BIDCO concept could supplement to community fishing quota, by providing some individuals with personal quota shares, it would not replace the security of a community quota share endowment.

Many fishermen believe that individual purchase of quota share through loans or other financing is not currently a responsible economic decision. Initial issuants were economically advantaged and continue to inflate the market price of halibut and sablefish quota share beyond what would be justified by ex-vessel value, cost of investment capital and return on labor and investment. Currently, without a gifted capital "asset base" or "personal resources"<sup>55</sup> few IFQ purchases occur. Quota share in the \$8.00 - \$10.00 range per pound of halibut, with a large

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<sup>54</sup>As confirmed by RAM division, National Marine Fisheries Service

<sup>55</sup>Approximately 2/3 of IFQ purchasers list "personal resources" as their means of financing. See further chapter 6 of the CFEC's "Changes Under Alaska's Halibut IFQ Program, 1995-1998.



amount of purchase debt, wouldn't be a prudent investment for many small boat fishermen.<sup>56</sup>

Perhaps this is why "new entrants" in the Gulf IFQ fisheries have only grown by about 2.5% in the last couple of years.<sup>57</sup>

ANCSA corporations face several barriers to financing individual purchases of IFQ. First, ANCSA corporations have a fiduciary duty to manage corporate assets for the good of all the shareholders, not just a select class of shareholders who may receive benefit from their individual loan for quota share purchases. Second, prudent corporate management with ANCSA "for profit" corporations seeks a reasonable return on investment while limiting or controlling risk. As already illustrated, loans for quota share would not qualify as low or even medium risk. Third, in many of Alaska's coastal communities less than half of the residents are ANCSA corporation stockholders — particularly those under the age of 28. Consequently, ANCSA corporation loans to

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<sup>56</sup>Although the variables in fishing make a definitive model difficult, assume, for illustration purposes, that a fisherman purchases 50,000# of IFQ at \$8.00 per pound with an 8% loan and 20% down. This fisherman will probably make a couple of trips over a two or more week period to catch his fish and, with current prices, his gross return could be approximately \$100,000. After paying his crew @ 27%, paying @ 12% for food and bait and giving the boat and skipper @50% — for labor, insurance and part of the boat mortgage, (See ISER "Modeling Community Economic Impacts of the Alaska Halibut IFQ Program" — table 14 for these numbers) only 11% of gross, or \$11,000 is available for interest and loan payment on a \$300,000 loan. If the skipper, boat owner and IFQ holder are all the same person, this is still only \$61,000 to pay @\$30,000 in loan and interest payments as well as boat payments, insurance and a portion of yearly living expenses. With quota falling in some areas by as much as 25% (area h 3A for the 2000 season) and ex-vessel prices fluctuating by as much as 50% (as between 1997 & 1998) it is unlikely that the risks justify the investment?

Another approach to illustrate that quota share prices are above prices justified strictly by the exvessel value is a internal rate of return analysis. The Internal Rate of Return (IRR) is calculated by dividing the expected revenue from the investment by the desired return. In the case of halibut and sablefish IFQ's, a rough approximation of the IRR is determined by taking one half of the exvessel rate and dividing it by a moderately conservative rate of return of 15%. This assumes roughly 50% of the revenue from the sale of the fish is due to the IFQ holder—the access to the fishery that IFQ's provide is worth 50% of the ex-vessel price. The 50% ex-vessel figure is determined by looking at the leasing rate of A-shares. The 15% return is considered a standard rate of return. A higher rate of return (e.g., 20%) means the investor wants a higher return from the investment and wants to take less risk. A lower rate of return (e.g., 10%) means the investor will accept a lower return from the investment and take greater risk. Example: Assuming halibut will sell for an average of \$2.00 per pound in the next few years and an investor takes a moderate risk and expects a 15% return on the investment, the IRR for a share of halibut IFQ would be \$1.00 (1/2 the exvessel price) divided by .15 (15%) or \$6.66 per share. If halibut exvessel prices go up, the price per quota share will be higher. If the investor is willing to get less back on the investment (10% return) then the price per quota share he or she is willing to offer is higher.

<sup>57</sup> Table 13-1b, p. 177, "Changes Under Alaska's Halibut IFQ Program, 1995 - 1998 shows that crewman "new" to IFQs in area 3B increased by 2.9% from 1996-97 and by 2.7% from 1997-98, for area 3A new crewmen increased by 2.3% from 1996-97 and by 2.5% from 1997-98 and for area 3B new crewman increased by 2.8% from 1996-97 and 1.8% from 1997-98.

shareholders would create a closed class within the larger community. Finally, foreclosure on ANCSA shareholder IFQ by the ANCSA corporation would prove very difficult. Thus it is questionable whether or not the corporation would actually have security for its loan.

## **Merits of Community Ownership**

Empowering rural residents, through loans, BIDCOs or alternative financing, to own quota share does not address many of the goals established for community fishing quotas. First, the individual IFQ owner can leave the community and take the quota share as well as the crew jobs with him. In contrast, community ownership would provide an opportunity, perhaps in perpetuity, for communities to access halibut and sablefish --- something like a natural resource endowment for the community. Second, the individual IFQ owner is subject to different economic restraints and may need to sell quota share because of short term economic needs whereas the community can make a public policy decision to reduce or eliminate expected return on capital and view the IFQ as a long term investment. Third, the individual IFQ holder often focuses on maximizing personal economic gain while community ownership could focus on maximizing economic benefit to a number of community residents. Fourth, the individual is constrained by both vessel length restrictions and the block program. Community ownership may ease some of these restrictions and provide alternative fishing opportunities that make more sense for start-up or multi-species fishermen and the community. Fifth, the individual is limited to existing fishing formats whereas the community may provide additional fishing options.<sup>58</sup>

Importantly, community ownership could provide educational or instructional opportunities not possible with individual ownership. Community quota share could be transferred to a community fisherman with specific requirements that the fisherman employ one or more crewmen under a certain age with the express purpose of teaching halibut or sablefish fishing skills. Another approach would be for a community chartered vessel to serve as a "training vessel" for fishing a

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<sup>58</sup>For example, a concept suggested by Steve Langdon, Department of Anthropology, University of Alaska, Anchorage, in a paper entitled, "Creating a Community Fisheries Program: What it Could Look Like" September 16, 1999, suggested a 25,000# open to entry fishery for community residents with vessels under 20 feet that could encourage young people to continue traditional halibut fishing methods by fishing from skiff and learn basic boating and fishing skills. Participants would register before hand and the ownership entity would account for individual catches.

portion of the community IFQs. Also, a portion of the earnings from the transfer of community IFQs could be reserved for educational endeavors such as Coast Guard licensing and safety classes.

Community fishing quotas would provide economic and scheduling stability within the smaller community fishing fleet --- just as it has done for many IFQ owners residing outside rural Gulf of Alaska communities. Community fishermen selected for the transfer of IFQs could plan on a specific income from halibut fishing and plan their other fishing endeavors around the annual transfer of a specific quota amount. Also, crewpersons could plan on a given number of local halibut and sablefish jobs to be available and the approximate time commitment for those jobs. Individual ownership does not provide similar stability for the community.

Finally, community economic development through small scale secondary processing can both increase ex-vessel value and provide economic benefit to smaller communities by creating two "bites at the apple." Income from the catching of the product and income from the products' processing would both contribute to the local economy. Several rural communities have idle or underutilized processing plants. On Kodiak Island for example, out of six communities, Larsen Bay, for most of the year, has an idle processing plant, Ouzinkie has a vacant smoking facility and Port Lions and Old Harbor are actively pursuing local processing capability. Individual IFQ owners, necessarily focused on personal or family economic needs, will not provide secondary community economic benefits from local processing. Moreover, individuals may not be able to "guarantee" the necessary "flow" of product to these small scale processing endeavors.

## **Eligible Communities<sup>59</sup>**

It is difficult to categorize the subset of Gulf of Alaska communities that has been harmed by the IFQ program and which would benefit from community fishing quota. The existing data sets define a class of smaller coastal communities in several ways. CFEC, in its November 1999 report, "Changes Under Alaska's Halibut IFQ Program, 1995-1998," used designations of "urban" and "rural" based on 1990 census information for communities under 2,000 residents to

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<sup>59</sup>First issue in NPFMC's February motion directing the creation of a "study paper".

differentiate their data but included several "CDQ" communities in the Western Gulf. However, in the 1998 report entitled "Holdings of Limited Entry Permits, Sablefish Quota Shares and Halibut Quota Shares through 1997 and Data on Fishery Gross Earnings," CFEC used designations of "smaller and "larger" and included several communities with populations over 2,000 residents. Another subset of communities was included in the Institute of Social and Economic Research's "Gulf of Alaska Coastal Communities: an Overview," but this document left out several smaller communities in Southeast Alaska. In our view, a set of four indices--- coastal, fisheries dependant, isolated, and under 2,500 residents---leads to a class of communities that have experienced and are experiencing problems associated with the IFQ program.

Gulf of Alaska Communities negatively impacted by the introduction of IFQs are primarily "coastal" communities. These communities, located on salt water, were most often founded in a specific place because of access to marine resources and, over time, became economically dependant on those fishery resources available to community residents. These "fisheries dependant coastal communities" are a subset of the "fishing communities" considered in Magnuson/Stevens and are repeatedly referenced in Sharing the Fish:

Many coastal communities are made up of multiple generations of families engaged in fishing. For others, there is significant movement of individuals into and out of the fishery over time so that even though there s a relatively constant presence of fishermen in the community, different people and families are represented over time. Coastal communities sometimes offer only limited alternative employment opportunities for displaced fishermen and fishing industry workers.

Qualifying fisheries-dependant communities should establish reliance on fisheries for non-governmental income<sup>60</sup> and demonstrate loss of "fishing power" in the reduction of community based IFQ.

After "coastal" and "fisheries dependant," a third criteria is "remoteness." Coastal communities located beyond the road system tend to have fewer alternative industries or

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<sup>60</sup>See for example, Figure 4 on page 19, "Gulf of Alaska Communities, An Overview" but note, as illustrated by Marcus Hartley, Northern Economics, during his April 2000 NPFMC presentation, accurate fishermen and fisheries related employment numbers are difficult to obtain.

employment opportunities and therefore are more dependant on fisheries. Many of these communities work hard to provide harbors and shore side support for their fishermen and, if possible, to maintain or attract a local processor. The remoteness of these communities, in days when there was a "race for halibut or sablefish," could be an advantage, and they often provided logistical support or markets to the halibut fleet. However, with IFQ's and the reduction of time restraints, fishermen are finding markets closer to transportation hubs or supply centers. In the "new" halibut and sablefish fisheries, remoteness is a distinct disadvantage.

Finally, communities qualifying for the purchase and retention of halibut and sablefish IFQ should be differentiated by size. A look at the CFEC reports indicates that communities with populations of more than 2,500 people have generally gained quota share<sup>61</sup> while communities of less than 2500 residents have universally lost quota share.<sup>62</sup> This trend is consistent with the observations of the NRC in Sharing the Fish:

Freely transferable quota shares may concentrate over time in some communities while other communities lose part or all of their quota.... one may expect communities with a large share of quota to gain more because of more infrastructure and better access to capital. Some smaller communities dependent on fisheries and without alternative means of support are likely to suffer severe unemployment and related social and economic problems.<sup>63</sup>

With the four criteria of coastal, fisheries-dependant, remoteness, and size, a defined set of qualifying communities would include: Sand Point, Perryville, King Cove, Ivanoff Bay, Chignik<sup>64</sup>, Akhiok, Karluk, Larsen Bay, Old Harbor, Ouzinkie, Port Lions, Halibut Cove, Toyonek, Nanwalek, Port Graham, Seldovia, Chenega Bay, Tatitlek, Yakatat, Angoon, Craig, Coffman Cove,

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<sup>61</sup>Larger Gulf of Alaska communities of more than 2,500 residents gaining quota share include Cordova, Homer, Ketchikan, Kodiak, Juneau, Petersburg, Sitka and Wrangel.

<sup>62</sup>Smaller Gulf of Alaska communities of less than 2,500 residents have all lost quota share with the exception of Elfin Cove.

<sup>63</sup> P. 166, "Sharing the Fish: Toward a national Policy on IFQ"

<sup>64</sup>Chignik would include the communities of Chignik Lagoon & Chinik Lake

Edna Bay, Elfin Cove, Gusstavus, Hollis, Hoonah, Hydaburg, , Kake, Kassin, Klawok, Metlakatla, Meyers Chuck, Pelican, Point Baker, Port Alexander, Port Protection, Tenakee Springs, Thorne Bay, and Whale Pass. Six of these communities are located in halibut management area 3B, twelve communities are located in halibut management area 3A, and twenty-two communities are located in halibut management area 2C.

## **Appropriate Ownership Entity Within the Qualifying Community**

When talking about “community” ownership of halibut and sablefish quota share, a specific entity within the community must be designated as the “eligible transferee.” If possible, because of the size of many communities, existing governing structures such as municipalities, tribal councils, or ANCSA corporations should be considered. However, each of the existing governing structures is unlikely to provide a good “fit” for the proposed halibut and sablefish IFQ “buy in” program. Consequently, a newly created or existing non-profit community entity should be considered.

Municipal governments are not a good “fit” because they do not exist in many smaller coastal communities. Therefore, in these communities, another ownership entity would have to be considered anyway. In addition, for those communities with municipal governments, some are second class cities and others are home rule cities. Because of these designations, substantially different governing responsibilities are required and each governing form would undoubtedly approach purchase and transfer of IFQs differently. Third, much of the support for community IFQ assumes that the focus of the program is to pass a substantial portion of harvest value to the fishermen and crewmembers who participate in the fishery. If municipal governments were the ownership entity, there is industry concern (fishermen and crewmembers) that quota share earnings would primarily benefit municipal government. Finally, municipal governments are focused on a host of issues and priorities — only a few of which may be fisheries related.

Similar deficiencies exist for tribal entities and ANCSA corporations. Many native leaders face a host of issues and may not be able to focus on administration of community quota shares. Also, there may be a temptation to fund the larger organizational expenses from the community quota share program. In addition, neither ANCSA corporations or tribal entities are inclusive of

all community residents. Community ownership of quota share is intended to benefit all of the residents of the community --- or at least to provide all the residents of the community an equal opportunity to derive benefit from community fishing shares. Both tribal governments and ANCSA corporations restrict membership to a closed class, only a part of which may live in the community. Consequently, if IFQ's were administered by either entity, there would be a subset of community residents that would be, or at least feel, excluded from possible benefit.

A "new" community entity for purchase and management of halibut and sablefish IFQs would need to provide for participation by all community residents and consist of individuals knowledgeable about fishing and interested in the community's use and management of quota share. Non-profit economic development corporations or fisherman's organizations are probable options. These entities could focus interested persons on a specific mission — that of managing community fishing quota. It would be inclusive of all community residents, providing input opportunities to all fishermen in the community: subsistence, commercial, and sport fishermen. Board members of the managing entity would need to be democratically elected with staggered terms and term limits. Moreover, the entity would be limited to a specific percentage of the ex-vessel value of the IFQ, perhaps no more than 25%, for debt service and administrative costs. Again, the focus of the program is to pass much of the value from fishing community quota share onto fishermen and crewmen in the community.

Some have suggested an aggregation of communities parallel to the "CDQ groups" as the preferred ownership entity. Although this approach would have some administrative efficiencies, it assumes common funding sources for all communities and "equality" in the distribution of benefits within the group. A "buy in" program is substantively different than the CDQs "gifting" of capital. With the CDQ program the "capital" was a given and the "group" focus was on market share and distribution. In contrast, with the "buy in" program, it is probable that each community will access funding sources in different ways. Some communities may seek funding through existing loan programs, others may pursue resources available for rural or economic development, and a third source of funding could be through foundation grants. Because of these unique funding sources, each community will be interested in tying IFQ ownership to its initiative in finding capital to purchase quota share. In other words, the purchase of quota share requires a "bottom up"

approach rather than the CDQ “top down” model. Perhaps, once communities have a comfort level with their purchase of quota, they may voluntarily form groups with contractual arrangements for administrative efficiency. Aggregation of individual communities should be encouraged but would need approval from the oversight entity and justification within the community’s business plan.

Administratively, a qualifying community interested in the purchase of quota shares would proceed as follows:

1. Create a community non-profit economic development or fishermen’ entity and democratically elect a board of directors;
2. Apply for non-profit status;
3. Submit an application to NMFS requesting recognition as an eligible “person” qualifying for the purchase of IFQs;
4. After NMFS’s eligibility determination, identify funding sources;
5. Enter into marketplace to purchase quota share — subject to restrictions of program;
6. If desired, develop contractual arrangements with groups of communities for the administration of the individual community’s quota shares.

## **Ownership Caps**

### **Community Cap**

Current IFQ holders are justifiably concerned that a relatively large number of small communities could, if not limited by ownership caps, purchase sizeable percentages of available halibut and blackcod quota shares. Current ownership caps were instituted to address similar concerns about larger quota share recipients when the IFQ program was designed. Theoretically, under current ownership caps, 100 persons (individual or qualifying company or corporation) could own all of the unblocked 2C halibut quota shares and 100 blocks of 2C halibut quota and 200 persons could hold all of the combined 3A & 3B unblocked halibut quota shares and 100 blocks of quota share in each of areas 3A and 3B. Current ownership caps serve as a benchmark for



considering community ownership concerns.

Community ownership caps are difficult to prescribe because of differences in community size, alternative fisheries or employment, proximity to available resources and harvest ability. In addition, resource fluctuations in halibut and sablefish management areas as well as unequal numbers of qualifying communities in each area entangle the ownership issue. After considerable discussion and difficulty in establishing a formula for allocating quota between communities, it is thought that each community should be put on an even footing with current individual quota share holders — ie. 1% of 2C or .5% of the combined 2C, 3A and 3B Quota Share Pool (QSPs) and 1% of all QSPs for sablefish. Criteria of size, economic need, geography, and harvest ability were not applied when determining individual “person” ownership caps and it is equitable to also establish community ownership caps outside of these considerations.

## **Cumulative Cap**

A second aspect of ownership caps is a cumulative cap for the community purchase program. Community entities, entering into the IFQ market several years after the initial issuance of shares, will face significant economic obstacles in the acquisition of quota shares and will be limited to those shares that current IFQ holders are willing to sell. It is not expected that large amounts of capital will immediately become available for quota share purchases. Moreover, it is improbable that all qualifying communities will choose to invest in IFQs and it is even less probable that all the communities that do invest will purchase shares up to their cap. In short, existing economic barriers will be self-limiting for the community purchase program.

Nevertheless, fishermen with quota shares in area 2C for halibut and “southeast” for sablefish recognize that about half of the qualifying smaller fisheries-dependant coastal communities are in these areas, and some stakeholders voice concern about the remote possibility that approximately 20 communities may purchase their 1% individual limit exclusively from Area 2C. Reduced quotas for 2C communities or purchase requirements outside 2C have been suggested. Both approaches would disadvantage 2C communities vis-a-vis other coastal communities and individual IFQ purchasers. Moreover, because of biomass restraints, additional limitations on the 2C communities may preclude the “critical mass” needed for an effective

program. For example, with the 2000 quota of 8,400,000# for area 2C, each qualifying community, at the 1% ownership cap, would be limited to 84,000 pounds---not an excessive amount for developing community-based fisheries.<sup>65</sup>

Since one goal of the community fishery quota initiative is to encourage community participation in the harvest of halibut and sablefish in proximity to the community, purchase restrictions by geography may make more sense than overall ownership caps. Some have suggested that communities should be restricted to quota share purchases for the management area in which they were located.<sup>66</sup> Although it is probable that communities will first look for quota share close to home, this approach is somewhat restrictive in taking advantage of market trends in various areas and may preclude communities located close to boundary lines, like Akhiok and Yakatat, from fishing in areas where they have historically fished. In addition, because of significant differences in the amount of shares in each vessel class category in each area, communities limited to a single area and wanting to fish quota on vessel sizes already in the community may be substantially restricted in their quota share purchase options. Consequently, the better approach is to restrict communities to the purchase of quota share in the management area of their location and an adjacent management area but restrict communities located out of area 2C (for halibut) and "southeast" (for sablefish) from purchasing shares in these areas.<sup>67</sup>

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<sup>65</sup>Note for comparison, in the Canadian West Coast Groundfish Trawl Fishery "20% of the annual groundfish trawl TAC is set aside and managed by the Groundfish Development Authority, which is made up of representatives from coastal communities and fishermen's unions" P.182, Sharing the Fish: Toward a National Policy on IFOs

<sup>66</sup>Note: With the individual limit cap defined as .5% of the combined total halibut quota of areas 3A, 3B and 2C and an area specific purchase limitation, the community area cap will change annually. Given the present list of qualifying communities and 2000 halibut quota ratios, this approach would essentially cap community participation in area 3B at 8.3%, 3A at 13.67% and area 2C at 22%.

<sup>67</sup>Communities located in area 2C could purchase halibut quota shares in 2C and 3A and sablefish shares in "Southeast" and "West Yakatat". Communities located in area 3A could purchase halibut quota shares in 3A and 3B and sablefish shares in "West Yakatat" and the "Central Gulf". Communities located in area 3B could purchase halibut shares in 3B and 3A and sablefish shares in the "Western Gulf" and "Central Gulf". This approach would probably move some 2C purchases to 3A and reduce the possible impact on 2C.

# Purchase, Sale and Use Restrictions

## Purchase Restrictions

Purchase questions focus on the “type” of quota share communities can hold as well as concerns about disruption of the quota share market. Current IFQ regulations restrict individual fisherman to two “blocks” of quota within a given management area; however, a person with two blocks cannot hold unblocked quota share within the same management area.<sup>68</sup> Blocks were created if persons receiving their initial allocation of quota share, based on the 1994 Total Allowable Catches (TACs), received less than 20,000 pounds of halibut and sablefish. As of the end of 1988, 70.8% of halibut quota share in Area 2C, 35.4% of the halibut quota share in area 3A and 66% of the halibut quota share in area 3B was blocked. In addition, 14.8% of the blackcod quota share in Southeast, 12.8 of the blackcod quota share in W. Yakutat, 8.0% of the blackcod quota share in the Central Gulf and 20.1 of the blackcod quota share in the Western Gulf is blocked.<sup>69</sup> Blocks cannot be reduced or broken up by sale or transfer.

Two conclusions are apparent from the amount of halibut that is blocked, particularly in areas 2C and 3A. First, if communities are to provide for their “sustained participation”<sup>70</sup> in the fishery, they must be allowed to purchase blocked as well as unblocked shares and second, they cannot be restricted to two blocks. It is important to note that the intent of blocked shares — limiting consolidation — will not be undermined if communities are exempt from the blocked/unblocked restrictions. In halibut area 2C for example, in the most unlikely circumstance of all qualified communities purchasing up to their 1% ownership cap exclusively from blocked shares in area 2C, the total number of blocked shares in the area available to individuals would still be above 50%. Moreover, most, if not all, qualifying small coastal communities are going to have their halibut shares fished by local residents with smaller vessels and individual use limitations (blocking

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<sup>68</sup>P. 8, Executive Summary, CFEC, “Changes Under Alaska’s Halibut IFQ Program, 1995-1998”.

<sup>69</sup> Chapter 7, “Changes under Alaska’s Halibut and Sablefish IFQ program, 1995 to 1998”

<sup>70</sup>16 U.S.C. 1851, Sec. 201, Magnuson-Stevens Fishery Conservation and Management Act

within the community ownership)— the very people the blocking idea was intended to protect.

Nevertheless, if “blocking” restrictions are deemed necessary, the regulations should not be more restrictive than to limit communities to the current ratio between blocked and unblocked shares in each area. For example, in Area 3A a qualifying coastal community would be able to purchase shares up to the .5% individual ownership cap, but their blocked shares could not be more than 35.4% of the total quota shares held for that area. This approach encourages communities to engage in purchase activity in both the blocked and unblocked sectors of the quota share market and maintains the current balance between the two ownership categorizes. However, it will make it more difficult for communities to become full participants in the IFQ program and it would be administratively difficult. Given the difficulties of buying quota several years after the start of the program, limitations on blocked ownership is un-necessary.

The second aspect of purchase restrictions is disruption in the IFQ market. Some stakeholders are concerned that communities will rapidly enter the market place and disrupt the current balance between available biomass and quota share price. They suggest that communities be limited by allowing a fixed amount of quota share to be purchased on an annual basis. Again, these concerns overlook the limitations communities have on finding capital for investing in IFQs and also downplay the fact that disruption of the market place by bidding up IFQs would not be in the communities’ best interest. Moreover, they don’t account for the expected disruption caused by large increases in available capital to the North Pacific Loan Program. Market disruption questions further assume that the current price paid for quota share is based primarily on the ex-vessel value and annual fishing quotas, rather than the leveraging impact of gifted capital as well as funding sources outside the fishery. Again, with the individual ownership caps, the magnitude of community purchase will be restrained and purchase restrictions are unnecessary.

We already have an excellent illustration of the impact of a 20-25% change in the fishery. The difference between the 1999 and 2000 halibut quota for area 3A was approximately 25%. Nevertheless the average price of 3A blocked 10,000# & above quota share has only declined approximately 10%. Ex-vessel prices between 1997 and 1998 plunged by as much as 50%, and yet, the price of 3A blocked 10,000# and above quota share only declined, on average, by about 20 %

and quickly recovered when prices started to rise<sup>71</sup>. These illustrations indicate that many economic factors affect quota share prices and single events, such as the entrance of new purchasers into the market place, may well be offset by other market factors.

## **Use Restrictions**

Current IFQ regulations define quota share by four vessel categories: 30 ft. and under, 30-60 ft., above 60 ft., and freezer\processor. Quota can be “fished down” on a smaller vessel but quota from a smaller vessel designation cannot be “fished up” on a larger vessel.<sup>72</sup> One goal of the community ownership concept is to utilize fishermen and vessels already available in qualifying communities. If communities were limited by vessel size restrictions they could be eliminated from purchasing vessel classes not resident in the community or forced to go outside the community to find the legal size vessels. Vessel size restrictions would also inhibit flexibility within communities to have a “blocked” or “unblocked” quota fished between several local residents with different size vessels.

In addition, vessel size restrictions create inequity between communities depending on location. For example, in area 2C there is much more medium and small vessel quota share available than in area 3B. Since vessels under 60 ft. are most common in rural communities, communities in 2C will have a much easier time accessing quota share fishable by local vessels in proximity to their communities than will communities in area 3B. In short, there is no compelling reason to restrict communities' use of quota share by vessel length.

## **Allocations Within Communities**

Additional use restrictions should balance the communities' desire to independently manage its ownership interests in quota share with accountability for use of a public resource. Many

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<sup>71</sup>See, for example, “Pacific Fishing” market price quotes.

<sup>72</sup>Less than 30 ft. vessel class: 2C - 15.3%, 3A - 7.0% and 3B - 3.1% of the available halibut quota. 30-60 vessel class: 2C - 78.1%, 3A - 53.5% and 3B - 38.3% of the total available halibut quota. 60+ft. vessel class: 2C - 4.5%, 3A - 37.0% and 3B - 55.6% of the total available halibut quota. The remaining quota is allocated to the freezer\processor vessel class.

questions have been raised regarding just how the community fishing quotas will work within the community. Most of these questions are best resolved apart from regulations on a community by community basis. Nevertheless, some program criteria should be considered for determining “who” within a community qualifies to fish community IFQs and what type of relationship will exist between the community IFQ owner and the fisher.

Selection criteria should include the following: first, community residents<sup>73</sup> exclusively employing crewmembers who are also community residents; second, community residents employing a crew that is 50% or more community residents; third, non-residents employing a crew that is 50% or more community residents; fourth, residents employing a crew of at least one community resident; finally, non-residents employing a crew of at least one community resident. In addition, non-residents from qualifying communities would have a priority, or right of first refusal, over non-residents from larger, non-qualifying communities. The community could not transfer quota to a non-resident fisherman who did not employ at least one community resident. This hierarchy limits eligible participants to those fishermen that will provide income to at least one community resident. If two or more fishermen fit into the same tier of the allocation criteria, each community can develop secondary criteria for quota share allocations.

## **Individual Use Cap**

Community IFQ purchase regulations should also restrict the amount of quota share any one transferee would be allowed to fish. This would be an “individual use cap.” The use cap should be inclusive of both quota shares obtained from the community and quota shares the individual owns. Persons with large amounts of personal quota share should not compete with disenfranchised community fishermen for limited available quota. In many ways the individual use cap would serve the same purpose for the community purchase program that the block system does for the larger halibut and sablefish fishery. A range of individual use caps from 25,000# to 75,000# should be considered.

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<sup>73</sup>As defined by the criteria used by the Permanent Fund to determine State residency.

Limits on individual participation in community fishing quotas have also been suggested. Some believe that a transferee should only be able to have quota transferred for a specific number of years. After the specified time, the fisherman would be expected to purchase private quota shares. While this may be a goal for some individuals, it does not further community goals. It doesn't matter to the community whether or not the individual shareholder eventually purchases private quota. What matters most is to have someone from the community hiring local fishermen to fish the community IFQs. In small communities, use limits could quickly eliminate eligible transferees.

### **Transfer Restrictions**

The community ownership entity will remain the registered owner and holder of the IFQ. Annually, the community entity would notify NMFS of the "assignment" of its share to specific individuals. NMFS will then issue a harvest card to the specified individuals for the specified. This is not a lease and does not provide any attachable ownership interest<sup>74</sup> in the quota shares nor can the transferee fish his shares in whatever manner he chooses. Rather, as part of the transfer agreement\contract, the community will specify the terms of the transfer: requiring information on community residency, fishing pattern, delivery port, and perhaps other criteria beneficial to the community. Moreover, payment for product would flow to the ownership entity. The transferee would be paid according to the terms of the contract and the ownership entity would pay the 3% resource fee. The transferee would be subject to the current owner on board restrictions.

### **Sale Restrictions**

If communities are exempt from block and vessel length restrictions, several questions arise regarding the character of shares upon sale. Some stakeholders would like communities to buy "blocked" quota and, upon resale, sell it as unblocked. Others would prefer the opposite approach with communities limited to selling quota as "blocked." Another approach would be to reclassify quota purchased by communities as "community quota" and restrict its resale to other qualified communities. A better approach, less disruptive to the current IFQ program, would require communities to sell their quota share with the same designations and restrictions as when the quota shares were purchased. As a further refinement, with the blocks of quota share in 3B becoming

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<sup>74</sup>It is important, for IRS purposes, that the fisherman not have any ownership interest in the quota shares.

larger than most anticipated when IFQs were implemented, communities could be allowed to purchase 3B quota shares and, upon resale, split the blocks in half. On the other hand, if communities are subject to current block and vessel length restrictions they should be treated like other qualifying "persons" and shouldn't be further restrictions in their sale of IFQs.

## **Codes of Conduct**

At the outset, codes of conduct setting parameters for the community's relationship with the transferee should be established. The purpose of the program is to maximize the economic benefit to resident fishers. Nevertheless, administrative costs and debt service must be acknowledged. Crew shares for crewman employed in fishing community quota should be set at the high end of industry standards,<sup>75</sup> and no more than 25% of the ex-vessel value of the product should be retained for debt service and administrative expense.

The code of conduct should also include environmental and resource protections. The community transferee should be required to fish as "clean" as is practical without the use of crucifers and with seabird avoidance devices. Bycatch should be avoided. In addition, the transferee should be required to fish away from environmentally sensitive areas or habitat areas of particular concern. Conformity to these standards should be part of any review process for a community's continued participation in the community ownership program.

## **Administration and Oversight**

Administration of community IFQ requires a qualifying approval process and annual oversight of the program. At the outset, it is important to note that the administration of a "buy in" program is substantively less entangled than the current CDQ system where quota share is allocated to the State of Alaska and then distributed, in changing ratios, to the five CDQ groups. With the current "buy in" proposal, once a community is approved as an eligible or qualifying community and enters the market place to buy quota, little additional oversight may be needed.

Qualifying communities would be required to file an application including a business plan

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<sup>75</sup>Table 14, ISER, "Modeling Community Economic Impacts of Alaska Halibut IFQ Program"



verifying that the community fits within a prescribed set of criteria. The criteria should include an approved non-profit ownership entity, open and democratic elections for board members, individual board members term limits, a feasible business plan, acceptance of codes of conduct, and environmental safeguards. Because RAM division of NMFS currently qualifies "persons" to purchase and hold IFQs, NMFS would be the logical agency to approve the community's application.

Once a community is qualified to purchase and hold IFQ, most of the oversight function would be part of NMFS normal review of transfer and fishing information. Community ownership and individual use caps can easily be enforced when a transfer is requested and reporting requirements regarding landing the fish would remain the same. Some issues, such as the criteria for transfer of quota within the community and violations of the contractual code of conduct, may continue to be of concern however non-profit corporations are already regulated by statute and traditional remedies would apply. Each participating community, by January 1 of each year should be required to file an annual report to NMFS and the State of Alaska, Department of Commerce and Economic Development.

The annual report should include an annual financial statement, a current budget, a financial list of quota share transferees, the amount of quota transferred, and the use of quota share within community. Failure to file the annual report would result in immediate suspension of quota share transfer rights. If the annual report showed serious discrepancies, the state could then intervene on behalf of the residents of the community and request NMFS to suspend transfer of quota share until the issues are resolved. Again, individual community members are allowed to pursue existing private remedies.

## **Sunset Provisions**

Since this is a new program, some have suggested that the enabling regulations be of limited duration. This is an optimistic perspective anticipating that community fishing quotas will alter existing resource trends for small coastal communities and that the program will no longer be needed. Unfortunately, it is impossible to predict just when, or if, the program will no longer be needed. Time limitations could easily restrict the viability of the program as they will surely inhibit

communities' ability to find long term investment capital and to realize their goal of a community IFQ endowment for future generations. Granted, over the years, changes may need to be made in how communities participate; however, these changes can be made through the current regulatory process — just as changes to the original program have been made over the past five years.

## Other Issues as Related and Appropriate

### Crewmember Concerns

Some have suggested that allowing Gulf of Alaska rural coastal communities to purchase halibut and sablefish IFQs will inhibit current crewmembers from purchasing quota share. As mentioned earlier, community investment in IFQ's may or may not impact the market price of IFQs. Other market factors — ex vessel value and harvestable quota — are more likely to restrict crewman purchases. Moreover, active crewmen have had the past five years to “buy in” to the IFQ program. In fact, approximately 850 “IFQ crew members”<sup>76</sup> have invested in quota share since the program was initiated. In addition, many skippers have enabled crewmen to purchase IFQs by co-signing loans and going so far as to use their own gifted quota shares as security for crewman purchases.<sup>77</sup> Several crewman have concluded that it makes economic sense for them to fish their IFQs on the skippers vessel ( “more fish on board means more income for everyone”<sup>78</sup>) and some skippers have sold quota share to their crew, saying, “[t]hey are the ones that should end up with the stuff”. Recent articles indicate that the better skippers are already taking care of their crews and encouraging crew access.

Community ownership of IFQs is another way to enable crewman to fish and eventually purchase halibut and sablefish quota shares. The program is designed to assist rural fishermen who generally fish several species throughout the year. Currently, many of those advocating for “crewman” opportunities are supporting a subset of crewmen — those who are “lifera” and would

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<sup>76</sup>NMFS term including all persons who did not qualify for initial quota share.

<sup>77</sup>See, for example, p. 24-25, “Buying In”, Pacific Fishing, April 2000.

<sup>78</sup>p. 25, “Buying In”, Pacific Fishing, April 2000.

make good credit risks through traditional financing. Gulf of Alaska coastal communities applaud these efforts. However, rural crewman have also been disenfranchised by IFQs, and community ownership is a possible means to reconnect this set of crewmen to the halibut and sablefish fisheries. Rural crewman should not continue to be disadvantaged so that crewman working for large IFQ holders can “inherit” the fishery.<sup>79</sup>

The North Pacific Loan Program may create significant opportunities for crewmen fortunate enough to land one of the dwindling IFQ fishing jobs, and it could create a huge economic barrier for communities wishing to participate in the IFQ program. Under current regulations, 3% of the 2000 exvessel value of halibut and sablefish landings will be assessed for IFQ program expenses and enforcement. Of the 3% money, up to 25% can be appropriated by congress the federal loan guarantee program. In the past, the loan guarantee program has been able to fund the North Pacific Loan Program with approximately 50 times the appropriated amounts. Given projected 2000 quotas and ex-vessel values, the loan appropriation could exceed \$1,000,000 and funding available for loans to fishing crewman could exceed \$50,000,000. The loan terms have been 20% down, 5%-6% interest on a 20 year payment schedule.<sup>80</sup> This amount of money with below-market loan terms will distort IFQ values and limit community participation. Rather than crewmen worrying about the impacts of communities entering the IFQ market, communities have a much larger concern about the impacts of the North Pacific Loan Program and how crewmen may limit community participation in a distorted quota share market.

## **Investment Limitations**

The “non-profit” status of community ownership entities necessarily restricts use of IFQ generated income, and it is expected that any excess capital will be reinvested in the program or in fisheries related community development. With a “buy in” program, communities have invested their capital in IFQ’s, and subject to the code of conduct, should be able to freely allocate any return on their investment. Moreover, restrictions on use of revenue requires substantial additional

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<sup>79</sup>p. 59, “Buying In”, Pacific Fishing, April 2000.

<sup>80</sup>As confirmed by RAM division, National Marine Fisheries Service

oversight and administrative expense for the program. The GOAC<sup>3</sup> proposal is intended as a modification of the current IFQ proposal — not an entirely new construct requiring large amounts of additional administrative review.

## Conclusion

Community purchase of IFQs is an important modification for the current halibut and sablefish IFQ programs. This program will establish that IFQ programs are elastic and can be fine tuned in response to problems or inequities. Inclusion of community ownership in the IFQ program will also strengthen coastal communities. As outlined in Sharing the Fish: Toward a National Policy on IFQs ,

(c)ommunity-based governing structures possess several advantages over central government management an market-based management. First, community-based governing structures are based on local norms, values, and information and are matched to the situation. Government officials rarely, if ever, have access to the type of information that would allow them to design appropriate governance structures, unless they sponsor research that provides the necessary information. Second, community-based governing structures maintain the community and its norms of fairness. The interests of central government and the values of market-based approaches do not routinely give a high priority to the value of maintaining a community as such, nor are they likely to reflect a community's interests and values, although regulated market-based systems such as IFQs can be designed to do so. Third, monitoring and enforcement may be less troublesome and costly with a community-based system. Individuals who devise rules by which they will be governed are more likely to follow them and monitor others for compliance. It is reasonable to conclude that IFQ programs are more likely to be successful if representatives of the relevant fishing communities have been active participants in devising the program and/or if such communities are themselves recipients of IFQ shares and are left to devise their own procedures for allocating these shares and monitoring their use.<sup>81</sup>

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<sup>81</sup>p. 180-181, Sharing the Fish: Toward a National Policy on IFQs

# Community IFQ Purchase

## Draft

### Elements and Options For Analysis

(1) Eligible Communities:

- (a) Rural communities with less than 2,500 people in the Gulf of Alaska with direct access to saltwater.
- (b) Rural communities with less than 2,500 people in the Gulf of Alaska, no road access to larger communities, and with direct access to saltwater.
- (c) Rural communities with less than 2,500 people in the Gulf of Alaska, no road access to larger communities, and with direct access to saltwater, and a documented historic participation in the halibut fishery.
- (d) Rural communities with less than 2,500 people in the Gulf of Alaska, no-road access to larger communities, and with direct access to saltwater, documented historic participation in the halibut fishery.

Suboption 1: Include a provision that the communities must also be fishery dependent.

Fishery Dependence can be determined by:

- (a) Fishing as a principal source of revenue to the community
- (b) Fishing as a principal source of employment in the community (e.g., fishermen, processors, suppliers)

The relative importance of fishing to a community can be estimated by looking at other sources of revenue and employment and comparing those sources to fishing activities in the community.

Suboption 2: Decrease community size to communities of less than 1,500 people.

Suboption 3: Increase community size to communities of less than 5,000 people.

**(2) Appropriate Ownership Entity within the Qualifying Community**

- (a) Existing recognized governmental entities within the communities (e.g., municipalities, tribal councils or ANCSA corporations)
- (b) New non-profit community entity
- (c) Aggregation of communities parallel to the "CDQ groups"
- (d) Combination of the entities

Suboption 1: Allow different ownership entities in different communities depending on the adequacy and appropriateness of existing management structures.

**(3a) Ownership Caps: For Individual Communities**

- (a) 1% of 2C or .5% of the combined 2C, 3A and 3B Quota Share Pool (QSPs) and 1% of 2C or 1% of all QSPs for sablefish.
- (b) .5% of 2C or .5% of the combined 2C, 3A and 3B Quota Share Pool (QSPs) and .5% of 2C or 1% of all QSP for sablefish.

Suboption 1: Place caps on individual communities that limits them from owning more than 1% of the combined quota share pool in the area they reside and an adjacent quota share area. Communities in 3A would not buy quota shares in 2C.

1. 2C communities capped at 1% of the combined 2C and 3A Halibut Quota Share Pool (QSP), and 1% of the combined Southeast and West Yakutat Sablefish Quota Share Pool (QSP).
2. 3A communities capped at 1% of the combined 3A, and 3B Halibut Quota Share Pool (QSP), and 1% of the combined West Yakutat and Central Gulf Sablefish Quota Share Pool (QSP)
3. 3B communities capped at 1% of the combined 3A, and 3B Halibut Quota Share Pool (QSP), and 1% of the combined West Central Gulf and Western Gulf Sablefish Quota Share Pool (QSP)

Suboption 2: Place caps on individual communities that limits them from owning more than .5% of the combined quota share pool in the area they reside and the adjacent quota share areas. Communities in 3A would not buy quota shares in 2C.

1. 2C communities capped at .5% of the combined 2C and 3A Halibut Quota Share Pool (QSP), and .5% of the combined Southeast and West Yakutat Sablefish Quota Share Pool (QSP).
2. 3A communities capped at .5% of the combined 3A, and 3B Halibut Quota Share Pool (QSP), and .5% of the combined West Yakutat and Central Gulf Sablefish Quota Share Pool (QSP)
3. 3B communities capped at .5% of the combined 3A, and 3B Halibut Quota Share Pool (QSP), and .5% of the combined West Central Gulf and Western Gulf Sablefish Quota Share Pool (QSP)

(3b) Ownership Caps Cumulative Caps for all Communities

- (a) 20% of the combined 2C, 3A, and 3B Halibut Quota Share Pool (QSP), and 40% of the combined Gulf of Alaska sablefish Quota Share Pool (QSP).
- (b) 20% of the combined 2C, 3A, and 3B Halibut Quota Share Pool (QSP), and 20% of the combined Gulf of Alaska sablefish Quota Share Pool (QSP).
- (c) 10% of the combined 2C, 3A, and 3B Halibut Quota Share Pool (QSP), and 20% of the combined Gulf of Alaska sablefish Quota Share Pool (QSP).
- (d) 10% of the combined 2C, 3A, and 3B Halibut Quota Share Pool (QSP), and 10% of the combined Gulf of Alaska sablefish Quota Share Pool (QSP).

(4) Purchase, sale, and use restrictions

Blocked and Unblocked

- (a) Status Quo: Communities would have the same restrictions blocked share restrictions as

individuals

- (b) Allow communities to buy only blocked shares or only unblocked shares
- (c) Allow communities to buy blocked and unblocked shares

Suboption 1: Communities can purchase blocked and unblocked shares in the ratio of blocked to unblocked shares in that area (e.g., communities are not limited to the current number of blocks that they can own).

Suboption 2: Communities can purchase blocked quota shares in excess of the current limit on block ownership. These blocked quota shares would be considered unblocked only while owned by the communities. Once sold, these quota shares would revert to their original blocked status.

#### Vessel Size Restrictions (Share Class Ownership)

- (a) Apply vessel size (share class) restrictions to the community-owned quota.
- (b) Do not apply vessel size (share class) restrictions to the community-owned quota.

Suboption 1: These quota shares without share class would be considered to be without a particular share class only while owned by the communities. Once sold, these quota shares would revert to their original share class.

#### Residency Requirements

- (a) Only permanent residents of the community with a commercial fishing license should be considered as possible recipients (transferee) of quota shares.
- (b) Only permanent residents of the community with a commercial fishing license, and commercial fishing experience should be considered as possible recipients (transferee) of quota shares.
- (c) Only permanent residents of the community with a commercial fishing license, commercial fishing experience, and no quota shares should be considered as possible recipients of quota shares.

Suboption 1: Allow individuals owning quota shares to receive community fishing quota but



individually owned shares would be an "offset" from community fishing quota caps.

Suboption 2: Also allow transfer of community IFQs to non-residents with fishing experience in the community .

Suboption 3: Also allow transfer of community IFQs to non residents from other qualifying communities.

Allocation Criteria: Rank potential recipients based on the employment opportunities that they provide to the communities :

- (1) Community residents employing exclusively crewmembers that are also community residents
- (2) Community residents employing a crew that is 50% or more community residents
- (3) Non-resident employing a crew that is 50% or more community residents
- (4) Community resident employing a crew of at least one community resident
- (5) Non-residents employing a crew of at least one community resident

Suboption 1: Non-residents that are residents of other qualifying communities are prioritized over non-residents from non-qualifying communities.

Suboption 2: The community could not transfer quota to a non-resident fisherman who did not employ at least one community resident.

Suboption 3: Where potential recipients are equal in employment opportunities provided, allow the community to select other criteria or use a lottery to determine allocation to equally qualified recipients.

Transferees:

- (a) Transfer 100% of Community Quota Shares to vessel owners/operators.
- (b) Transfer 75% of Community Quota Shares to vessel owners/operators, 25% to crew members
- (c) Transfer 50% of Community Quota Shares to vessel owners/operators, 50% to crew members.
- (d) Allow individual communities to determine the appropriate distribution between

vessel owners/operators and crew members.

### Sale Criteria

- (a) Require all restrictions on quota shares (e.g., share class, blocked or unblocked status) to be retained once the quota is sold outside of the community.
- (b) Allow quota share blocks in excess of 20,000# to be divided in half upon sale.  
Suboption 1: Allow blocks of 3B quota share in excess of 20,000# to be divided in half upon sale.
- (c) Allow communities to "sweep up" blocks of less than 10,000# and sell as 20,000# blocks.

### (5) Code of Conduct

- (a) Limit ownership entity to no more than 25% of exvessel value for administrative expense and debt service.  
  
Suboption 1: Limit ownership entity to no more than 10% of exvessel value for administrative expense.
- (b) Require equitable compensation for crewpersons and quota share transferee.
- (c) Require a regular review of bycatch avoidance measures and fishing methods employed in the community to ensure the use of the best available fishing methods.

### (6) Administrative Oversight

- (a) Require submission of detailed information to NMFS prior to being considered for eligibility as a community IFQ recipient.
- (b) Require submission of an annual report detailing accomplishments.

### (7) Sunset Provisions

- (a) No sunset provision
- (b) Review program after five years and consider sunseting program if review reveals a failure to accomplish the stated goals.

**Community "Set Aside" of  
Halibut Charter  
Individual Fishing Quota Shares  
Discussion Paper  
May 30, 2000**

**Prepared by Staff:**

**Gulf of Alaska  
Coastal Communities Coalition**

**P.O. Box 201236  
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**May 30, 2000**

# Executive Summary

- ▶ National Standard 8 of the Manson-Stevens Fishery Conservation and Management Act directs that “Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts in such communities.”
  
- ▶ The Oceans Studies Board of the National Academy of Science’s National Research Council (NRC) report on Individual Fishing Quotas, Sharing the Fish: Toward a National Policy on IFQs, concludes “(w)hen designing IFQ programs, councils should be allowed to allocate quota shares to communities or other groups, as distinct from vessel owners or fishermen.”
  
- ▶ Many smaller Gulf of Alaska communities have yet to develop mature halibut charter businesses. The current “Elements and Options for Analysis” by Council Staff on the halibut charter IFQ issue do not include options allocating, or setting aside, quota share for developing halibut charter fisheries in these fisheries-dependant coastal communities, nor do they address the sustained participation of many Gulf of Alaska communities in the halibut charter fishery.
  
- ▶ Alaska’s halibut charter industry is relatively new and has experienced rapid growth. Moreover, halibut charter fishermen are concentrated in only a few Alaskan communities.
  
- ▶ The NRC report cautions that “councils should avoid taking for granted the ‘gifting’ of quota shares to the present participants in a fishery, just as they should avoid taking for granted that vessel owners should be the only recipients of quota and historical participation should be the only measure for determining initial allocations.”
  
- ▶ Halibut charter IFQs may intensify near shore depletion and could restrict angler options for diverse halibut charter experiences.
  
- ▶ The community halibut charter IFQ “set aside” would reserve halibut charter quota for

use by residents of a defined class of undeveloped and underdeveloped communities who wish to establish halibut charter businesses. All "set aside" quota not obligated by a date certain would be "rolled back" into the general IFQ pool.

- ▶ Eligible communities are defined by four criteria: 1. located on salt water (coastal); 2. fisheries dependant; 3. remote (no road access); and 4. less than 2,500 people as recorded by the 2000 census. These criteria qualify twelve communities located in halibut management area 3A and twenty-two communities located in halibut management area 2C.
- ▶ A non-profit community development corporation or fisherman's association would be an appropriate management entity for community halibut charter IFQs. The entity must be inclusive of all residents in qualifying coastal communities, native and non-native alike.
- ▶ The community halibut "set aside" program would be administered by RAM division of NMFS.
- ▶ Communities would be limited in use to approximately 50,000# of "set aside" halibut charter IFQs. Cumulatively the program would be limited to 680,000# of "set aside" halibut charter IFQs.
- ▶ Individuals within communities would be restricted to 10,000# of halibut charter IFQ and further restricted to increments of 2,000# per year for the first five years. Also, individuals could only obtain halibut charter IFQs for 15 years.
- ▶ Since any unused portion of the halibut charter "set aside" is rolled back into the general IFQ pool, sunset provisions are unnecessary.
- ▶ The GOAC<sup>3</sup> proposal for charter IFQ "set aside" quota is a concept for allocating shares that is likely to make the halibut charter IFQ allocations more equitable and successful.

# Problem Statement

National Standard 8 of the Magnuson-Stevens Fishery Conservation and Management Act directs that "Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts in such communities."<sup>1</sup> Many smaller Gulf of Alaska communities have yet to develop mature halibut charter businesses. The current Elements and Options for Analysis by Council Staff on the halibut charter IFQ issue do not include options allocating, or setting aside quota share for developing halibut charter fisheries in these fisheries-dependant coastal communities, nor do they address the sustained participation of many Gulf of Alaska communities in the halibut charter fishery. Moreover, the current Elements and Options for Analysis do not address the future importance of halibut charter fishing resources to these communities.

## Action Request

The GOAC<sup>3</sup> requests that the North Pacific Fisheries Management Council incorporate this discussion paper regarding a community "set aside" for halibut charter IFQ's and the draft Elements and Options for Analysis into the Halibut Charter IFQ Elements and Options for Council staff analysis approved at the April, 2000 meeting and currently being reviewed by staff.

## Background

The Council addressed the issue of halibut charter IFQs at its April meeting. Prior to the April discussion, the GOAC<sup>3</sup> presented a concept document outlining a "set aside" of halibut charter IFQ for underdeveloped communities and requested inclusion of the issue in the

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<sup>1</sup>16 U.S.C. 1851, Sec 201.

“Elements and Options for Analysis” currently before the Council. In addition, many halibut charter operators voiced support for a community set aside but some operators expressed concern about the allocation coming exclusively from halibut charter quota.

The Council discussed the issue but raised several questions about under developed communities and indicated that the issue should receive a full review before being considered for analysis. Consequently, the Council directed GOAC<sup>3</sup> to include discussion of undeveloped and underdeveloped community allocations of halibut charter IFQ in its June, 2000, “discussion paper” regarding the larger issue of community ownership and management of IFQs. The Council expressed that “fleshing out the options and issues” associated with community halibut charter IFQ could enable the Council “to fold the issue into the Elements and Options for Analysis”<sup>2</sup> approved at the April meeting.

## History

Although the underlying factual justifications for both the community IFQ “buy in” proposal for existing IFQs and the “set aside” of new halibut charter IFQs are similar, the theoretical constructs for solution are quite different. “Buying in” creates issues and concerns that are substantively different from policy decisions and concerns regarding “gifting.” Consequently, for clarity, the two concepts are presented separately.

For several years the North Pacific Fisheries Management Council wrestled with the implementation of a guideline harvest level (GHL) for halibut charter operators. During the February, 2000 Council meeting, a new GHL was adopted. As part of the GHL discussion, charter industry representatives and several Council members suggested an analysis of Individual Fishing Quotas (IFQs) for halibut charter boat operators. Many charter operators believe that the GHL will not provide stable harvest opportunities for the charter fleet but that IFQs could supply halibut charter fishermen with sufficient fish for their clients. The Council subsequently

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<sup>2</sup>NPFMC member Dave Benton

approved formation of a "Halibut Charter IFQ Committee" to review the issue and directed staff that the issue would be "fast tracked."

The Halibut Charter IFQ Committee was limited to industry representatives with technical advisors from the commercial sector and Alaska's smaller Gulf of Alaska coastal communities. The committee, in its problem statement, acknowledged that "management actions should recognize the economic and social needs of overcapitalized and undercapitalized communities" and that one aspect of the problem was "lack of growth for public access in terms of accessibility, harvest opportunity and affordability."<sup>3</sup> The committee discussed suggestions from rural communities that a community-based charter IFQ pool, or set aside, be considered for undeveloped or underdeveloped locations around the Gulf coast.

Just prior to the April Council meeting the Halibut Charter IFQ committee met again to finalize its "Recommendations on Elements and Options for Analysis." Underdeveloped community concerns, based on probable inequitable IFQ distribution, were further reviewed. While the committee recognized that, given the list of alternatives for review, many communities would be excluded from charter IFQ allocations, they were unwilling to recommend for staff review a concept that might reduce quota share for existing charter operators. Nevertheless, the committee recommended that the issue be included in the Gulf of Alaska Coastal Communities Coalition's (GOAC<sup>3</sup>) discussion paper regarding community IFQ ownership.

The Advisory Panel (AP) to the Council reviewed the Charter IFQ Committee's Final Recommendations on Elements and Options for Analysis and discussed at length the concerns of underdeveloped coastal communities. Much of the AP discussion referenced the National Research Council's (NRC) comprehensive review of IFQ programs, Sharing the Fish, Toward a National Policy on IFQs (Sharing the Fish). The AP, in deference to the NRC report, supported inclusion of underdeveloped communities in the Elements and Options for Analysis as possible

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<sup>3</sup>Problem Statement, March 22-23, Halibut Charter IFQ Committee Minutes



recipients of halibut charter IFQ quota.

## **Sharing the Fish**

Because of concerns raised about IFQ type fisheries management,<sup>4</sup> Congress, in 1996 as part of the Sustainable Fisheries Act, imposed a moratorium on new IFQ programs and directed the National Academy of Science's National Research Council (NRC) to study a wide range of questions concerning the social, economic, and biologic effects of IFQs and to make recommendations about existing and future IFQ programs. The Ocean Studies Board of the Academy conducted five hearings and heard testimony from a host of witnesses. Their report, entitled Sharing the Fish: Toward a National Policy on Individual Fishing Quotas (Sharing the Fish) was published in December 1998 and sets forth a number of recommendations and public policy concerns regarding the use of individual fishing quotas.

"After the expiration of the moratorium, Congress requires any council submitting an IFQ program, and the Secretary of Commerce in reviewing that program for approval, to consider this NRC report and ensure that the program includes a process for review and evaluation; ... and to facilitate new entry, especially of those not favored by the initial allocation (Sec. 303 [d][5])."<sup>5</sup> The report states: "Councils should consider including fishing communities in the initial allocation of IFQ (as community fishing quotas), where appropriate. The Secretary of Commerce should interpret the clause in the Magnuson-Stevens Act pertaining to fishing communities (National Standard 8)<sup>6</sup> to support this approach to limited entry management."<sup>7</sup>

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<sup>4</sup>"A number of problems were identified in operative IFQ programs during the committee's work. Prominent among them are concerns about the fairness of the initial allocations, effects of IFQs on processors, increased costs for new fishermen to gain entry, consolidation of quota shares (and thus economic power), effects of leasing, confusion about the nature of the privilege involved, elimination of vessels and reduction in crew, and the equity of gifting a public trust resource." P. 4, Sharing the Fish: Toward National Policy on IFQs.

<sup>5</sup>P. 18, Sharing the Fish: Toward a National Policy on IFQs.

<sup>6</sup>16 U.S.C. 1851, Sec 201. "Conservation and Management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks),

The report advises regional councils that they “could avoid some of the allocation controversies encountered in the past by giving more consideration to (1) who should receive initial allocation, including crew members, skippers, communities, and other stakeholders; (2) how much they should receive; and (3) how much the potential recipients should be required to pay for the initial receipt of quota....”<sup>8</sup> and further cautions that “(I)n any fishery for which an IFQ program is being considered, attention should be given to the implications of recreational participation in the fishery and, where appropriate, to potential application of the IFQ program to both commercial and recreational sectors.”<sup>9</sup> Finally, the National Research Council concludes “(w)hen designing IFQ programs, councils should be allowed to allocate quota shares to communities or other groups, as distinct from vessel owners or fishermen.”<sup>10</sup>

## **Halibut Charter Fishery**

The Halibut Charter industry around Alaska’s Gulf Coast is relatively new. Although some fisherman chartered their vessels for halibut fishing prior to 1980, few skippers focused their primary fishing efforts on chartering. Limited reporting requirements and various licensing options make it difficult, if not impossible, to accurately track the growth of the halibut charter fishery. Nevertheless, the graph on page 13 of the February 2, 2000 memorandum to the Council regarding Halibut Charter Management, indicates that the number of halibut removed by the recreational fishery (charter and non-charter) increased almost 6 fold in halibut management area 2C and more than 10 fold in halibut management area 3A in the 20 years between 1980 and 2,000. The available data doesn’t separate non-charter sport removals prior to 1994. However,

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take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts in such communities.”

<sup>7</sup> P.8, Sharing the Fish: Toward a National Policy on IFQs

<sup>8</sup>P. 9, Sharing the Fish: Toward a National Policy on IFQs

<sup>9</sup>P. 10, Sharing the Fish: Toward a National Policy on IFQs

<sup>10</sup> P. 9, Sharing the Fish: Toward a National Policy on IFQs

in the past 6 years, the non-sport harvest has been almost flat while the charter sector continues to expand.

The growth of the charter industry has not only been rapid, it has also been concentrated in or around a small number of larger coastal communities. In Area 2C, Sitka, Juneau and Ketchikan dominate the industry and in Area 3A the concentration of charter operators is on the Kenai Peninsula and around Valdez.<sup>11</sup> In fact, under the most liberal standard considered for a possible moratorium, these communities accounted for more than half of the possible permits, and it is expected that halibut charter residents from these towns will receive a very high percentage of of any charter IFQs based primarily on historical catch information. Tables 3.6 and 3.14 of the December 1, 1999 EA\RIR suggest that from 1994 through 1998 halibut charter catches for Ketchikan, Juneau and Sitka averaged about 55% of the 2C total catch, and halibut charter catches from Cook Inlet and Prince William Sound averaged about 85% of the total 3A catch.<sup>12</sup>

The recent development of the halibut charter fishery both necessitates regulatory action and illustrates the problems with limiting halibut charter IFQ allocation to historical catch criteria. Sharing the Fish concludes, "Unrestricted harvest by many non-commercial interests, while fisheries are managed for holders of IFQs, presents major management problems that potentially undermine the integrity of any IFQ program, particularly when the recreational sector is growing in size."<sup>13</sup> Yet the study cautions in one of its recommendations that "Councils should avoid taking for granted the "gifting: of quota shares to the present participants in a fishery, just as they should avoid taking for granted that vessel owners should be the only recipients of quota and historical participation should be the only measure for determining initial allocations."<sup>14</sup>

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<sup>11</sup>PP. 141-143, EA\RIR Halibut GHL, NPFMC January 10, 2000

<sup>12</sup>PP. 40 & 56, EA\RIR Halibut GHL, NPFMC December 1, 2000

<sup>13</sup>P. 156, Sharing the Fish: Toward a National Policy on IFQs

<sup>14</sup>P. 9, Sharing the Fish: Toward a National Policy on IFQs

The NRC's allocation concerns directly follow the discussion expanding catch history to "reflect the participation not only of individuals and occupational groups, but also of fishing communities. From this perspective, communities may be entitled to initial quota allocations. . . . 'Community Fishing Quotas' could contribute to community sustainability in areas that are heavily dependent on fishing for social, cultural, and economic values and/or are lacking in alternative economic opportunities."<sup>15</sup> In other words, smaller Gulf of Alaska coastal communities dependant on halibut resources for social, cultural, and economic value, even if they don't yet have a "history" in halibut charter fishing, shouldn't be excluded from the criteria considered for halibut charter IFQ quota allocations.

One of the concerns raised by the Halibut Charter IFQ committee — lack of growth for public access — also illustrates the need for expanding criteria for halibut charter IFQ distribution. The halibut charter operator provides a "service" to the recreational angler from a specific port or community. Many recreational anglers, without charter operators, cannot access halibut resources. Concentrating halibut charter IFQs in a few communities will substantially limit recreational angler opportunities — both in terms of geography and type of fishing experience . Large portions of areas 3A and 2C will be "off limits" to most recreational anglers because few, if any, charter operators living in these areas will qualify for halibut charter IFQs. Concentrations of recreational anglers create a host of problems associated with a different type of race for fish and may well institutionalize the "combat" halibut fishing experience many recreational halibut fishermen try to avoid.

Concentration of halibut charter IFQs in limited geographical areas could lead to, and may have already resulted in, near shore depletion of available halibut in several of these areas. Anecdotal information suggests that Cook Inlet is experiencing depletion problems and, more than five years ago, Sitka identified problems with available halibut in Sitka Sound. Again, distributing halibut charter IFQ primarily on the basis of historical catch only exacerbates existing

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<sup>15</sup>P. 200, Sharing the Fish: Toward a National Policy on IFQs

biological or resource depletion issues. In fact, when gifted IFQs obtain economic value, there may be increased pressure on a relatively few, geographically limited, near shore halibut areas. New entrants may have to fish harder to “pay” for their IFQs and initial issuants may leverage their new found capital to make it “pay.” Providing halibut charter opportunities for communities throughout areas 3A and 2C should help to reduce near shore depletion and will provide recreational halibut fishermen additional opportunities to “get away from the crowd” for a variety of halibut fishing experiences.

## Solutions

Sharing the Fish suggests that in designing IFQ programs and determining quota allocations “(d)ozens of different criteria can be used, each one more or less appropriate and fair, depending on the goals of the IFQ program.” Nevertheless, the report affirms “(d)eciding who should receive quota and how much quota they should receive is a difficult, highly political process as participants in a fishery attempt to ensure their continued participation. The controversy about initial allocations results from at least three factors: (1) the ‘windfall profit’ of initial recipients, (2) the choice of criteria for allocation, and (3) the amount of quota received.”<sup>16</sup>

Sharing the Fish further outlines that “(T)here are at least four different ways to allocate scarce resources:

1. The open-access approach;
2. A rule of equal opportunity - through a lottery, a first-come-first-served principle, or a same-for-everyone allocation;
3. The political approach or priority ranking, similar to the triage approach in allocating scarce medical care; and
4. The market device: the scarce resource is distributed to those who are willing to pay the most for it.<sup>17</sup>

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<sup>16</sup>P. 140, Sharing the Fish: Toward a National Policy on IFQs

<sup>17</sup>P. 141, Sharing the Fish: Toward a National Policy on IFQs

GOAC<sup>3</sup> suggests that, throughout staff review of Elements and Options for Analysis in allocating halibut charter IFQs, underdeveloped coastal communities be considered within the criteria for “priority ranking” and that, within these communities, a “first-come-first-served” approach should be considered.

## **The CDQ Model**

Some have suggested that underdeveloped Gulf of Alaska communities be given a halibut charter Community Development Quota (CCDQ) to encourage development of their halibut charter fisheries. Congress currently restricts CDQs to the Bering Sea,<sup>18</sup> Consequently, this approach is not possible within the context of the Council’s halibut charter IFQ initiative.

## **The Community Set Aside**

A community “set aside” is the amplification of an approach outlined on pages 156 and 157 of Sharing the Fish. The NRC discussion outlines opportunities for inclusion of the recreational sector within a limited access management program and, after discussion of a recreational “total allowable catch” (TAC) or “guideline harvest level” (GHL), indicates that “Pearse (1991) recommends allocating the recreational sector an explicit quota to be held on behalf of recreational fishermen by local government or by organizations modeled after the regional councils. The New Zealand Fisheries Task Force (1992) also recommends that recreational fishermen be allocated a share of the TACs, with establishment of organizations to hold and manage the quota.” Again, “Ackroyd et al. (1990) identify significant problems presented by recreational fisheries and recommend that the recreational sector be placed under a quota, with trusts established to hold and manage the quota (e.g., similar to the “hunting club” or Ducks Unlimited approach).” The idea of a allocated quota, set aside for in a sort of “trust,” although not specifically applied to communities, may well provide the preferred mechanism for addressing underdeveloped communities’ concerns regarding halibut charter IFQ allocations in

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<sup>18</sup>P. 128, Sharing the Fish: Toward a National Policy on IFQs

that it can encourage the development of halibut charter business without creating an entitlement to the resource.

Annually, for each of several management areas, the International Pacific Halibut Commission (IPHC) estimates halibut biomass and determines, within biological limits, total allowable halibut removals. A portion of the removals are allocated to bycatch quotas, treaty obligations, and subsistence fisheries. Additional halibut are set aside for IPHC research, administrative costs, and recreational removals -- both charter and non-charter. The remaining possible removals become the numerical basis for calculating commercial halibut IFQs. The halibut charter IFQ merely moves that portion of the "recreational" removals allocated to halibut charter boats into the "remainder pool" distributed to IFQ holders.

An underdeveloped community halibut "set aside" could be derived in several ways. First, the community development set aside could be allocated as another removal from the total "pool" of available halibut. Second, the community development set aside could be allocated from within the halibut charter portion of the remainder pool, or third, the "set aside" could be funded from a percentage combination of the two approaches. The first approach would assess the community set aside from both commercial and halibut charter IFQ holders while the second approach limits "funding" the set aside to the halibut charter IFQ holders. And the third approach would allow some balancing of equity between use sectors. With all approaches, a portion of the total annual halibut removals are reserved to remove economic barriers and encourage halibut charter operators in underdeveloped communities.

## **Eligible Communities**

It is difficult to categorize, in advance of the issuance of halibut charter IFQs, the subset of Gulf of Alaska communities whose residents will receive little, if any, halibut charter fishing quota shares. It is simply unknown, at this time, where recipients of halibut charter IFQs reside. Nevertheless, the Halibut GHL EAIRIR indicates that several areas are likely to receive an

abundance of halibut charter IFQs while the remainder of the Gulf of Alaska will share in a limited number of initial shares. In our view, a set of four indices — coastal, fisheries dependant, isolated, and under 2,500 residents<sup>19</sup> — leads to a class of communities that is unlikely to receive many halibut charter IFQs and also excludes those areas that have concentrations of halibut charter operators. While these four criteria may not be comprehensive, they clearly define a set of communities that need expanded economic opportunities through additional halibut charter businesses.

With the four criteria of “coastal,” “fisheries dependant,” “remoteness,” and “size,” a defined set of qualifying communities in Areas 3A and 2C would include: Karluk, Larsen Bay, Old Harbor, Ouzinkie, Port Lions, Halibut Cove, Toyonek, Nanwalek, Port Graham, Seldovia, Chenega Bay, Tatitlek, Yakatat, Angoon, Craig, Coffman Cove, Edna Bay, Elfin Cove, Gusstavus, Hollis, Hoonah, Hydaburg, Kake, Kassan, Klawok, Metlakatla, Meyers Chuck, Pelican, Point Baker, Port Alexander, Port Protection, Tenakee Springs, Thorne Bay, and Whale Pass. Twelve of these communities are located in halibut management area 3A and twenty-two communities are located in halibut management area 2C.

### **Appropriate Management Entity Within the Qualifying Community**

When talking about community halibut charter “set aside,” it is important to note that the halibut charter IFQs are not purchased or owned by an entity. Rather, community halibut charter shares are administratively transferred to a management entity within the community on an annual basis for use by individual community members. Ownership — as defined by a right of use that transfers a lienable interest — of the shares is retained by the government “in trust” for qualifying communities.

The community halibut charter “set aside” must be administered within each community

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<sup>19</sup>See GOAC<sup>3</sup> discussion regarding community criteria in “Community Purchase of Halibut and Sablefish Individual Fishing Quota Shares Discussion Paper.”



and a specific entity within the community must be designated as the “eligible transferee.” If possible, because of the size of many communities, existing governing structures such as municipalities, tribal councils, or ANCSA corporations should be considered. However, each of the existing governing structures is unlikely to provide a good “fit” for administering halibut charter IFQ’s.<sup>20</sup> Consequently, a newly created, or existing, inclusive, non-profit community entity should be considered.

A “new” community entity determining qualification for and distribution of community, charter IFQs would need participation opportunities for all community residents and would consist of individuals knowledgeable about fishing and interested in the community’s use and management of quota share. Non-profit, economic development corporations or fisherman’s organizations are probable options. These entities could focus interested persons on a specific mission — that of managing community fishing quota. It would be inclusive of all community residents, providing input opportunities to all fishermen in the community: subsistence, commercial, and sport fishermen. Board members of the managing entity would be democratically elected with staggered terms and term limits by all community residents. Moreover, the entity would be limited to a specific percentage of the ex-vessel value of the IFQ, perhaps no more than 10% to cover administrative costs. Again, the focus of the program is to pass much of the value from halibut charter IFQs onto fishermen and crewmen in the community.

Administratively, a qualifying community interested in the purchase of quota shares would proceed as follows:

1. Create a community non-profit economic development or fishermen’ entity and democratically elect a board of directors;
2. Apply for non-profit status;
3. Post notice within the community regarding availability of halibut charter quota shares;

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<sup>20</sup>For an expanded discussion of this point see: GOAC<sup>3</sup> discussion regarding community ownership criteria in “Community Purchase of Halibut and Sablefish Individual Fishing Quota Shares Discussion Paper.”

4. Direct possible halibut charter operators toward qualifications for needed licenses and safety qualifications;
5. Submit an annual transfer request to NMFS requesting transfer of a specific amount of halibut charter quota — in both pounds and fish — for use by designated community individuals.

## **Administration**

The community halibut set aside program would be administered by RAM division of NMFS. Each year, perhaps by January 15, the administrative entity within qualifying communities would submit transfer requests to RAM division verifying qualification criteria and designating qualified individuals, resident in the community, for use of quota share.

## **Roll Over**

Use of halibut charter quota, unlike commercial IFQs, is dependant on client bookings and fishing success. It is important the community “set aside” quota be used and not become a deduction from possible commercial or charter IFQs without benefit. Consequently, individuals wishing to obtain a portion of the community “set aside” halibut charter quota would need to file application and the administrative entity make its request by a date certain, perhaps January 15 of each year. Any portion of the “set aside” quota that is not allocated by January 30th is then rolled into the general allocation pool for the upcoming commercial and halibut charter seasons.

# **Caps or Limitations**

## **Cumulative Program Cap**

The total amount of halibut charter IFQ “set aside” to develop halibut charter businesses in underdeveloped communities should be capped. It is not necessary for the “set aside” to provide mature halibut charter development for an unlimited number of halibut charter operators

in all qualifying communities just as it is improbable that the halibut charter IFQ program will provide all of the halibut that each qualifying charter operator will need. Rather the goal of the "set aside" is to enable a portion of interested individuals in underdeveloped communities to establish successful halibut charter operations and then go on to purchase individual quota. "Set aside" quota no longer used would become available for other individuals or communities.<sup>21</sup> Eventually a number of underdeveloped communities will have individuals that cumulatively used the "set aside" quota to create sustained community participation in the fishery, provide varied and diverse angler halibut fishing opportunities, and mediate depletion problems for communities with concentrations of charter operators — the goals that the Halibut Charter IFQ Committee identified.

Anecdotal information suggests that successful, mature, charter operators average around 500 fish, or 10,000# of fish per season.<sup>22</sup> Some have suggested that communities will remain underdeveloped if less than five charter operators resident in the community have obtained a level approximating this magnitude of success. Again, it is unnecessary for the "set aside" program to provide halibut charter IFQs equal to all present and future community halibut charter development needs. The proposed community halibut charter "set aside" program is designed to reduce the economic barriers associated with IFQ's and thereby encourage some community members in some qualifying communities to develop halibut charter businesses. Perhaps each community should have opportunity for at least two residents to obtain the 10,000# production standard or, if the community chooses, have the opportunity to divide a community "set aside" of 20,000# between several community charter boat operators. With thirty-four qualifying communities, this would amount to 680,000 pounds or \_\_\_% of the proposed halibut charter GHL as the cumulative program cap. The community "set aside" should be defined as a percentage of the TAC.

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<sup>21</sup>See individual use restrictions

<sup>22</sup>Although with "successful charters" there is a large range based on location, fishing style (catch & release vs. retained) and operation (multiple vs. Single vessel), this estimate is based on an average of 3 clients per day with a catch rate of 5 fish per day for a 100 day season. Gross earnings are estimated at \$450.00 per day with season total of \$45,000.

## Community Caps

When considering a program cap, the assumption is that all communities may choose to participate in the halibut charter IFQ “set aside” and therefore must be limited by some minimum amount. In contrast, when looking at limitations on individual communities, the perspective is to view the community as a single economic unit and determine a benchmark quantity that will provide enough halibut charter “set aside” quota to grow a mature halibut charter business in the community — sort of a maximum justifiable need. Again, the equivalent of five mature halibut charter operations, or 50,000# of halibut charter IFQs, may be sufficient to move a community from undeveloped or underdeveloped to having a halibut charter economic base. Therefore it is suggested that the individual community cap be 50,000#.

Each community applying for charter IFQ “set aside,” if the individual qualification criteria are met, would be guaranteed a minimum of 20,000# of halibut charter IFQ quota. However, if fewer than the 34 qualifying communities apply to participate in the program or request less than 20,000# for qualified individuals, the remainder of the “set aside” would be available in a common pool for communities which qualify individuals for more than their 20,000# guarantee. Communities qualifying for more than their 20,000# guarantee would share any remainder proportionally — based on qualified individuals in the community.<sup>23</sup>

## Individual Caps

Allocations within each community should be determined by the administrative entity on a community-by- community basis. The administrative entity must guarantee that every “qualified “ individual in the community is eligible to receive halibut charter “set aside” quota. In addition,

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<sup>23</sup>For example, thirty two communities apply for the program and qualify for 20,000# each leaving 40,000# uncommitted. In addition, community A qualifies for 30,000, community B qualifies for 50,000# and community C qualifies for 100,000#. Community C is limited to 50,000#. Nevertheless, there is only 40,000# to distribute and 70,000# in excess qualification. Consequently community A would receive 1/7 of 40,000# and communities B and C would each receive 3/7 of 40,000#.

the following guidelines should be considered. First, no individual should receive more than 10,000# of halibut charter quota --- inclusive of any privately owned.<sup>24</sup> Second, first year applicants would be issued no more than 2,000# of halibut charter quota and no more than 2,000 of quota for each successive year — up to the 10,000# total. (Halibut charter poundage needs are based on clients and halibut charter client bases take years to develop. Increasing quota proportionally over a five year period allows for the steady growth of the individual's halibut charter business.) Third, unused quota from the previous season, if more than 10% of the requested amount, is deducted from the charter operators' current individual allocation. (This "truth tests" individual quota requests.) And fourth, no individual can receive halibut charter quota for more than fifteen years.<sup>25</sup> Given these restrictions, applicants would receive the full amount requested, if available from their community allocation. If individual applicant's requests exceed the community allocation, their shares are reduced proportionally.<sup>26</sup>

## Sunset

The purpose of a community "set aside" of halibut charter quota shares is to remove an economic barrier for residents of under developed communities to participate in the halibut charter industry. It is expected that, as individual charter operators establish themselves, the economic barrier for quota share purchase will lower and individuals will purchase available quota shares. Cumulatively, this trend could eliminate communities from "qualifying" individuals

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<sup>24</sup>With the 20.7# average charter caught fish this amounts to about 5 fish per day for 100 days.

<sup>25</sup>The 15 year period is suggested as a reasonable time period for encouraging individuals to invest in halibut charter IFQs. The first 5 years are capital intensive as the halibut charter operator builds the business. It is reasonable to expect for the remaining 10 years that 10% of the value of the IFQs harvested would be annually re-invested in individually owned IFQs.

<sup>26</sup>For example, a community is awarded 20,000 pounds of set aside halibut charter quota and has 4 applicants for quota share. The first applicant is a first year charter operator requesting 2,000 pounds, the second applicant is a third year charter operator requesting 6,000 pounds, the third applicant is a five year charter operator requesting the full 10,000 pounds and the fourth applicant, also a five year charter operator, requests 10,000 pounds of quota but last season he failed to use 2,500# of quota so currently only qualifies for 7,500#. Total quota requested is 25,500# but the community is limited to 20,000#, consequently the first applicant will receive  $(2,000 \times 20,000/25,500)$  or 1,569# of quota, the second applicant  $(4,000 \times 20,000/25,500)$  or 3,173# of quota etc.

to obtain “set aside” shares. However, since uncommitted quota rolls into the larger IFQ pool there would be no net loss to the fishery. Therefore, it seems unnecessary to sunset the program. On the other hand, if a sunset provision were considered, perhaps a 20 year provision might accelerate community development of halibut charter businesses.

## Conclusion

The community based halibut charter IFQ “set aside” provides equity and opportunity to communities that have not yet developed mature halibut charter businesses. In addition, inclusion of communities in this new “IFQ” program will further the recommendations of the National Resource Council and strengthen the entire IFQ management approach. As suggested in Sharing the Fish, Toward a National Policy on IFQs, “It is reasonable to conclude that IFQ programs are more likely to be successful if representatives of the relevant fishing communities have been active participants in devising the program and/or if such communities are themselves recipients of IFQ shares and are left to devise their own procedures for allocating these shares and monitoring their use.”<sup>27</sup> The GOAC<sup>3</sup> proposal for a charter IFQ encourages new, geographically diverse, entrants into the halibut charter industry and will help provide for the sustained participation of fisheries dependant communities in harvesting halibut resources. Moreover, it may serve to reduce the adverse economic impacts to such communities created by the concentration of halibut charter IFQs in a few larger towns. Finally, the “set aside” enables individuals to establish halibut charter business but is clearly not an entitlement and it cannot be leased or leveraged for economic gain.

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<sup>27</sup>P. 180-181, Sharing the Fish: Toward a National Policy on IFQs

# **Community “Set Aside”**

## **Halibut Charter IFQs**

### **Draft**

## **Elements and Options For Analysis**

**(1) Halibut IFS Community Assistance Model:**

- (a) Gifting of Halibut Charter IFQs to qualified community administrative entity.  
(CDQ model)**
- (b) Gifting of Halibut Charter IFQs to individuals within qualified communities**
- (c) Halibut charter IFQ “set aside” for use by qualified communities**
- (d) Co-management of local area Halibut Charter IFQs**

**Suboption 1. Turf fishery for Halibut Charter IFQs**

**(2) Eligible Communities:**

- (a) Rural communities with less than 2,500 people in the Gulf of Alaska with direct access to saltwater.**
- (b) Rural communities with less than 2,500 people in the Gulf of Alaska, no road access to larger communities, and with direct access to saltwater.**
- (c) Rural communities with less than 2,500 people in the Gulf of Alaska, no road access to larger communities, and with direct access to saltwater, and a documented historic participation in the halibut fishery.**
- (d) Rural communities with less than 2,500 people in the Gulf of Alaska, no road access to larger communities, and with direct access to saltwater, documented historic participation in the halibut fishery.**

**Suboption 1: Include a provision that the communities must also be fishery dependent.**

**Fishery Dependence can be determined by:**

- (a) Fishing as a principal source of revenue to the community**
- (b) Fishing as a principal source of employment in the community (e.g., fishermen, processors, suppliers)**

**The relative importance of fishing to a community can be estimated by looking at other sources of revenue and employment and comparing those sources to fishing activities in the community**

**Suboption 2: Decrease community size to communities of less than 1,500 people.**

**Suboption 3: Increase community size to communities of less than 5,000 people.**

**3) Appropriate Administrative Entity within the Qualifying Community**

- (a) Existing recognized governmental entities within the communities (e.g., municipalities, tribal councils or ANCSA corporations)**
- (b) New non-profit community entity**
- (c) Aggregation of communities parallel to the "CDQ groups"**
- (d) Combination of the entities**

**Suboption 1: Allow different ownership entities in different communities depending on the adequacy and appropriateness of existing management structures.**

**(4) Administrative Oversight**

- (a) Require Submission of detailed information to NMFS prior to being considered for eligibility as a community halibut charter IFQ recipient.**
- (b) Annual requests to RAM division regarding qualifications for transfer of quota and amount of halibut charter quota for use by administrative entity.**
- (c) Require Submission of an annual report detailing accomplishments.**



**(5) Roll Over**

- (a) Rollover of unrequested quota prior to commercial and halibut charter IFQ allocations**
- (b) "Bank" unrequested quota for future use**
- (c) Unrequested (and unfished) quota is added to following year biomass estimate**

**(6a) Use Caps Cumulative Caps for all Communities**

- (a) 3% of the combined 2C and 3A Total Allowable Catch (TAC)**  
**Suboption 1: 2% of the combined 2C and 3A Total Allowable Catch (TAC)**
- (b) 10% of initial issuance of halibut charter IFQs**  
**Suboption 1: 15% of initial issuance of halibut charter IFQs**
- (c) Fixed quota amount equal to 20,000# for each qualified community**  
**Suboption 1: Fixed quota amount equal to 30,000# for each qualified community**

**(6b) Use Caps: For Individual Communities**

- (a) Proportional amount, based on total qualifying communities, of total "set aside" cap.**  
**Suboption 1: Proportional amount, based on total participating communities, of total "set aside" cap.**
- (b) 50,000# per community**  
**Suboption 1: 30,000# per community**  
**Suboption 2: 20,000# per community**
- (c) 1/10 of 1% of 3A and 2C Total Allowable Catch (TAC)**  
**Suboption 1: 2/10 of 1% of 3A and 2C Total Allowable Catch (TAC)**

**(6c) Use Caps: For Individual Halibut Charter Operators**

- (a) Use cap of with range of 5,000#, 10,000# or 15,000#
- (b) Use cap of no more than 2,000# per year for each year of operation – up to total individual cap

Suboption 1: Use cap within range of 1,500# - \$2,500# per year for each year of operation - up to total individual cap

- (c) Deduct unused quota, if more than 10%, from next year individual allocation

Suboption 1: Deduct unused quota, if more than 5%, from next year individual allocation

- (d) Individuals are limited to no more than 15 years participation in the program

#### (7) Sunset Provisions

- (a) No sunset provision
- (b) Review program after 5 years and consider sunsetting program if review reveals a failure to accomplish the stated goals.