

North Pacific Fishery Management Council

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MEMORANDUM

TO: Council, SSC, and AP
FROM: Jim H. Branson
Executive Director
DATE: September 19, 1983
SUBJECT: Halibut Fisheries Management - Report of Halibut Workgroup

At the July meeting in Homer, the Council directed the Halibut Workgroup to meet and formulate recommendations on whether the halibut limited entry objectives adopted by the Council at the September 24-25, 1981 meeting should be adopted as general management objectives for the fishery and whether the Council should adopt a moratorium on new entrants into the fishery for 1984. Some concern was also expressed by the Council that Workgroup membership accurately reflect geographical interests as well as the various industry and management groups concerned with the fishery. Workgroup membership is as follows:

Council: Harold Lokken
Jim Campbell
Bob McVey
Don Collinsworth
John Winther
Jeff Stephan

AP: Bob Alverson
Greg Baker
Barry Fisher
Rick Lauber

SSC: Rich Marasco

At-large
Members: Sig Mathisen/Petersburg Vessel Owners' Assn.
Mark Lundsten/Deep Sea Fishermen's Union (Seattle)
Paula Cullenberg/Bering Sea Fishermen's Assn.
Oliver Holm/Kodiak Halibut Fishermen's Assn.
Arne Lee/Fishing Vessel Owners' Assn. (Pacific Northwest)
Chuck Kekoni/Assn. of Alaska Halibut Fishermen and
Seward Halibut Fishermen's Assn.
John Wolfe/North Pacific Fisheries Assn. (Homer)
Perfenia Pletnikoff, Jr./Central Bering Sea Fishermen's
Assn. (St. Paul Island)
Paul Gronholdt/Peninsula Marketing Assn. (Sand Point)
Gordon Williams/Angoon Handtroller & Longliner

Agency Staff: Jim Branson, NPFMC
Ron Miller, NPFMC
Roland Finch, NMFS
Dick Myhre, IPHC
Kurt Schelle, CFEC

The Workgroup met in Anchorage on September 7 & 8, 1983. Harold Lokken was elected Chairman. Council member Don Collinsworth was unable to attend due to the press of business at the Alaska Dept. of Fish and Game and sent Al Didier in his stead. AP members Bob Alverson and Greg Baker were also unable to attend because of business commitments. Invitations to participate in the workgroup meetings had been extended to Bill Gordon, Assistant Administrator for Fisheries, National Marine Fisheries Service, and Chris DeMuth, Administrator for Information and Regulatory Affairs, Office of Management and Budget. Mr. Gordon was unable to attend because of prior commitments, but sent Roland Finch as his replacement. No response was received from Mr. DeMuth.

On the first day of the meeting, the workgroup adopted the following general objectives:

1. Distribute the hook and line halibut fishery in time and space to insure conservation of all components of the stock.
2. Preserve halibut as a hook and line fishery.
3. Retain the International Pacific Halibut Commission as the primary management authority in cooperation with the North Pacific Fishery Management Council as established by the 1979 Protocol amending the Convention between the U.S. and Canada for the Preservation of the Halibut Fishery in the North Pacific Ocean and Bering Sea, and the Northern Pacific Halibut Act of 1982.
4. Provide high quality fresh and frozen fish to the consumer throughout the year.
5. Develop the means for reducing the taking of incidentally-caught, non-targeted species by all gear types.

After adoption of the general objectives, the remainder of the meeting was devoted to discussion of the management methods available to achieve those objectives. Two general approaches to halibut management were advocated during these discussions: one group believed that traditional management methods were adequate and the other supported the implementation of a moratorium on new entrants into the fishery coupled with a permanent limited entry system.

Some of those who supported the traditional approach were of the opinion that all alternatives for limited entry should be tried before deciding to implement limited entry. Others of this group stated that there were no problems in the halibut fishery, the stocks are healthy as evidenced by a high catch-per-unit-effort, and that the IPHC had not done all it could to spread harvest effort over a longer period of time. Some members of this group also stated that the current level of vessel participation in the fishery will be reduced when the halibut stocks decline at some point in the future. This group submitted the following proposal to spread harvest effort over a longer period of time:

1. The NPFMC must remove the threat of limited entry to alleviate speculative fishing pressure.
2. All vessels must indicate through pre-opening registration where they will fish.
3. After reviewing the pre-opening registration data, the IPHC will set openings in such a manner that the designated quota can be harvested in several openings. This would improve quality and spread effort over different stocks.

The IPHC would remain as the main regulatory body, but would, where necessary, utilize traditional management methods with regards to time, area, gear etc.

The Council should recognize the multi-species nature of the industry. Limited Entry on halibut would adversely affect established fisheries and the emerging bottomfish industry.

DEFINITION: Pre-opening registration differs from pre-season registration in that this will be done on an opening by opening basis as a management tool for the IPHC to forecast effort in a given area per opening. Registering in one area for one opening does not preclude the same vessel registering in another area for a subsequent opening.

The Workgroup members drafting this proposal were: Jeff Stephan, Oliver Holm, Gordon Williams, John Wolfe, and Chuck Kekoni.

The group advocating limited entry for the halibut fishery were concerned that the fishery is overcapitalized, that seasons continue to grow shorter, that this "pulse" fishing could be detrimental to halibut stocks, and that the traditional halibut fishermen would no longer be able to make a living from the fishery. This group offered the following proposal as a method to address the problems associated with excess effort in the fishery:

Objectives of Any Halibut Limited Entry Scheme:

- (1) Develop a fishing regime adequate to prevent the destruction of the halibut resource.
- (2) Reduce capitalization, thus encouraging an economically viable and efficient domestic halibut hook and line fishery that:
 - (a) Provide high quality fresh and frozen fish to the consumer throughout the year, and
 - (b) is made up of owner/operator holders of halibut fishing privileges.
- (3) Ensure that the costs of administration and enforcement do not exceed the benefits of the program.
- (4) Ensure that the extraction of royalties from the fishery at least sufficient to cover program costs is not precluded at some point in the future.
- (5) Minimize adverse biological impacts of the program on related fisheries.
- (6) Ensure that no particular entity acquires excessive control of halibut fishing privileges.
- (7) Attempt to be compatible with IPHC objectives.
- (8) Minimize disruption of the present fleet by using present and past participation to distribute initial halibut fishing privileges.
- (9) Ensure reasonable access to the halibut fishery.

Limited Entry Proposal:

- * Vessels under 5 net tons: No limited entry, anyone can enter the fishery. Fishermen are given a percentage of the quota. Regulated as status quo.
- * Vessels over 5 net tons: A permit system would be developed by vessel size. You would be frozen into a vessel class. To increase your vessel class you would have to buy a new permit. Examples of vessel classes could be: 5-15 net tons, 15-25 net tons, 25-35 net tons, 35-45 net tons, and 45-up.

Anyone who has landed over a thousand pounds (for example) within the base period could continue fishing. The transferability or non-transferability of permits would be based on a point system to be established. The point system will be defined by public hearings and meetings of the Council and the Commercial Fisheries Entry Commission.

Possibilities of a buy-back system should be considered.

GOALS ACHIEVED BY THE PROPOSAL

- (1) Develops a fishing regime adequate to prevent the destruction of the halibut resource.
- (2) Does not eliminate anyone who is actively participating in the fishery.
- (3) Provides entry opportunity.
- (4) Allows for reduction in effort over a long term, resulting in extended fishing seasons.
- (5) Maintains a competitive fishery.
- (6) Facilitates mobility within the fleet.
- (7) Provides for transferability of permits on the free market system.
- (8) The system is well known.
- (9) Effort within the fishery would be stabilized.
- (10) IPHC would continue in its present functioning.

The Workgroup members drafting this proposal were: Sig Mathisen, Arne Lee, Mark Lundsten and Paula Cullenberg.

Considerable discussion by all workgroup members centered on the positive and negative aspects of each proposal. Some limited entry advocates proposed as a compromise solution the implementation of limited entry on a regional basis, with the first limited entry program implemented in IPHC Area 2C (Southeast Alaska).

The Workgroup was unable to agree on a recommendation to the Council regarding a preferred management method to achieve the five general objectives or whether a moratorium should be adopted by the Council for 1984.

The Workgroup adjourned on September 8 after having passed only the recommendation on the five general management objectives. The following day, Workgroup member Chuck Kekoni submitted the following proposal to the Council as another management method that could be implemented in the fishery:

These suggestions would modify the Limited Entry Proposal for vessels under 5 net ton.

At this time they can not be looked on as legal or complete by any means. It's our association's [Association of Alaska Halibut Fishermen] way of trying to work with other groups in the industry. Please feel free to make comments on these idea.

1. Vessel net tonnage would be determined by fish hold capacity.

2. The only method to harvest halibut will be by long line gear.
3. An adjustable minimum percentage of each regulatory area total quota would be harvested only by the under 5 net ton vessel. Because of fleet make up this percentage would have to vary in each regulatory area, also the percentage would have to be renegotiable each year. Some area boundary changes might help control and determine this percentage factor. Status quo and short term historical catches can't be the only factor controlling the percentage.
4. Regulations to control opening dates and length of openings would be negotiated between the I.P.H.C. and the under 5 ton user group.
5. For serious commercial fishermen in the under 5 ton class a 10 year program of continued fishing effort and year improvements should be implemented so he could receive a interim permit in the over 5 net ton class. This would allow new people into the fishery in future generations without causing tremendous economic restrictions.
6. To slow down permit speculation and ease pressure on the under 5 net ton class a 10 year program to issue permits should be instituted. The State of Alaska would hold all permits for this time period until the vessel has shown serious intent through continued fishing efforts and improvements. After which time the vessel would receive ownership of the permit from the State.

M E M O R A N D U M

TO: Council, SSC and AP
FROM: Jim H. Branson
Executive Director
DATE: September 21, 1983
SUBJECT: Halibut Fisheries Management:
Council Action on Objectives and Moratorium

ACTION REQUIRED

I. Review Halibut Workgroup's recommendations for general management objectives. Decide whether any new objectives are to be adopted or only proposed and submitted for public review before adoption.

II. Review management options and decide whether to adopt a moratorium on new entrants into the halibut fishery before the 1984 Season.

I. MANAGEMENT OBJECTIVES

As reported under agenda item C-2(b), the Halibut Workgroup recommended the Council adopt the following as general management objectives for the North Pacific halibut fishery:

1. Distribute the hook and line halibut fishery in time and space to insure conservation of all components of the stock.
2. Preserve halibut as a hook and line fishery.
3. Retain the International Pacific Halibut Commission as the primary management authority in cooperation with the North Pacific Fishery Management Council as established by the 1979 Protocol amending the Convention between the U.S. and Canada for the Preservation of the Halibut Fishery in the North Pacific Ocean and Bering Sea, and the Northern Pacific Halibut Act of 1982.
4. Provide high quality fresh and frozen fish to the consumer throughout the year.
5. Develop the means for reducing the taking of incidentally-caught, non-targeted species by all gear types.

The Council may adopt these objectives in whole, or in part, and also may supplement them with other objectives. To aid the Council in its decision-making, a recitation of past Council efforts to establish management objectives for the halibut fishery is provided below.

A. HISTORY OF THE COUNCIL'S MANAGEMENT OBJECTIVES AND GOALS
FOR THE HALIBUT FISHERY

The first set of goals advanced by the Council for management of the halibut fishery was contained in a draft fishery management plan approved by the Council at their November 2 - 3, 1978 meeting. Those objectives were to:

1. rebuild the depleted halibut resource to a level of abundance which will produce long-term optimal yields; and
2. provide for a viable halibut set-line fishery for U.S. fishermen.

The fishery management plan was never implemented because the U.S. and Canada entered into a new protocol for the management of the fishery in 1979.

On March 13 - 14, 1980, the Council limited entry workgroup met in Juneau and, among other things, recommended the following as goals for any halibut limited entry system:

1. Prevent any expansion of effort.
2. Reduce the current number of entrants.
3. Maintain the economic viability of the halibut longline fishery so that it can continue as a professional fishery. The group feels that if halibut is allowed to continue to degenerate into a very short, intensive fishery, the industry will soon lose interest in defending that fishery. It will eventually turn into an incidental catch in the trawl fishery, and the halibut longline fishery, as it has been developed in the Pacific, will disappear. No one fights for a fishery that cannot produce an economic return to them.
4. The season should be stretched over six or seven months so that the harvest is made across all the stocks in the range. A longer season will allow improved analysis of fishing effort and stocks and reduce sudden gluts of fish and subsequent heavy industry dependence on cold storage fish.
5. Continue the small, part-time fishery with the existing fishermen.
6. Develop a system that will allow the greatest number of people possible to make a good return (living) from the fishery.

These goals were never adopted by the Council.

The next action on halibut management objectives by the Council or any subcommittee of the Council was adoption of the two objectives stated in the halibut FMP at a Council halibut workshop held in Seattle on

May 14 - 15, 1981. This workshop, attended by fishery scientists and economists, had as its goal the determination of the desirability of a limited entry program for the Alaska halibut fishery. The workshop participants concluded that to achieve the two objectives in the 1978 draft FMP, the Council would have to:

1. initially prevent any expansion of fishing effort in the halibut fishery; and,
2. move to implement a program which would reduce the level of potential effort in the halibut fishery over time.

At the July 23 - 24, 1981 meeting, the Council voted to seriously examine limited entry for halibut. A special workgroup was appointed by the Council to formulate management objectives for the halibut fishery. The workgroup met on August 27 - 28, 1981 and recommended the following management objectives to the Council:

1. Distribute the hook and line fishery, both in time and space, to ensure conservation of the resource.
2. Avoid further overcapitalization, thus encouraging development of an economically viable and efficient year-round multi-species domestic hook and line fishery that:
 - (a) is made up of owner/operator rights holders; and
 - (b) makes it possible for some fishermen to earn a major share of their income from hook and line fishing.
3. Make certain costs of administration and enforcement while effective are not excessive relative to the benefits of the program.
4. The program would not preclude the extraction of rents or royalties from the fishery at some point in the future.
5. Minimize adverse biological impacts of the program on related fisheries.
6. Ensure that no particular entity acquires excessive control of rights to participate in the fishery.
7. Attempt to be compatible with IPHC objectives.
8. Minimize disruption of the present fleet by using past performance to distribute initial rights.
9. Use the market to transfer halibut fishing privileges after initial distribution.

These objectives were adopted by the Council at its September 24 - 25, 1981 meeting.

At the March 29 - April 1, 1983 meeting, the Council directed the workgroup to reevaluate the adopted objectives. The workgroup met on May 24, 1983, and recommended that the objectives be amended slightly in form and reaffirmed by the Council. This was done at the May 25 - 26, 1983 meeting. Currently, the halibut management objectives read as follows:

1. Distribute the hook and line halibut fishery in time and space to ensure resource conservation.
2. Reduce capitalization, thus encouraging development of an economically viable and efficient year-round domestic halibut hook and line fishery that, unconstrained by regulatory seasons, potentially could provide high quality fresh and frozen fish to the consumer twelve months of the year and that:
 - (a) is made up of owner/operator holders of halibut fishing privileges; and
 - (b) makes it possible for some fishermen to earn a major share of their income from hook and line halibut fishing.
3. Ensure that the costs of administration and enforcement do not exceed the benefits of the program.
4. Ensure that the extraction of royalties from the fishery at least sufficient to cover program costs is not precluded at some point in the future.
5. Minimize adverse biological impacts of the program on related fisheries.
6. Ensure that no particular entity acquires excessive control of halibut fishing privileges.
7. Attempt to be compatible with IPHC objectives.
8. Minimize disruption of the present fleet by using past participation to distribute initial halibut fishing privileges.
9. Use the market to transfer halibut fishing privileges after initial distribution.

The Council must decide whether any objectives are to be adopted at this meeting or whether only to propose objectives that are to be submitted to public review for adoption. If the Council decides to follow the public review course, it must decide whether this review is to be through the public hearing process or publication of the objectives and solicitation of written comments.

By providing for public review of the objectives prior to adoption, the Council may foreclose the possibility of implementing any management measures in the fishery for the 1984 season. If the Council approves a list of objectives at this meeting for public review, the review period would not end until some date in November and Council adoption would not be possible until December 7-8. Should the Council wish to propose a moratorium in the fishery for next season, implementation would take at least seven months.

Adoption of new objectives at this meeting could give rise to the charge that no public participation in the objective drafting process was provided; however, the workgroup meeting on September 7-8 was open to the public as is this Council meeting. The Council must also consider whether public review would result in a better statement of objectives or only in delay.

II. COUNCIL ACTION ON A MORATORIUM FOR THE 1984 SEASON

In deciding the necessity of a moratorium on new entry into the halibut fishery, consideration must be given to the purposes of the moratorium.

If the moratorium is to serve a purpose other than as a necessary first step to a permanent limited entry system, e.g., provide a "breathing space" to allow the Council to decide if limited entry or traditional management methods are to be implemented in the fishery, any new moratorium proposal may well suffer the same fate as the 1983 moratorium.

The letters from John Bryne (Attachment 1) and Chris DeMuth (Attachment 2) concerning disapproval of that proposal indicate that future Council management efforts for the halibut fishery should concern the implementation of limited entry. During a meeting with former Council chairman Clem Tillion and Special Advisor Ron Miller after the moratorium was disapproved, Mr. DeMuth stated that if the Council resubmitted a moratorium, OMB approval could only be possible if it were an integral part of a permanent limited entry system.

Assuming the Council wishes to decide this issue at this time, information on management options is provided below. The first section describes traditional management methods in the historical context of the halibut fishery and the second section concerns the various methods of access limitation.

A. MANAGEMENT METHODS

1) TRADITIONAL METHODS

a. Regulation By IPHC

Traditional management methods are, generally: time and area closures; gear and vessel restrictions, registrations and licensing; quotas and size limits. The halibut fishery has been subjected to some form of traditional management since the ratification by the U.S. and Canada of the 1923 Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea. That Convention resulted from concern over the decline in the commercial catch of halibut that occurred after 1915 (see Figure 1). This decline resulted from expanding effort and increased efficiency of gear. The only regulatory measure enacted by the 1923 convention was a 3-month closure during the winter (Nov. 16 to Feb. 15); however, this closure did not resolve the problem of declining catches (Figure 1) and, in 1928, the International Fishery Commission (created by the 1923 Convention and renamed International Pacific Halibut Commission by the 1953 Convention) requested regulatory authority to adopt other measures. A new treaty was signed in 1930 that authorized the Commission to:

Figure 2
Length of season in Areas 2 and 3A, 1932-1983

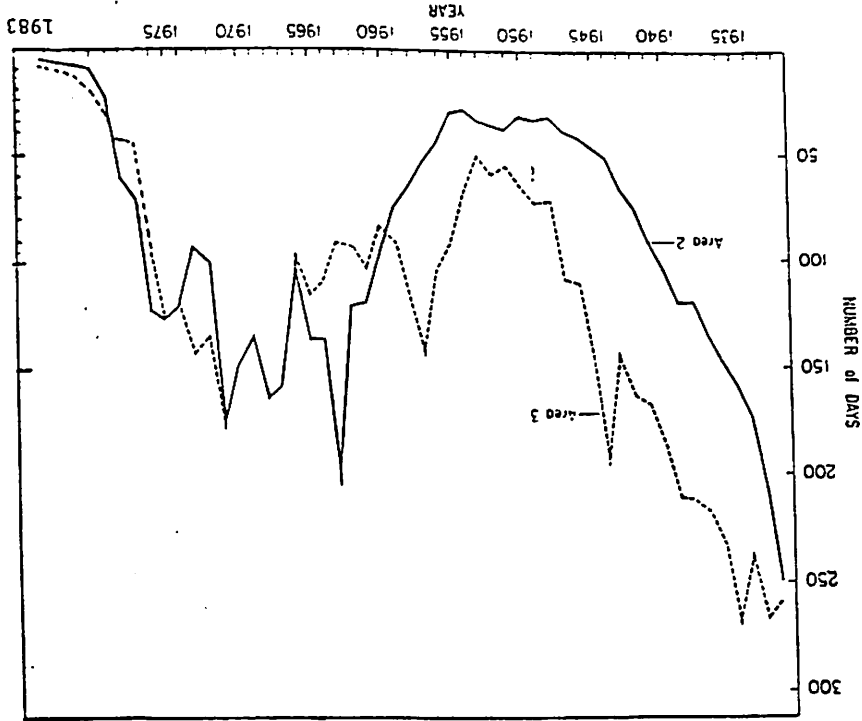
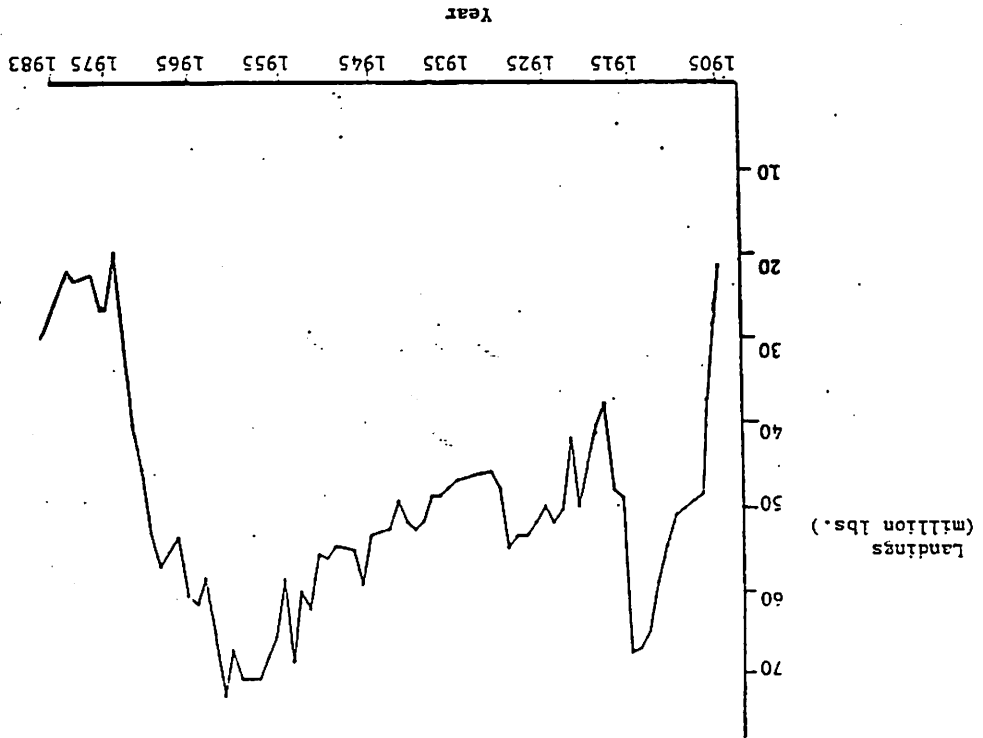


Figure 1
Halibut Landings 1905-1983



1. Establish regulatory areas;
2. Limit catch by area;
3. License vessels;
4. Regulate gear types;
5. Protect nursery grounds;
6. Collect statistics; and
7. Conduct scientific research.

Regulations enacted under the treaty were generally successful and resulted in an increase in catch (Figure 1). The increased catch, however, attracted new entrants, resulting in shortened seasons (Figure 2). The incidental catch of halibut by vessels fishing for other species during the longer closed halibut season also was becoming a significant problem and one which the I.F.C. had little authority to control before 1937.

The Halibut Convention of 1937, signed on January 29, 1937 and ratified on July 28, 1937 provided more effective control over incidental catches. Despite these new controls and those already in place, seasons grew shorter (Figure 2). After W.W. II, the I.F.C. recommended that multiple seasons be permitted within fishing areas to prevent pressure being exerted solely on limited segments of the stock.

A new Convention was not signed until March 2, 1953 with ratification following on October 28, 1953. The new Convention provided the following:

1. One or more open or closed seasons each year in any area;
2. Implementation of size limits;
3. The I.F.C. became the International Pacific Halibut Commission (I.P.H.C.) with expanded membership - 3 from each country while the I.F.C. had 2 from each country.
4. The I.P.H.C. was responsible for maintaining the stocks at a level that would allow the maximum sustainable yield.

By the early 1960s, the stocks were estimated to be at or near maximum sustained yield (M.S.Y.--estimated in the 1950s to be 32 million lbs. for Area 2 and 38 million lbs. for Area 3) and fully utilized (Figure 1). Since that time, the stocks have been in another decline (Figure 1) and the seasons continue to shorter (Figure 2). This decline has been attributed to increased efficiency of longline gear, increased numbers of participants and an increase in incidental catch by foreign and domestic fishermen. In 1979, the U.S. and Canada entered into a Protocol that continued to regulate the fishery through time/area closures, size limits, area quotas, gear restrictions, and vessel licensing. Despite these continued regulatory efforts, the seasons have been reduced in length although the catch level has been on a slight increase (Figures 1 and 2).

b. Voluntary Fleet Regulation

In addition to regulations implemented by the IFC/IPHC, the halibut fleets developed voluntary management plans in an attempt to stabilize prices, increase harvests and rationalize effort. In the early 1930s, concern over low stock levels and prices brought about the formation of the Halibut Control

Board by the Seattle-based fleet. The Board, formed in 1932 as an unincorporated committee, was intended to rationalize the flow of the catch to markets.

The purpose of the rationalization of product flow was to stabilize prices by reducing aggregation of landings at ports (a problem especially acute during the first days of the season) and extending catches over the entire length of the season set by the Commission. Aggregation was reduced by dividing the fleet into two groups, with the first group beginning the season on the official opening day and the second group starting one week later. The groups alternated their starting times from year to year and the split departures were continued until 1941.

The Board also adopted in-season lay-ups to spread the catch over more of the season and to aid in the aggregation problem. The lay-ups varied from 6 to 14 days each.

In 1933 the Board adopted two plan amendments that set a maximum catch per trip per crew member (Table 1) and assigned advance arrival dates to each vessel. The catch limits were devised to reduce the landings rate and to improve product quality by ensuring shorter trips. The advance schedule of delivery dates was intended to keep supply in balance with demand.

The Board's 1934 plan discontinued the advance arrival dates but implemented a system of staggered departure dates. The trip limits for Area 2 were also changed that year (Table 1).

In 1935, the trip limits were reduced in all areas (Table 1) and the fleet did not begin the season until six weeks after the starting date set by the Commission. The trip limits were kept in force by the Board until after the 1942 season.

Because of wartime concerns, the Board's plans were terminated in 1942. The U.S. government wanted the resource harvested and the season closed as soon as possible.

The Canadian fleet began participating in the Board's plan in 1934 but with certain modifications: the between trip lay-ups for the Canadians were 4 to 5 days in length compared to the 10-day average for U.S. fishermen. In 1935 the Canadian fleet requested their government create a Halibut Marketing Board (H.M.B.). The H.M.B. established a schedule of lay-ups and per catch trip units for the Canadian fleet. The efforts by the H.M.B. were effectively ended by wartime conditions in the early 1940s.

There were no renewed attempts to improve the economic condition of the fishery by the fleets until 1956. Although concern was expressed by the fishermen over the shortened seasons in the early 1950s (Figure 2), no action was taken until 1955. The plans for 1956 provided for lay-ups of 7 days and a schedule of minimum prices. The minimum price proposal was rejected by the processors; however, there was insufficient support for a strike and the plan was, consequently, ineffective.

The program of self-regulation continued in some form until the mid-'70s. Because an increasing number of new entrants into the fishery ignored the voluntary controls, the voluntary plan was finally abandoned in 1977.

TABLE 1

PER MAN/PER VESSEL LIMITS IMPOSED BY
 HALIBUT CONTROL BOARD.

<u>YEAR</u>	<u>AREA 2</u>		<u>AREA 3</u>
	<u>SEATTLE</u>	<u>BC & ALASKA</u>	<u>ALL PORTS</u>
1933	3,000 lbs.	3,000 lbs.	4,000 lbs.
1934	" "	3,300 "	" "
1935	2,500 "	2,800 "	3,500 "
1936	" "	" "	" "
1937 ¹	" "	" "	" "
1938	" "	" "	" "
1939	" "	" "	" "
1940	" "	" "	" "
1941	2,700 "	" "	" "
1942	3,000 "	3,000 "	4,000 "

¹Limits reduced on 1st two days.

c. Factors to Consider Regarding Traditional Management by the Council

The Council could, under the Halibut Convention and the Northern Pacific Halibut Act, adopt some traditional regulations in addition to those implemented by the I.P.H.C. Article I, Paragraph 2 of the 1979 Protocol (30 U.S.T. 4067; T.I.A.S. No. 9448) reads in pertinent part, ". . .It is understood that nothing contained in this Convention shall prohibit either party from establishing additional regulations applicable to its own nations and fishing vessels and to fishing vessels licensed by that party, governing the taking of halibut which are more restrictive than those adopted by the International Pacific Halibut Commission." The Halibut Act, however, provides, "The Regional Fishery Management Council having authority for the geographic area concerned may develop regulations governing the United States portion of Convention waters, including limited access regulations, applicable to nations and vessels of the United States or both which are in addition to, and not in conflict with, the regulations adopted by the Commission." Section 5(c), P.L. 97-176 (emphasis added). The IPHC is authorized by Article III, Paragraph 3 of the Protocol to:

- "(a) Divide the Convention waters into areas;
- (b) Establish one or more open or closed seasons as to each area;
- (c) Limit the size of the fish and the quantity of the catch to be taken from each area within any season during which fishing is allowed;
- (d) During both open and closed seasons permit, limit, regulate or prohibit the incidental catch of halibut that may be taken or retained, possessed, or landed from each area or portion of any area, by vessels fishing for other species of fish;
- (e) Fix the size and character of halibut fishing appliances to be used in any area;
- (f) Make such regulations for licensing of vessels and for the collection of statistics on the catch of halibut as it shall find necessary to determine the conditions and trend of the halibut fishery and to carry out the other provisions of the Convention;
- (g) Close to all taking of halibut any area or portion of an area that the Commission finds to be populated by small, immature halibut and designates as nursery grounds."

Because of the Halibut Act's mandate that Council regulations complement those adopted by the IPHC, Council efforts to implement non-limited entry regulations may be restricted to regulations such as trip poundage limits, exclusive area registration for vessels, or limitations on the number of crewmen per vessel. The Council could, however, make recommendations to the IPHC to implement the following regulations:

- (1) Gear restrictions
 - (A) limitation on the number of skates per vessel
 - (B) limitation on number of hooks per skate
- (2) Shorter openings
- (3) Openings scheduled during salmon season or other period that would reduce the number of participants
- (4) Vessel size limitation.

Positive Aspects:

Maintenance of the status quo;

- a. no removal of current participants.
- b. fishery open to any who want to enter.
- c. politically acceptable because it is not a new management concept.

Negative Aspects:

If the aim of the Council's management plans for halibut is to reduce over-capitalization, and rationalize harvest effort and product flow to the market, it is clear from a study of the halibut fishery that traditional management measures will not achieve these goals. Traditional methods are noted for their inability to prevent over-capitalization in a fleet. As long as access to the fishery is open, fishermen will enter until, in the aggregate, total costs of harvest equal total revenues from harvest, and all rents from the resource are dissipated. With the expansion of harvest capacity in an open-access fishery, the seasons are subsequently shortened since less time is needed to harvest the available quota; consequently, vessels and processors sit idle during a lengthened off-season or fishermen must look to other fisheries in order to earn a living. In Alaska, a halibut fishermen's options are restricted because the other highly valued species are either subject to access limitation (salmon, herring) or in a distressed state (crab, shrimp).

Another factor that must be considered is the potential for harm to the stocks caused by the current practice of short, intense harvests. While the stock levels appear to have recently improved, if the seasons in most areas are reduced to one opening (a strong likelihood), pressures could be placed on weak segments of the stocks with drastic results in later years. It should be remembered that this particular problem was the very reason the IPHC was granted authority by the 1953 Convention to set multiple openings in each area.

2) ACCESS LIMITATION

Access limitation in fisheries generally takes one of the following forms:

- a) Taxes or Fees
- b) License limitation;
- c) Quota shares.
- d) A Combination of Taxes/Fees with license limitation or quota shares.

a. Taxes/Licenses Fees

A system of taxes on catch or high license fees could serve the purpose of limiting entry into a fishery. Both taxes and fees would reduce net revenues accruing to fishermen and could serve as a disincentive to participate for those who were either unable to or did not wish to pay the extra costs. As indicated in Figures 3 and 4, both taxes and license fees would reduce effort compared to an open access fishery, but would also result in a higher catch.

FIGURE 3

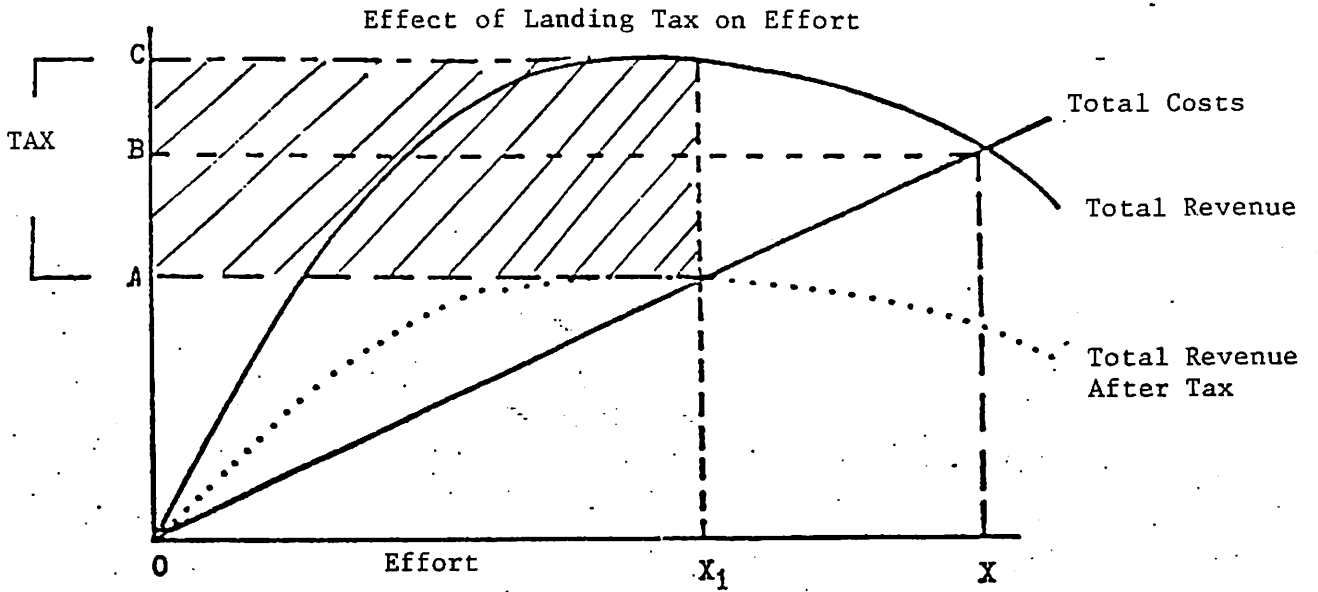
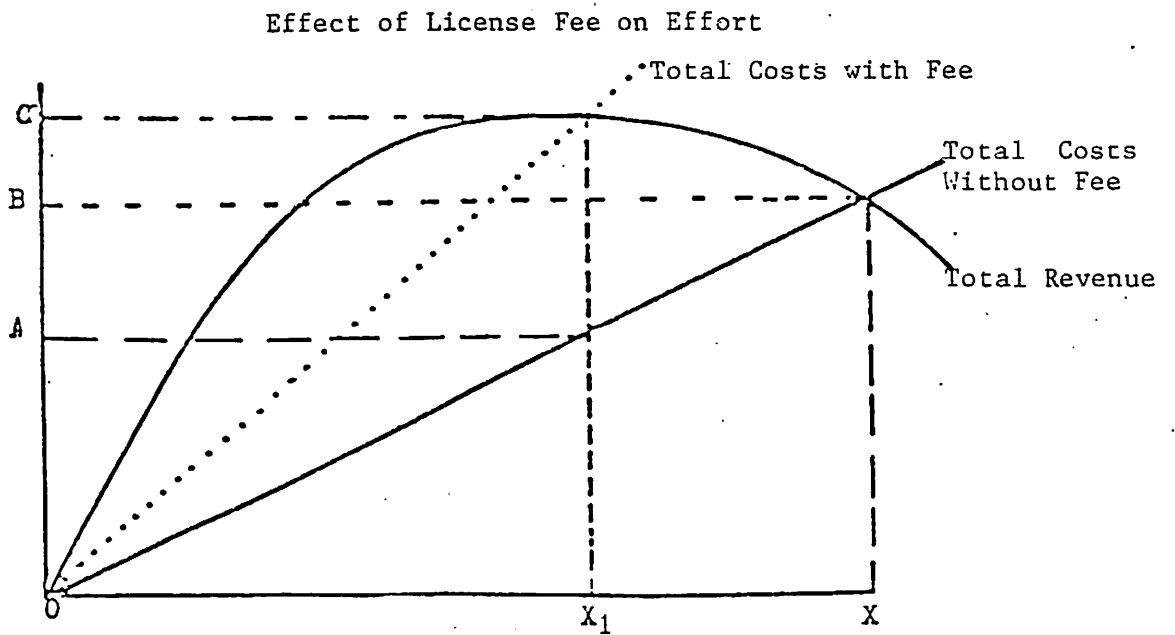


FIGURE 4



Source: F.T. Christy

One of the major attractions with this method of regulation is that social costs of management and regulation could be factored into the tax or fee schedules as well as a charge for the harvest of a public resource. This scheme does have some serious deficiencies, however, that would weigh against its use as the sole method of entry limitation.

Because of the natural fluctuations that occur in any fishery, an effective management system must also be flexible. It could prove to be an unworkable administrative task to constantly adjust the tax/fee schedules to reflect changes in ex-vessel fish prices, supply and demand and resource conditions. If these adjustments were not made, i.e., tax and fee rates kept constant, product price increases or cost decreases would be an incentive to new entry into the fishery.

In addition to the administrative problems, a scheme of taxes or fees may be politically impossible to implement. In order to rid a fishery of excess capacity, the charges may have to be considerable. This could prove to be impractical when applied to an already depressed fishery and could cause economic dislocation. Furthermore, by taxing away gains resulting from technological innovations, this regulatory method could serve as an impediment to such innovation. Fees on effort are also hard to assess, and nearly impossible to enforce.

There may also be other political as well as legal impediments to the levy of taxes or fees. Congressional action would be necessary before any tax could be implemented in the halibut fishery. Since Congress is always sensitive to public reaction against new taxes, a halibut landing tax would not be easily levied.

While the Halibut Act does not specifically prohibit the Council from assessing licensing fees in the fishery, neither is there a clear grant of authority for the Council to do so. Consequently, any such fee levied by the Council would be very susceptible to legal challenge because of the lack of explicit legislative authority.

While taxes or fees alone may prove to be administratively and politically impractical as a sole means of regulating entry into a fishery, they could be used in combination with one of the other methods of limitation. That proposition will be discussed later in this presentation.

b. License Limitation

One of the initial steps in establishing a licensing limited entry plan would be to calculate the allowable catch in the subject fishery and then determine the optimum harvest effort needed for that catch while taking into account natural fluctuations in abundance. A set number of licenses that represented the calculated optimum effort would then be issued, generally as part of a "grandfathering" system based upon a history of participation in the fishery.

One of the advantages to a licensing limitation system is its similarity to the current system of management (licensing of fishermen and vessels) in use in most fisheries in this country. For this reason, licensing might be more politically practical than other methods of limitation. There is a basic weakness in this system, however, that would render it useless in reducing over-capitalization. Examples of this failing may be found in the Canadian Pacific salmon fishery.

Because fish harvesting has several dimensions, restriction on one or more inputs will not halt an expansion in harvest capacity. As long as fish prices rise, there will be incentives to increase harvest capacity through the use of substitute inputs. A licensing system in the British Columbian salmon fishery initially limited the number of vessels participating in the fishery. This led to an increase in the size of the vessels. Size limits led to increased investments in larger engines and other sophisticated gear.

It may be argued that licensing limitations could be made workable through restrictions on all inputs or dimensions of harvest effort. A system that limited the number of licenses issued, the size of vessels, engines and crews, restricted the time and area of harvest and regulated harvesting and electronic gear would prove to be cumbersome and costly to administer. Such a sweeping regulatory scheme would also discourage technological innovations.

A license limitation system would provide no incentive to rationalize the flow of product to the market because those fishermen who waited on the beach for optimum conditions would, undoubtedly, find the entire quota taken by those less concerned about market conditions. An example of the failure of a license limitation system to lengthen a fishing season may be found in the Canadian halibut fishery.

In 1979 the Canadian halibut fleet was placed under license limitation. Currently, approximately 470 licenses are in existence for the fishery in Area 2B. This "freeze" in the number of participants has not lengthened the season in that area, however: in 1982, Area 2B's catch of 5.2 million lbs. was taken in 61 days, while in 1983, the catch (5.4 million lbs.) was taken in 24 days.

c. Quota Shares

A system of assigning shares of the allowable catch to individual fishermen has received considerable attention as an alternative to the present management scheme in the halibut fishery. The report completed for the Council by Northwest Resource Analysis is an in-depth analysis of the system's mechanics and how it could be applied to the halibut fishery. For this reason, only the "bare bones" of a share system will be provided here.

The basics of a share system entail the award to a fisherman of a percentage of the fishery quota based upon a set of criteria such as that used in a licensing limitation scheme, i.e., "grandfather" rights.

A share system could provide the flexibility needed in any fishery management plan since a fisherman's individual catch quota is a derivative of an established overall quota. Because the system is adaptable to changes in the overall quota, it is one of the more direct harvest controls available to the fishery manager.

Since a fisherman would only be entitled to catch his assigned share of the quota, he would have greater freedom to determine the level of harvest effort needed and the time to fish. Regulations on inputs such as vessel and gear would be unnecessary because there would be no incentive to bring more capacity to the fishery than that required to harvest a particular share.

This system does pose some significant problems in implementation: the most obvious of which lie in the areas of enforcement. To be effective there must be almost constant monitoring of ex-vessel sales. To this end, highly accurate and timely landing information must be available to enforcement personnel. A schedule of substantial penalties for exceeding quotas may also be required in any share scheme to ensure compliance.

Another problem that may weigh against implementing a share system is its controversial nature. Considerable opposition to the share-quota system has been voiced by some segments of the halibut fishery. Fisherman acceptance is vital to any management plan that may be proposed by the Council and could be difficult to achieve unless an extensive information program was conducted by the Council.

d) Combination of Taxes/Fees with License Limitation or Quota Shares

Some have suggested that taxes or fees would have to be substantial as the sole mechanism to limit entry and, therefore, may work inequitable effects upon fishermen. When used in combination with licenses or quotas, however, fees or tax rates would not have to be so substantial and could actually render equitable results. One of the most often stated objections against limited entry made by those not included in the system is that a "club of millionaires" would be created at public expense. Any successful plan of access limitation has the potential of transferring income in a manner unacceptable to some people. A tax or fee implemented as part of a license or quota scheme could, therefore, ensure that costs of management not be borne by the general public. Rent for the use of a public resource could also be extracted. If the public realized some economic benefits from the fishery, a limitation system might be more acceptable to them; however, this system would be subject to the same problems in implementation discussed under the "Taxes/Fees," "Licenses," and "Quota Shares" sections of this presentation.

B. RESUBMISSION OF A MORATORIUM

Should the Council decide to submit a moratorium proposal for the 1984 season, the "best case" schedule is as follows:

- a. Council readoption of moratorium at September 1983 meeting;
- b. Amend supporting documentation (30-45 days);
- c. Resubmit proposed rule to NOAA for publication as Notice of Proposed Rulemaking (45-day agency review period);
- d. New 45-day written comment period;
- e. Implementation in March or April.

If the Council resubmits the moratorium, it is recommended that a Council delegation travel to Washington to present the proposal to NOAA and OMB and educate the necessary agency officials on the purposes of, and need for, the moratorium. Although this may seem unnecessary in light of the supporting documentation that would accompany the draft regulation, the Council's recent experience indicates that this documentation may not be referred to by the reviewing agencies. A Council delegation may also counter any lobbying against the moratorium by those within the concerned agencies, Congressional offices, and others.

The Council must decide whether to resubmit a moratorium similar in form to the regulation that was proposed for 1983 (Attachment 3) or one like that published in the Notice of Proposed Rulemaking in the Federal Register on February 3, 1981 (Attachment 4). Some OMB staff members viewed the unsuccessful moratorium proposal that sought to prevent individual expansion of effort as well as new entry into the fishery with a great deal of suspicion. Their reaction was that the Council did not intend to follow the moratorium with any permanent management system but would only extend the life of the moratorium once it was in place. A simple moratorium on new entry may not generate this type of reaction and may be conducive to quicker regulatory review.

Further, in the matter of the form of the moratorium proposal, it must be decided whether 1983 participation is to be discounted in establishing an eligibility base period and, also, the appropriate length of that base period. An argument may be made that a considerable number of those who participated in the fishery for the first time this season did so for speculative purposes and, therefore, should not be eligible for participation under a moratorium period. This approach may be contrary to the Halibut Act in that due consideration is not given to the limited entry criteria of Section 303(b)(6) of the Magnuson Act that is incorporated in the Halibut Act. Before full consideration could be given to these factors as related to the new participants in 1983, data on fishing histories, levels of participation, dependence on the fishery, and other factors must be presented to the Council. As a practical matter, this information would not be available before the Spring or Summer of 1984. If the Council intends to propose a moratorium for the 1984 season, new participants in 1983 should not be excluded from the eligibility pool. While this will expand the number of people eligible to fish during the moratorium, failure to include those individuals could open the moratorium to legal challenge.

Some thought may be given to including the 1983 participants in the eligibility pool, but beginning the base period in 1979 instead of 1978. Again, an exclusion of 1978 participation could only be done after considering the limited access criteria mentioned above and may not be feasible before the 1984 season.

In resubmitting the moratorium, the Council must also consider whether to adopt a moratorium for the two remaining years of the period contained in the first proposal or maintain its original intent that the moratorium last three years. The purpose of the three-year period under the original proposal was to allow the Council adequate time to complete its limited entry studies, consider the various management alternatives, and adopt and implement a particular management system. It should be noted that OMB objected strongly to the 3-year term of the original proposal. As stated earlier OMB reviewers thought the proposal was intended to be the final Council action in the fishery.

To aid in deliberation on the length of a moratorium, the following "best-case" schedule has been prepared as an indication of the time needed to implement limited entry in the halibut fishery. This schedule begins to run after the Council has decided on a particular management measure.

Schedule for Implementation of Limited Entry in the Halibut Fishery

- (1) Regulation drafting - 4-6 months.
- (2) Submission of draft regulations for NOAA review and publication of Notice of Proposed Rulemaking - 6-18 months.
- (3) Publication as Final Rule and system implemented - 10 months-two years after process initiated.

If the Council decides that limited entry is to be implemented in the fishery and that hearings are to be held this winter and spring before adopting a specific type of access limitation, this schedule could begin in May 1984. With that starting point, a final system could be in place during the March 1985-May 1986 time period. Again, this is a "best-case" schedule and assumes no major impediments to regulatory enactment.

JUL 12 1983



ACTION		
UNITED STATES DEPARTMENT OF COMMERCE		
National Oceanic and Atmospheric Administration		
NATIONAL MARINE FISHERIES SERVICE		
Washington, D.C. 20235	Deputy Dir.	4
	Admin. Off.	
	Exec. Sec.	
JUL 8 1983	Staff Asst. 1	
	Staff Asst. 2	
	Staff Asst. 3	
	Economist	
	Sec./Bkkr.	
	Sec./Typist	

Mr. Clem Tillion
 Chairman, North Pacific
 Fishery Management Council
 P.O. Box 3136DT
 Anchorage, Alaska 99510

Dear Clem,

On June 15, 1983, Dr. John Byrne, the NOAA Administrator, disapproved the moratorium on entry into the Alaska halibut fishery that was proposed by the North Pacific Fishery Management Council. The Council's final regulations to implement the moratorium were the subject of review at all levels within the Department of Commerce and at the Office of Management and Budget (OMB) of the Executive Office of the President.

This review concluded that a moratorium on entry into this fishery would not contribute to a resolution of the problems of excess participation and overcapitalization, and could even introduce further inefficiencies and inequities to the fishery. As a result, the social and economic costs of a moratorium were not seen to be justified. Of particular significance are the conclusions of OMB that are set forth in the attached letter of June 14 from Christopher DeMuth, OMB Administrator for Information and Regulatory Affairs, to Dr. Byrne. In light of these conclusions, I am convinced that no simple moratorium on entry to the fishery, no matter how it might be modified, would be approved by the Administration.

I recommend, therefore, that the Council devote any future efforts concerning limited entry for the Alaska halibut fishery to the development and evaluation of alternatives for a permanent limited entry system. Any such efforts should include, but not be confined to, consideration of the free market approach to allocation of fishing rights that Mr. DeMuth mentioned in his letter as particularly promising. The NMFS Alaska Region and Headquarters staffs will be available to assist the Council in planning future activities concerning halibut limited entry in light of the moratorium's rejection. Dr. Byrne and I hope that you will contact us personally if we can be of any assistance.

Sincerely yours,

William G. Gordon
 William G. Gordon
 Assistant Administrator
 for Fisheries





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 21 1983

June 14, 1983

Honorable John V. Byrne
Administrator
National Oceanic and Atmospheric
Administration
U.S. Department of Commerce
14th & Constitution Avenue, NW
Washington, D.C. 20230

ACTION	ROUTE TO	INITIAL
	Exec. Dir.	J
	Deputy Dir.	
	Admin. Off.	
	Exec. Sec.	
	Asst. Dir.:	
	Adm. Serv.	
	Ext. Affairs	
	Gen. Inv.	
	Ident. & Rec.	
	Int. Affairs	
	Legal Coun.	
	Plan. & Insp.	
	Spec. Inv.	

Dear Dr. Byrne:

We have carefully reviewed the National Oceanic and Atmospheric Administration's proposed regulation, ~~Pacific Halibut Fisheries~~, under the terms of Executive Order 12291. We have concluded that adoption of this rule, which would establish a three-year moratorium on the entry of new fishermen and fishing vessels into the North Pacific halibut fishery, would be inconsistent with the principles of the President's Order.

We agree that the proposal developed by NOAA and the North Pacific Fishery Management Council is an attempt to address a serious issue: excess entry of fishermen and vessels into the halibut fishery in recent years. Excess investment is, of course, a common and important problem in the management of fisheries where total annual catch must be limited. In the case of the halibut fishery, this problem has been exacerbated in recent years by additional entry in anticipation of the establishment of a permanent limited access system--contributing to the artificial shortening of the fishing season and other inefficiencies.

A simple moratorium on new entry would not, however, resolve the excess investment problem without creating additional economic problems. Indeed, it is unclear that a moratorium would be effective even in addressing the problem of anticipatory entry and investment. A limited access system has been under consideration since 1978, and as a result a great deal of anticipatory entry has already occurred. But at the same time, the moratorium would certainly prevent some individuals and firms from fishing during the 1983-85 seasons who would otherwise participate in the catch. Such a ban on entry by private citizens who believe they can catch and market halibut profitably would surely create new inefficiencies, particularly in the later years of the moratorium. We are also concerned that it would interfere with basic economic liberties, especially to the extent that the terms of the moratorium conflicted with the traditions and work patterns of individuals employed in the fishing business.

While the moratorium would be likely to provide arbitrary economic advantages to some fishermen at the expense of others, it would fail to address the basic economic problems of the fishery. We understand that the Fishery Council has been considering a variety of permanent limited access proposals; unfortunately, the draft regulatory impact analysis prepared for the moratorium rule did not address any of these alternatives. The most promising approach would be a limited access system with free marketing of fishery permits by individuals. Under such a system, annual catch permits would be held by or sold to those who could gain the greatest value for given quantities of catch in the marketplace, and the inefficiencies and inequities of flatly restricting new entry or permissible fishing days would be avoided. Entry would be limited, but only to the extent necessary to hold output to appropriate levels. The "right" to catch a given share of the annual halibut limit, just like the "right" to own a fishing vessel, would be determined by the private market rather than dictated by government rules.

In summary, we believe that an adequate showing has not been made of the need for the lengthy entry moratorium proposed in this rule, and that the moratorium would be likely to delay consideration of alternative measures to resolve the halibut management problem in a fair, lasting, and economically efficient manner. We would be happy to assist in any way possible in addressing this important issue.

Sincerely,

/s/ Christopher DeMuth

Christopher DeMuth
Administrator for Information
and Regulatory Affairs

bc: Dave Stockman
Joe Wright
Connie Horner
Steve Halloway
Bob Bedell
Tom Hopkins

AS ADOPTED BY COUNCIL

Section 301.15 Moratorium on entry into the Pacific halibut fishery

(a) Criteria for participation.

(1) From 12:01 A.M., Alaska Standard Time, on May 1, 1983, until 11:59 P.M., Alaska Standard Time, on December 31, 1985, no person may harvest and sell halibut from the northern Pacific Ocean or the Bering Sea and Aleutian Islands area, except as provided in paragraph (b) of this section, unless

(A) that person had lawfully harvested and sold halibut from those waters, and reported such sale to the extent required by law, at any time between January 1, 1978, and December 31, 1982; and

(B) any vessel used by that person in that harvest of halibut is

(i) a vessel five net tons or over that was used at any time between January 1, 1978, and December 31, 1982, in the lawful harvest from those waters of halibut that was later lawfully sold;

(ii) a vessel five net tons or over the keel for which was laid on or before March 31, 1983, and acquired on or before that date by a person who before December 31, 1982 and after January 1, 1978, had owned a vessel described in paragraph (a)(1)(B)(i) or (a)(1)(B)(iv) of this section or;

(iii) a vessel five net tons or over that replaces a vessel described in paragraph (a)(1)(B)(i) or (a)(1)(B)(ii) of this section, and has a net tonnage no more than ten percent greater than that of the vessel it replaces, provided that the vessel replaced has been sunk, destroyed, or otherwise rendered unuseable; or

(iv) a vessel under five net tons.

(2) Except as provided in paragraph (b)(1) of this section, a person described in paragraph (a)(1)(A) of this section must be on board each vessel engaged in the commercial harvest of halibut in the waters described in paragraph (a)(1) of this section, and in the transportation of that halibut to its initial port of landing, and the sale of halibut so harvested must be recorded in the name of that person as required by law.

(3) For purposes of this section --

(A) A person shall be considered to have harvested halibut from the waters referred to in paragraph (a)(1) of this section if that person served as master or crew aboard a vessel at a time when that vessel harvested halibut from those waters.

(B) A person who is considered to have harvested halibut under paragraph (a)(3)(A) of this section shall be considered to have sold that halibut if

sale of that halibut was reported to the extent required by law, and such sale was lawfully recorded in the name of that person on the document of sale required by law.

(C) A vessel shall be considered to have been used in the harvest of halibut if sale of that halibut was reported to the extent required by law, and that vessel is designated on the document of sale required by law as the vessel from which that halibut was harvested.

(b) Exceptions.

(1) If a person described in paragraph (a)(1)(A) of this section is unable to harvest halibut in the waters described in paragraph (a)(1) of this section due to death, injury, disease, or age, that person or the closest relative of that person may designate in writing one substitute for that person for purposes of compliance with paragraph (a) of this section. The substitute so designated may be a person not described in paragraph (a)(1)(A) of this section. The writing shall state the period of time for which the designation is in effect, and shall be in the possession of the substitute at all times when that person harvests halibut in the waters described in paragraph (a)(1) of this section. No person may

(A) designate a substitute under this paragraph (b)(1) except for the reasons specified in this paragraph, and unless those reasons actually exist;

(B) harvest and sell halibut from the waters described in paragraph (a)(1) of this section if that person is a person described in paragraph (a)(1)(A) of this section for whom a substitute has been designated under this paragraph (b)(1) and that designation is in effect;

(C) designate more than one substitute under this paragraph (b)(1) for the same person described in paragraph (a)(1)(A) of this section for the same period of time;

(D) alter a writing designating a substitute under this paragraph (b)(1), or produce a document falsely purporting to be such a writing.

(2) Residents of rural coastal villages of Alaska to the west of 156 degrees west longitude may harvest halibut in areas of the Bering Sea to the north of 56 degrees north latitude and sell that halibut.

(3) This section shall not affect the taking of halibut on public lands and the use of that halibut for subsistence uses for purposes of Sections 803 and 804 of the Alaska National Interest Lands Conservation Act.

(c) Definitions. The terms used in this section have the following meanings:

(1) Bering Sea and Aleutian Islands area means waters under the jurisdiction of the United States within management areas 4A, 4B, 4C, and 4D, as

defined in Section 301.1 of this Part, and the closed area defined in Section 301.5 of this Part.

(2) Halibut means Hippoglossus stenolepis.

(3) Northern Pacific Ocean means waters under the jurisdiction of the United States within management areas 2C, 3A, and 3B, as defined in Section 301.1 of this Part.

(4) Person means an individual natural person.

(5) Waters under the jurisdiction of the United States means the internal waters and territorial sea of the United States and the fishery conservation zone established by the Magnuson Fishery Conservation and Management Act, 16 U.S.C. Sections 1801 et seq.

(d) Relationship to other requirements of law. The requirements of this section are in addition to all other requirements imposed by law for participation in the halibut fishery. The issuance to a person of a State or International Pacific Halibut Commission license or permit purporting to authorize fishing for or sale of halibut during the moratorium period shall neither excuse nor constitute evidence of that person's compliance with paragraph (a)(1) of this section. No provision of this section may be interpreted to allow fishing for halibut that is not authorized under other provisions of this Part.

(e) Future effect of participation during the moratorium. No provision in this section shall be interpreted as guaranteeing that participation during the first time period described in paragraph (a)(1) will be the basis for an allocation of halibut fishing privileges under any halibut limited entry system that may be implemented after that time period.

environmental impact statement under section 102(2)(C) of the National Environmental Policy Act.

The Council has determined that this proposed rule will be carried out in a manner that is consistent to the maximum extent practicable with the Alaska Coastal Management Program, in accordance with section 307 of the Coastal Zone Management Act of 1972 and its implementing regulations.

List of Subjects in 50 CFR Part 301

Fish, Fisheries, Fishing, International organizations.

Dated: February 1, 1983.

Carmeo J. Blondin,

Acting Deputy Assistant Administrator for Fisheries Resource Management, National Marine Fisheries Service.

PART 301—PACIFIC HALIBUT FISHERIES

For the reasons set out in the preamble, 40 CFR Part 301 is proposed to be amended as follows:

1. The authority citation for Part 301 is revised to read as follows:

Authority: TIAS No. 9855; 16 U.S.C. 773-773k.

2. A new § 301.15 is added to read as follows:

§ 301.15 Moratorium on entry into the Pacific halibut fishery.

(a) Criteria for participation.

(1) From 12:01 A.M., Alaska Standard Time, on May 1, 1983, until 11:59 P.M.,

Alaska Standard Time, on December 31, 1985, no person may harvest and sell halibut for commercial purposes from the northern Pacific Ocean or that part of the Bering Sea and Aleutian Islands area south of 56° N. latitude unless that person had lawfully harvested and sold halibut for commercial purposes from those waters and reported such sale to the extent required by law, at any time between January 1, 1978, and December 31, 1982.

(2) An individual qualified to harvest and sell halibut for commercial purposes under paragraph (a)(1) of this section must be on board each vessel engaged in the commercial harvest of halibut in the waters described in paragraph (a)(1) of this section, and the sale of halibut so harvested must be recorded in the name of that individual as required by law.

(3) For purposes of this section—

(i) A person shall be considered to have harvested halibut for commercial purposes from the waters referred to in paragraph (a)(1) of this section if that person served as master or crew aboard a vessel at a time when that vessel harvested halibut for commercial purposes from those waters; and

(ii) Any person who is considered to have harvested halibut under paragraph (a)(3)(i) shall be considered to have sold that halibut for commercial purposes if sale of that halibut was reported to the extent required by law, and such sale was lawfully recorded in the name of

that person on the document of sale required by law.

(b) Definitions. The terms used in this section have the following meanings:

(1) Bering Sea and Aleutian Islands area—means waters under the jurisdiction of the United States within management area 4 (as defined in § 301.1 of this part).

(2) Halibut—means *Hippoglossus stenolepi*.

(3) Northern Pacific Ocean—means waters under the jurisdiction of the United States within management areas 2C, 3A and 3B (as defined in § 301.1 of this part).

(4) Waters under the jurisdiction of the United States—means the internal waters and territorial sea of the United States and the fishery conservation zone established by the Magnuson Fishery Conservation and Management Act, 16 U.S.C. 1801 *et seq.*

(c) Relationship to other licenses and permits. The requirements of this section are in addition to all other requirements imposed by law for participation in the halibut fishery. The issuance to a person of a State or International Pacific Halibut Commission license or permit purporting to authorize fishing for or sale of halibut during the moratorium period shall neither excuse nor constitute evidence of that person's compliance with paragraph (a)(1) of this section.

[FR Doc. 83-3019 Filed 2-2-83; 8:45 am]

BILLING CODE 3510-22-14

PROPOSED OBJECTIVES FOR HALIBUT MANAGEMENT

9-23-83

Proposed by Halibut Working Group

1. Distribute the hook and line halibut fishery in time and space to ensure conservation of all components of the stock.
2. Preserve halibut as a hook and line fishery.
3. Retain International Pacific Halibut Commission as the primary management authority.
4. Provide for high quality fresh and frozen fish to the consumer throughout the year.
5. Develop means of reducing the catch of incidentally-caught non-target species by all gear types.

Suggested revisions

1. Distribute the halibut fishery in time and space to ensure the harvest by hook and line of as much as possible of all components of the halibut population as the North Pacific Ocean including Bering Sea is capable of producing taking into consideration also that part of the population will be subject to inadvertent mortality from non-hook and line fisheries.
2. No change.
3. Retain International Pacific Halibut Commission as the primary management authority over the total range of the halibut population.
4. Provide for high quality fresh or frozen halibut to the consumer throughout the year.
5. No change
6. Ensure that management measures promote efficiency in harvesting as a means of providing consumers with halibut at lowest possible cost.

1. Maintain the status quo with all regulations being developed through the International Pacific Halibut Commission.
2. Institute a point system of limited entry similar to that used in the Alaska salmon fishery.
3. Adopt a share quota system where a percentage of a quota becomes an individual property right based upon past participation or some other criteria.
4. Set up an inside-outside system where small boats fish inside and large boats fish outside with separate quotas for each.
5. Divide the fleet into six sections to provide for some fishing in each of six months beginning in April and ending in September. Vessels would be pre-registered and assigned by lottery to fish in one of ^{the} six periods. Length of each fishing period would depend upon the number of vessels assigned to each period.
6. Reduce effort through a buy back program financed by the halibut fleet either by a per pound assessment on halibut landings, permit fees, a tax on permit transfers or other means.
7. Conduct a test limited entry program in Southeastern Alaska with only those ^{IPHC} having fished in Area 2C in 1979 through 1983 being allowed to fish in that area in 1984. The limited entry program would be developed through public hearings this winter and implemented at the earliest opportunity.
8. Combine parts of the above options.
9. Reject all of the options listed above and devise new ones.

1. Send out agreed-upon objectives for public review including also the nine possible options for halibut management listing with them the Council's preferences.
2. Approve a recommendation to impose an interim moratorium on new entries of all vessels either 5 net tons and over or 7 gross tons and over. The moratorium to be effective January 1, 1984. No limit would be placed on vessels under the tonnage listed.
3. Approve termination of the moratorium on January 1, 1985 if an acceptable plan is not agreed upon by this date.
4. Set up a working group to begin work immediately on developing an acceptable plan for achieving agreed-upon objectives for halibut management.