


MEMORANDUM

TO: Council, AP and SSC Members

FROM: Clarence G. Pautzke  
Executive Director 

DATE: April 18, 1990

SUBJECT: Future Management Planning

ACTION REQUIRED

- (a) Initial consideration of a general moratorium for all fisheries within the Council's purview. Receive Fishery Planning Committee recommendations and develop a schedule for analysis and implementation.
- (b) Consider new schedules for halibut, groundfish, and crab limited access.

BACKGROUND

Moratorium

Earlier this year the Council received several requests to consider developing an industry-wide moratorium for its groundfish fisheries. These requests have come from elements of the groundfish harvesting and processing sectors. In January the Council adopted the following motion:

**The Council will consider taking action at the April meeting to establish a moratorium for all fisheries under Council jurisdiction. The system would sunset either on implementation of a final program under a cycle for each of the fisheries outlined by the Fishery Planning Committee, or after four years if cycles are abandoned or delayed. The Council may consider a cut-off date as early as January 19, 1990, and a vessel must have a keel laid or have participated in a fishery under the jurisdiction of this Council by that date to meet the intent of the moratorium.**

The Fishery Planning Committee(FPC) was directed to review the industry request and develop recommendations for this meeting. The FPC met on March 16 in Seattle, and again on April 23 in Anchorage. A summary of their March 16 meeting was sent to you April 2. A report of the April 23 FPC meeting and additional committee recommendations is also available.

The FPC reviewed a staff discussion paper which presented a history of past Council experience with the moratorium concept. There are two approaches: (1) Establish a moratorium by declaration; a notice of control date for entry into the fisheries; and (2) a statutory moratorium, described in the FMPs and enforced by regulations. The first approach is relatively simple to develop and implement through Federal Register notice. It has no immediate impact on the fishery, other than possibly

chilling investment. It does warn new entrants that their future participation is not assured in any limited access program. An example of the moratorium declaration is the sablefish control date of September 26, 1985 for the Gulf of Alaska, published February 13, 1986.

A statutory moratorium has more teeth to it. It prohibits new entrants after its effective date. It would require plan amendments and the associated analyses. For this to occur in 1990, some juggling of other high priority projects may be necessary given limited time, staff, etc. The FPC has recommended that moratorium discussion focus only on the groundfish, halibut and crab fisheries. The salmon fishery should be excluded since it is already being managed by a limited entry plan.

If the Council wishes to proceed with a moratorium, it must be defined and management objectives clearly stated. Our halibut moratorium experience tells us that if we view a moratorium as an intermediate step in our management planning, then we must also inform the Secretary and the public what our long-term management plans will be (at least conceptually) and when we anticipate public and Secretarial review. We also need to receive guidance from NMFS and NOAA General Counsel as to whether the policy-making environment in Washington D.C. has changed since 1983 and if the Council is likely to succeed in obtaining Secretarial approval for a stand-alone moratorium.

#### Groundfish, Halibut, Crab Planning Schedules

Last June the Council approved a series of dates when planning schedules for all the fisheries could be reviewed, revised, or abandoned. The first review occurred in September. January was also specified but due to lack of time, this review was postponed until this meeting. The current schedule with these review dates noted is provided as item C-7(a).

In September, during the first review, the Council decided to continue the schedule for groundfish and crab and modified the sablefish schedule to allow for a final decision at this meeting. Given the time required to prepare the supplemental analysis of the Council's refined IFQ system and need for public review, you have decided to reschedule final action on sablefish to June.

The staff recommends postponing further work on halibut at least until after a decision has been made on sablefish, and possibly until early 1991 to free up economists to address the moratorium issue. Groundfish and crab schedules most certainly will need to be postponed until 1991 if an overhaul of BSAI bycatch, the moratorium, and inshore-offshore take precedence for analysis.

Proposed Schedules for analyzing and Implementing Alternative Management Systems for  
Sablefish, halibut, Groundfish and Crab

		<u>Sablefish</u>	<u>Halibut</u>	<u>Groundfish/Crab</u>
1989	April	Interim technical clarification	Interim technical clarification	Interim technical clarification
	June	Final technical clarification		
	September	<u>Review Schedule</u> Approve for public review	<u>Review Schedule</u> Final technical clarification	<u>Review Schedule</u>
	November	<u>Public review</u>		
1990	January	<u>Final Approval</u>	Approve for public review	<u>Review Schedule</u>
	February	<u>Secretarial Review begins</u>	<u>Review Schedule</u> <u>Public review</u>	
	April		<u>Final approval</u>	Final technical clarification
	May	Prepare administrative infrastructure	<u>Secretarial Review begins</u>	
	June		Prepare administrative infrastructure	<u>Review Schedule</u> Approve for public review
	September			<u>Public review</u>
	December			<u>Final approval</u>
	1991	January	<u>Implementation</u>	
	April		<u>Implementation</u>	Prepare administrative infrastructure
1992	January			<u>Implementation</u>

AGENDA C-7(a)  
APRIL 1990  
SUPPLEMENTAL



NATURAL RESOURCES CONSULTANTS, INC.

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SEATTLE, WASHINGTON 98199, U.S.A.  
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**TELEFAX**

**DATE:** April 20, 1990 **FAX:** (907)271-2817

**TO:** Mr. Clarence Pautzke  
Executive Director  
North Pacific Fishery Management Council

**FROM:** Dr. Dayton L. Alverson  
Executive Director  
The Fisheries Management Foundation

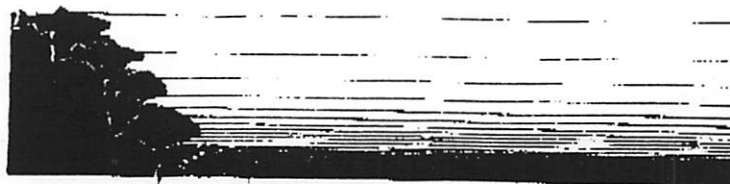
**SUBJECT:** Copy of first three pages of letter directed to Congressman Al Swift (pages 4 through 22 are additional signatures), copy of cover letter signed by Drs. Dayton L. Alverson, Donald E. Bevan, and Donald A. McCaughran, and list of senators and congressmen/congresswomen to whom this has been sent. The longer letter will be directed to approximately 150 additional senators and congressional representatives.

Transmitted to you at the request of Dr. Donald E. Bevan, as discussed in your telephone conversation with him of this morning.

**NUMBER OF PAGES, INCLUDING THIS COVER SHEET:**

6

If there are problems in transmission, call NRC at (206)285-3480. Our telefax number is (206)283-8263.



## FISHERIES MANAGEMENT FOUNDATION

April 19, 1990

The Honorable Al Swift  
United States House of Representatives  
1502 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Swift:

Enclosed you will find a letter addressed to the Senate and House committees which deal with fisheries and oceans. It requests Congress to place a moratorium on further entrance into the key fisheries under the jurisdiction of the United States. The letter has been signed by over 200 scientists, fishery managers, and consultants, including former directors and regional directors of the National Marine Fisheries Service, Bureau of Commercial Fisheries, key leaders of the American Fisheries Society, past chairmen of the Pacific States Fishery Management Council (PSFMC) and North Pacific Fishery Management Council (NPFMC), former chairmen of the Scientific and Statistical Committee of the PSFMC and NPFMC, director of the Sport Fishing Institute, key university scientists involved in fisheries and ocean studies, scientists working with state fisheries agencies, and others.

We feel the letter is self-explanatory. Nevertheless, we felt compelled to write to you personally because of our past familiarity with you and your staff and because of the important role you have played in conservation and environmental matters confronting Congress.

Almost all those who have signed the letter are intimately involved in either the science and/or conservation of living resources. A number of sound economic arguments have been historically raised to encourage fishery managers to abandon the open-entry system--the so-called "commons." Although we recognize the legitimacy of these arguments, this group is primarily interested in preventing and reversing the growing number of adverse conservation and safety problems fostered by excessive overcapitalization of our fisheries. Without a moratorium on further entry into many of our nation's fisheries, the rising chaos and difficulties observed within such fisheries threatens the ability to effectively manage our nation's fishery resources, leads to excessive biological waste, and encourages unsafe operational patterns in fisheries.

Sincerely,

FISHERIES MANAGEMENT FOUNDATION

Dayton L. Alverson  
Executive Director

Donald E. Bevan  
Professor Emeritus  
College of Ocean and Fishery Sciences  
University of Washington

Donald A. McCaughran  
Director  
International Pacific Halibut Commission

Enclosure

Senator/Congressman/Congresswoman  
April 19, 1990  
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With this statement of concern, the undersigned professional fisheries researchers and consultants recommend that there be an immediate moratorium on entry to all major fisheries of North America. A moratorium is not a final and complete solution, but must be followed by a system of effective control of fishing effort. Such a moratorium should remain in place until the responsible management entities find effective alternative systems to control fishing effort.

Sincerely yours,

Wayne L. Alverson

President, Natural Resource Consultants

James A. Cutchfield

Professor Emeritus, University of Washington

Jeffrey D. Jones

NATURAL RESOURCES CONSULTANTS, INC.

Charles A. Layfle

PACIFIC OBSERVERS, INC.

Steven C. Hughes

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Douglas W. McNeil

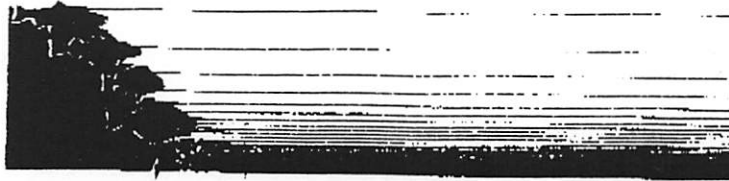
Natural Resources Consultants

Mark H. Fraley

Natural Resources Consultants, Inc.

This letter, signed by Drs. Dayton L. Alverson, Donald E. Bevan, and Donald A. McCaughran, was directed to the following senators and congressional representatives:

The Honorable Brock Adams  
The Honorable John B. Breaux  
The Honorable Slade Gorton  
The Honorable Mark O. Hatfield  
The Honorable Ernest F. Hollings  
The Honorable Daniel K. Inouye  
The Honorable Bob Kerrey  
The Honorable Frank H. Murkowski  
The Honorable Bob Packwood  
The Honorable Ted Stevens  
The Honorable Douglas H. Bosco  
The Honorable Norman D. Dicks  
The Honorable Walter B. Jones  
The Honorable John Miller  
The Honorable Patricia F. Saiki  
The Honorable Claudine Schneider  
The Honorable Norman D. Shumway  
The Honorable Gerry E. Studds  
The Honorable Al Swift  
The Honorable Jolene Unsoeld  
The Honorable Don Young



## FISHERIES MANAGEMENT FOUNDATION

April 19, 1990

The Honorable Al Swift  
United States House of Representatives  
1502 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Swift:

The undersigned scientists throughout the United States and Canada have become increasingly concerned over the failure of federal, state, or provincial management entities to deal with the increasing number of important fish stocks adjacent to the United States and Canada that are being overfished and the complex set of problems resulting from extensive overcapitalization of commercial fisheries. We have addressed this letter to you, recognizing that Congress is in the process of reauthorization of the Magnuson Fishery Conservation and Management Act (MFCMA) which governs commercial and recreational fishing activities within the Exclusive Economic Zone (EEZ) adjacent to the United States. Many marine fisheries of North America suffer from a common problem--a catching capacity that greatly exceeds that needed to harvest the permissible biological catch.

The issue is, of course, not new, and the justification for action has frequently been met with such questions as "Doesn't everyone have a right to go broke? A fishery with control of fishing effort does not take away the fisherman's right to go broke, and, more important, assures the survival of effective, efficient fishermen. The nature of an open access fishery requires that large numbers of fishermen go broke.

Unfortunately, what is frequently overlooked or forgotten is that overcapitalization complicates and erodes conservation objectives and generates a variety of detrimental social and economic problems. In the end, society pays an increasingly high price for an open-entry fishery.

Let us briefly underscore some of the factors associated with open-entry fisheries and the host of damaging and unseen biological, social, and economic consequences of overcapitalization. First, the belief that in the free and competitive marketplace, the most efficient and hardest working entrepreneurs will survive. Unfortunately, this almost never occurs in fisheries where local, regional, and national politics enter the management process to ensure that various sectors of society are protected from growing competitiveness and the efficiencies of technological change. More often than not, the long-term political consequences of overcapitalization in fisheries promotes social and economic instability which stifles rather than encourages efficiency.



Senator/Congressman/Congresswoman  
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Aside from the various economic inefficiencies associated with open-entry fisheries, overcapitalization has a variety of significantly harmful consequences affecting managers, user groups, and those who purchase seafoods, such as:

- Losses due to "bycatch" problems result in significant biological and economic losses and make resolution of inter-gear conflicts increasingly difficult.
- More gear is lost or abandoned and continues to "ghost fish" the resource.
- Fishing seasons are shorter and more intense, greatly increasing the risks of marine accidents and necessitating more expensive patrol and enforcement.
- Fisheries management is more expensive because of the increasing risk of harvesting beyond permissible biological levels.
- Inter-gear conflicts escalate, and allocation of the resource among various groups becomes arbitrary and socially destabilizing.
- Processors are forced to concentrate their activities into short seasons, investing more money in inventory and storage, relying more heavily on seasonal labor.
- Consumers pay higher costs for products which are stored for longer periods, and are therefore often poorer quality products.

For these several reasons, the public is not only being deprived of greater revenue from the resource, but is also having to pay for it through higher costs of management, greater economic and social instability, and higher costs of lower quality fish products.

There are many possible solutions for these long-recognized problems, but the first step in all of them is a curtailment of entry into the fisheries. As long as the fisheries resources are seen as common property, open to all, it is inevitable that the public interest will not be served.

Fishery Planning Committee

MORATORIUM HANDOUTS

## POSSIBLE WORK SCHEDULE FOR MORATORIUM AMENDMENT

This work schedule is very tentative. It assumes that the Council would choose to notice the fishing industry by declaration of their intent in the Federal Register, followed by an amendment to their groundfish and crab FMPs which would implement the moratorium by regulation. It also assumes that the Council would postpone work on halibut limited access until early 1991.

<p>FA <u>Option 1</u></p>	<p><u>Option 2</u></p>	<p>April 24-27</p>	<p>Council approves moratorium request. Adopts work schedule.</p>
		<p>May 24-25</p>	<p>FPC reviews draft moratorium language and Federal Register notice. Send out for public review.</p>
		<p>June 25</p>	<p>FPC develops final recommendations to the Council.</p>
		<p>June 26-29</p>	<p>Council approves notice of moratorium for Federal Register. Directs staff and FPC to prepare amendment package.</p>
		<p>July 30</p>	<p>Moratorium notice published in Federal Register.</p>
		<p>August</p>	<p>FPC and staff review progress to date.</p>
<p>April 1991</p>		<p>September</p>	<p>FPC/Council review draft amendment package and send out to public review.</p>
		<p>October- November</p>	<p>Amendment undergoes public review.</p>
<p>June 1991</p>		<p>December</p>	<p>Final Council action on moratorium.</p>
<p>December 1991</p>		<p>July 1991</p>	<p>Moratorium implemented.</p>

## PROPOSED MORATORIUM DEFINITION


1. Four-year moratorium commencing on January 19, 1990 on entry of any harvesting, processing or harvesting/processing vessel into any fishery under the North Pacific Fishery Management Council's jurisdiction, except that this moratorium would not apply to:
  - (a) Any vessel which on January 19, 1990 was participating in any fishery under the Council's jurisdiction or has participated in such fisheries in the past;
  - (b) Any vessel less than 40 feet LOA; or
  - (c) Any vessel that had a keel laid on or before January 19, 1990, with the primary intent of operating in a fishery under the Council's jurisdiction. In all cases the vessel must report catch or processed product in fisheries under the Council's jurisdiction on or before July 1, 1991.
2. During the time that this moratorium is in effect, any vessel which qualifies to operate in any fishery under the Council's jurisdiction as per the qualification criteria detailed in "1" above and is lost or destroyed, may be replaced and qualify for the fisheries so long as the length of the replacement vessel is not 20% greater than the length of the lost or destroyed vessel.
3. Any qualified vessel which undergoes a conversion during the moratorium period that increases the length by more than 20% would lose its qualification to participate in any fishery under the Council's jurisdiction.
4. Any fishing vessel which qualifies to operate in a fishery under the Council's jurisdiction may participate in any other fishery under the Council's jurisdiction.
5. NMFS will establish an Adjudication Group to which an owner may appeal a negative NMFS determination as to a vessel's qualifications to be considered eligible for or remain in any fishery under the Council's jurisdiction.

Prepared by:

North Pacific Fishing Vessel Owners' Assn.  
Alaska Factory Trawlers Assn.  
American High Seas Fisheries Assn.  
Midwater Trawlers Cooperative  
Fishing Vessel Owners' Assn.  
The Highliners Assn.

MEMORANDUM

TO: Council, AP and SSC Members

FROM: Clarence G. Pautzke  
Executive Director 

DATE: April 19, 1990

SUBJECT: Inshore-Offshore Allocation

**ACTION REQUIRED**

Receive status report on analysis and Committee recommendations. Review schedule and provide guidance to analytical team.

**BACKGROUND**

Status Report on Analysis

In January the Council assigned high priority to the inshore-offshore issue for 1990 and tasked staff to prepare a plan amendment for initial review in June. A special multi-agency analytical team was assembled to prepare the environmental and socioeconomic analyses (item C-8(a)). Several outside consultants were hired as well.

The team sections organized in early February, scoped their individual tasks, and met February 26-27. In preparation for the March 16 Fishery Planning Committee (FPC) meeting, they completed the following tasks:

- (1) Developed a comprehensive tasking document and identified needs for outside consultants.
- (2) Critically reviewed the problem statement and offered suggested rewording.
- (3) Identified concerns with various definitions, for example, inshore and offshore components, and with the lack of defined operational areas for analysis of Alternative 3.
- (4) Identified data needed from industry and developed surveys to gather the information.
- (5) Suggested revisions to the schedule for analysis of the inshore-offshore issues.

A report of the March 16 committee meeting was sent to you on April 2. They revised the problem statement (item C-8(b)), reduced the number of allocative percentages, and limited the inshore-offshore analysis to pollock and Pacific cod, thus omitting flatfish and rockfish (item C-8(c)). They recommend that the Council approve these changes. Concerning the Council's request to include a community development program, the FPC recommends that the team use the sablefish community development quota concept for analytical purposes.

## Industry Data Collection

The team recommended to the FPC a process for developing industry profiles needed for the analysis. Economic Data Sheets have been specifically designed for each industry sector. Fourteen individuals have agreed to voluntarily supply economic and projection information on their industry sector:

David Little	-	longline catcher/processor
Bob Alverson	-	longline catcher boat, BSAI
Linda Kozak	-	longline catcher boat, GOA
Bert Larkins	-	trawl catcher/processor, greater than 125'
Dan Iverson	-	trawl catcher/processor, less than 125'
Wally Pereyra	-	mothership processor
Al Burch	-	trawl catcher boat, GOA, inshore
Doug Gordon	-	trawl catcher boat, BSAI, inshore
Dave Fraser	-	trawl catcher boat, offshore
Mel Morris	-	small processing plant, GOA
Chris Blackburn	-	large processing plant, GOA
John Iani	-	processing plant, BSAI
Phil Chitwood	-	floating processor, inshore, BSAI
Tim Blott	-	floating processor, inshore, GOA

The FPC endorsed this approach and the industry respondents. The questionnaire was sent out on April 13 and is due back by May 15. The data will be compiled and sent to public review to determine if the information broadly represents the industry. The information will be used extensively in the inshore-offshore analysis and will also apply to other economic analyses such as the moratorium.

## Social Impact Analysis

The biological and economic sections of the analysis appear to be covered, either with NMFS/Council staff or with help of outside consultants supported from Council funds.

The Social Impact Analysis (SIA) is not funded yet. We requested funding from NMFS for consultants. Item C-8(d) is William Fox's response: the well is dry. I've heard that industry may come up with seed money, gifted to the Pacific States Marine Fisheries Commission. This will support initial field data collection. More funds will be needed from NMFS to complete the study if an exhaustive analysis is required.

## Work Schedule

The FPC reviewed the team's recommendations on the work schedule. It's apparent that the Council's June deadline for a draft inshore/offshore analysis will not be met. More time is needed for data collection and analysis. The team believes that a September deadline is more realistic with final Council decision scheduled for December 1990. The FPC agreed and recommends that the Council revise their work schedule accordingly (item C-8(e)). The committee also requested that the team keep the Council informed as to their progress and apprise them of problems which may affect the work schedule.

I believe that the September deadline will hold so long as the NMFS economists on the project can give their undivided attention to inshore-offshore. Meeting the deadline will become more difficult

if the economists are tasked away from inshore-offshore by other Council issues or NMFS in-house priorities.

Fishery Planning Committee Meeting of April 23

The Committee met on Monday and will report any additional recommendations.