

MEMORANDUM

TO: Council, AP, and SSC Members

FROM: Chris Oliver 
Executive Director

ESTIMATED TIME 4 HOURS

DATE: September 29, 2004

SUBJECT: Halibut/Sablefish IFQ Program

ACTION REQUIRED

- (a) Initial Review of regulatory amendment package for IFQ/CDQ Area 4C/4D
- (b) Initial Review of regulatory amendment package for IFQ amendments (housekeeping and block)

BACKGROUND

Halibut IFQ/CDQ regulations for IPHC Areas 4C/4D

A proposed action would allow holders of Area 4C halibut Individual Fishing Quota (IFQ) and Community Development Quota (CDQ) to harvest such Pacific halibut IFQ/CDQ in IPHC Area 4D. For equity, the Council added an option to allow the reverse, i.e., holders of Area 4D halibut IFQ and CDQ would be allowed to harvest such IFQ/CDQ in Area 4C. Currently, halibut IFQ and CDQ allocated in a particular area may only be harvested in that same area, in accordance with biomass-based quotas, except that halibut CDQ (only) allocated in Area 4D may be harvested in Area 4E. The proposed action would allow additional fishing opportunities to allow Area 4C IFQ and CDQ quotas to be fully harvested by two CDQ groups on behalf of two Pribilof Island communities (St. Paul and St. George), and all Area 4C IFQ holders, by allowing them to be fished in Area 4D. The option would allow the other four CDQ groups, along with all IFQ holders, to harvest Area 4D QS in Area 4C. The Council's action is to review the draft analysis and to decide whether to release it for review by the public. Final action is scheduled for December 2004.

In June 2004, the Council separated this proposed amendment from seven other proposed regulatory amendments for halibut that were adopted for analysis in December 2003 so that this regulatory amendment, if approved by the Secretary, would be implemented for the 2005 fisheries. Complementary action by the IPHC during its January 2005 meeting would be necessary for regulations to become effective in 2005. The analysis was distributed to the Council last week. The alternatives include:

Alternative 1. No action.

Alternative 2. Allow holders of Area 4C IFQ and CDQ to harvest such IFQ/CDQ in Area 4D.

Option: Allow holders of Area 4D IFQ and CDQ to harvest such IFQ/CDQ in Area 4C.

Halibut and Sablefish IFQ amendments

In December 2003, the Council initiated seven proposed amendments to regulations implementing the IFQ program for fixed gear Pacific halibut and sablefish fisheries in and off Alaska. These seven amendments are a combination of proposed amendments that were previously adopted for analysis in 1999 and new proposals received in 2003. The revised suite of alternatives for the seven actions were adopted for analysis based on recommendations of the IFQ Implementation Team, the Advisory Panel, and the public. A summary of the seven actions proposed for this amendment are attached as Item C-6(a). The analysis was distributed to the Council last week. The Council's action is to review the draft analysis and to decide whether to release it for review by the public. Final action is scheduled for December 2004. It is unlikely that the proposed changes could be implemented for the start of the 2005 fishing year.

PROPOSED ACTIONS TO REVISE THE HALIBUT AND SABLEFISH IFQ PROGRAM

Action 1. Allow the use of medical transfers.

Alternative 1. No action.

Alternative 2. Allow medical transfers.

Current regulations require catcher vessel quota share holders to be aboard the vessel during harvest and offloading of IFQ species. The IFQ program does not have medical transfer provisions. Quota share holders who experience a legitimate medical emergency that prevents them from fishing their quota are left without the ability to temporarily transfer quota shares. In light of loan repayment obligations and financial dependence on quota shares, fishermen who are not able to hire a skipper must often divest themselves of quota shares. This analysis reviews the status quo and an alternative to allow medical transfers. The proposed change requires a regulatory amendment for halibut and sablefish.

Action 2. Tighten the criteria allowing the use of hired skippers.

Alternative 1. No action.

Alternative 2. To use the hired skipper exception, a QS holder must demonstrate at least a 20% vessel owner interest in the vessel to be used and have continuously owned the vessel as documented by the contemporary abstract of title for the previous:

a. 6 months

b. 12 months

c. 24 months

d. year to date plus previous calendar year

As stated above, current regulations require catcher vessel quota share holders to be aboard the vessel during harvest and offloading of IFQ species. With a view to fishing firms that may use hired masters to operate their vessels, an exception was created for persons who received initial allocations of catcher vessel quota share, provided that the person owns the vessel on which the fish are harvested. However, the Council continues to be concerned about alleged abuses of this regulatory provision. This analysis reviews the status quo and alternatives to further limit the use of the hired skipper exception. The proposed change requires a regulatory amendment for halibut and sablefish.

Action 3. Add vessel clearance requirements to the Bering Sea and Aleutian Islands sablefish fisheries.

Alternative 1. No action.

Alternative 2. Add vessel clearance requirements to the BS and AI sablefish regulations.

Option 1. Add check-in/check-out for the Aleutian Islands and Bering Sea sablefish fishery (e.g., in Dutch Harbor, Adak, St Paul, St George)

Option 2. Require VMS when fishing in the Aleutian Islands and Bering Sea sablefish fishery

The current regulations require fishing location in the sablefish fishery to be self-reported. Concerns about mis-reporting have prompted a need to evaluate options to verify fishing locations. This analysis reviews the status quo and alternatives to add either check-in/check-out or vessel monitoring system requirements. The proposed change requires a regulatory amendment.

Action 4. Amend the sablefish product recovery rate for bled sablefish.

Alternative 1. No action.

Alternative 2. Change product recovery rate from 0.98 to 1.0.

Under the current regulations, a statutory product recovery rate of 0.98 is applied to all bled sablefish upon landing. This rate is used to calculate the equivalent 'round' weight to be attributed to a harvest allocation. However, inaccurate product recovery rate provisions may be compromising accurate catch accounting, and may provide a disincentive for fishermen to bleed fish, thereby reducing the quality of fish delivered. This analysis reviews the status quo and an alternative to change the product recovery rate from 0.98 to 1.0 for bled sablefish. The proposed change requires a regulatory amendment.

Action 5. Amend the halibut block program in Areas 2C, 3A, 3B, 4A, 4B, 4C, and 4D

Alternative 1. No action.

Alternative 2. Increase block limits to 3 or 4 blocks

Alternative 3. Unblock all QS blocks that yield more than 20,000 lb

Alternative 4. Allow blocked QS greater than 20,000 lb to be divided into smaller blocks

Alternative 5. Increase the Areas 2C and 3A halibut sweep-up level to the 5,000 lb equivalent in 1996 QS units.

At initial implementation, all halibut quota share holdings in a regulatory area that yielded less than 20,000 lb, based on the 1994 total allowable catch levels (TACs), were issued as an indivisible block. The regulations limit the ownership of halibut quota share to two blocks per person in a regulatory area (or 1 block and any amount of unblocked quota share.) Small blocks may be consolidated into one, up to a maximum quota share limit. However, halibut quota share holders have indicated that existing block and sweep-up restrictions are cumbersome, and changing the restrictions could improve flexibility and efficiency in fishing operations. This analysis reviews the status quo and four alternatives to the existing requirements. One alternative would increase block limits, two alternatives ease restrictions on blocks yielding greater than 20,000 lb based on the 2003 TACs, and a fourth increases sweep-up limits for halibut in Areas 2C and 3A. The proposed change requires a regulatory amendment.

Action 6. Amend Area 3B, 4A, 4B, 4C, and 4D halibut quota share categories

Alternative 1. No action.

Alternative 2. Allow IFQ derived from D category QS to be fished on C category vessels

Alternative 3. Allow IFQ derived from D category QS to be fished on C or B category vessels

Alternative 4. Combine C and D category QS

The IFQ program was designed with quota share categories that restrict to a specific vessel size class the harvest of IFQ derived from a particular category of quota share. The regulations currently require that category D quota share be fished on a vessel of 35 ft LOA or less. However, halibut fishermen in western Alaska have identified safety concerns when fishing in those areas on small vessels, which could be alleviated by relaxing the restrictions on category D quota share. This analysis reviews the status quo and three alternatives to the existing requirements. Two alternatives allow category D quota share to be fished on vessels less than or equal to 60 ft LOA, and one alternative allows category D quota share to be fished on vessels of any size. The proposed change requires a regulatory amendment.

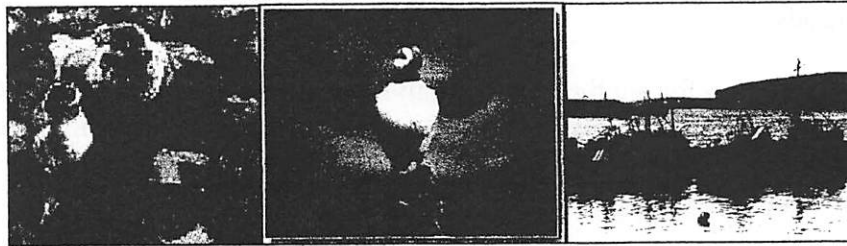
Action 7. Amend fish down regulations for Area 2C halibut and Southeast Outside District sablefish

Alternative 1. No action.

Alternative 2. Eliminate the exception to the fish down regulations for Area 2C halibut and Southeast area sablefish

In 1996, the Council adopted a regulatory change that allowed category B quota share to be fished on vessels under 60 ft LOA. At that time, certain quota share holdings in the Southeast Outside District sablefish and Area 2C halibut fisheries were identified as ineligible for "fish down". This was an attempt to ensure category B quota share would be available to vessels 60 ft LOA or greater. However, some fishermen have recently identified this prohibition as unnecessary. This analysis reviews the status quo and an alternative to allow category B quota share to be fished on a vessel of any length. The proposed change requires a regulatory amendment for halibut and sablefish.

The Pribilof Islands Collaborative



September 30, 2004

Stephanie Madsen
Chairman
North Pacific Fisheries Management Council
605 West 4th Ave., Suite 306
Anchorage, Alaska 99501

RECEIVED
SEP 30 2004
N.P.F.M.C.

Dear Chairman Madsen:

The members of the Pribilof Islands Collaborative (PIC), at their meeting on St. Paul Island in August, agreed unanimously to support the proposal being considered by the North Pacific Council to allow the holders of IPHC Area 4C halibut CDQ and IFQ to harvest that quota in Area 4D. Support for this proposal is only one of the elements of the strategy adopted by the PIC to address the continuing decreased availability of halibut for harvest in Area 4C around the islands of St. Paul and St. George. The collaborative is also pursuing funding for increased research into the causes of the halibut decline.

The catch per unit of effort (CPUE) of halibut in 4C in the target halibut fishery has experienced a sustained and dramatic decline during the past three years, providing strong indication that halibut abundance in Area 4C has declined substantially. Neither St. George nor St. Paul harvested all of their halibut CDQ allocations in 2003 (the combined harvest of both communities was 45% of their total allocations), and that appears to again be occurring in 2004. In addition, 4C IFQ fisheries have failed to harvest their quota during the same time period.

The commercial halibut fishery (both IFQ and CDQ) is of critical economic, cultural and social importance to the communities of St. George and St. Paul. The fishery is the largest private sector employer during the summer on St. Paul and an important contributor on St. George. Aside from jobs and the revenues generated, the fishery provides an opportunity for local residents to engage in at-sea activities that maintain their cultural and traditional heritage.

Preliminary analysis has looked at halibut bycatch by various groundfish fisheries in and around the Pribilof Islands. More in depth analysis is required, including a review of environmental factors (such as sea temperature changes) and the potential effect of directed fishing on halibut. In the meantime, the ability to harvest 4C quota in 4D would

benefit those CDQ and IFQ fishermen on and off the Islands, allowing them to maintain their livelihoods.

We urge your support for continuing the analysis of this proposal, with the goal of reaching a final decision at the December Council meeting to allow implementation next season.

Thank you for your consideration,

Members of the PIC Steering Committee on behalf of the Pribilof Islands Collaborative:



Larry Cotter
Aleutian Pribilof Island Community
Development Association



Max Malavansky, Jr.
Ecosystem Conservation Office
St. George Traditional Council



Randy Hagenstein
The Nature Conservancy of Alaska



Evie Witten
World Wildlife Fund
Alaska Field Office



Aquilina Lestenkof
Ecosystem Conservation Office
Tribal Government of St. Paul

Cc: Chris Oliver, Executive Director, NPFMC

11 September 2004

RECEIVED
SEP 14 2004
N.P.F.M.C.

Ms. Stephanie Madsen, Chair
North Pacific Fisheries Management Council
605 West 4th Street, Suite 306
Anchorage, AK 99501

Dear Ms. Madsen:

I am responding to a couple of proposals the Council will be dealing with soon:

1. **Medical Transfers.** I feel the medical transfer is a critical and most needed addition to the Individual Fishing Quota program.

I lost a long-time fisherman friend to cancer several years ago. He had a small block of Area 2C halibut that was tied up in a bank loan as collateral for his boat. His inability to fish the quota due to being bedridden and terminally ill left his family cash-strapped and stressed out dealing with the bank. Days before his death, his wife was able to finalize the Bank's paper requirements to sell the IFQ's.

Another fisherman friend in his mid-60's had a stroke two years ago that left him permanently paralyzed on one side and unable to maneuver the decks of his boat let alone fish his 2C halibut. His oldest son already had his own boat and was a member of the Seafood Producers Cooperative in Sitka where he delivered his troll caught salmon. He used to tie up his boat and hop aboard his dad's boat to help fish the IFQ's. Once his dad had the stroke the IFQ's went unfished because of the no medical transfer ruling.

2. **Small Boat Block Ownership.** I also feel quite strongly that small boat fishermen in Area 2C should be able to hold and fish three (3) halibut blocks instead of only two (2).

I own a 46-foot boat and held two (2) blocks of Area 2C for a time. In 1999, I qualified for the National Marine Fisheries Service IFQ Loan Program. In order to acquire more pounds, I had to find a buyer for one of my blocks as well as find some shares to buy. This would be the case in a three (3) block system, but less stressful, and more user-friendly. The NMFS loan gave me 45-days to find shares to buy, then six (6) months to complete the transaction. A three (3) block system would allow small boat fishermen an easier way to move up, if they chose to do so.

Because of the time constraint on selling one of my blocks, I was limited in strategizing for the best sale. As a result I sold low and bought high simply to complete both transactions with the 45-day time-frame.

Thank you in advance for your consideration of my thoughts.

Sincerely,



Charles E. Wood

F/V Talon

P.O. Box 383

Petersburg, AK 99833-0383

907-772-3480

September 14, 2004

Stephanie Madsen
Chair, NPFMC
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252

C-6: Halibut/Sablefish IFQ Program: Initial Review

Dear Madam Chair,

I am writing to you as small boat 2-C halibut fisherman. The halibut and sablefish IFQ program has been in effect since 1995. It has been a successful program for the resource, the longline fleet, and the public (at least those who like fresh halibut eight and a half months a year). However, the program can be improved. Most of the amendments to the program that affected participation by commercial fishermen occurred in 1996-98. As the recently adopted management approach states "*Adaptive management requires regular and periodic review.*"

While you may hear a philosophic viewpoint that the IFQ program should not be amended (in regards to sweep-ups and block ownership), it is time to recognize that the original program is quite different now. Recently, the more significant changes to the program have been to make it easier for everyone but commercial fishermen to purchase quota share. These changes include the community purchase program and the halibut charter IFQ program. Of the two programs the community purchase program is large marked departure from the original program in that it involves: 1.) 100% leasing of up to 21% of the QS, and 2.) vessel category length restrictions do not apply on the quota share eligible for community purchase.

While the IFQ program has been significantly amended to make it easier for non-commercial fishermen to buy QS, many of the IFQ amendments in front of you are designed to make it easier for commercial fishermen to acquire QS, i.e. ownership of multiple blocks and raising the halibut sweep-up amounts. The two block limitation and low sweep-up amount has hindered small boat fishermen from increasing their participation in the fisheries. Additionally, the medical transfer provision is long overdue.

Please move forward with this amendment package and release it for public review.



Gerry Merrigan
Box 1065
Petersburg, Alaska 99833

Alaskan Leader Fisheries

F/V Alaskan Leader
F/V Bristol Leader

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Lynden, WA 98264
360-318-1280 fax 360-318-1440

Ms. Stephanie Madsen, Chair
North Pacific Fishery Management Council
P. O. Box 103136
Anchorage, Alaska 99510

SENT BY FAX: 907-271-2809

RE: Proposed IFQ Amendment

Ms. Madsen:

RECEIVED
SEP 27 2004
N.P.F.M.C.

Attached please find a proposal to modify the IFQ program for sablefish and halibut. While the IFQ amendment package is scheduled for initial review at the October meeting, with final action in December, I would request that consideration be given to add this issue to that package. If that is not possible, I would ask that the process to review and analyze this proposal be initiated during the staff tasking portion of your upcoming meeting.

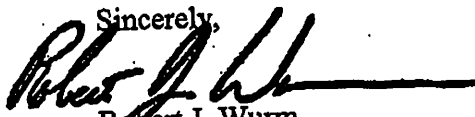
The proposal is simply to allow for frozen product of other species to be on board, while harvesting catcher shares of halibut IFQ in either the Bering Sea/Aleutian Islands or the Gulf of Alaska.

As you are aware, many of the regulations put into place were designed primarily around the potential concerns regarding behavior of the fleet, without any biological or enforcement basis. This proposal addresses just such a regulation. The concerns that prompted the development of the regulation have not been realized and it has resulted in reducing the quality of fish landed.

In discussing this issue with National Marine Fisheries Service Enforcement officials, I do not believe this to be any kind of concern for enforcement. I also believe that the analysis required for this simple modification would not be time intensive. Based on my discussions with other members of industry, I also believe that this issue is not controversial.

I would like to thank you for considering my request.

Sincerely,



Robert J. Wurm
Managing Partner

IFQ PROGRAM PROPOSAL

Name of Proposer: Robert J. Wurm
Address: 8874 Bender Road, Lynden, WA 98264
Telephone/Fax: 360-318-1280 – Fax 360-318-1440
E-mail: rob@alaskanleaderfisheries.com

Date: 9/24/04

BRIEF STATEMENT OF PROPOSAL:

Modify the regulations to allow frozen product of any allowed species on board a vessel while harvesting IFQ halibut in the B, C, or D class.

OBJECTIVES (Problem):

The requirement to retain Pacific cod, without the ability to process it and maximize the marketability and quality, ends up being a serious problem when fishing for IFQ halibut. By the time you come into port to deliver, the Pacific cod is basically sub-standard and not the quality of fish we want to be selling. Additionally, if you are fishing with "A" shares of sablefish, and anyone on board the vessel is holding any halibut catcher IFQ, you are not able to process your sablefish either. This is also a significant concern.

NEED FOR COUNCIL ACTION:

The Magnuson-Stevens Act is very clear that we should, whenever possible, consider efficiency in the utilization of fishery resources. The regulation was put into place primarily as part of the social engineering of the IFQ program and the fears that provided the basis for the regulation have not been realized. It is important to recognize that a change is not only appropriate, but is important in the full utilization of the fishery resources we are harvesting.

IMPACTS:

The only impacts that would result in changing the regulation would be positive. Those vessels that have the ability to freeze product onboard would have the opportunity to maximize the potential of the fish they are harvesting and allow product delivery of the highest possible quality.

ALTERNATIVE SOLUTION:

None, other than to leave the regulation in place, which would result in continued quality problems.

SUPPORTIVE DATA AND OTHER INFORMATION:

In discussions with National Marine Fisheries Service and Council staff, it is my understanding that this proposal is not an enforcement issue, nor would it require a significant amount of analytical time.

Jerry Dahl

P.O. Box 1275
Petersburg Alaska
99833
(907) 772 2213

September 27, 2004

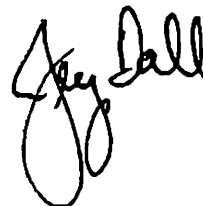
Stephanie Madsen
Chair, NPFMC
605 W 4th Ave. Suite 306
Anchorage, Ak 99501-2252

C-6 Halibut/Sablefish IFQ Program: Initial Review

Dear Stephanie,

I am writing you to day in concern of that there could be some changes to the halibut IFQ program. Changes like community purchase and halibut charter. With the community purchase and lease program puts us fisherman at a disadvantage when it comes to ownership of IFQs. With the block ownership locked at two and the sweep up lock in at 3,000 it makes it hard for a small operation to build his accesssets. Since there seems to be more blocks under 10,000 lbs a person might be able have three and not need to look at selling and buying in one year. I guess it just gives a person more leverage to work with. I also hope the emergency medical transfer is a great option for the industry. Please move in a forward direction and release it for public review.

Thank You



RECEIVED
SEP 23 2004

N.P.F.M.C.

September 27, 2004

To date, Limited access systems in fisheries management have failed to address the negative social and economic impacts to local coastal fishing communities by providing an inequitable distribution of the public resource. Without provisions for initial allocation to captains and crew members of IFQ programs many jobs have been lost in coastal communities within the harvesting sector. Consolidation of Quota Share has lead to the retirement of many vessels who's goods and services were provided for by the coastal communities small businesses at large. By not providing for access to new entrants in the effected fisheries IFQ programs have stymied new small business growth in the coastal communities. By concentrating the wealth provided by the economic benefits of these programs, the direct benefits to coastal communities has been minimalized . The loss of economic opportunities for small boat fishing families and consolidation within the larger vessel component hasten the flight of younger members of our communities who otherwise might have chosen to remain at home further contributing to our abundant heritage.

Historically , Fishing has been a joint business venture between the captain, crew members , and the owners of the fishing vessel. Captain and crew are sub contracted by the owners or their agents to locate concentrations of the resource , harvest the fish by which ever gear type is employed and deliver a product to the processor of the highest quality. Captain , crew and the owners traditionally have shared expenses for provisioning the boat, fuel expenses , costs of bait and in many instances the cost of gear loss or repair costs. The costs of federal observers and fisheries related taxes are also shared.. Uncompensated labor by the captain and crew is provided for maintenance and upgrades of the vessels while in dry dock. Owners are exempt from providing an hourly wage or unemployment compensation. IFQ programs to date have completely disenfranchised the human element of the harvesting sector. These fishermen are the ones who shoulder the inequitable burden and suffer the largest economic hardship of these programs and the consolidation that follows their implementation. Please do not try to minimize risk , by using the word to only consider venture capital investment . We fishermen share the risks on the return along with the owners in the harvest of the fish.

Consolidation has negatively impacted the economic viability of our coastal communities. One of the most obvious results of the consolidation of quota shares is the reduction of numbers within the harvesting sector. Vessel retirement directly results in the loss of jobs in the harvesting sector affecting fishing families who rely on the income that these vessels provided. The loss of jobs results in lost income to those supplying the consumables element of the fleet. Grocers , Hotels , restaurants , Taverns , and gear supply stores are all negatively impacted. Fewer vessels result in the lost sales of petroleum products , sales by vendors supplying machinery , parts and hardware. Fewer vessels require fewer welders , mechanics , electricians

and others providing the skills and services that maintain and improve our fleets. All have suffered economic hardship. Lost sales result in lost tax revenues. Our local government's struggle to provide services are exasperated by these lost revenues.

The failure of past IFQ programs to address the issue of allowing new entrants into the affected fisheries has stymied the economic growth of small businesses within the coastal fishing communities. Without the leveraged initial quota allocation it is prohibitively expensive to enter IFQ affected fisheries. Small boat fishing families like my own are unable to feasibly enter or expand our operations as past IFQ programs have heavily favored large scale fishing operations and/or corporations who have the financial resources to buy large blocks of quota share. By providing for new entrants in the small boat sector, each vessel, a small business, you will allow for participation and eventual quota share purchase. The initial costs of gear can be amortized through the entry level fishery before the necessary real costs of quota. Eventually IFQ's assignment from the entry level can again be used to amortize quota purchase. Entry level programs will allow for lower volume/lower impact gear types that currently would not qualify for very much allocation history because of their more recent introduction made possible by an open access statute's waters managed fishery. From a conservation stand point the small vessel jig fishery harvest pacific cod with a significantly smaller impact on the ecosystems habitat than traditional trawl, long line or pot gear. Without an entry level fishery most jig boats will qualify for little if any federal quota, yet in state waters of the Kodiak district our fleet was able to harvest nearly 4 million pounds in just over two months. Sustained participation by the small boat sector would be further ensured by a 100% ownership on board provision for the harvest of IFQ systems management. This would keep the quota of the fisheries in the hands of those that do the actual harvesting. A 7 year sunset on grand fathered shares should be sufficient to alleviate any hardships. Consolidation caps should be considered not only within different gear types but also by the harvesting vessel's size. Most small vessels are owned by working fishermen and their families. These stake holders interest in marine stewardship of the resources are far more personal than the large scale, corporate fishing owned vessel. We understand that we are in it for the long haul and our families depend on responsible management of the ecosystem.

In past IFQ programs, the economic benefits have been realized by a relatively small percentage of the fishing communities. The resulting concentration of benefit wealth has done little to benefit the fishing communities as a whole. The wind fall of initial allocation has been parlayed through consolidation into the corporations defacto ownership of the public resource. Fewer fishermen is a not benefit to the coastal community. Economically and socially the demographic changes have caused hardship. Perhaps reversing the trend toward big business, large scale corporate ownership of the resource back to a small scale, small vessel, community ownership will provide the same benefits sought by IFQ programs without the resulting hardships. Conservation, and value for the product, can be realized without the reward of windfall allocation to the few weighted by historical participation and the disenfranchisement of the many on whom the burdens of IFQ's in-equality will fall. It must be an equitable distribution of a public resource.

I do not support Senator Ted Steven's assertion that we do not need National Standards for IFQ's for the reasons stated in this letter I support the efforts of Senator Snowe , Senator Kerry and Representative Allen on HR2621 and National Standards for IFQ's . They are necessary and must be a part of re-authorization of the Magnuson Stevens Federal Fisheries Act.

Please make sure that any council IFQ plans now and in the future will be affected by these National Standards.

Thank-you

Shaun Koson
Ruth Koson
Joshua koson

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Gregory Elwood
F/V Bravado
918 Colby Ave
Everett, WA 98201
September 28th, 2004

RECEIVED
SEP 28 2004
N.P.F.M.C.

North Pacific Management Council Members:
Advisory Panel Members:

My name is Greg Elwood I have been a full time fisherman for 32 years much of this time engaged in the long line fisheries of Alaska and Washington. I have been a conference board member of the IPHC for 7 years.

I am the operator of the 59' long line vessel Bravado which participates in the harvesting of IFQ halibut and black cod.

My principle harvest area is west of Kodiak Island mainly Alaska Peninsula, Bering Sea Aleutian Islands.

I wish to speak to the proposed amendment to the halibut block program in area 2C, 3A, 3B, 4A, 4B, 4C, and 4D.

I am supporting Alternative 3. of Action 6, to amend the Block Program.

I believe that unblocking all quota held in block sizes of 20,000 lbs and above based on the 2003 halibut TAC would address what has become a inequity issue in the block program. This inequity exists because of population assessment findings in 3B & Area 4 have increased dramatically since initial block unblocked set point totals in 1994 .

When the blocked unblocked quota was set based on the 1994 TAC it was done so based on very little scientific evidence of the halibut population estimates in area 3B, & areas 4.

The reason for this void in population estimates out west at the time {1994} was the fact that there had been no standardized setline surveys in the 3B & areas 4 in the past that could support accurate population estimates in those areas.

The International Halibut Commission initiated setline surveys nine years ago in 3B and eight years ago in areas 4A & 4B.

Since that time of setline survey implementation by the IPHC the population estimates have grown very dramatically in areas 3B & Areas 4.

In area 3B the TAC has increased 3 times and in area 4 it has nearly doubled since the 1994 when no reliable population estimate existed for these areas.

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September 28, 2004

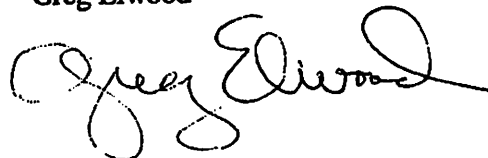
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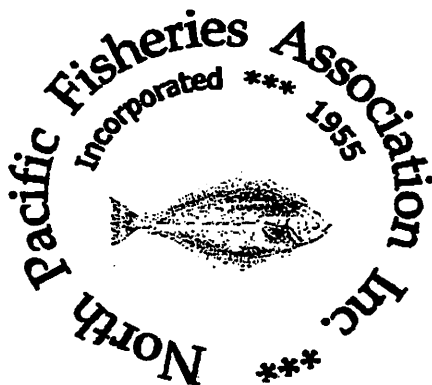
Very substantial total pound increases to the initial blocked quotas in the westward areas have resulted in a lack of market force flexibility. These increases have resulted in some instances of block sizes in excess of 70,000 lbs.

This clearly was not the original intent of the blocked unblocked program and I believe that the industry would be better served if we reset the block program to reflect the new realities in areas 3B & area 4.

I believe it to be in the best interest of the IFQ program to address these inequities that exist in 3B & Area 4 and rebalance the blocked unblocked regulations to reflect what we now know about halibut populations out west.

Yours truly,
Greg Elwood

A handwritten signature in black ink that reads "Greg Elwood". The signature is written in a cursive style with a large, looping "G" and "E".



North Pacific Fisheries Association

P.O. Box 796
Homer, Alaska 99603

September 27, 2004

Ms. Stephanie Madsen, Chair
North Pacific Fisheries Management Council
605 West 4th Ave, Suite 306
Anchorage, AK 99601

Re: IFQ Halibut and Sablefish Amendments

Dear Madame Chair;

We would like to comment on the amendments to the IFQ program for halibut and sablefish.

NPFA members include crabbers, Gulf of Alaska and Bering Sea groundfish harvesters, fishermen who custom process their own catch for export markets, salmon fishermen, crewmen, and halibut and sablefish longliners.

NPFA supports the following amendments:

- 1) Emergency medical transfer provisions.
- 2) Check in/check out or VMS provisions for the Bering Sea/Aleutian Islands black cod fishery.
- 3) Increasing the number of blocks that can be held by an individual from two to three.
- 4) Resetting blocks that are larger than 20,000 pounds in 2003 to either unblocked shares; or allowing blocks larger than 20,000 pounds in 2003 to be broken into several blocks.

NPFA does not support changes to vessel size requirements -- specifically doing away with D class shares in westward areas.

As for the so-called "tightening of owner on board provisions," we are not in support of amending the existing regulations. The proposed solution does not get at the identified problem. If you look at the history of solutions to this problem, the Council has changed from 1% ownership requirements to 20% with absolutely no change in leasing behavior. Leasing has probably increased. Now the solution is to move toward 20% and 24 months. It is likely that this amendment will tie lessees and lessors tighter with the outcome of institutionalizing the practice, not changing it in the desired way.

Sincerely,

Buck Laukitis
PRESIDENT NPFA

Halibut and Sablefish IFQ Program
Amendment Proposal #18 (2003) Revised
NPFMC
Fax: (907) 271-2817

RECEIVED
SEP 21 2004
N.P.F.M.C.

Name of Proposer: Rhonda A. Hubbard
Address: P.O. Box 3302, Seward, Ak 99664
Telephone/Fax: (907) 224-5584 / 5572 **E-mail:** Kruzof@ak.net

Date: 9/17/04

Brief Stmt of Proposal:

Implement Plan Amendment, to 50 CFR, 679.7f15 and its reference to (50 CFR) 679.42k1&2, that would give fishermen the flexibility to fish their A and /or B, C, D vessel category shares at any time, in any order throughout the season. The current regulation states that it is prohibitive to 'process fish on board a vessel on which a person aboard has unused IFQ derived from QS issued to vessel categories B,C, or D'. This regulation adversely affects a fisherman's ability to Process A shares if he hasn't first caught his non-A-shares. My Proposal is to **withdraw completely the statement as read under 50 CFR, 679.7f15.**

Objectives of Proposal (What is the Problem?):

Reduce inefficiencies of harvest and landings among fishermen who may hold A (processed) shares, in conjunction with B, C and/or D category shares and other non IFQ permits. It allows fishermen the flexibility to harvest their shares whenever they want, and it will no longer be mandated that B,C and/or D shares be harvested first before fishing and processing A shares or non-IFQ fish.

Need and Justification for Council Action:

The NPFM has the management authority to recommend a regulatory amendment to the Secretary of Commerce. This proposal is being re-submitted in hopes that it can be considered in this cycle.

Foreseeable impacts:

Background of Regulation: The original intent of this regulation was to help limit the potential phasing out of small vessels that do not have processing capabilities, and who would normally make landings to coastal communities. Given other program limits on how many IFQ shares can be fished on one vessel and vessel class limits, I believe this proposed regulation change would not threaten the original concern that instituted this regulation. The fear that small boat owners or local communities would lose harvest rights and deliveries has not been realized.

Impact: I do not believe there would be losers with an amendment to or elimination of this regulation. As for winners, it would be those who may hold a variety of QS

categories and non IFQ permits along w/their A shares. **This regulation change would grant the fishermen the flexibility to fish the QS at anytime throughout the season per their discretion.** As the regulation stands now, fishermen who own A shares in conjunction w/other shares and "other" non IFQ permits, are required to have those "other shares" fished first before they can fish their A shares and other fish that may correspond w/non IFQ permits. This causes inefficiencies in a fisherman's annual harvest plan and does not maximize timely optimization of the resource and marketing plans for processed products.

Alternative Solution: Eliminate the regulation completely and all its corresponding references.

Supportive Data and Other Information: See Prohibitions 679.7f15 and 679.42k1&2. Federal Register 50 CFR Part 676 April 2nd, 1996 and CFR 679 June 27th, 1996. Past meetings with NMFS enforcement, John Kinginger , Jeff Passer, and Scott Adams have confirmed this is not an enforcement concern. Reference meeting held at regional office in Juneau at 10 A.M., September 3rd, 2004 when this topic was discussed in detail, and suggestions for change were made. Present were, Jim Balsiger, Jay Ginter, Jesse Garret, Ron Antaya, John Kinginger and myself, Rhonda A. Hubbard.

Product recovery rates for bled sablefish

Michael F. Sigler¹, Daniel Falvey², Chris R. Lunsford¹, Kent Barkhau², Linda Behnken²

1 – National Marine Fisheries Service, Alaska Fisheries Science Center, Auke Bay Laboratory,
11305 Glacier Highway, Juneau, AK 99801

2 – Alaska Longline Fishermen's Association, 403 Lincoln Street, Suite 237, Sitka, AK 99835

ABSTRACT

Accurate catch estimates are necessary for successful fishery management. Catch weights may be affected by fish bleeding; a practice fishermen use to ensure product quality. We conducted field experiments during July 2002 and July 2003 in the Gulf of Alaska to estimate the change in fish weight due to blood loss for sablefish. Fish weights were compared before and after bleeding. Sablefish lost more weight when bled without seawater (2.0%) than when immersed in flowing seawater (1.6%). Sablefish lost more weight when carefully brought aboard (2.0%) than when gaffed aboard (1.7%) (bled without flowing seawater). Gaffed sablefish lost weight even when not intentionally bled (1.0%) because of blood loss at the gaff wound. The product recovery rate (PRR) currently applied by fishery managers to estimate catch weight for bled sablefish (2.0%) slightly overestimates "blood loss" for fish gaffed aboard (1.7%). The PRR applied by fishery managers for unbled sablefish (0.0%) underestimates "blood loss" for fish gaffed aboard (1.0%). Estimating the actual change in weight due to blood loss for a commercial fishing trip is difficult because it requires accounting for storage methods and handling practices.

INTRODUCTION

Some fishermen bleed sablefish (*Anoplopoma fimbria*) to ensure product quality. Fish are bled by breaking or cutting gill rakers, then allowing the fish to bleed. The amount of blood lost likely is affected by several factors, some under the fishermen's control and others not.

Storage methods (ice or refrigerated seawater) and handling practices (gaffing, hook removal devices, and soak time) affect blood loss.

The National Marine Fisheries Service (NMFS) applies a product recovery rate (PRR) for round, bled sablefish of 0.98 (NMFS product code 03) (Low et al. 1989). The PRR is used to estimate the live weight of landed of bled sablefish by dividing the landed weight by 0.98. The current PRR dates back to the early 1980s and it is not known whether the figure was verified for sablefish¹. Besides attempting to accurately estimate catch, the PRR also is important to fishermen because it affects the amount subtracted from the fishermen's individual quota with each delivery of bled sablefish.

Estimating an accurate PRR is challenging because several variables need testing. An experiment designed to estimate the actual PRR for sablefish would need to address storage methods and handling practices. Our approach was to estimate the change in weight due to blood loss expected for 4 treatments under controlled conditions. This approach both reduced the number of treatments and fit the length of field time available for this experiment. The study was a cooperative project between the Alaska Longline Fishermen's Association and the NMFS Auke Bay Laboratory. The data were collected during the 2002 and 2003 NMFS sablefish longline surveys.

MATERIALS AND METHODS

The experiments were conducted on 25-26 July 2002 and 25-26 July 2003, on the upper continental slope near Yakutat Bay in the Gulf of Alaska. The chartered U.S. longline vessels,

¹ Galen Tromble, Fishery Management Biologist, NMFS Alaska Regional Office, P. O. Box 21668, Juneau, AK 99801. Pers. commun., May 2002.

the F/V *Alaskan Leader* (overall length of 46 m) in 2002 and the F/V *Ocean Prowler* (overall length of 47 m) in 2003, deployed baited longline gear. Size 13/0 Mustad² circle hooks were hand baited with chopped squid (*Illex* spp.). Three sets of 2,672 hooks each were deployed each day for a total of 6 sets during the 2-day experiment. Setting started at 0630 hours and retrieval started at 0930 hours. Soak time ranged from 3 to 8 hours.

In 2002, fish were carefully released from the hook, dropped into a net, and then brought aboard the vessel to obtain an initial live weight. Only active fish in good condition were chosen. Fish were weighed before bleeding in a closed plastic pipe to still the fish. Fish were weighed with a Marel M1100 motion compensated marine scale. Scale accuracy was ± 2.5 g. The scale was calibrated at the beginning of each set retrieval. The closed plastic pipe was 15.2 cm diameter and 45.7 cm long and constructed of PVC. Neoprene fabric covered one end. The pipe rested in a cradle during weighing. After weighing, fish were marked with a unique tag and the 2 most posterior gill rakers on the fish's right side were cut. Two treatments were carried out to test how handling practices affect blood loss. In the 1st treatment, fish were placed in a tank filled with flowing seawater to bleed. In the 2nd treatment, fish were placed in a tub without seawater to bleed. Slime was wiped off fish in the latter sample before weighing post-bleeding. Clotted blood in the gill rakers was left in place.

In 2003, fish were gaffed aboard the vessel rather than carefully releasing them from the hook as in 2002. Gaffing is the normal method of bringing fish aboard during longline fishing. Only active fish in good condition (before gaffing) were chosen. Fish were weighed immediately after gaffing in the closed plastic pipe. After weighing, fish were marked with a unique tag. Two treatments were carried out to test how handling practices affect blood loss. In

² Reference to trade names does not imply endorsement by the National Marine Fisheries Service, NOAA.

1 treatment, the 2 most posterior gill rakers on the fish's right side were cut. In a 2nd treatment, the gill rakers were not cut. Fish in both treatments were placed in a tub without seawater to bleed. Slime was wiped off fish before weighing post-bleeding. Clotted blood in the gill rakers was left in place. The experimental treatments during 2002 and 2003 are summarized in Figure 1.

Sampled sablefish were chosen by chance. After weighing one fish, the next fish retrieved from the longline was chosen for processing. The ratio of the post-bleeding and live weight was computed for each sampled sablefish. For example, if the live weight was 3.5 kg and the post-bleeding weight was 3.45 kg, then the ratio is 0.986. The distributions of ratios for sablefish bled without flowing seawater were skewed and not normal. The transformations of log, square root, reciprocal, and arcsine-square root did not change the distributions from skewed to normal. The median may be preferred to the mean for expressing central tendency for skewed populations (Zar 1984). The median ratio was computed for each treatment and a confidence interval for the median was estimated (Zar 1984). The bootstrap method (Efron and Tibshirani 1986) also was applied to estimate the confidence interval and gave similar results to the method described in Zar (1984).

RESULTS

The total sample size was 611 sablefish (Table 1). Sample size by treatment ranged from 74 to 252 fish. Average fish size was 3.7 kg round weight (Figure 2). Sablefish bled in flowing seawater frequently gained weight (Figure 3A), whereas all but 1 sablefish bled without seawater weighed less after bleeding (Figures 3B-D). For sablefish carefully brought aboard and with

gills cut, the median ratio was 0.984 for sablefish bled in flowing seawater and 0.980 for sablefish bled without seawater (Table 1). These medians imply that blood loss typically is 1.6% for sablefish bled in flowing seawater and 2% for sablefish bled without seawater. For sablefish gaffed aboard and bled without flowing seawater, the median ratio was 0.983 for sablefish with gills cut and 0.990 for sablefish with gills left intact. These medians imply that blood loss typically is 1.7% for gills cut and 1.0% for gills left intact.

DISCUSSION

Weight measurements

The change in weight due to blood loss was measured precisely. The 95% confidence intervals for the medians were narrow. For example the interval was only 0.982–0.985 for sablefish bled in flowing seawater, a range of only 0.003. The range of confidence intervals was narrow for all treatments, only 0.003-0.007.

Sablefish lost more weight when bled without seawater (2.0%) than with flowing seawater (1.6%) (gills cut, fish carefully brought aboard). The hydrostatic pressure of the water in the bleeding tank may act on the severed blood vessels to reduce blood volume loss. Alternatively, the heart, which continues to pump after the gill rakers are cut, may siphon seawater into the fish's circulatory system, replacing the blood with seawater and possibly increasing circulatory system fluid volume. Finally, some water may have remained in the stomach of fish bled in flowing seawater, even though efforts were made to evacuate all water from the stomach prior to the post-bleeding weighing.

Sablefish lost more weight when carefully brought aboard (2.0%) than when gaffed aboard (1.7%) (gills cut, bled without flowing seawater). Fishermen gaff the fish's head, usually stunning the fish. Blood loss is reduced, probably because of the blow. Sablefish lost weight even when not intentionally bled (1.0%), probably because of blood loss at the gaff wound (gills left intact, bled without flowing seawater).

Accuracy of currently applied PRR

The National Marine Fisheries Service applies an adjustment to landings of bled sablefish that implies blood loss is 2% of body weight (PRR = 0.98, bled fish, product code 03). Gaffing fish is the normal method of bringing fish aboard during longline fishing. We found that blood loss is slightly less, 1.7% of body weight for bled sablefish that are gaffed aboard. The implied PRR is 0.983 rather than the current 0.98. No adjustment currently is applied for sablefish not deliberately bled (PRR = 1.0, whole fish, product code 01) (Low et al. 1989); however, we found that blood loss is 1.0% of body weight for sablefish that are gaffed aboard. The implied PRR is 0.99 rather than the current 1.0.

Historic catch estimates represent the weight of sablefish after gaffing, rather than live weight, because most sablefish were gaffed aboard, classified as whole fish, and the PRR of 1.0 was applied. Fishery catches as well as catches from sablefish longline surveys are affected. Thus, historic catches underestimate the live weight of the catch by 1%.

Ability to measure and apply an accurate PRR

Common handling practices and storage methods affect blood loss. On sets left to soak overnight, a common practice in the fishery, some fish are dead, some are in poor condition, and some are active. Blood loss from fish retrieved dead or in poor condition, although not measured, likely is negligible and would reduce average blood loss accordingly. Conversely, we found fish bled in flowing seawater frequently gained weight. Therefore, blood loss may be different for fish stored in refrigerated seawater compared to fish stored on ice.

Measuring and applying an accurate PRR is difficult given the variety of conditions existing in the fishery. Measuring an accurate PRR requires further studies of the effects of storage methods (ice or refrigerated seawater) and handling practices (gaffing, hook removal devices, and soak time), which would be time-consuming to complete. Applying the results of these studies would be difficult because the storage methods and handling practices would need quantification for each trip (e.g. percentage of fish retrieved dead). Accurately accounting for these factors would be complex and difficult, especially because blood loss is low.

ACKNOWLEDGEMENTS

This research was funded in part by the National Cooperative Research Program. We thank Dave Ackley, Jerry Pella, Phil Rigby, and Andy Smoker for reviewing this paper. We thank Dave Clausen and Mitch Lorenz, who in addition to Chris Lunsford and Kent Barkhau, collected the blood loss data.

LITERATURE CITED

Efron, B., and R. Tibshirani. 1986. Bootstrap methods for standard errors, confidence intervals, and other measures of statistical accuracy. *Statistical Science* 1:54-75.

Low, L.-L., J. E. Smoker, L. J. Watson, J. D. Berger, and M. W. Eklund. 1989. A review of product recovery rates for Alaska groundfish. NOAA Tech. Memo. NMFS F/NWC-175.

Zar, J. H. 1984. *Biostatistical analysis*. Prentice-Hall, Inc., Englewood Cliffs, New Jersey.

Table 1. Median blood loss and 95% confidence intervals for median by treatment.

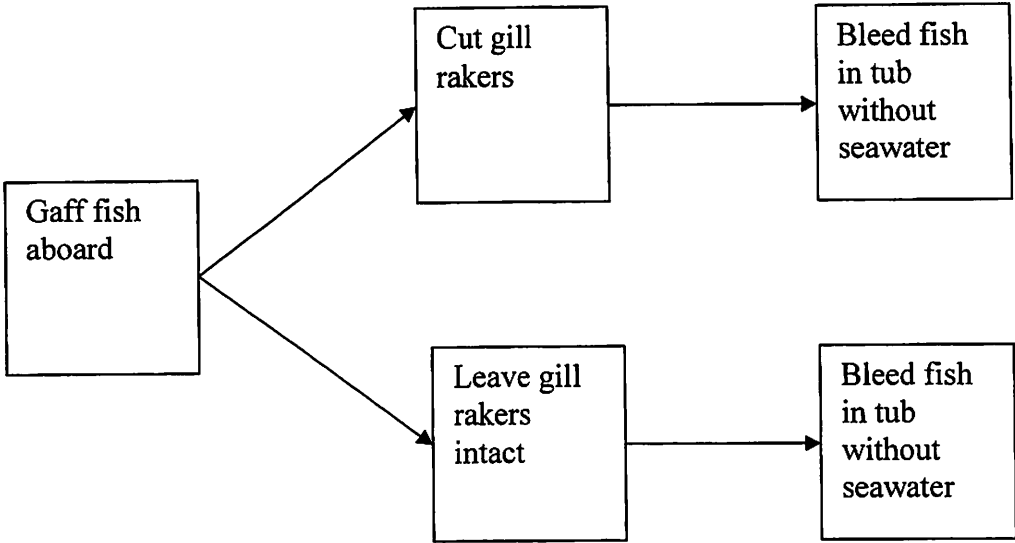
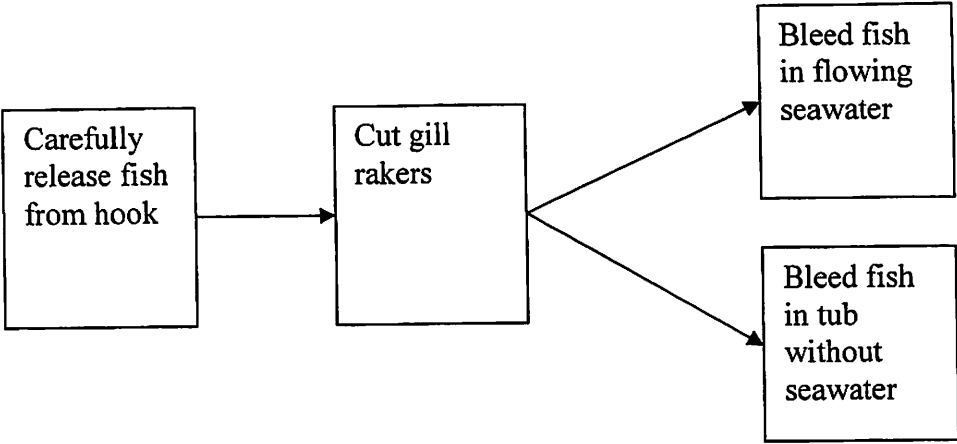
Treatment	Median	Lower 95% confidence interval	Upper 95% confidence interval	Sample size
Carefully released from hook, gills cut, bled in flowing seawater	0.984	0.982	0.985	252
Carefully released from hook, gills cut, bled without flowing seawater	0.980	0.976	0.983	74
Gaffed aboard, gills cut, bled in tub without flowing seawater	0.983	0.981	0.985	128
Gaffed, gills left intact, bled in tub without flowing seawater	0.990	0.988	0.991	157

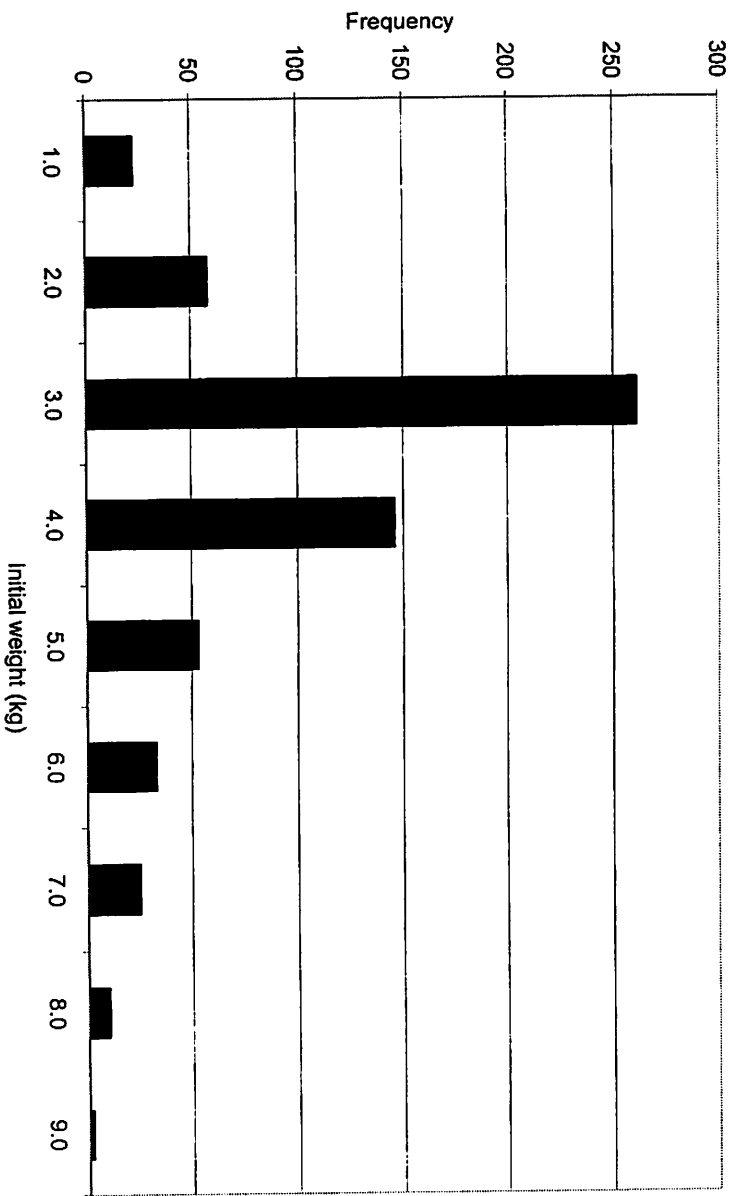
FIGURE LEGENDS

Figure 1. Flow diagram of experimental treatments.

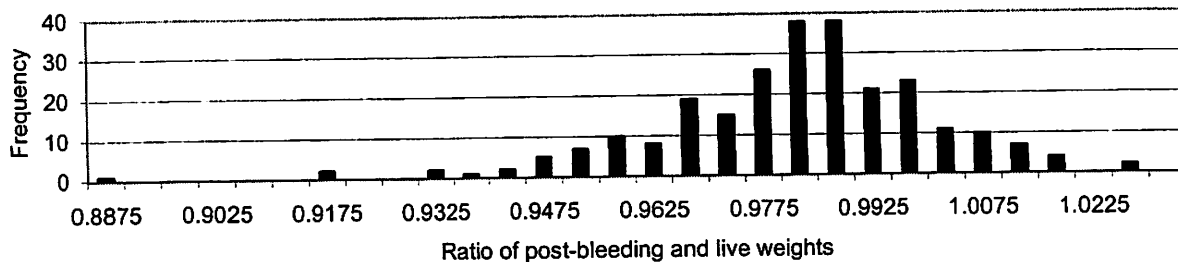
Figure 2. Size distribution (live weight in kilograms, rounded to the nearest kilogram) of sablefish sampled in the bleeding study.

Figure 3. Frequency distributions of post-bleeding weight to live weight of sablefish bled without flowing seawater. A. Carefully released from hook, gills cut, bled in flowing seawater. B. Carefully released from hook, gills cut, bled in tub without seawater. C. Gaffed aboard, gills cut, bled in tub without seawater. D. Gaffed aboard, gills left intact, bled in tub without seawater.

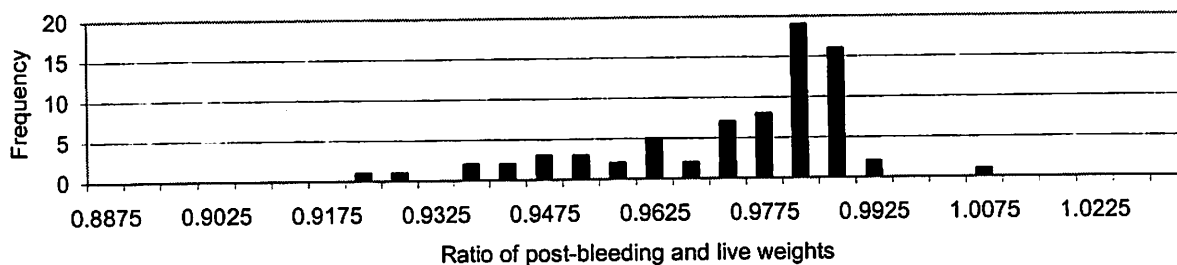




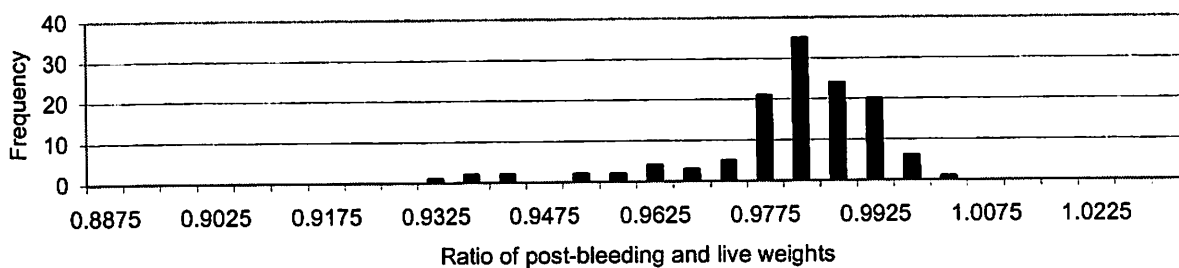
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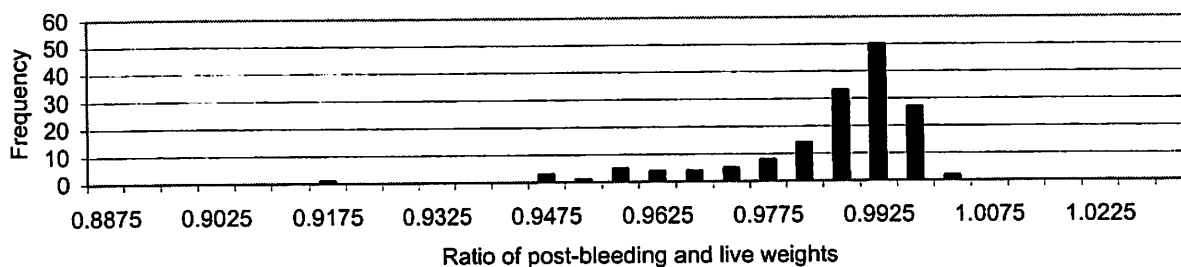
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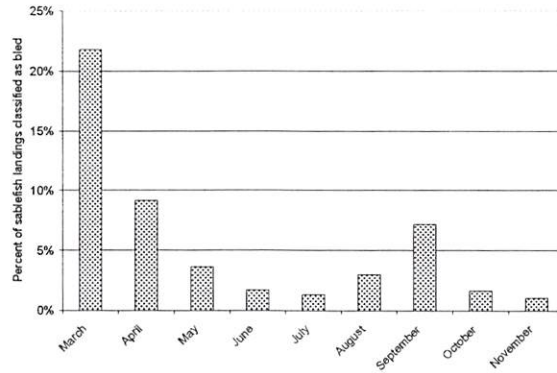


**PUBLIC TESTIMONY SIGN-UP SHEET FOR
AGENDA ITEM C-6 IFQ Program**

	NAME (PLEASE PRINT)	AFFILIATION
3	1 MARK Wagner	F/V Challenger
3	2 Rhonda Hubbard	F/V Kruszof
3	3 Linda Kozak	Alaskan Leader
6	4 Linda Behnken	ALFA
6	5 Phillip Lestenkof / Heather McCarthy	CBSFA
6	6 Myron & Ray Melvidor	F/V Aleut Crusader
6	7 JACK KNUTSEN	F.V.O.A. SEATTLE ST. PAUL ISL. AK.
3	8 Simeon Swetsof JR.	F/V Wind Dancer
6	9 Kevin Kennedy / Richard Zacharoff	TDX Corp & Tribal Govt. of St Paul
6	10 Dan Falvey	
3	11 Jan Jacobs	American Seafoods
3	12 Clem Tillion	Aleut. Corp.
	13 Kaven Pletnikoff	AIPIA
6	14 Bob Storrs	UNFA
6	15 Buck LAUKITIS	NPFA left already
6	16 Jeff Stephan	UFMA
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NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.

Effect of 2% PRR



Percent of sablefish landings classified as bled (product code 03) in the Alaska EEZ during 2002 (NMFS Alaska Regional Office).

Results of Bleeding Study

- 1.7% Max Blood loss in gaffed bled sablefish under ideal conditions
- 1.0% Blood loss in gaffed, un-bled sablefish
- **0.7%** Additional blood loss from actively bleeding sablefish under ideal conditions.

Cordova District Fishermen United

Celebrating 69 Years of Service to Commercial Fishermen in Cordova, Alaska
P.O. Box 939 Cordova, Alaska 99574 Telephone 907.424.3447 Fax 907.424.3430

October 2, 2004

Stephanie Madsen, Chair
North Pacific Fishery Management Council

Madame Chair and members of the Council,

On behalf of the Groundfish Division of CDFU I am providing comments on the following agenda items to be discussed by the Council in Sitka.

C-6 Halibut/Sablefish IFQ program.

Generally, we support moving the package of regulatory amendments forward, but have some comments, questions and suggested revisions to specific actions in the package.

Action 2. Amend hired skipper provisions.

Is the "contemporary abstract of title" that is required to document ownership in Alternative 2 the same as the Certificate of Documentation that is issued through the National Vessel Documentation Center? Although all vessels that participate in the IFQ fisheries may not be required to be documented, the cost of changing this documentation, in terms of time as well as money, may be significant enough to prevent the more egregious abuses of the hired skipper provisions. Has this been discussed?

Action 5. Amend the halibut block program in Areas 2C, 3A, 3B, 4A, 4B, 4C, and 4D.

The Alternatives in this action may address different problems in different areas, and we ask that the Council adopt a problem statement that clarifies what problems are being addressed so that the merits of the Alternatives may be easier to discern.

Alternative 2. Increase block limits to 3 or 4 blocks.

We would like to see more discussion and where possible more specific analysis of the consequences of increasing the block limits. Alternative 2 has merit, however it is difficult for us to determine whether or not we could support it based on the information provided in the Initial Review. The expanded discussion and analysis should cover:

- The increase in entry level costs to those who would like to get into the fishery, and the extent to which the increase in block limits would deter or prevent those fishermen from diversifying their fishing operations. We see this as a potential problem that deserves elaboration.
- What kind of consolidation will occur? Will owners of unblocked QS or large amounts of blocked QS pay higher prices for the blocks that become available, and so prevent owners of small blocks from increasing the size of their holdings as they would like to do? In other words, will ownership of a third (or fourth) block be spread out roughly equally over all kinds of halibut operations, or will it be concentrated among a specific class of operation?
- Will this increase the amount of halibut QS being "fished down", and will the

number of blocks in each vessel class and regulatory area, that exist in the ranges of 1) up to the sweep up amount (3,416 lbs. for 2003); 2) 3,416 to 10,000 lbs.; 3) 10,000 to 15,000 lbs.; 4) 15,000 to 20,000 lbs.; and 5) greater than 20,000 lbs. This table may help to illustrate the constraints of the current block program that QS holders in different areas believe exist.

Alternative 5. Increase the halibut sweep-up levels in 2C and 3A to the 5,000 lb equivalent in 1996 QS units.

We suggest adding a suboption in Alternative 5 of increasing the sweep-up levels in 2C and 3A to 7,500 lbs. This suboption may provide another means of business growth for QS holders who currently have 2 blocks and find that the logistical complexity of the transfer process constrains that growth.

For reference, the capacity of the smaller D class vessels that fish out of Cordova may range from 2,500 to 7,500 lbs., IFQ weight.

C-Halibut Subsistence

Generally, we support moving the package of regulatory amendments forward, and have the following comments about the Initial Review draft.

We support continuation of the harvest assessment of the subsistence halibut fishery (including incidental catches of rockfish and lingcod) by the ADF&G Subsistence Division for several more years, and the development of a formal subsistence halibut harvest reporting system over the long term. This assessment is an important part of understanding changes in use patterns in Prince William Sound, and will provide valuable information for all user groups when it comes to making decisions about the use, protection and allocation of fisheries resources in Prince William Sound.

We note the lower than expected report of subsistence halibut harvested by Cordova residents in 2003 in the ADF&G Subsistence Division's report, as well as the large variation in reported harvests in previous household surveys. And we concur with the Division's recommendations for outreach and assessment of other survey data to determine the nature of these discrepancies.

Action 5. Customary Trade Limit

We have heard allegations in Cordova that a few individuals are abusing the original intent of restricting the trade of subsistence caught halibut to "customary and traditional exchanges", as well as exceeding the customary trade limit of \$400, and selling halibut into the commercial market. Even though the abuse is not widespread, we remain concerned that difficulties enforcing the provisions of the customary trade limit will allow expansion of commercial activities that clearly were not intended in the development of the subsistence harvest regulations. We encourage the Council to find a way to allow truly traditional and customary exchanges to continue, and at the same time to severely curtail the potential for commercial and for-profit sales of subsistence caught halibut.

Thank you for the opportunity to comment on these agenda items.

Sincerely,

Dan Hull, Co-Chairman
CDFU Groundfish Division

SITKA, ALASKA, OCTOBER, 2004

IFQ REGULATORY AMENDMENT PACKAGE

Madam Chairperson, Members of the Council:

Thank you for this opportunity to reiterate and reinforce our comments on the proposed actions on the halibut/sablefish IFQ Program. As you know, our Union and its total membership are very concerned about the IFQ program and we support the 7 numbered Actions sent forward by the IFQ Implementation Committee. DSFU is particularly concerned with two of the pending actions and would like to comment on them.

First, The Deep Sea Fishermen's Union (DSFU) believes it is not in the best interest of the fishery and working fishermen to allow IFQ holders to "Fish" their quota without owning a vessel and/or being on board their vessel. The Union would like to end the practice of owning IFQ, not owning a boat and hiring crew and leasing the quota to be fished by someone else. The original and continuing intent was for IFQ holders to be practicing fishermen. It should be, clearly, the Council's intent to only allow boat owners to have hired skippers. The intent should include the expectation that the initial recipient continue to own his/her boat(s) and keep crew employed.

The working fishermen and the fishery both win in that individuals who are truly invested in the health, safety and future of the fishery are actively involved in the fishery. There actually would be no losers in that anyone who has quota and chooses not to own a boat and hire a crew would have to sell his/her quota. The price of quota is very strong and any divestiture would provide the seller with a significant financial gain.

Therefore DSFU supports Action 2 of the proposed IFQ regulatory amendment package. The membership urges the Council to: 1. Take action on Alternative 2 and 2. We strongly support selection of b, c or d under Alternative 2.

Secondly, DSFU is philosophically opposed to allowing 4C IFQ and CDQ holders to harvest their quota in 4D. We believe it opens the door and starts the fishery on a slippery slope whereby any area experiencing difficulty harvesting their quota will cite this exception as precedent and seek similar provisions to harvest their quota in a more productive area.

However, if the Council decides that this is the action they want to take, DSFU would strongly urge the Council to make any modification reciprocal. Thereby allowing 4C quota holders to fish their quota in 4D and 4D quota holders to fish their quota in 4C.

DSFU appreciates the Council's time and interest.

Yours in Solidarity,

David J. Soma
Executive Director, DSFU

Linda Behnken
Pub. Test. #0
10-11-04 8:06 A

ALASKA LONGLINE FISHERMEN'S ASSOCIATION

403 Lincoln Street, Ste. 237 Sitka, AK 99835

September 28, 2004

Members of the Council,

On behalf of the Alaska Longline Fishermen's Association (ALFA), I would like to submit the following testimony on Agenda Item C-6, IFQ Program.

I recognize that at this meeting the IFQ amendments are scheduled for initial review and that Council is scheduled to take final action in December. Nevertheless, because you are here in Sitka and I am not likely to be at the Council's December meeting, I would like to take this opportunity to offer some comments on issues important to ALFA's membership. I will start with the sablefish PRR, since our membership has been directly involved with this project.

Sablefish product recovery rate: As you have heard, the Agency implemented a PRR of .98% for bled sablefish two years ago, causing fishermen who delivered bled sablefish to lose 2% off the weight of every landing. Not surprisingly, this PRR acted as a disincentive for fishermen to bleed sablefish at sea, a practice that enhances product quality. Because product quality is essential to maintaining markets—particularly given the threat of farmed fish—ALFA members believed the PRR should be tested. ALFA was able to work with the Agency to determine just how much blood a person could wring out of a sablefish. The bleeding study, which you have been provided, demonstrated that under ideal conditions (i.e., gear was left to “soak” for no more than two hours, fish were netted at the rail and immediately bled), it is possible to get 1.7% of the fishes body weight out of it in blood. However, unbled sablefish lost about 1%, **making the difference between bled and unbled fish only 0.7%**. And, as the study concludes, ideal conditions do not exist on a commercial vessel: fish are on the hook longer, most are gaffed at the rail whether the fish will be bled, cleaned or delivered unbled, and on most vessels fish are dropped directly onto ice. These findings indicate that the 2% deduction is too high even under ideal conditions and that any deduction is difficult to justify since “unbled” fish bleed and always have both in the commercial fishery **and in the survey**. As the report concludes: “historic catch estimates represent the weight of sablefish after gaffing, rather than live weight... [t]hus, historic catches underestimate the live weight of the catch by 1%.” For accuracy, either the sablefish quota should be increased by 1% or the PRR for bled sablefish should be eliminated. It seems far simpler to eliminate the PRR for bled sablefish.

To conclude—eliminating the .98 PRR for bled sablefish will remove an existing disincentive to product quality, be consistent with historic catch accounting and not in any way effect conservation of the sablefish population. We urge the Council to eliminate this deduction by adopting Alternative 2.

On ALFA's behalf, I would like to address five of the other initial action items.

1. Allow emergency medical transfers (EMT): Members recognize that some emergency medical provision may be necessary, but feel strongly that the provision should be designed such that it does not create a leasing loophole. We support a provision that allows a QS holder to be granted no more than two EMT every five years. If a medical problem can not be resolved in that much time, ALFA members believe QS holders should sell or transfer their quota.
2. Hired skipper provision: ALFA members continue to believe that QS holders should be on the vessel when IFQs are harvested. We have never supported the hired skipper provision and recognize that it has created a significant leasing loop hole. We support any action the Council can take to tighten this provision, whether that is by proving ownership for the previous 12 or 24 months.
3. Changes to the Block Plan (item 6): ALFA continues to support the block plan, the vessel size classes and all other provisions in the halibut/sablefish plan that have helped to maintain a diverse fleet, provide an entry level and limit consolidation. We do not support allowing individuals to acquire a third block, for the obvious reasons that it will result in less fishermen in the fishery, less crew jobs, etc. We have no objection to unblocking quota over 20,000 pounds. Members also do not object to raising the sweep up limit to 5,000 pounds, recognizing that this will result in better utilization of the quota (since many small blocks are not currently fished) and because members recognize that they will soon face additional competition for shares from both communities and charter operators entering the quota market. Members also maintain that the data suggest that 10,000 pounds, or two 5,000 pound blocks, represents a viable amount of quota to remain in this fishery.
4. Vessel size classes: ALFA does not support the proposed changes to the vessel size classes. Combining C and D or allowing D shares to be fished on larger vessels will undermine the entry level opportunity the Council provided with the D category. In case there is a serious safety issue involved in the western areas and the Council decides to move ahead with this change, ALFA believes the Council should include an option of exempting 3A as well as 2C from these proposed changes.
5. Eliminate the SE/2C fish down exemption: ALFA members support this change. Initially B class holders were concerned by the minimal amount of SE/2C B class shares and requested the exemption from the fish down. Members no longer consider the exemption necessary.

In closing, on behalf of ALFA's membership I urge you to send the IFQ amendment package out for public review with two addition options: 1) limit medical transfers to at most two out of every five years; and, 2) exempt 3A from the vessel size class changes in case this amendment is eventually adopted.

Thank you for the opportunity to comment.

Sincerely,  Linda Behnken (Director, ALFA)

CONSOLIDATION OF QS

As was anticipated, as a result of transfer choices made by QS holders, there has been a consolidation of QS into the hands of fewer persons than who received the QS by initial issuance.

The following tables show, by area and size of holding, how transfer activities have resulted in the consolidation of QS.

Note that the reported numbers of persons holding QS that yields IFQ of differing amounts have changed from the report published in the 2000 Report to the Fleet. These minor changes result from two causes: 1) the table is updated to include those who received their QS for the first time during 2000 and 2001 (as a result of appeal determinations and settlements); and 2) the table displays number QS holders using 2001 IFQ pound equivalents (the 2000 Report was based on 1999 IFQ pound equivalents).

TABLE III-J: CONSOLIDATION OF HALIBUT QS - INITIAL ISSUANCE THROUGH 12/31/01
(NUMBERS OF PERSONS HOLDING HALIBUT QS BY AREA AND SIZE OF HOLDINGS, EXPRESSED IN 2001 IFQ POUNDS)

Area	Size of Holding (*01 IFQ Pounds)	Number of Initial Issuees	Holders as of End of 1996	Holders as of End of 1997	Holders as of End of 1998	Holders as of End of 1999	Holders as of End of 2000	Holders as of End of 2001
2C	3,000 or less	1,537	1,134	980	929	880	846	803
	3,001-10,000	621	499	500	501	482	475	468
	10,001-25,000	206	229	221	209	212	209	208
	over 25,000	23	33	40	46	49	52	55
	2C Total:	2,387	1,895	1,741	1,685	1,623	1,582	1,534
0	3,000 or less	1,834	1,420	1,252	1,161	1,084	1,030	981
	3,001-10,000	658	510	506	501	487	487	489
	10,001-25,000	338	337	329	330	328	326	321
	over 25,000	240	248	251	250	257	255	256
	3A Total:	3,070	2,515	2,338	2,242	2,156	2,098	2,047
3B	3,000 or less	441	313	234	200	177	166	148
	3,001-10,000	253	186	138	123	106	95	89
	10,001-25,000	178	140	147	148	135	140	139
	over 25,000	183	185	190	194	212	208	209
	3B Total:	1,055	824	709	665	630	609	585

Notes to Table:

- Halibut data do not include Area 4E; there is no IFQ allocation for that area.
- The area data in the table are not additive; QS holders may (and many do) hold QS in more than one administrative area for both halibut and sablefish.

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TABLE III-J (CONTINUED): CONSOLIDATION OF HALIBUT QS - INITIAL ISSUANCE THROUGH 12/31/01 (NUMBERS OF PERSONS HOLDING HALIBUT QS BY AREA AND SIZE OF HOLDINGS, EXPRESSED IN 2001 IFQ POUNDS)

Area	Size of Holding ('00 IFQ Pounds)	Number of Initial Issuees	Holders as of End of 1996	Holders as of End of 1997	Holders as of End of 1998	Holders as of End of 1999	Holders as of End of 2000	Holders as of End of 2001
4A	3,000 or less	266	201	167	144	127	115	99
	3,001-10,000	124	95	76	75	69	60	56
	10,001-25,000	81	72	68	66	71	71	74
	over 25,000	58	67	68	69	70	69	67
	4A Total:	529	435	379	354	337	315	296
4B	3,000 or less	25	20	19	17	12	12	11
	3,001-10,000	41	37	32	30	28	26	24
	10,001-25,000	44	41	32	32	27	26	27
	over 25,000	42	43	47	45	50	49	50
	4B Total:	152	141	130	124	117	113	112
4C	3,000 or less	20	19	20	17	17	16	12
	3,001 - 10,000	29	28	24	22	21	19	14
	10,001 - 25,000	20	20	20	19	19	20	21
	over 25,000	11	13	13	14	14	14	14
	4C Total:	80	80	77	72	71	69	61
4D	3,000 or less	9	8	7	6	5	4	4
	3,001 - 10,000	20	18	15	12	12	10	9
	10,001 - 25,000	23	27	18	18	13	16	13
	over 25,000	16	15	19	20	23	22	24
	4D Total:	68	68	59	56	53	52	50
ALL	3,000 or less	2,632	2,233	1,956	1,855	1,748	1,686	1,610
	3,001 - 10,000	1,138	927	899	892	860	851	849
	10,001 - 25,000	586	580	562	548	557	551	537
	over 25,000	472	487	496	500	512	520	536
	Total All Areas	4,828	4,227	3,913	3,795	3,677	3,610	3,532

Notes to Table:

- Halibut data do not include Area 4E; there is no IFQ allocation for that area.
- The area data in the table is not additive; QS holders may (and many do) hold QS in more than one administrative area for both halibut and sablefish.

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