

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver *Chris*  
Executive Director

ESTIMATED TIME 4 HOURS
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DATE: December 4, 2003

SUBJECT: Halibut and Sablefish IFQ

**ACTION REQUIRED**

Receive report from IFQ Implementation and Cost Recovery Committee and review IFQ proposals.

**BACKGROUND**

The IFQ Implementation and Cost Recovery Team convened on October 5, 2003 to review 19 proposals for changes to the halibut and sablefish IFQ program. The team integrated some new proposals with those previously approved for analysis in 2000. The 2000 proposed actions were never initiated due to the press of other Council business. The team grouped the proposed amendments into separate analytical packages and ranked their priority as listed below. Team minutes (Item C-4(a)), the proposed amendments from 2000 (Item C-4(b)), and the 2003 proposals (Items C-4(c)) are attached.

- (1) Changes to the block program, QS categories, fish down, 20% ownership requirements to hire a skipper, and medical transfers.
- (2) A discussion paper to allow the use of pots in the GOA.
- (3) Changes affecting forfeiture of QS that was never fished, check-in/out, and sablefish product recovery rate.

**IFQ Implementation and Cost Recovery Committee  
October 5, 2003 Minutes**

Members of the committee in attendance were: Chair Jeff Stephan, Dennis Hicks, Buck Laukitis for Don Lane, David Soma, Don Iverson, Bob Alverson, Kris Norosz, Arne Fuglvog, Gerry Merrigan, and Paul Peyton. Staff were Jane DiCosimo, Phil Smith, Jeff Passer, John Kingeter, Jay Ginter, Bubba Cook, Bruce Leaman, Glenn Merrill, and LT Al McCabe. Six members of the public attended the meeting.

The committee reviewed and considered nineteen proposals (Appendix 2) that were submitted to the Council in response to a call for proposals that was advertised in the June, 2003, Council newsletter. The committee is grateful to the Council for advertising the call for proposals for halibut and sablefish IFQ issues.

The committee requests that the Council schedule IFQ implementation issues on the agenda for the December, 2003, meeting, including the prioritized list of proposals that was developed by the committee during its October 5 meeting.

The committee noted, because of the timing of the sablefish and halibut IFQ fisheries, that the December Council meeting is plausibly the only Council meeting during which persons who have an interest in IFQ implementation issues are reasonably available to participate. Additionally, the committee noted that the Council, because of the necessity to address many other vital issues, has not been able to schedule a comprehensive discussion or consideration of IFQ implementation issues for several years. Therefore, persons who are interested to present their input and comment to the Council with respect to IFQ implementation issues have not had an opportunity to do so for several years.

The committee notes that there are several important and relevant IFQ implementation issues that have been raised by the public in the nineteen proposals that were submitted to the Council and addressed by the committee. Moreover, these proposals represent issues that exist in the halibut and sablefish IFQ fisheries that are in reasonable need of Council attention. Although the halibut and sablefish IFQ fisheries, as compared to other Bering Sea/Aleutian Islands and Gulf of Alaska fisheries, require less active attention and involvement by the Council because of the very nature of an IFQ program, and because of the careful planning that the Council originally invested in the design of the halibut and sablefish IFQ programs, the committee respectfully submits that there are contemporary circumstances that exist in the IFQ fisheries that are in need of focused attention by the Council.

The committee categorized, grouped and evaluated the nineteen 2003 proposals in comparison to, and within the structure of, the suite of proposals that was adopted by the Council in June, 2001 (the Council action of June, 2001, attached as Appendix 1, was taken in response to the recommendations that were developed by the IFQ Implementation Committee during its October, 10, 1999, meeting). The committee reviewed the issues that were identified to the committee in 1999 (Appendix 3), and evaluated whether they still warranted consideration. The committee revised the June, 2001, Council headings of "alternatives" and "options," and renamed these headings as "actions" and "alternatives" to better reflect the October 5, 2003, committee recommendations, and to more clearly describe the proposed actions that are suggested for analysis.

## October 5, 2003, IFO Implementation Committee Recommendations

### Action 1. Amend halibut block program in Areas 2C, 3A, 3B, 4A, 4B, 4C, and 4D

- Alternative 1. No action.
- Alternative 2. Increase blocks from 2, to 3 or 4
- Alternative 3. Unblock all QS > 20,000 lbs. (now in QS units) where the 2003 TAC level exceeds a 20,000 lb. unit equivalent
- Alternative 4. Allow QS > 20,000 lbs. to be divided into smaller blocks
- Alternative 5. Increase the Area 2C and 3A halibut sweep-up level to the 5,000 lb equivalent in current QS units (2C: 35,080 units; 3A: 40,860 units)

Note: Action 1 does not include Area 4E because 100% of the halibut quota shares are allocated to the CDQ program.

Proposals #12 and #13 are included in Action 1. The committee recommends that the analysis of issues that surround Action 1 include, but are not limited to (1) a discussion of the significant increases in halibut TAC that have occurred in some areas (e.g., Area 3B and Area 4), and how these increases may be addressed by Alternatives 3 and 4; (2) a description of those Areas where Alternative 3 may not be applicable (e.g., Areas 2C and 3A); and (3) possible Area-specific threshold amounts of TAC increase that may be applicable with respect to Alternatives 3 and 4.

No proposals were received for amending the block program for sablefish. The committee did not include a recommendation with respect to the sablefish fishery because it did not identify a problem in that fishery.

### Action 2. Amend Area 3B, 4A, 4B, 4C and 4D QS categories

- Alternative 1. No action.
- Alternative 2. Allow D category QS to be fished as C category shares
- Alternative 3. Allow D category QS to be fished as C or B category QS
- Alternative 4. Combine B, C, and D category QS
- Alternative 5. Combine C and D category QS
- Alternative 6. Combine B and C category QS for halibut and sablefish in all areas

Proposal #10 is included in Action 2. The analysis for Action 2 is expected to identify whether to include Areas 2C, 3A, 4C and 4D in any of the Alternatives under this action in addition to those areas that were recommended by the Council in its June, 2001, action (i.e., Areas 3B, 4A and 4B).

The committee recommended a modification to the June, 2001, Council action by (1) adding Alternative 5 (i.e., "Combine C and D category QS"), and by (2) expanding the range of areas (i.e., adding Areas 4C and 4D; Note: no proposals were received from Areas 4C or 4D for inclusion in this potential action). The committee intends that the analysis should identify whether increased quotas, safety issues and other relevant circumstances that cause the need for these Alternatives in Areas 3B, 4A, and 4B are also relevant in Areas 4C and 4D. The committee notes that the public will have an opportunity to comment on the possible inclusion of Areas 4C and 4D in Action 2 alternatives.

### Action 3. Amend the fish down regulations for halibut (Area 2C) and sablefish (Southeast)

- Alternative 1. No action.
- Alternative 2. Eliminate the exception to the fish down regulations for halibut (Area 2C) and sablefish (Southeast)

Proposal #8 is included in Action 3. The Analysis for Action 3 will address the fact that Alternative 2 permits the use of unblocked B category QS or catcher vessel QS blocks =>5,000 lbs. on smaller vessels; that is, to allow B category QS to be fished down.

**Action 4. Amend the IFQ regulations.**

Alternative 1. No action.

Alternative 2. Forfeit inactive QS permits

Proposal #11 is included in Action 4, and was proposed by Council staff based on communications from inactive QS permit holders. The committee indicated that this concept is worthy of further examination, but needs further clarification. The proposer recommends that this action should be restricted to permits that have never been fished, and further suggests that a future proposal might be considered to address QS that has never been used in a particular regulatory area. The committee suggests that the analysis should address the distinctions between "used" and "fished," and that the implications of addressing "permits" as compared to "QS" should be further clarified. The committee recommends that forfeited QS should be put into the QS pool. It is understood that the analysis must more fully describe the rationale and mechanisms with respect to this Action. The committee notes that it is essential that adequate notification be provided to holders of permits or QS that may be forfeited.

**Action 5. Amend QS use rights/hired skipper provisions**

Alternative 1. No action.

Alternative 2. Tighten the criteria for the 20 percent ownership requirement

The committee discussed the hired skipper issue, and whether to recommend expansion of the hired skipper provisions. The committee reconfirmed its 1999 recommendation that "The committee recognized the merit of addressing fairness issues, and recommended that leasing restrictions are fundamental to the IFQ program and recommended no change to expanding leasing/hired skipper allowances." In addition to recommending that the leasing/hired skipper allowances not be expanded or otherwise changed, the committee further recommends that criteria should be established to tighten compliance with the 20 percent ownership requirement (e.g., a 1-year limitation on ownership changes could be included in the regulations). The committee recommended no change to the hired skipper and ownership provisions.

The committee expressed concern regarding fairness issues and impacts to QS holders that are posed by Amendment 66 provisions that govern acquisition and leasing of QS, and may consider recommending changes to the community purchase program in the future.

Proposal #1 was not recommended by the committee. Proposal #1 is vague in detail, and counter to the intent of the IFQ program policy. Proposal #1 requires no ties to ownership, would repeal the use of hired skippers, would not require ownership requirements, and would turn 30 percent of Southeast shares into A shares (without the freezer component).

Proposal #5 was not recommended by the committee, nor did the committee support the objectives of Proposal #5. The objectives of the GOA community purchase program are different than those of the Bering Sea CDQ program. If proposal #5 were to be considered for consideration and analysis by the Council, the committee suggests that any analysis of this concept should also consider the expansion of the community purchase objectives of Proposal #5 to numerous other Bering Sea communities. In considering Proposal #5, it is noted that CDQ communities may also purchase A shares.

Proposals #6, #14, #16, and #18 were not recommended by the committee because they attempt to liberalize or otherwise modify the ownership or other existing hired skipper and leasing provisions. Proposal #18 was judged as having unclear objectives.

**Action 6. Medical Transfers**

Alternative 1. No action.

Alternative 2. Allow medical transfers.

Proposals #3 and #15 are included in Action 6, and address the issue of medical transfers. The committee reiterated its previous recommendations that provisions for medical transfers be examined for inclusion in the halibut and sablefish IFQ program. The committee notes that short term emergency situations are not likely to result in abuse. While no specific language was offered by the committee, NMFS staff offered to work with the industry for the purpose of developing language that would attempt to blend the needs for medical transfer provisions with the policy and enforcement needs to limit the potential for abuse that could otherwise undermine the program (e.g., *de facto* leasing under the guise of medical transfers). Possible provisions for medical transfer provisions should clearly define regulatory criteria, include a time limit, and possibly attempt to define an "emergency."

**Action 7. Pots**

The committee recommends that the Council prepare a discussion paper that examines the issues that surround a possible change in regulation that would allow the use of pots as legal gear for sablefish in the GOA.

Proposal #9 is included in Action 7, and addresses the issue of using pots in the GOA sablefish fishery. The committee did not judge this as a high priority issue, and recommends that Council staff prepare a discussion paper that would proactively address the potential reduction of incidental takes of seabirds, rockfish, and marine mammals. Several mitigation measures, including time and area restrictions and pot limits, may be available to address gear conflicts, ground preemption, ghost fishing and other issues that were originally considered by the Council in 1985 when it adopted the current prohibition on the use of pots in the GOA sablefish fishery.

**Action 8. Housekeeping/administrative changes**

Alternative 1. No action.

Alternative 2. Add check-in/check out and/or VMS 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

Proposal #17 is addressed in Action 8. The committee recommends that the analysis for this action consider (1) issues that are associated with the inability of the fleet to achieve the sablefish TAC in the BS and AI, (2) possible enforcement related issues and challenges that may exist in this fishery, and that may be associated with the proximity of the BS and AI sablefish Areas to the Western GOA sablefish area, (3) the price differential that exists between the price of sablefish QS in the BS and AI, and that of sablefish QS in the Western GOA, and (4) the methodology for sablefish TAC setting in the BS and AI. The committee notes that the proposed check-in/check-out procedures, the VMS option and the proposed ports are similar to provisions that currently exist in the halibut fishery.

**Action 9. Housekeeping/administrative changes**

Alternative 1. No action.

Alternative 2. Change product recovery rate from 0.98 to 1 for bled sablefish.

Proposal #19 is addressed in Action 9. The committee agrees with Proposal #19 that a .98 product recovery rate for sablefish is not reasonable, has no conservation benefit, and is a disincentive to improved quality (i.e., a disincentive to bleeding sablefish).

### **Possible Action 10. Extended Halibut Season**

The IPHC will consider a proposal to extend the halibut season at its January, 2004, meeting. The expressed intent of the IPHC is to consult with the Council on the effects of a season change prior to the IPHC taking action to revise regulations that may implement any proposed halibut season extension. The committee notes that a potential need may exist for the Council to address the effects of any halibut season extension during its February, 2003, meeting. If the IPHC acts to extend the halibut season, the committee then recommends that this issue be added to the Actions that the committee has identified as "Priority 1" analytical packages.

### **Other Proposals and Issues**

The committee requested that the Council clarify the extent to which, if any, it intends for the GOA QS Community Purchase Committee and the IFQ Implementation and Cost Recovery Committee to share responsibility for recommendations that relate to the purchase of halibut and sablefish QS by GOA communities under Amendment 66 in so far as these changes effect the halibut and sablefish IFQ programs.

Proposal #2 addressed a problem that does not exist.

Proposal #4 was identified by the committee as being outside of the purview of the committee, and possibly of the Council, and did not recommend Proposal #4 for analysis

Proposal #7 was judged as an issue that is more within the purview of the Observer Committee.

### **Halibut subsistence**

The committee concurred with the Council's intent to schedule an agenda item during the October, 2003, meeting for the purpose of examining the potential need to revise halibut subsistence regulations

### **Committee Priorities for Analytical Packages**

The committee grouped the proposed actions into possible analytical packages, and ranked them according to the following priorities:

**Priority 1:** Actions 1, 2, 3, 4 and 6 that address changes to the block program, QS categories, fish down exemption, 20% ownership requirements and medical transfers. "Possible Action 10" (i.e., extended halibut season) could become a "Priority 1" Action.

**Priority 2:** Action 7 that addresses the development of a discussion paper that considers the use of pots as legal gear for sablefish in the GOA.

**Priority 3:** Actions 5, 8, and 9 that address the forfeiture of QS, check-in/check out provisions and Product Recovery Rates for sablefish.

### **Attached Appendices:**

**Appendix 1:** Article from the June, 2001, Council Newsletter (Issue 4-01) that summarizes Council action with respect to the recommendations from the 10/10/99 IFQ Implementation Committee meeting.

**Appendix 2:** Spreadsheet summary of the 2003 IFQ Proposals that was submitted to the Council

**Appendix 3:** Spreadsheet summary of the 1999 IFQ Proposals that was submitted to the Council

## Appendix 1

Article from the June, 2001, Council Newsletter (Issue 4-01)

### **Groundfish and IFQ Proposals**

The Council did not call for proposals in 2000 and will not call for any proposals (groundfish, crab, scallop, or halibut/sablefish IFQ) this year due to its existing workload. It did adopt a problem statement for the westward area IFQ program and five IFQ proposals submitted in 1999, during the previous biennial call for proposals, and three alternatives for analysis. When staff time becomes available, the Council will initiate analysis of alternatives forwarded by IFQ committee and AP\ relative to this issue. Staff contact is Jane DiCosimo.

**Westward Area IFQ Problem Statement:** The halibut/sablefish vessel size classes and block plan were designed to maintain a diverse, owner-operated fleet and provide an entry-level to the IFQ fisheries. ~~Large quota increases, and other factors unique to the 3B/4A areas, suggest that these provisions should be reviewed to determine if changes are needed to ensure program goals are met.~~

**Alternative 1: Status quo.**

**Alternative 2: Block program:**

Option 1: Increase number of blocks from 2 to 4

Option 2: Unblock all quota shares >20,000 lb

Option 3: Allow quota shares >20,000 lb to be divided into smaller blocks

**Alternative 3: Quota share categories:**

Option 1. Allow D category quota shares to be fished as C category shares.

Option 2: Allow D category shares to be fished as C or B category quota shares

Option 3: Combine B, C, and D category quota shares

Option 4: Combine C and D category quota shares

**Alternative 4: Sunset hired skipper provisions of initial recipients in all areas**

### Summary of 2003 IFQ proposal review

No.	Proposer	Species	Area	Description	Action	Rank
1	Whitethorn	halibut	2C	allow 30% of C and D shares to be fished without an owner on board		
2	Brindle	halibut	all	allow vessels to clear in Bellingham or Seattle/implemented under Plan Amendments 72/64	NA	
3	Miller	both	Southeast	medical transfers	similar to #12	
4	Stadem	both	all	compensation program for loss of private capital investment	Congress	
5	Lestenkof	halibut	4C	allow purchase of halibut quota shares by Saint Paul and Saint George		
6	Crowley	both	all	second generation participants get first generation privileges after 10 years and 20,000 lb	similar to #13	
7	Mulligan	both	all	tax on IFQs to cover observers	NA?	
8	Mulligan	both	Southeast	allow unblocked B class or catcher vessel QS blocks >= 5,000 lb to be fished on smaller vessels		
9	Hankins	sablefish	GOA	allow pots for sablefish in the Gulf of Alaska		
10	Branshaw	both	all	allow fish up of C and D class shares on B class bessels		
11	Council staff	both	all	never used QS would be forfeited and redistributed to QS pool		
12	Merrigan	halibut	2C, 3A	raise sweep-up levels		
13	Merrigan	halibut	2C, 3A	increase limit to 3 blocks		
14	DSFUP	both	all	do not allow non-boat owners to hire skippers		
15	PVOA	both	all	short term emergency medical transfer of B, C, or D shares	similar to #3	
16	Laukitis	both	all	boat owners who actively fish would be granted first generation rights	similar to #6	
17	Laukitis	sablefish	BS, AI	check-in/check-out procedure for fishing BSAI sablefish or VMS for enforcement purposes	enforcement	
18	Hubbard	both	all	eliminate requirement to fish all B, C or D shares before A shares or non-IFQ fish from state waters	enforcement	
19	ALFA	sablefish	all	change the product recovery rate for bled sablefish from the current 0.98 to 1		



IFQ Proposals (as of 8/23/99)							
No.	Proposal	Proposer	Species	Area	Amendment	Comments	Rank
1	inc. # blocks to 3 or 4 in Areas 3B and 4	Mack	halibut	both	regulatory	Block program	1
2	unblock portion of blocked halibut quota > 20,000 lb	Whitmire	halibut	both	regulatory	Block program	1
3	inc. # blocks + eliminate B & C Class in Areas 4B,C,D & BS & AI	Dierking	both	both	plan	Block program/vessel class	1
4	inc. # blocks to 4 in Area 4 or increase sweep-up to 10,000 lb per block	Schrader	halibut	BSAI	plan	Block program/sweep-up	1
5	allow hired skippers for medical emergencies	Schrader	halibut	BSAI	plan	transfer provisions	2
6	emergency medical transfer for B-D Class QS	PVOA	both	both	regulatory	transfer provisions	2
7	fish up D Class shares on C Class vessels in Areas 3B and 4A	Wagner	halibut	both	regulatory	Vessel class	1
8	allow vessel cap overage of 10% of remaining poundage before last trip	Lundsten	both	both	plan	Vessel cap overage	3
9	change IFQ meeting cycle	Lundsten	both	both	neither	administration	4
10	allow community-based non-profit regs. to acquire QS	GCCC	both	both	plan	Ownership criteria	not approved

**In 1999 the Council adopted:**

Initiate an analysis of the following alternatives for the IFQ halibut fisheries in Areas 3B, 4A and 4B:

Alternative 1: Status Quo

Alternative 2: Block program:

Option 1: Increase number of blocks from 2 to 4

Option 2: Unblock all quota shares >20,000 lb

Option 3: Allow quota shares >20,000 lb to be divided into smaller blocks

Alternative 3: Quota share categories:

Option 1: Allow D category quota shares to be fished as C category shares

Option 2: Allow D category shares to be fished as C or B category quota shares

Option 3: Combine B, C, and D category quota shares

Option 4: Combine C and D category quota shares

Alternative 4: Sunset hired skipper provisions of initial recipients in all areas.

### Summary of 2003 IFQ proposal review

No.	Proposer	Species	Area	Description	Action	Rank
1	Whitethorn	halibut	2C	allow 30% of C and D shares to be fished without an owner on board		
2	Brindle	halibut	all	allow vessels to clear in Bellingham or Seattle/implemented under Plan Amendments 72/64	NA	
3	Miller	both	Southeast	medical transfers	similar to #12	
4	Stadem	both	all	compensation program for loss of private capital investment	Congress	
5	Lestenkof	halibut	4C	allow purchase of halibut quota shares by Saint Paul and Saint George		
6	Crowley	both	all	second generation participants get first generation privileges after 10 years and 20,000 lb	similar to #13	
7	Mulligan	both	all	tax on IFQs to cover observers	NA?	
8	Mulligan	both	Southeast	allow unblocked B class or catcher vessel QS blocks >= 5,000 lb to be fished on smaller vessels		
9	Hankins	sablefish	GOA	allow pots for sablefish in the Gulf of Alaska		
10	Branshaw	both	all	allow fish up of C and D class shares on B class bessels		
11	Council staff	both	all	never used QS would be forfeited and redistributed to QS pool		
12	Merrigan	halibut	2C, 3A	raise sweep-up levels		
13	Merrigan	halibut	2C, 3A	increase limit to 3 blocks		
14	DSFUP	both	all	do not allow non-boat owners to hire skippers		
15	PVOA	both	all	short term emergency medical transfer of B, C, or D shares	similar to #3	
16	Laukitis	both	all	boat owners who actively fish would be granted first generation rights	similar to #6	
17	Laukitis	sablefish	BS, AI	check-in/check-out procedure for fishing BSAI sablefish or VMS for enforcement purposes	enforcement	
18	Hubbard	both	all	eliminate requirement to fish all B, C or D shares before A shares or non-IFQ fish from state waters	enforcement	
19	ALFA	sablefish	all	change the product recovery rate for bled sablefish from the current 0.98 to 1		

10/12/01

# IPHC Regulations Proposal Submission Form *Petersburg*

Proposal Title: 2CED CLEANUP

Year Proposed For: 2002

### Submission Information (Please print or type)

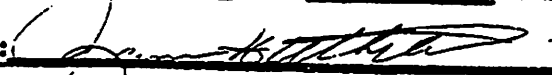
Name: JAMES H. WHITTHORN

Affiliation: 2CC HALIBUT FISHERMAN

Address: 710 RAMBERG ST, BOX 94

City: PETERSBURG State/Prov: AK Postal/ZIP Code: 99833

Telephone: 907-772-3934 Fax: 907-772-9205 Email: \_\_\_\_\_

Signature: 

1. What is the definition and objective of the proposal?

I would like to see 30% of 2CED IFQs allowed to be fished without the permit holder aboard the boat.

2. Impacts: Describe who you think this proposed change might affect (include fishers, processors, agencies, and the public).

2a. Who might benefit from the proposed change? ALL FISHERMAN & FISHERWOMEN would benefit because AT THE END OF THE SEASON THE AVAILABILITY OF FISH CLOSE TO OUR TOWN IS A PROBLEM. SO SOME FISHERMEN ARE LEAVING POUNDAGE ON THE TABLE.

2b. Who might suffer hardships or be worse off?

NO ONE

3. Are there other solutions to the problem described above? If so, why were they rejected?

I do not see a problem, it seems to be working on the outside areas.

Please attach any other supporting materials. All items submitted prior to October 31, 2001 will be considered at the IPHC Annual Meeting. Remember to include contact information and signature.

### IPHC Regulation Proposal Submission Form

**Proposal Title:** Vessel Clearance

*already approved  
with Am = 7/0/02*

**Year Proposed for:** 2002

**Submission Information**

<p><b>Name:</b> <u>ScaFresh</u></p> <p><b>Affiliation:</b> <u>Wards Cove Packing Co.</u></p> <p><b>Address:</b> <u>P.O.Box 5030</u></p> <p><b>City:</b> <u>Seattle</u> <b>State:</b> <u>WA</u> <b>Zip Code:</b> <u>98105</u></p> <p><b>Telephone:</b> <u>206-726-3793</u> <b>Fax:</b> <u>206-726-3789</u> <b>Email:</b> <u>martyb@wardscove.com</u></p> <p><b>Signature:</b> <i>Davis Burrell</i></p>
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**1. What is the definition and object of the proposal?**

To allow fishing vessels to clear in either Seattle or Bellingham.

**2. Impacts: Describe who you think this proposed change might affect (include fishers, processors, agencies and the public).**

**2a. Who might benefit from the proposed change?**

- Seattle based processors/buyers who do not have processing facilities in Bellingham.
- Seattle based custom processors/cold storage that are currently loosing out on business to Bellingham processors.
- Seattle based longline fleet.

**2b. Who might suffer hardship or be worse off?**

- Bellingham processors who currently have an economic advantage over Seattle based processors.
- NMFS may have a problem covering a wider area.

**3. Are there other solutions to the problem described above? If so, why were they rejected?**

None.

cc: COL  
JDC -  
CML

April Miller  
P.O. Box 1184  
Petersburg, Alaska 99833  
Phone: 907-772-3410  
Fax: 907-772-4877

6/24/02

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue  
Anchorage, Alaska 99501  
Phone: 907-271-2809  
Fax: 907-271-2817

RECEIVED

JUN 26 2002

N.P.F.M.C

To Chairman David Benton and the Council:

**Problem: NO MEDICAL REALEASE REGULATIONS FOR 2C HALIBUT AND SE SABLEFISH:**

Our predicament:

- 1) My son Jason broke his leg April 25<sup>th</sup> 2002. He had surgery and was told not to put any weight on his foot for 2 months and was told not to go fishing for the season.
- 2) I called NMFS Ram division to find out about a medical waiver so that his father could keep fishing Jason's IFQ's. I was told sorry, there was no regulation to cover this. I kept trying to speak to someone who would understand our situation.
- 3) My understanding of what we could do was so out of reason that I felt I had to write to the board and seek help.
- 4) In our situation, we would have to sell Jason's IFQ's to his father or someone else, you see there is a large outstanding loan against the IFQ's at the state, which means we would have to go through the whole loan process which takes month's to accomplish, you go to the bottom of the pile on the loan officer's desk. Plus if and when that is done the season could be over by the time all the paperwork is done. Not to mention that if we could have got that done, we would be fishing during the worst weather of the year.
- 5) What we did do, was wait until we felt Jason could lay in a bunk without too much pain. Then we had to put him in a wheel chair, wheel him down the dock, Had the crew carry him aboard and help him to the bunk where I hoped he would stay for the duration of the trip or else if he injured his leg and ankle again he would have to have surgery again.
- 6) I begged all the people that I was referred to along the line to help, but their answer came down to there is, "no regulation in place."
- 7) While I was talking to different people I was told of other horror stories involving having to deal with this problem. A lady with cancer was so sick on her chemo that she couldn't fish her IFQ's, Her husband qualified, so he fished his and then switched

- IFQ's with her and was able to fish hers, they were lucky. A fellow had to go out with a broken back in the fall last year, he was caught in the same situation we were. Can't imagine having to roll around in a bunk with a broken back. Another man was diagnosed with a terminal illness and was told he would have to sell his IFQ's and get A shares, His wife was trying to find a buyer while her husband is dying.
- 8) Finally, I thought of what would happen to me if my husband could not fish his 2C IFQ's because of a Heart attack or something else. I don't qualify as an IFQ holder, etc. it just goes on and on with different scenarios.
  - 9) A Medical Release like the CFEC has in place should be adopted for all IFQ areas. All that is needed is a medical release form signed by a Doctor and sent to the proper authorities and a form to fish the IFQ's on board.

In conclusion, I would like to see an emergency clearance for people who are sick or hurt so that they don't have to go through what we did, no one needs that added stress when they are faced with illness. I was told that the board was worried someone would take advantage of this in 2C. The people in 2C are no different than the people in 3A in fact a lot of us are in both. Whatever some imaginary person is going to do to take advantage of 2C is beyond me. We are a hard working family who wants to make a living and meet our responsibilities. In every other job a doctor's release seems to be sufficient. Even Linda Behnken told me how difficult it was for her being pregnant, sick and then taking a baby fishing with her. I understand she is a big advocate for not having a medical release. This is what I said to her, how would you like to be scrambling around at the end of the fishing season trying to find someone to take over a large loan, fast, or bring an invalid on board to try and keep your IFQ's. Because if you don't fish them you lose them, but you still have to pay for the loan. What happens if my husband is ill, my son's can't fish them for us because of, "no regulations?" She advised me to write each member of the board and tell them my story. Please see the dilemma that we all face and change it.

Sincerely,



April Miller

Norman Stadem  
Louis (Larry) Stadem  
dba  
**Stadem Brothers, Partnership**  
**Alaska Ocean Fisheries, Inc.**  
1826 E. 26th Ave.  
Anchorage, Alaska 99508

(907) 272-0908

October 5, 2002

David Benton, Chairman  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Alaska 99501

Dear Chairman Benton:

**Purpose**

The issue that we bring to the attention of the North Pacific Fishery Management Council (Council) is the role that the halibut and sablefish Individual Fishing Quota (IFQ) scheme has had in creating **two classes of private capital**. Capital in this sense refers to fishing boats, gear and the equipment used to participate in the two fisheries. Prior to the IFQ scheme there was one class of capital. Following the IFQ, two classes of capital emerged. There is the **protected class** and the **disenfranchised class**. These two classes became apparent over time as one of the unanticipated consequences of the scheme evolved. The market for long-line fishing boats, without associated quota shares, that could no longer participate in the fisheries collapsed and owners were left to service debt and maintain them with no source of revenue. They could not be sold but the mortgage and other expenses did not go away.

**Protected and Disenfranchised Classes of Capital**

Those who received sufficient quota shares to support a viable commercial fishing operation are the **protected class**. Those who received no initial free quota share or insufficient shares to support a viable operation are the **disenfranchised class**. Fishermen who received initial quota shares and could cost average purchase of additional shares, set the price for quota shares. Those who had to pay full price for quota shares could not compete. The price of shares was too high relative to the revenue generated from the resultant quota to make a profitable operation. The market for long-line fishing boats with no associated quota share, especially wood hulls, collapsed. People were stuck with boats that they could not fish, nor could they sell. Both **value in use** and **value in exchange** (market value) were extinguished.

**Just Compensation**

Long-line boats that had both **value in use** and **value in exchange** prior to the IFQ scheme lost both. This amounted to a defacto taking of capital assets by the federal



government. One of the important rights that owners of private capital enjoy is the right to receive **just compensation** when government takes private property or capital for any reason. Under the **eminent domain** doctrine, any time the government takes private property, including private capital, for public purposes it must pay just compensation to the harmed party. The federal government used its coercive power to enhance the welfare of a beneficiary group (QS recipients) with an offsetting welfare reduction to a loser group. Under theoretically ideal conditions, the beneficiary group should have used part of their increased welfare to compensate the losers for their loss.

### A Compensation Fund

Since that was not done, the Council must address this long ignored issue now. In order to accomplish this, the Council needs to establish and fund a program to provide **just compensation** to those fishermen and their families who did not receive adequate initial halibut and sablefish quota shares (QS). This would be a morally just solution. Remember, these families suffered serious financial harm, and terrible emotional stress from the imposition of the IFQ scheme. I refer to this as the **poverty effect** of the scheme, the antithesis of the **wealth effect** discussed below. Precedent for this prescriptive remedy is the \$90-million paid to the American Fishing Company, a Norwegian owned company, when it was required to remove several legally questionable factory ships from the bottom fishery.

### Limited Economic Opportunities

Alternative economic opportunities in most small coastal towns are limited and recovery from an economic setback, such as the loss of fishing privileges, is difficult if not impossible. As we have learned, it is all but impossible for someone without free initial QS to purchase new shares since recipients of free QS set price. These recipients are able to **cost average** additional shares with the free ones. A person with no or few initial free QS (especially one who has to borrow to purchase shares) cannot hope to do much more than service debt – nothing is left from the gross stock to pay crew, purchase food, fuel, insurance, bait, ice, and gear to operate with.

### Double Penalty

In summary, the imposition of the IFQ scheme effectively penalized those fishermen who did not receive adequate initial quota shares sufficient to economically sustain their operation in two ways.

#### ➤ Expropriated Privileges

First, it expropriated the privilege to participate in the fisheries, which effectively eliminated many fishery-dependent families from the fisheries – i.e., put them out of a job. Attorneys tell us that participation in an open access commercial fishery is a “privilege” and not a “right.” Furthermore, that privilege can be expropriated by the government at will, which can then reallocate the expropriated privilege to others. Those whose privilege is extinguished have no effective legal recourse since the full force of the federal government is brought to bear against any challenge to the IFQ scheme. In fact, the legal force of the federal government defends those to whom the millions of dollars of windfall privilege were given against those from whom privilege was expropriated and who are essentially rendered legally helpless.

➤ **Two Classes of Capital**

Second, it effectively created two classes of investment capital when previously there was a single class. It created a **protected class** with new wealth and with exclusive access to the fisheries, protected by federal courts. It created a **disenfranchised class** which consisted of those who had bought boats but received no initial QS or only a token, uneconomic amount of initial QS, and with no federal protection. Granted, they have the option to sell their insignificant quota shares. However, since they lost customary access to the fisheries they are then left with a redundant long-line fishing boat -- a catch 22 situation. Owners of redundant boats suffered collapse of market price of their fishery-related private capital equipment. The market price for long-line boats without associated QS collapsed since they became redundant in the new environment. The QS scheme redefined control. No longer is the boat owner in control. The QS owner has made boat ownership secondary to QS ownership. In fact, owners of QS can now lease their shares or team up to render crew as well as boats without substantial QS redundant. This financial loss of investment capital, **poverty effect**, was an unanticipated consequence of the scheme and had not been debated or considered prior to implementation. Therefore, it must be dealt with now. In creating the IFQ scheme, the federal government failed to make provisions to provide just compensation to those whose capital equipment was to become valueless.

**Moral and Ethical Obligation**

Not only does the Council have a legal, constitutionally mandated responsibility to provide just compensation, it has a more compelling moral and ethical responsibility to make whole those families whose lives were financially and emotionally harmed. For various reasons, these fishermen were not able to meet the very narrowly defined conditions to qualify for sufficient initial quota shares under the scheme. The Fishing Vessel Owners Association, a fraternal long-line boat owners association with vested interest in keeping the qualifying criteria very narrow, authored the scheme. The IFQ scheme has at least one major constitutional failing; it failed to provide equal protection for capital investment by all participants in the fisheries.

**Narrow Qualifying Criterion**

The qualifying criterion and the determinant of the quantity of initial quota shares was based on a single, narrow criterion -- five-year average of harvest record between 1985 and 1990. A comprehensive definition of the Magnuson Act "past participation" to qualify for initial quota shares should also have included **capital investment** as well as **harvest record**. Harvest record is simply the "score" of participation and does not fully reflect past participation in the fisheries. (Compare this to the score of a professional ball game. The score does not fully reflect past capital investment and participation in the game.) To base the qualification for initial quota shares simply on a single measure of a "score" of participation did not sufficiently reflect past participation and this was an oversight by the Council. That narrow definition effectively disenfranchised investors of their property rights without just compensation.

**Intentionally Ruthless**

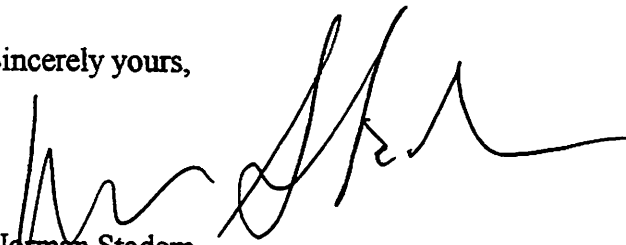
Given the fact that Individual Fishing Quota scheme for halibut and sablefish fisheries was the first experiment in "rationalization" of established, on-going and dynamic fisheries in federally controlled waters, the federal government has an obligation to provide just compensation to those intentionally or inadvertently harmed by the scheme. The scheme was intentionally designed to be ruthless in cutting fishermen from the fisheries. But that does not mean it has to be unfair as well. Recall that several proposals had been rejected or tabled by the Council because of unfairness issues.

It seems imperative that a nation espousing the highest regard for human rights and rule of law should make a point to follow the lead of other civilized nations that compensated the loss of private capital when they "rationalized" their fisheries. Norway and Iceland are among those nations.

**Letters From Others**

Enclosed are letters from several fishing families who have suffered financial and emotional hardships similar to what we have experienced. Please treat these in a confidential manner. I have the originals on file.

Sincerely yours,



Norman Stadem,  
Economist, Commercial Fisherman

- Enclosures: Copy of letters from:
- Tom Bristor
  - Gary Egerton
  - Michael Ferguson
  - Willard Ferris
  - John Finley
  - Christopher Johnson
  - Paul Johnson
  - Doug Parish
  - Mike Rugo
  - Randy Walton

- Copy:
- Chris Oliver, Executive Director, NPFMC
  - Honorable Ted Stevens, U. S. Senator
  - Honorable Frank Murkowski, U. S. Senator
  - Honorable Don Young, U. S. Congressman
  - Honorable Tony Knowles, Governor, Alaska
  - Honorable Fran Ulmer, Lieutenant Governor, Alaska

**Norman Stadem  
Louis (Larry) Stadem  
dba  
Stadem Brothers, Partnership  
Alaska Ocean Fisheries, Inc.  
1826 E. 26th Ave.  
Anchorage, Alaska 99508**

(907) 272-0908

October 27, 2002

**RECEIVED**  
NOV 5 2002  
N.P.F.M.C

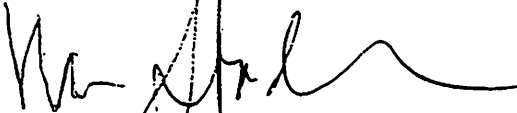
David Benton, Chairman  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Alaska 99501

Dear Chairman Benton:

Please include the enclosed letters from the fishing families of Dan Higgins and Judy Ken along with the support letters included in our previous letter of October 5, 2002.

Thank you.

Sincerely yours,



Norman Stadem  
Economist, Commercial Fisherman

Enclosures: Copy of letters from:  
Dan Higgins  
Judy Ken

Copy: Chris Oliver, Executive Director, NPFMC  
Honorable Ted Stevens, U. S. Senator  
Honorable Frank Murkowski, U.S. Senator  
Honorable Don Young, U.S. Congressman  
Honorable Tony Knowles, Governor, Alaska  
Honorable Fran Ulmer, Lieutenant Governor, Alaska

9-16-02

Dan Higgins  
F/V Provider  
P.O. Box 6362  
Sitka, AK 99835

Norm Stadem  
1826 E. 26<sup>th</sup> Avenue  
Anchorage, AK 99508

Dear Norm,

We read with interest the article in Alaska Fishermen's Journal regarding your efforts to seek compensation for disenfranchised halibut fishermen. My wife and I began commercially fishing for halibut in S.E. Alaska in 1991. We regularly participated in the fishery until the implementation of the IFQ program. We did not receive IFQ's. We invested many thousands of dollars in gear, training, safety and navigation equipment, and vessel modifications specifically to participate in this fishery. Once the IFQ program began, there was no market for our longline gear. To make up for our income loss in halibut we purchased a salmon troll permit and trolling gear. We currently are trollers although we have never been able to equal the income we earned in the halibut fishery. The equipment we purchased and modifications we made to our boat to longline for halibut were not necessary for trolling. Our investment in federally mandated safety equipment for our 5-6 member halibut crew exceeds the requirements for our 2 person salmon trolling crew.

During our halibut fishing years we were aware of the efforts of the Council and government to limit participation in the fishery. The environmental documents supporting the IFQ plan contained extensive economic analyses that specifically considered the impact of the program under the assumption that "current" participants would receive IFQ's. As I'm sure you are aware, given the number of years it took to approve the program, the actual fishermen at the time of implementation were not the ones to receive the IFQ's. Instead IFQ's were given to fishermen active during the preceding decade regardless of their involvement in the industry at the time of IFQ allocation. The economic impact of this action was not addressed in their analyses.

I support your efforts to get compensation for our investments in this fishery and would appreciate receiving more details on your efforts. At the appropriate time, we can furnish a summary of our investments, if required.

We are just completing our fishing season here in S.E. and will be heading south during the next month. I can best be reached via mail at the following winter address or via e-mail.

Sincerely,

Dan Higgins  
307 Vista del Valle  
Mill Valley, CA 94941

Cbrown096@aol.com

Norman Stadem  
Louis (Larry) Stadem  
dba  
Stadem Brothers, Partnership  
**Alaska Ocean Fisheries, Inc.**  
1826 E. 26th Ave.  
Anchorage, Alaska 99508

D-2  
Norman  
Stadem  
taken out of  
order on  
12/9 - 8:12A

(907) 272-0908

Re.: December 9, 2002, Agenda Item D-2, Staff Tasking, Norman Stadem's letter of October 5, 2002, (our letter) to Council Chairman Benton.

Mr. Chairman, Ladies and Gentlemen of the North Pacific Fishery Management Council, thank you for this opportunity to request Council's support to the proposal outlined in Stadem's letter of October 5, 2002, to Chairman Benton.

For the record, my name is Larry Stadem, I live, in Palmer, Alaska. I am a life-long Alaskan, born in Bristol Bay, Alaska, and have been a fisherman most of my life.

For the record Norman Stadem, also a life-long Bristol Bay Alaskan, lives in Anchorage, Alaska, is not able to attend this Council hearing on Staff Tasking (Agenda Item D-2) since he is required by his employer, US Department of Agriculture, Natural Resources Conservation Service, to attend a state-wide staff meeting. He regrets not being able to speak directly with you to request Council Staff's technical assistance in resolving this extremely **important humanitarian hardship**.

In our letter, we attempt to bring to the attention of the Council, in considerable detail, a very important, perhaps unknown, negative consequence of the halibut and sablefish IFQ scheme. Many fishing families suffered very serious financial and emotional hardships as the result of loss of **private investment capital**. In many cases this destroyed a large part of the retirement hopes of families -- especially those in rural communities.

Re.: December 9, 2002, Agenda Item D-2, Staff Tasking, Norman Stadem's letter of October 5, 2002, (our letter) to Council Chairman Benton.

Please note that our letter to Chairman Benton is not an appeal for compensation for lost **fishing privileges**. That is, we are not requesting allocation of Quota Shares in compensation for this lost **private capital value**.

Our goal is to develop a program that will provide compensation for loss of **private capital investment**, not loss of **fishing privilege**.

We are requesting an opportunity to work with Council Staff to explore options and develop a plausible compensation program. It is not our intention that the Council provide the funding for such a program. For example, perhaps an amendment could be included in the reauthorization of the Magnuson-Stevens Act to address the issue. The 2002 Farm Bill, which provides several billions of dollars to provide relief to distressed farmers, provides a potential model.

Council support and Staff assistance is important for our ultimate success in preparing a proposal to bring closure to this very complex and difficult humanitarian problem. Therefore, we are requesting that the Council grant us an opportunity to work with Council Staff for guidance and technical assistance to develop a program proposal.

Council support of our proposal is very much appreciated. We thank you for this opportunity to defend our argument.

Subj: IFQ"S  
Date: 6/27/2002 3:30:17 PM Alaskan Daylight Time  
From: writejudy@hotmail.com (j ken)  
To: normstadem@aol.com

Dear Norm: I read your letter to editor in the June issue of Alaska Fishermen's Journal. I tried to e-mail you last month, but it did not go through. So this will be just a quick test mssg to see if I have better luck this time. Please e-mail me back and let me know if you recieve this. Like so many others we too were devastated by the IFQ system. Standing by, Judy

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----- Headers -----

Return-Path:

Received: from rty-ye05.mx.aol.com (rty-ye05.mail.aol.com [172.18.151.202]) by air-ye01.mail.aol.com (v86\_r1.15) with ESMTP id MAILINYE11-0627193017; Thu, 27 Jun 2002 19:30:17 -0400

Received: from hotmail.com (f42.law14.hotmail.com [64.4.21.42]) by rty-ye05.mx.aol.com (v86\_r1.15) with ESMTP id MAILRELAYINYE510-0627193004; Thu, 27 Jun 2002 19:30:04 -0400

Received: from mail pickup service by hotmail.com with Microsoft SMTPSVC;  
Thu, 27 Jun 2002 16:30:03 -0700

Received: from 68.6.51.25 by lw14fd.law14.hotmail.msn.com with HTTP;  
Thu, 27 Jun 2002 23:29:56 GMT

X-Originating-IP: [68.6.51.25]

From: "j ken"

To: normstadem@aol.com

Subject: IFQ"S

Date: Thu, 27 Jun 2002 16:29:56 -0700

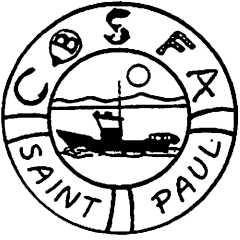
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X-OriginalArrivalTime: 27 Jun 2002 23:30:03.0679 (UTC) FILETIME=[903B2AF0:01C21E32]





## CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

Post Office Box 288 ▲ St. Paul Island, Alaska 99660 ▲ Phone (907) 546-2597 ▲ Fax (907) 546-2450

**RECEIVED**

NOV 20 2002

N.P.F.M.C

November 18, 2002

Chris Oliver, Executive Director  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup>, Suite 306  
Anchorage, AK 99501

Dear Mr. Oliver:

For the past several years, the Central Bering Sea Fishermen's Association (CBSFA) has been working to stabilize the local economy of St. Paul Island by attempting to expand our local halibut fishery. With the exception of the 2002 season due to slow fishing, our local fleet has landed entirely all of the CBSFA CDQ halibut allocations since the program began in 1995. CBSFA has also increased the local IFQ ownership (and landings) through loans to our fishermen to purchase halibut IFQ quota shares.

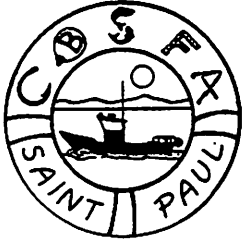
However, it is not easy for many of our local fishermen to secure large loans to purchase significant amounts of IFQ quota shares. Also, the IFQ Program has quota share block and vessel category regulations that restrict the amounts of quota shares available in Area 4C to our local fishermen.

We have watched with great interest as the Council developed and approved the Gulf of Alaska IFQ Purchase Program. We are in support of the basic principles of the GOA program and now ask that the Council consider a similar program specifically for the communities of St. Paul and St. George. CBSFA is submitting a proposal requesting that the NPFMC (Council) allow Area 4C Halibut IFQ Quota Share Purchase by our communities to expand halibut fishing jobs, landings and local processing in our communities to work towards developing sustainable economies.

I have attached the CBSFA proposal and ask that you add it to the Council's current list of proposals to be added to the Councils agenda and that it be included under staff tasking on the agenda at the December 2002 meeting for consideration. Thank you.

Sincerely,

Phillip Lestenkof, President



# CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

Post Office Box 288 ▲ St. Paul Island, Alaska 99660 ▲ Phone (907) 546-2597 ▲ Fax (907) 546-2450

November 18, 2002

## **CBSFA Proposal for Purchase of Area 4C Halibut IFQ Quota Shares by Communities**

CBSFA proposes that the North Pacific Fishery Management Council (Council) allow the Pribilof Island communities of St. Paul and St. George to purchase and hold Area 4C halibut IFQ quota shares for use by community residents as defined by the following elements and options.

### **Element 1. Eligible Communities**

The Pribilof Islands communities of St. Paul and St. George.

### **Element 2. Ownership Entity**

The CDQ Group representing the eligible community.

### **Element 3. Halibut Regulatory Area**

Area 4C

### **Element 4. Purchase and Sale Restrictions**

1. Exempt Quota Shares Block and Ownership Cap Restrictions
  - a. Allow CDQ Group to purchase blocked and unblocked quota shares.
  - b. Exempt CDQ Group from the quota shares ownership block and cap restrictions.
  - c. Quota shares block restrictions are retained if the CDQ Group sells quota shares.
2. Exempt Vessel Category Restrictions
  - a. Quota shares purchased and held by CDQ Group under this program will be exempt from vessel category restrictions.
  - b. Vessel category restrictions are retained if the CDQ Group sells the quota shares.
3. Sale Restrictions
 

CDQ organizations may only sell their quota shares for one of the following reasons:

  - a. Financial hardship to be determined by the CDQ group board of directors.
  - b. Transfer quota shares to residents of eligible community.

#### **Element 5. Performance Standards**

CDQ Group participating in the program must adhere to the following performance standards:

1. Use of quota shares purchased under this program shall be limited to residents of the eligible CDQ community.
2. Quota shares acquired under this program must be landed in Area 4C community.
3. CDQ Groups must manage the use of quota shares in compliance with the program guidelines to be developed by the Council.
4. Insure that quota shares are equitably distributed to community residents.

#### **Element 6. Program Oversight**

The Council will develop program oversight.

#### **Element 7. Program Review**

The Council will review the program after 5 years of implementation.

6  
JDC

AMENDMENT PROPOSAL

North Pacific Fishery Management Council

Fax: (907) 271-2817

Name of Proposer: John O. Crowley

Date: 7-16-2003

Address: 1828 Northwest 204th Street  
Shoreline, Washington 98177-2252

RECEIVED

JUL 29 2003

Telephone: (206) 542-2017

N.P.F.M.C

**Brief Statement of Proposal:**

Any individual who is second generation and has owned a minimum of 20,000 pounds of halibut or sablefish and has fished that quote for a minimum of ten (10) years would automatically become a first (1st) generation owner.

**Objectives of Proposal (What is the problem?):**

To enhance the flexibility of second generation IF.Q. holders.

**Need and Justification for Council Action (Why can't the problem be resolved through other channels?):**

The IF.Q. system has built in constraints on ownership designed to prohibit individuals other than fishermen gaining ownership in the IF.Q. fishery. This amendment would address and benefit those with a long history in the halibut and sablefish fishery.

**Foreseeable Impacts of Proposal (Who wins, who loses?):**

All second generation IF.Q. holders could ultimately benefit from this amendment.

**Are there Alternative Solutions? If so, what are they and why do you consider your proposal the best way of solving the problem?**

None analyzed.

**Supportive Data and Other Information (What data are available and where can they be found?):**

National Marine Fisheries, RAM Division.

Signature: *John O. Crowley*

John O. Crowley

North Pacific Fishery Management Council, June 2003

HALIBUT AND SABLEFISH IFQ PROGRAM  
 AMENDMENT PROPOSAL  
 North Pacific Fishery Management Council  
 Fax: (907) 271-2817

Name of Proposer: GARY MULLIGAN

Date: 8-10-03

Address: PO BOX 8082  
 PORT ALEXANDER, AK 99836

Telephone: 907-568-2237 OR 907 738 2237 CELL

Brief Statement of Proposal: TAX BASED ON IFQ POUNDS ON THE  
 HOLDER OF THOSE POUNDS TO COVER OBSERVERS.

Objectives of Proposal (What is the problem?): A SMALLER AND SMALLER  
 SECTOR OF THE FLEET IS CURRENTLY HAVING TO  
 SHOULD THE BURDEN OF PAYING FOR OBSERVERS.  
 AS THE OBSERVER DATA SERVES IN THE REGULATION OF  
 THE WHOLE FLEET EACH USER SHOULD CONTRIBUTE BASED  
 ON HIS QUOTA SHARE.

Need and Justification for Council Action (Why can't the problem be resolved through other channels?):

WHAT COULD BE LESS FAIR THAN THE CURRENT  
 POLICY? !!! IT IS THE RESPONSIBILITY OF THE  
 COUNCIL TO ADDRESS THIS PROBLEM. IT IS LONG OVERDUE.

Foreseeable Impacts of Proposal (Who wins, who loses?):

EVERY ONE IS TREATED FAIRLY BY BEING REQUIRED  
 TO CONTRIBUTE TOWARD A COMMON COST TO THE  
 FISHERY BASE ON WHAT EACH RECEIVES FROM THE  
 FISHERY (IFQ SALES).

Are there Alternative Solutions? If so, what are they and why do you consider your proposal the best way  
 of solving the problem?

MY PROPOSAL IS PRECISE AND FAIR.  
 NO ONE PAYS MORE THAN A PERCENTAGE OF THE  
 VALUE OF THE IFQ THEY OWN TO PAY FOR  
 OBSERVER COVERAGE

Supportive Data and Other Information (What data are available and where can they be found?):

Signature:

*Gary Mulligan*

North Pacific Fishery Management Council, June 2003

8

**HAIBUT AND SABLEFISH IQ PROGRAM  
AMENDMENT PROPOSAL**

North Pacific Fishery Management Council

Fax: (907) 271-2817

Name of Proposer: GARY MULLIGAN  
Date: 8-10-03

Address: PO Box 8082  
PORT ALEXANDER, AK 99836

Telephone: 907-568-2237, CELL 907-738-2237

Brief Statement of Proposal: Allow <sup>ALL</sup> FISH DOWN OF HAIBUT  
+ BLACKCOD IQ IN SOUTHEAST ALASKA AS IS  
ALLOWED ELSEWHERE IN THE STATE.

Objectives of Proposal (What is the problem?): THIS PROPOSAL WOULD ALLOW  
THE ABILITY TO FISH DOWN LARGER BOAT IQ ON  
SMALLER VESSELS NON EXCLUSIVE, SOUTHEAST USERS  
ARE CURRENTLY BEING DISCRIMINATED AGAINST BY NOT  
BEING TREATED EQUAL TO IQ HOLDERS IN THE REST OF THE STATE.

Need and Justification for Council Action (Why can't the problem be resolved through other channels?):  
ALL ADVICE HAS BEEN PRO TOWARD COUNCIL ACTION  
SOUTHEAST IQ HOLDERS ARE TREATED MORE FAIRLY.  
NO ONE LOSES.

Forecastable Impacts of Proposal (Who wins, who loses?):  
AS WELL AS COUNCIL ACTION AS WELL AS EQUAL  
STATUS FOR SOUTHEAST IQ HOLDERS.

Are there Alternative Solutions? If so, what are they and why do you consider your proposal the best way  
of solving the problem? NONE THAT WOULD ADDRESS THE PROBLEM  
AS WELL AS COUNCIL ACTION AS WELL AS EQUAL  
STATUS FOR SOUTHEAST IQ HOLDERS.

Supportive Data and Other Information (What data are available and where can they be found?):

Signature: Gary Mulligan

PFMC

7-24-02

resubmitted 8-10-03

Dear David Benton;

To be equitable, fishing down IFQ's for sablefish and halibut should be allowed in the east Yukutatat and 2C areas as it is in other areas of the state. My proposal is that such be the case. Please reference this to other proposals recommended for areas 3B 4A & 4B in 1999 by the IFQ implementation committee.

Sincerely,  
Gary Mulligan  
GARY MULLIGAN

P.O. BOX 8082

PORT ALEXANDER, AK  
99836

907-568-2237

RECEIVED

AUG - 1 2002

N.P.F.M.C

**HALIBUT AND SABLEFISH IFQ PROGRAM  
AMENDMENT PROPOSAL  
North Pacific Fishery Management Council  
Fax: (907) 271-2817**

Name of Proposer: Fred Hankins

Date: August 20, 2003

Address: 90346 Logan Rd.  
Astoria, OR 97103

Telephone: (503) 325-9334

Brief Statement of Proposal: To allow pots ~~as~~ as legal gear for Sablefish fishing in the GOA.

Objectives of Proposal (What is the problem?): Sperm Whale depredation, sea bird bycatch, rockfish and other groundfish bycatch can all be reduced by using pots. The problem is that they are not legal at present.  
or eliminated.

Need and Justification for Council Action (Why can't the problem be resolved through other channels?): Pots are currently not legal gear for Sablefish in the GOA. The NPFMC would have to amend the GOA Groundfish FMP to allow them as legal gear.

Foreseeable Impacts of Proposal (Who wins, who loses?): The longline fleet can win by the option of using pots. Smaller boats may be disadvantaged though they can <sup>just</sup> carry fewer pots. Gear conflicts and grounds preemption are potential problems, but regulations can mitigate these impacts. Some boats may be ~~set~~ better equipped to pot fish than others.

Are there Alternative Solutions? If so, what are they and why do you consider your proposal the best way of solving the problem? Currently, pots are allowed in every area of the west coast from California to the BS/AI. Pot fishing is an efficient and effective way to catch Sablefish w/ virtually no bycatch. It is the only ~~other~~ gear type that is not legal and should be legalized.

Supportive Data and Other Information (What data are available and where can they be found?): Pots are legal on the west coast of U.S., British Columbia, S.E. Alaska and BS/AI. There is alot of information out there to look at the issues with the gear, costs, bycatch etc....

Signature: Fred Hankins



resubmitted  
8-21-03

Sept. 20, 2002

NMFS  
Council Members  
Chairman Dave Benton  
605 W. 4<sup>th</sup> Ave.  
Anchorage, AK 99501

RECEIVED  
SEP 28 2002  
N.P.F.M.C

Dear Council Members

The Councils recent action that allows communities (CD) to purchase QS, for which the vessel class designations to not apply has compounded previous action when the Council allowed the fishing down regulation. We would like to recommend to Council to consider adding an analysis allowing "fish up" on vessel class B from class C. We would like to recommend that Council add this analysis to the suit of proposed IFQ changes recommend for analysis.

We are a B class vessel, B class vessels are the only class fishing vessel that is locked into one class of quota. We have a harder time finding shares to buy. The new proposed regulation for the communities to purchase QS has the versatility to fish all vessel classes from one vessel. We only want a fair playing field. We have crewmen wanting to come aboard our vessel to fish their quota but we are unable to hire them as they have class C quota. The B class shares are harder to find to purchase and they are most costly, because a B, C, or D class vessel can fish them. The B class vessel can only fish B quota. The C class vessel can fish B & C quota class The D class can fish B, C or D class quota. As a B class vessel owner we are appealing to you to let the B class vessel owner have the versatility that the other class vessels have and now the communities (CD) have. We are the most down trodden Class of vessel for all of the regulation imposed to date regarding Fish Down and not Up. Please consider the "Fish Up" from C to B class. This new action for the communities (CD) only compounds this for us.

We do not have legal representation, but would ask the Council to understand we are a viable part of this industry. We are not highly educated, but are grounded in our livelihood of commercial fishing; please consider this in your recent actions.

Thank you,

Thomas D. Branshaw *Thomas D. Branshaw*  
Denise J. Branshaw *Denise J. Branshaw*  
PO Box 571  
Cordova, Alaska 99574  
907-424-7344  
F. V. Northern Mariner  
northernmariner@hotmail.com



# SPECIAL NOTICE

## To All Holders of Catcher Vessel Individual Fishing Quota (IFQ)



### "FISH-DOWN" AMENDMENT FINALIZED

Notice Revised March 31, 1997

Please be advised that the regulations for IFQ fishing [50 CFR, Part 679] have changed. Effective immediately, and with the exception noted below, persons who hold IFQ in catcher vessel categories "B" or "C" may harvest their IFQ halibut or sablefish on vessels with a length overall that is equal to, or less than, the maximum length overall (LOA) permitted under the prior regulations. The following table displays this change.

<u>Catcher Vessel IFQ Category</u>	<u>To Harvest (Species)</u>	<u>May Now be Fished on a Vessel of the Following Maximum LOA</u>
"B"	Halibut	B, C, or D category vessel (No LOA limit)
"C"	Halibut	C or D category vessel (60 feet LOA limit)
"D"	Halibut	D category vessel only (35 feet LOA limit)
"B"	Sablefish	B or C category vessel (No LOA limit)
"C"	Sablefish	C category only (60 feet LOA limit)

**EXCEPTION FOR AREA 2C HALIBUT AND AREA SE SABLEFISH**

Under the new rules, certain "B" category IFQ may NOT be fished down. The exception is the Area 2C halibut fishery and the Area SE "Outside" (East of 140° W. Longitude) sablefish fishery. In those fisheries, Vessel Category "B" IFQ derived from unblocked QS, or blocks of catcher vessel QS that yield 5,000 pounds or more of 1996 IFQ (i.e., blocks of QS that are equal to or greater than 33,320 halibut QS units and equal to or greater than 33,270 sablefish QS units) may NOT be "fished down." Such IFQ must be fished on the vessel category for which it has been issued.

Questions about these changes may be directed to the Alaska Region, National Marine Fisheries Service (NMFS), Restricted Access Management (RAM) Division. The Division can be reached at the address and telephone/facsimile numbers set out below.

Restricted Access Management (RAM) Division • P.O. Box 21668 • Juneau, AK 99802-1668  
Tel: 800-304-4846 • Fax: 907-586-7354 • Internet: <http://www.fakr.noaa.gov>

# Dock Street Brokers

## Sablefish IFQ Listings

SABLEFISH					
updated 8/18/03					
Area	Class	B/U	Pounds	Ask	Comments
<b>SE</b>	A	U	5,000	\$14.00	sold...listed 6/03
	B	B	5,000	\$9.00	2 blocks in this range
	B	U	50,000	\$12.50	bring offers
	B	U	11,000	\$11.50	bring offers, aggressive seller
	C	B	3,500	\$9.50	listed 1/03...bring offers
	C	B	1,500	\$8.00	offer pending...fished 2003
<b>WY</b>	B/C	U/B			sellers wanted, several buyers looking
<b>CG</b>	B	U	30,000	\$11.50	fished 2003 / will trade for 3A
	C	U	25,000	\$11.25	listed 9/02
	C	B	4,000	\$8.00	listed 2/03
	C	B	3,000	\$8.00	
<b>WG</b>	B	U	15,000	trade	unfished 2003, will trade for CG, C or B class
	B	B	8,000	trade	unfished 2003, will trade for fished CG
	B	B	5,000	offers	
	C	B	3,000	\$6.50	bring offers
	<b>AI</b>	A	U	call	\$5.50
	A	B	11,000	lease	available for lease for 2003
	B	U	55,000	\$3.00	
	B	U	100,000	\$2.90	listed 4/15/03
	B	U	30,000	\$3.00	
	B	B	3,000	\$2.50	
	C	U	55,000	offers	
<b>BS</b>	A	B	7,000	\$5.25	sold...offer pending; listed 2/03
	B	U	60,000	\$4.00	sold
	B	B	7,500	try \$2.00	offer pending
	C	B	12,000	offers	

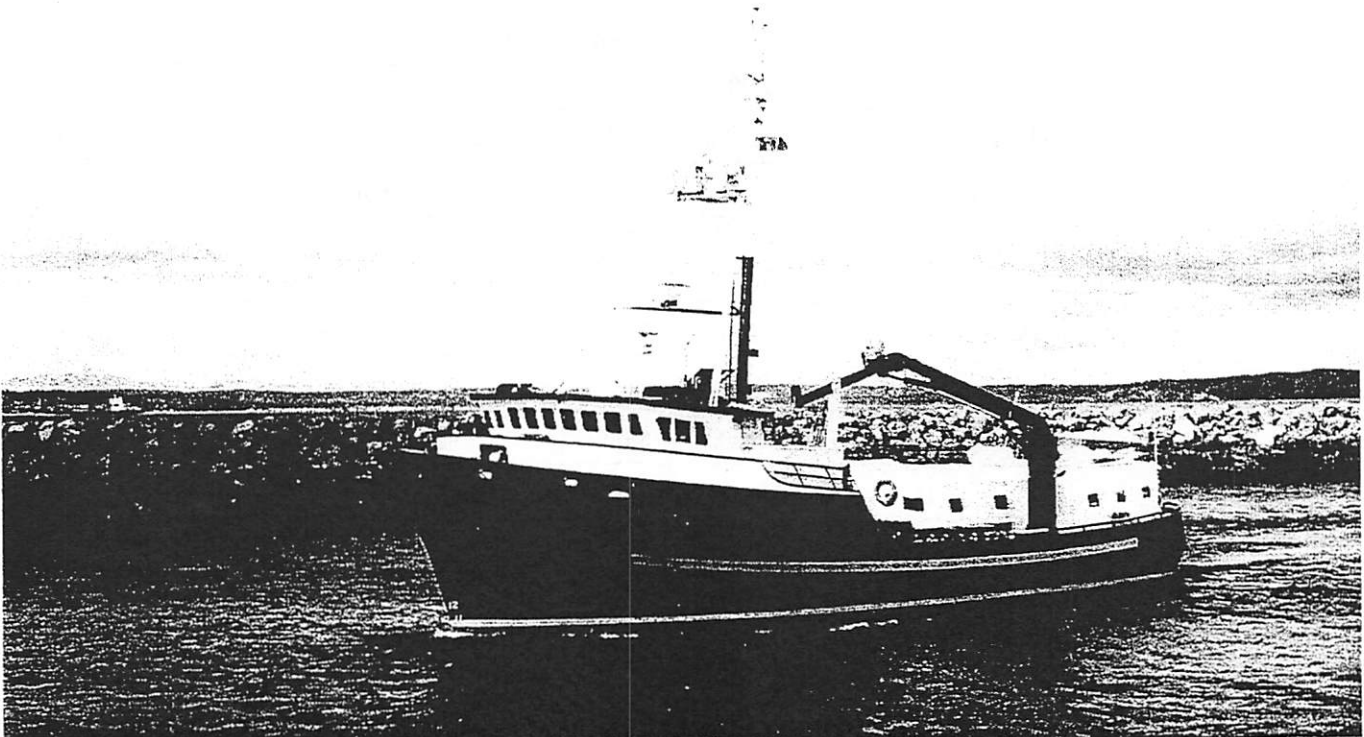
*made an offer  
can't trade 3A  
so no sale*

## THE PERMIT MASTER

## SABLEFISH

## 2003 SABLEFISH QUOTA SHARE POOL AND TAC

AREA	2003 QUOTA SHARE POOL	2003 TAC	RATIO
SE	66,119,746	7,848,376	8.4246
WY	53,267,935	4,466,520	11.9260
CG	111,668,048	11,358,099	9.8316
WG	36,029,105	4,532,658	7.9488
BS	18,768,845	2,557,336	7.3392
AI	31,932,492	4,100,556	7.7874



- 93' X 25.6' LONGLINE C/P, CRABBER, NEW DEUTZ 1000HP MAIN, 2 - 200 KW AUX, 50 KW AUX, TOTALLY SET UP FOR LONGLINE PROCESSING & FREEZING, CONTINUOUS MAINTENANCE WITH MANY RECENT UPGRADES. REDUNDANT SYSTEMS AND ELECTRONICS. PROVEN PRODUCER WITH EXCELLENT HISTORY. ASKING \$1.5 MIL. CLASS "A" QUOTA SHARE AVAILABLE WITH VESSEL. [MORE PHOTOS.](#)

LISTINGS ARE ALL IN YEAR \*2003\* POUNDS.

**BERING SEA**

ROUND POUNDS	AREA	VESSEL CLASS	BLK/UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
11,000	WG	C	B	F	\$8	N/A	7-31-03 NEW LISTING.
1,000	WG	C	B		\$5.50	N/A	12-24-01 NEW LISTING.
5,000	WG	B	B		\$6	N/A	11-4-99 NEW LISTING.
2,500	WG	B	B		\$6	N/A	8-15-01 NEW LISTING.
9.	WG	B	B		\$5	N/A	7-4-03 NEW LISTING.

**WESTERN GULF**

ROUND POUNDS	AREA	VESSEL CLASS	BLK/UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
11,000	CG	C	U		\$11	N/A	2-5-03 NEW LISTING.
3,000	CG	C	B		\$8	N/A	11-7-02 NEW LISTING.
315	CG	B	B		\$7	N/A	7-4-03 NEW LISTING.

**CENTRAL GULF**

ROUND POUNDS	AREA	VESSEL CLASS	BLK/UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
8,000	WY	C	U		WANTED \$11.50		12-11-02 NEW OFFER.
50	WY	C	B		\$8	N/A	12-5-01 NEW LISTING.

**WEST YAKUTAT**

ROUND POUNDS	AREA	VESSEL CLASS	BLK/UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
6,000	SE	C	B	F	\$10.50	N/A	6-5-03 FISHED. 5-6-03 NEW LISTING. SELL OR TRADE FOR 2C HALIBUT.
27,000	SE	E	U		\$10.50	N/A	3-4-03 NEW PRICE. 12-20-01 NEW LISTING.
19,000	SE	B	U	F	\$11.25	N/A	4-9-03 NEW LISTING.
7,000	SE	E	U		\$11	N/A	9-26-01 STILL AVAILABLE.
7,000	SE	E	B		\$10	N/A	9-26-01 STILL AVAILABLE.

**SOUTHEAST**

PRICES CAN CHANGE QUICKLY, SO IF YOU SEE SOMETHING OF INTEREST, MAKE AN OFFER!!!

PRICES IN RED ARE NEW LISTINGS OR CHANGE IN PRICE IN THE PAST WEEK.

PRICES IN BLACK ARE CURRENT \$\$.

NOTES: "E" CLASS IS SE "B" CLASS THAT CANNOT BE FISHED DOWN.

ROUND POUNDS	AREA	VESSEL CLASS	BLK/ UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
15,000	BS	C	B	F	\$3	N/A	7-31-03 NEW LISTING.

**ALEUTIAN ISLANDS**

ROUND POUNDS	AREA	VESSEL CLASS	BLK/ UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
13,500	AI	B	B		\$2.50	N/A	4-21-03 NEW LISTING.
40,000	AI	B	U		\$3.50	N/A	7-2-03 NEW PRICE. 5-20-03 NEW LISTING.
2,000	AI	C	B		\$1.50	N/A	4-2-03 NEW LISTING.
55,000	AI	C	U		\$2.50	N/A	3-6-02 NEW LISTING.

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**?QUESTIONS?**

**[e-mail....vessels@permitmaster.com](mailto:vessels@permitmaster.com) or call 1-888-588-1001**

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# THE PERMIT MASTER

## HALIBUT

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NOTES: "E" CLASS IS 2C "B" CLASS THAT CANNOT BE FISHED DOWN.

PRICES IN BLACK ARE CURRENT \$\$.

PRICES IN RED ARE NEW LISTINGS OR CHANGE IN PRICE IN THE PAST WEEK.

PRICES CAN CHANGE QUICKLY, SO IF YOU SEE SOMETHING OF INTEREST, MAKE AN OFFER!!!

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### 2003 IPHC Quota

Regulatory Area	2003 Catch Limit	2003 Ratio
2C	8,500,000	7.0159
3A	22,630,000	8.1719
3B	17,130,00	3.1642
4A	4,970,000	2.9350
4B	3,344,000	2.7765
4C	1,015,000	3.9570
4D	1,421,000	3.4893

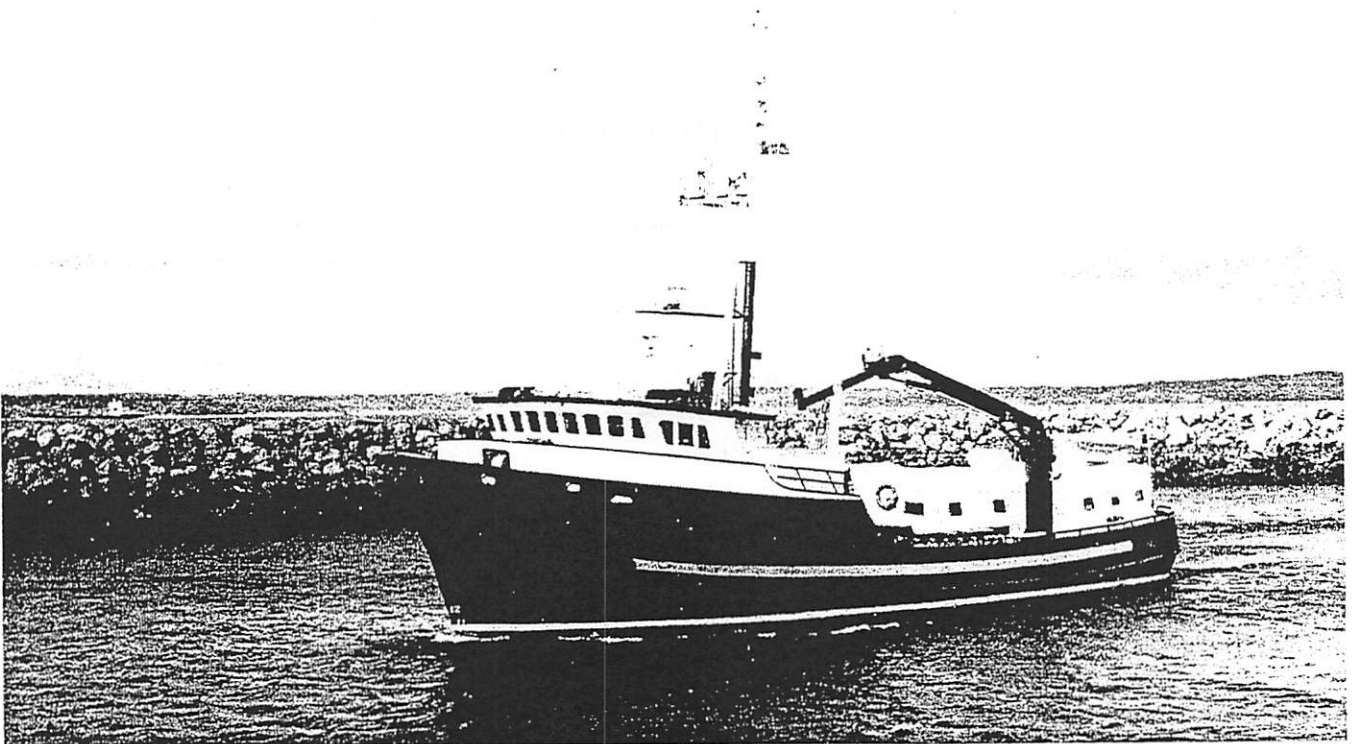
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For further info check the IPHC site @ <http://www.iphc.washington.edu/halcom/default.htm>

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Alot of buyers and sellers in the market are only moving sideways(selling to buy something else). Most are reluctant to sell until they have something to buy, so they don't get stuck while the market is moving. **It's important that your broker maintain an up to date database so that you know the second half of y deal is really there, before you make a commitment.** If you are waiting for a certain size block or price and let us know. If you are waiting for a certain price before you sell, check in for the latest offers.

---



**P1400M - 93' X 25.6' LONGLINE C/P, CRABBER, NEW DEUTZ 1000HP MAIN, 2 - 200 KW AUX, 50 KW AUX, TOT SET UP FOR LONGLINE PROCESSING & FREEZING, CONTINUOUS MAINTENANCE WITH MANY RECENT UPGRADES. REDUNDANT SYSTEMS AND ELECTRONICS. PROVEN PRODUCER WITH EXCELLENT HISTORY. ASKING \$1.5 MIL. CLASS "A" QUOTA SHARE AVAILABLE WITH VESSEL. MORE PHOTOS.**

**LISTINGS ARE ALL IN 2003 POUNDS.**

**IFQ WANTED IN ALL SIZES AND AREAS. CALL FOR LATEST OFFERS.**

2C



DRESSED POUNDS	AREA	VESSEL CLASS	BLK/ UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
120	2C	B	U		\$15	N/A	7-4-03 NEW LISTING. CAN BE FISHED DOWN.
10,000	2C	C	U		WANTED	\$11	2-17-03 WANTED. STANDING OFFER.
25,000	2C	C	U	F	\$15	\$14	8-15-03 NEW OFFER. 7-17-03 NEW LISTING.
2,500	2C	D	B		\$8.50	N/A	4-10-03 NEW PRICE. ONLY FOR SALE IF REPLACEMENT IS AVAILABLE.
3,000 +	2C	D	B		WANTED	\$8	3-16-03 NEW OFFER.

3A

DRESSED POUNDS	AREA	VESSEL CLASS	BLK/ UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
3,500	3A	C	B	F	\$12	N/A	7-1-03 NEW LISTING.
13,000	3A	C	B	F	\$14	\$11	7-31-03 NEW OFFER. 7-29-03 NEW LISTING.
25,000	3A	C	U	F	\$14.50	N/A	8-5-03 NEW PRICE. 7-25-03 NEW LISTING.
5,000	3A	D	B	F	\$11	N/A	8-16-03 NEW LISTING.

3B

DRESSED POUNDS	AREA	VESSEL CLASS	BLK/ UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
50,000	3B	B	B		\$13	\$11.75	8-15-03 NEW OFFER. 7-2-03 NEW LISTING.
220	3B	C	U		\$8	N/A	9-14-02 FISHED. 12-5-01 NEW LISTING.

4A

DRESSED POUNDS	AREA	VESSEL CLASS	BLK/ UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
14,000	4A	B	B		\$8.50	N/A	7-11-03 NEEDS BIGGER BLOCK TO TRADE UP.
15,000	4A	B	U	F	\$10	N/A	7-14-03 3,000 LBS LEFT TO CATCH. 7-2-03 NEW LISTING.
6,500	4A	C	B		\$8	N/A	9-27-01 NEW LISTING.
27,000	4A	C	B	F	\$8.25	N/A	11-30-01 NEW LISTING.

4B

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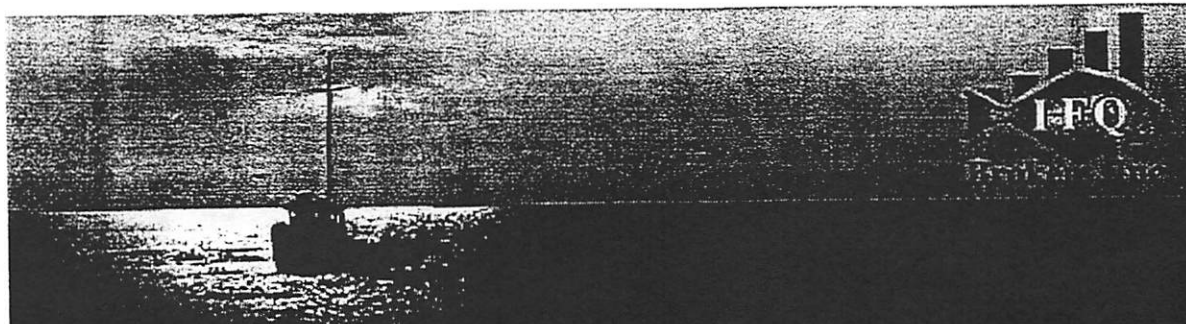
DRESSED POUNDS	AREA	VESSEL CLASS	BLK/UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
30-40,000	4D	B/C	B		WANTED	\$5	11-27-02 NEW OFFER. WILL TAKE 2 BLOCKS.

4D

DRESSED POUNDS	AREA	VESSEL CLASS	BLK/UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
6,000	4C	D	U		WANTED	\$7	7-26-00 NEW LISTING.
15,000	4C	D	B		WANTED	N/A	7-26-00 NEW LISTING.
3,000	4C	B	B		WANTED	\$6.25	7-2-03 NEW PRICE. 5-20-03 NEW LISTING.
ANY	4C	ANY			WANTED	\$4	8-2-03 STANDING OFFER.

4C

DRESSED POUNDS	AREA	VESSEL CLASS	BLK/UNBLK	FISHED	ASKING PRICE	OFFER	NOTES
3,000	4B	C	B		\$3	\$3	2-28-03 NEW OFFER. 9-14-02 NEW LISTING.
80,000	4B	B	U		\$6.50	\$5	6-20-03 NEW PRICE. NEEDS CGBU REPLACEMENT. 4-1-03 NEW OFFER FOR PART. 1-10-03 NEW LISTING.
31,500	4B	B	U		\$8	N/A	6-20-03 NEW PRICE.
31,000	4B	B	B		\$7	N/A	6-20-03 NEW PRICE.
22,000	4B	B	B		\$5.50	\$5.00	7-9-03 NEW PRICE. 6-30-03 NEW OFFER. 6-20-03 NEW LISTING. 6-19-03 NEW PRICE. 6-9-03 NEW PRICE. NEW OFFER. 5-23-03 NEW OFFER. 5-20-03 NEW LISTING.



**[PRINT TABLE]**

**BLACK COD**

**PARTIAL LISTINGS (Call for more details)  
LAST UPDATED 7/30/03**

AREA	CLASS	BLOCK UNBLK	2003 #S	FISHED/ UNFISHED	PRICE	STATUS
AI	A	U	30,000+		\$5.00	SOLD
AI	A	U	20,000+		\$5.50	AVAIL
AI	B	B	10,000+		Mkt.	AVAIL
AI	B	U	20,000+		\$3.00	AVAIL
AI	C	U	30,000+		\$7.70	SOLD
BS	C	B	12,000		Mkt.	AVAIL
BS	C	U	20,000+		Mkt.	AVAIL
CG	B	B	5,000		Mkt.	AVAIL
CG	B	U	20,000+		Mkt.	if buy 3A:Bu
CG	C	B	7,000		\$9.50	AVAIL
SE	A	U	4,000		\$12.50	SOLD
SE	B	U	10-30,000+		\$10.00	AVAIL
SE	B	U	10,000+	FISHED	Mkt.	AVAIL
SE	C	B	4,000		Mkt.	if buy CG- or 3A:B/C
SE	C	U	10-20,000+		Mkt.	AVAIL
SE	C	U	15,000		Mkt.	if buy 3A, WY: BU/CU
WC	B	B	10,000		Mkt.	if buy CG:B/C

*This is same shares wanted + trade 3A he will not go anything why does she even list if he want eat.*

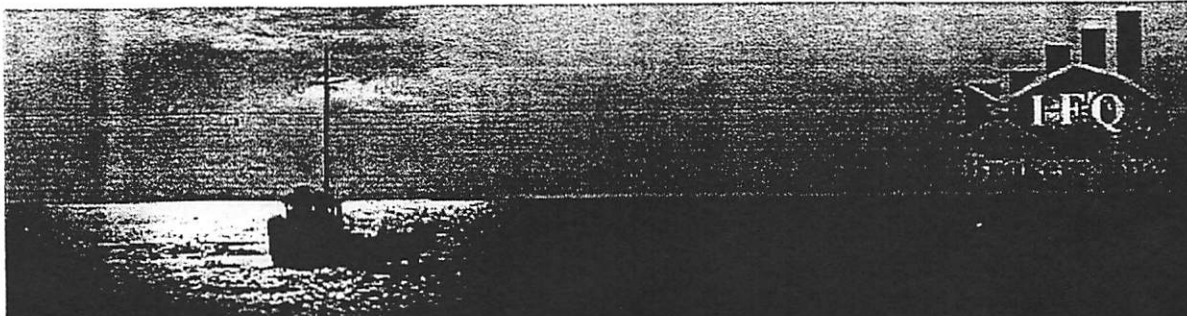
WG	B	U	10,000		Mkt.	if buy CG, WY: Bu/Cu
WG	C	U	20,000		Mkt.	if buy 4A:Bu/Cu
WG	C	B	9,000		\$7.00	AVAIL.
WG	C	B	12,000			if buy CG/WY:B/C
WY	C	B	4,000	FISHED	\$9.25	AVAIL.

**Call us first !**

**IFQ Brokers, Inc.  
Toll Free 1-800-710-IFQS (4377)  
Fax# 425-957-1114**

**Continental Plaza Building  
550 Kirkland Way Suite Ste.200  
Kirkland, WA 98033 - 6240  
email: [ifqs@ifqbrokers.com](mailto:ifqs@ifqbrokers.com)**

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**[PRINT TABLE]**

**HALIBUT**

**PARTIAL LISTINGS (Call for more details)  
LAST UPDATED 7/30/03**

AREA	CLASS	BLOCK UNBLK	2003 #S	FISHED/ UNFISHED	PRICE	STATUS
2C	C	B	7,000+		Mkt.	WANTED
2C	C	B	6,000	FISHED	Mkt.	AVAIL
2C	C	B	8,000		\$13.75	SOLD
2C	C	U	9,000		Mkt.	if buy 2C: B/C
2C	C	U	10,000+		Mkt.	WANTED
2C	C	U	10,000+		Mkt.	if buy 2C: B/C
2C	C	U	20,000+		Mkt.	if buy WY: Bu/Cu
2C	C	U	30,000		\$12.5	AVAIL
3A	B	B	5,000+		Mkt.	WANTED
3A	B	U	10,000+		Mkt.	WANTED
3A	B	U	10,000+		Mkt.	WANTED
3A	C	B	11,000	FISHED	Mkt.	OFFER
3A	C	B	5,000+		Mkt.	WANTED
3A	C	U	5,000+		Mkt.	WANTED
3A	C	U	8,000		Mkt.	if buy 3A: B/C
3A	C	U	20,000+	FISHED	Mkt.	AVAIL
3A	C	U	5,000		Mkt.	if buy 3A: B/C
3A	D	B	7,000		Mkt.	if buy 3A: C

3A	D	U	20,000		Mkt.	if buy 3A:Bu/Cu
3B	C	B	15,000		Mkt.	if buy 3A:B/C
4A	B	B	20,000		Mkt.	if buy large 4A
4A	B	U	20-50,000		\$10.00	AVAIL.
4B	A	U	10,000+		Mkt.	AVAIL.
4B	B	B	10,000		Mkt.	AVAIL.
4B	B	B	15,000		\$5.60	SOLD
4B	B	B	25,000+		\$6.00	AVAIL.
4B	B	U	40,000	FISHED	Mkt.	AVAIL.
4B	B	U	70,000		\$7.00	SOLD
4B	C	B	4,000		\$5.60	SOLD
4C	B	B	7,000		Mkt.	AVAIL.
4C	B	B	10,000		Mkt.	if buy 3A:B/Bu
4C	B	B	10,000+		Mkt.	AVAIL.
4C	C	B	7,000		Mkt.	AVAIL.
4C	C	U	40,000		Mkt.	AVAIL.
4D	C	B	6,000		Mkt.	AVAIL.

Call us first !

IFQ Brokers, Inc.  
Toll Free 1-800-710-IFQS (4377)  
Fax# 425-957-1114

Continental Plaza Building  
550 Kirkland Way Suite Ste.200  
Kirkland, WA 98033 - 6240  
email: [ifqs@ifqbrokers.com](mailto:ifqs@ifqbrokers.com)

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# Alaska Boats & Permits

## IFQs



UPDATED Aug 15, 2003

HALIBUT					
AREA	CLASS	B/U	POUNDS	PRICE	COMMENTS
2C	C	B	3400	15.00	07-31-03 New listing (FISHED)
2C	C	B	4700	Make offer	05-21-03 Offer of 11.00 (FISHED)
3A	C	B	3000	13.00	08-12-03 SOLD @ 12.00 (UNFISHED)
3A	C	B	3200	13.00	08-12-03 SOLD @ 12.00 (UNFISHED)
3A	C	B	3400	12.00	07-31-03 New listing (FISHED)
3A	C	B	6500	11.00	07-10-03 SOLD @ 10.00 (FISHED)
3A	C	B	13,000	14.00	08-11-03 SOLD @ 13.00 (FISHED)
3A	C	U	25,000	14.50	08-14-03 New listing (FISHED)
3A	D	B	850	10.00	07-30-03 Offer of 9.50 (UNFISHED)
3A	D	B	900	11.50	07-31-03 SOLD @ 9.50 (UNFISHED)
3A	D	B	1100	10.00	08-04-03 SOLD @ 9.50 (UNFISHED)
3A	D	B	1600	10.00	08-14-03 New listing (UNFISHED)
3A	D	B	2400	10.00	07-31-03 SOLD @ 9.50 (UNFISHED)
3A	D	B	2400	11.00	08-05-03 SOLD @ 9.75 (UNFISHED)
3A	D	B	2800	8.00	07-17-03 SOLD @ 8.00 (FISHED)
3B	B	B	50,000	12.25	07-28-03 Offer of 11.25 (UNFISHED)
3B	C	B	6600	10.00	08-12-03 Offer of 9.75 (UNFISHED) Would trade for 3A
3B	C	B	7000	Make Offer	07-17-03 New listing (UNFISHED) Would trade for CG
3B	C	B	14,000	11.00	08-12-03 New listing (FISHED)
3B	D	B	13,000	Make offer	06-27-03 New listing (FISHED)
3B	D	B	84	\$500	05-08-02 New listing
4A	B	B	7800	8.00	08-12-03 New listing (FISHED)
4A	B	U	20,000	11.50	07-10-03 Pounds update (UNFISHED)
4A	C	B	3400	7.25	08-06-03 New listing (UNFISHED)
4A	C	B	46,000	10.00	08-12-03 New listing (FISHED)
4A	D	B	3000	Offers	02-12-02 Listed
4A	D	B	3300	6.00	08-09-02 New listing
4A	D	B	10,000	7.00	03-18-02 Price updated
4A	D	B	11,000	Make offer	04-14-03 New listing—would trade for 3A, 3B
4A	D	B	12,000	7.25	08-12-03 New listing (FISHED)
4B	A	B	1300	Make offer	02-01-02 Listed
4B	B	B	31,000	7.00	06-16-03 Price increase (UNFISHED)
4B	B	U	31,500	8.00	06-16-03 Price increase (UNFISHED)

4B	C	B	7500	6.00	07-10-03 (FISHED)
4B	C	B	14,000	5.25	04-25-03 (FISHED)
4B	D	B	4,000	3.50	01-21-03 Would trade for gillnet permit
4B	D	B	5,000	3.50	01-21-03 Would trade for gillnet permit
4C	D	B	15,500	7.00	01-08-03 Offer of 4.50
4C	D	U	6000	7.00	07-20-02 Listed

**BLACK COD**

AREA	CLASS	B/U	POUNDS	PRICE	COMMENTS
AI	B	B	5500	Make offer	07-24-03 New listing (UNFISHED)
AI	C	U	35,000	Make offer	02-05-03—2003 TAC pounds
BS	B	B	17,000	Make offer	07-24-03 New listing (UNFISHED)
BS	C	B	20,000	3.00	02-05-03 Pounds and Price Update
CG	B	B	90	Make offer	02-05-03—2003 TAC pounds
CG	B	U	10,000+	11.50	07-15-03 (FISHED) Would trade for 3A, 3B, 4A
CG	C	U	10,000+	11.00	08-07-03 Offer of 11.00 (FISHED)
SE	C	B	1700	9.00	05-19-03 Offer of 8.25
WG	B	U	20,000	10.00	08-12-03 New listing (FISHED)
AREA	CLASS	B/U	POUNDS	PRICE	COMMENTS

Call (800) 992-4960 or (907) 235-4966 for more details.

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# Alaskan Quota & Permits BLACKCOD QUOTA

NOVEMBER 30, 2002

AREA	CLASS	2002 TAC LBS	B/UB	ASKING \$	COMMENTS
SE	E	10,500 #	UB	TRADE	TRADE TO CG "B" OR "C"
SE	E	3,500 #	B	\$ 9.00	TRADE SE "A"
SE	B	3,000 #	B	\$ 9.50	FISH-DOWNABLE
SE	B	2,500 #	B	\$ 9.00	-
SE	B	3,400 #	B	\$ 9.50	FISH-DOWNABLE
SE	C	10,500 #	UB	OFFERS	OFFERS?
SE	C	11,000 #	UB	-	SELL/TRADE 2C or 3A "A" CLASS
SE	C	30,000 #	UB	OFFERS	OFFERS?
SE	C	74 #	B	\$ 9.00	UNFISHED
SE	C	92 #	B	\$ 9.00	UNFISHED
SE	C	205 #	B	\$ 9.00	UNFISHED
SE	C	2,000 #	B	\$ 8.50	-
SE	C	3,500 #	B	\$ 9.00	-
SE	C	3,500 #	B	\$ 9.00	TRADE FOR 2C UB
SE	C	6,000 #	B	\$ 9.50	-
SE	C	7,500 #	B	\$10.00	-
					TOP of PAGE MAKE an OFFER

AREA	CLASS	2002 TAC LBS	B/UB	ASKING \$	COMMENTS
AI	B	10,000 #	B	-	OFFERS
AI	B	10,000 #	B	-	OFFERS
AI	B	11,500 #	B	-	OFFERS

TOP of PAGE MAKE an OFFER

AREA	CLASS	2002 TAC LBS	B/UB	ASKING \$	COMMENTS
WG	C	3,500 #	B	-	OFFERS?
WG	C	4,000 #	B	-	OFFERS?

TOP of PAGE MAKE an OFFER

AREA	CLASS	2002 TAC LBS	B/UB	ASKING \$	COMMENTS
BS	C	4,000 #	B	-	OFFERS?

TOP of PAGE MAKE an OFFER

AREA	CLASS	2002 TAC LBS	B/UB	ASKING \$	COMMENTS
CG	B	13,500 #	UB	TRADE	TRADE for 3A "B" UB
CG	B	30,000 #	UB	TRADE	TRADE for 3A "B" UB
CG	B	2,200 #	UB	\$ 9.00	-
CG	C	35,000 #	UB	\$10.50	TRADE for 3A UNBLOCKED
CG	C	25,000 #	UB	TRADE	TRADE for 3A UNBLOCKED
CG	C	15,000 #	UB	\$ 9.50	-

TOP of PAGE MAKE an OFFER

AREA	CLASS	2002 TAC LBS	B/UB	ASKING \$	COMMENTS
WY	B	4,500 #	UB	TRADE	TRADE for SE "C" UNBLOCKED
WY	B	9,000 #	UB	TRADE	TRADE for SE "C" UNBLOCKED
WY	C	15,000 #	UB	\$12.50	TRADE for 3A UNBLOCKED
WY	C	2,500 #	B	\$ 8.50	-

TOP of PAGE MAKE an OFFER

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Handwritten notes and signatures on the right side of the page.

4A				
<u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>
C	7,300	Blocked	Market	Updated Listing 1/13/03
B	8,200	Blocked	Offers	New Listing 3/14/03
B	9,900	Blocked	Market	New Listing 1/31/03
B	14,500	Blocked	\$8.00	Updated Listing 1/13/03
B	19,000	Blocked	Market	New Listing 1/31/03
A	14,500	Unblocked	\$9.00	Listed 8/7/02 Seller wants equal cash value of Unblocked Catcher Shares

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4B				
<u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>
B	30,800	Blocked	\$5.50	Updated Listing 12/12/02
B	31,500	Unblocked	\$5.50	Updated Listing 12/12/02
B	93,600	Unblocked	\$5.50	Updated Listing 10/1/02

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4C				
<u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>
C	2,000	Blocked	Offers	Listed 11/7/02
C	2,500	Blocked	Offers	Listed 11/7/02
B	11,200	Blocked	\$5.25 / Nego	Listed 10/16/02
B	31,000	Unblocked	\$5.75 / Nego	Listed 10/16/02

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4D				
<u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>
B	14,800	Blocked	\$5.75	Updated Listing 11/6/02

**THISSEN & ASSOCIATES** LAST UPDATED: 04/06/03

**IFQS**

VESSEL CLASS	AREA	QUOTA SHARES	2003 ITQ #'S	ASKING PRICE
--------------	------	--------------	--------------	--------------

C	H-3A (UNBLOCKED)	25,000	\$13#	
---	------------------	--------	-------	--

C	H-3A (BLOCKED)	4,600+	\$8#(NOT SELLING NOW)	
---	----------------	--------	-----------------------	--

C	H-3A (BLOCKED)	3,700+	\$8#(NOT SELLING NOW)	
---	----------------	--------	-----------------------	--

C	H-3A (BLOCKED)	2,700+	\$8#(NOT SELLING NOW)	
---	----------------	--------	-----------------------	--

C	H-3A (BLOCKED)	1,700+	\$7.50#(NOT SELLING NOW)	
---	----------------	--------	--------------------------	--

C	H-3A (BLOCKED)	800+	\$9#(WILL SELL NOW!!)	
---	----------------	------	-----------------------	--

D	H-3A (BLOCKED)(WILL TRADE FOR 3A/C PLUS CASH TO 20,000#'s)	7,200+	OFFERS	
---	--	--------	--------	--

D	H-3A (BLOCKED)(MUST 3,500+ FIND 15,000+ OF C CLASS TO SELL THIS PROPERTY!)	1,100+	\$7#	
---	--	--------	------	--

D	H-3A (BLOCKED)	400+	\$7#	
---	----------------	------	------	--

D	H-3A (BLOCKED)	30	\$7#	
---	----------------	----	------	--

C	H-3B (BLOCKED)	600+	OFFERS	
---	----------------	------	--------	--

C	H-3B (BLOCKED)(MUST 17,300+ FIND 3A/C TO SELL THIS 3B PROPERTY)	13,900+	\$8.50#(NOT SELLING NOW)	
---	---	---------	--------------------------	--

C	H-3B (BLOCKED)	13,900+	\$8.50#(NOT SELLING NOW)	
---	----------------	---------	--------------------------	--

C	H-3B (BLOCKED)	10,300+	\$8#	
---	----------------	---------	------	--

C	H-3B (BLOCKED)	4,600+	\$8#	
---	----------------	--------	------	--

B	H-3B (BLOCKED)	20,000+	\$8.50#	
---	----------------	---------	---------	--

C	H-4A (BLOCKED)	9,100+	\$7.50#	
---	----------------	--------	---------	--

**2003 SWEEP-UP POUNDS ALLOWED PER BLOCK/SABLEFISH**

SE=3,949  
WG=6,090  
WY=3,638  
AI=12,740  
CG=4,684  
BS=12,437

**2003 SWEEP-UP POUNDS ALLOWED PER BLOCK BY HALIBUT AREA**

2C=2,850  
3A=3,417  
3B=14,043  
4A=7,863  
4B=5,434  
4C=7,909  
4D=7,611

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\$7#	8,100+	H-4A (BLOCKED)	C
\$7#	6,900+	H-4A (BLOCKED)	C
\$7.50#	6,000+	H-4A (BLOCKED)	C
\$7.25#;OBO	5,300+	H-4A (BLOCKED)	B
(MOTIVATED SELLER!!)GOOD FOR SWEEP-UP!!			
\$7#	11,000+	H-4A (BLOCKED)	D
\$7#	7,000+	H-4A (BLOCKED)	D
\$8# OBO	32,000	H-4B (UNBLOCKED)	B
\$8# OBO	62,000	H-4B (UNBLOCKED)	B
\$7# OBO	79,000	H-4B (UNBLOCKED)	B
\$5#	15,000+	H-4B (BLOCKED)	B
\$6.50#	21,000	H-4B (BLOCKED)	C
\$6.50#	6,500	H-4B (BLOCKED)	C
\$8#	8,300	H-4C (BLOCKED)	C
\$8#	5,900+	H-4C (BLOCKED)	C
\$8#	21,201	H-4D (BLOCKED)	C
\$8#	6,500+	H-4D (BLOCKED)	C
\$8.50#	25,000+	H-4D (BLOCKED)(2 BLOCKS)	B
\$11.50# OBO!!	13,200+	S-CG (UNBLOCKED)	B
\$8.75#	7,600+	S-CG (BLOCKED)	B
\$8.75#	4,700+	S-CG (BLOCKED)	B
\$8.75#	4,600+	S-CG (BLOCKED)	B
\$8#	76	S-CG (BLOCKED)	B
\$9.50#OBO	30,600+	S-CG (UNBLOCKED)	C
OFFERS	1,320+(CF-67#S)	S-CG (BLOCKED)	C
\$7.50#	1,020+	S-CG (BLOCKED)	C
\$6#	5,500+	S-WG (BLOCKED)	C
OFFERS	680	S-BS	B
OFFERS	3,600+	S-AI	B
OFFERS	11,000+	S-SE (BLOCKED)	C
\$12#	12,600+	S-SE (UNBLOCKED)	C

# QUOTA SHARES/IFQ'S

## Sablefish (Blackcod) - Inventory as of August 18

Unsure of accuracy of some of these listings

Comments: Approved TAC's for 2003

<u>AREA</u>	<u>2002 TAC</u>	<u>2003 TAC</u>	<u>% CHANGE</u>
SE	3,210	3,560	+ 10.9
WY	1,940	2,320	+ 19.6
CG 18.6	5,430	6,440	+
WG 14.7	2,240	2,570	+
AI	2,550	3,100	+ 21.7
BS	1,930	2,900	+ 50.2

Area	Vessel Class	Pounds	Blk/ Unblk	Seller Asking	Notes
<b>BUYERS AVAILABLE FOR SE, WY, CG</b>					
SE	B	10,000	UNblk	OFFERS	
WY	C	3,490	Blk	\$8.50	Needs replacement
WY	C	3,990	Blk	\$8.50	Needs replacement
WY	C	1,530	Blk	OFFER	As of 1-28-2003

4A	C	2,600 or less	Blk	WANTED Offering \$5	Client looking for Sweep-up.
4B	B	14,250	Blk	\$5.50 Firm	AS OF 6-9-03 Must be sold with block below
4B	C	4,080	Blk	\$5.50 Firm	JUST IN 6-9-03 Must be sold with block above

[\[GSI Home\]](#) [\[Market News\]](#) [\[IFQ Program\]](#) [\[Halibut Listings\]](#) [\[Buyer's Request\]](#)

## Blackcod for Sale

SE | WY | CG | WG | AI | BS

*Pounds based on 2003 TAC*

<b>SE</b>					
<u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>	<u>E-mail Broker</u>
C	1,700	Blocked	\$9.00	Listed 3/7/02	<u>Make Offer</u>
C	2,900	Blocked	\$9.00	Listed 3/7/02	<u>Make Offer</u>
C	3,900	Blocked	\$9.00	New Listing 2/18/03	<u>Make Offer</u>
C	4,900	Blocked	\$9.25	New Listing 2/18/03	<u>Make Offer</u>
C	5,400	Blocked	\$9.25	New Listings 2/18/03	<u>Make Offer</u>
C	10,900	Unblocked	\$11.00	New Listing 1/27/03	<u>Make Offer</u>
C	14,700	Unblocked	\$11.00	New Listing 1/13/03 - Seller wants to buy 3B - won't sell until he finds replacement.	<u>Make Offer</u>
B	19,300	Unblocked	\$11.25	\$11.25/# with Buyer Paying the Commission	<u>Make Offer</u>
<p>If you are interested in listing quota, or making an offer - please email Erin at her <i>NEW</i> email address: <a href="mailto:erine@gsiboat.com">erine@gsiboat.com</a></p>					

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<b>WY</b> <u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>	<u>E-Mail Broker</u>
B	4,250	Blocked	\$9.25	Listed 11/18/02	<u>Make Offer</u>
B	5,100	Blocked	\$9.25	\$9.25/# with Buyer Paying the Commission	<u>Make Offer</u>
If you are interested in listing quota, or making an offer - please email Erin at her <i>NEW</i> email address: <a href="mailto:erine@gsiboat.com">erine@gsiboat.com</a>					

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<b>CG</b>					
<u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>	<u>E-Mail Broker</u>
C	4,000	Blocked	\$9.00	New Listing 2/18/03	<u>Make Offer</u>
B	2,600	Unblocked	\$10.50	Updated Listing 12/30/02	<u>Make Offer</u>
B	5,800	Blocked	\$9.75	Updated Listing 12/30/02	<u>Make Offer</u>
B	13,300	Unblocked	\$10.50	\$10.50/# with Buyer Paying the Commission.	<u>Make Offer</u>
If you are interested in listing quota, or making an offer - please email Erin at her <i>NEW</i> email address: <a href="mailto:erine@gsiboat.com">erine@gsiboat.com</a>					

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## Halibut for Sale

[2C](#) | [3A](#) | [3B](#) | [4A](#) | [4B](#) | [4C](#) | [4D](#)

*Pounds based on 2003 TAC*

<b>2C</b>				
<u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>
<b>D</b>	<b>2,000</b>	<b>Blocked</b>	<b>\$7.50</b>	<b>Updated 1/13/03</b>
<b>C</b>	<b>1,300</b>	<b>Blocked</b>	<b>\$8.00</b>	<b>New Listing 1/24/03</b>
<b>C</b>	<b>1,900</b>	<b>Blocked</b>	<b>\$8.00</b>	<b>New Listing 1/24/03</b>
<b>C</b>	<b>4,600</b>	<b>Blocked</b>	<b>Market</b>	<b>New Listings 1/29/03 Seller will sell one or both, BUT wants about 20,000# of 2C-C-B as replacement.</b>
<b>C</b>	<b>6,000</b>	<b>Blocked</b>	<b>Market</b>	
<b>B</b>	<b>5,000</b>	<b>Blocked</b>	<b>Make Offer</b>	<b>Serious Seller - Looking for any reasonable offer. (Can Not Fish Down.)</b>
<b>B</b>	<b>6,500</b>	<b>Blocked</b>	<b>Make Offer</b>	<b>Serious Seller - Looking for any reasonable offer. (Can Not Fish Down.)</b>

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<b>3A</b>				
<u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>
D	3,400	Blocked	\$6.75	Listed 12/11/02
C	1,300	Blocked	\$7.00	Listed 10/22/02
C	1,650	Blocked	\$7.25	Listed 11/18/02
C	2,200	Blocked	\$7.25	Updated Listing 1/16/03
C	2,900	Blocked	\$7.50	Listed 11/18/02
C	3,200	Blocked	\$7.50	Updated Listing 1/9/03
C	3,300	Blocked	\$7.50	Updated Listing 1/2/03
C	3,400	Blocked	\$7.50	Updated Listing 1/2/03
C	3,450	Blocked	\$7.50	Listed 11/18/02
C	8,000	Blocked	\$8.25	Listed 1/13/03 Seller wants to sell and buy a larger Blocked piece. Will only sell when replacement is found.

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<b>3B</b>				
<u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>
D	1,600	Blocked	\$6.25	Updated Listing 2/18/03

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<b>WG</b>					
<u>Vessel Class</u>	<u>Pounds</u>	<u>Status</u>	<u>Price</u>	<u>Comments</u>	<u>E-Mail Broker</u>
<b>C</b>	<b>11,300</b>	<b>Blocked</b>	<b>\$7.00</b>	<b>Listed 1/24/03</b>	<b><u>Make Offer</u></b>
<b>C</b>	<b>13,300</b>	<b>Blocked</b>	<b>\$7.00</b>	<b>Listed 1/24/03</b>	<b><u>Make Offer</u></b>
<b>B</b>	<b>2,300</b>	<b>Blocked</b>	<b>\$6.00</b>	<b>Listed 7/28/02</b>	<b><u>Make Offer</u></b>
<b>B</b>	<b>9,000</b>	<b>Blocked</b>	<b>\$7.00</b>	<b>Not Officially listed - Seller will Sell, if Buyer pays commission.</b>	<b><u>Make Offer</u></b>
<b>B</b>	<b>13,400</b>	<b>Blocked</b>	<b>\$7.00</b>	<b>Listed 12/16/02</b>	<b><u>Make Offer</u></b>
<p>If you are interested in listing quota, or making an offer - please email Erin at her <b>NEW</b> email address: <a href="mailto:erine@gsiboat.com">erine@gsiboat.com</a></p>					

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<b>AI</b>
<b><i>No Listings Currently Available.</i></b>
<p>If you are interested in listing quota, or making an offer - please email Erin at her <b>NEW</b> email address: <a href="mailto:erine@gsiboat.com">erine@gsiboat.com</a></p>

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<b>BS</b>
<b><i>No Listings Currently Available.</i></b>
<p>If you are interested in listing quota, or making an offer - please email Erin at her <b>NEW</b> email address: <a href="mailto:erine@gsiboat.com">erine@gsiboat.com</a></p>

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# QUOTA SHARES/IFQ'S

## Halibut - Inventory as of August 18

**NOTE: IPHC 2002 Decisions below: (Note new recommendations in "note" below)**

### Comments:

<u>AREA</u>	<u>2003 TAC</u>	<u>CHANGE</u>
2A	1.31	Same
2B	11.75	Same
2C	8.50	Same
3A	22.63	Same
3B	17.13	Same
4A	4.97	Same
4B	4.18	Same
<u>4CDE</u>	<u>4.45</u>	<u>Same</u>
TOTAL TAC)	74.92	NO CHANGE (same as 2002)

**The next issue to watch:** The NPFMC has passed a resolution to institute an Eastern Gulf/SE program for smaller communities to purchase and lease out IFQ to residents. We are now waiting for the process to work it's way through all the hoops.

**NOTE:** THE BELOW INVENTORY IS NOT ACCURATE BUT IS IN PROCESS OF BEING RECONFIRMED, DELETED OR CHANGED. **WE DEFINITELY HAVE BUYERS FOR 2C C AND D CLASS, BOTH LARGE AND SMALL PORTIONS AS WELL AS 3A C LARGER BLOCKS AND ALL UNBLOCKED PORTIONS.**

Area	Vessel Class	Pounds	Blk/ Unblk	Seller Asking	NEED HALIBUT IN ALL AREAS AND CLASSES

2C	C	9,000	Blk	\$13	This IFQ is fished for 2003 - Just in as of 8-18
2C	C	6,000	Blk	\$13	This IFQ is fished for 2003 - Just in as of 8-18
2C	C	3,180	Blk	OFFER*	Need to line up a block 3,000 lbs. larger
2C	C	2,070	Blk	OFFER*	Need to secure a block 3,000 lbs larger
2C	C	1,200	Blk	\$10	Unfished (May have a 3,000 lb. 2C C "Fished" Block for \$10.50 comming in).
3A	C	Larger	UNBlk	Market	NEED BLOCKED and UNBLOCKED 3A C or B
3A	C	3,330	Blk	OFFER	2 EA. Wants 2C C bfore committing to sale.
3B	C	49,000	Blk	TRADE	Wants CG or WY blackcod.
4A	B	5,400	Blk	OFFER	

Aug 1, 2003

Thomas D. Branshaw  
Denise J. Branshaw

P.O. Box 571  
Cordova, Alaska, 99574

RECEIVED

AUG 25 2003

N.P.F.M.C

Please add this as an addendum to my original proposal from Sept. 20, 2002  
C Class quota allowable to be fished up to B Class vessels for Central Gulf, West Yakutat, and 3A.

B Class quota has become extinct due to the ability of B, C, and D vessel classes to be able to fish these shares. B class vessel owners such as myself cannot even acquire any available B class share due to the fact that almost the entire fleet has the option of purchasing shares from B quota and myself as a B class vessel owner only have the option to purchase B quota.

The problems only gets worse as the Council implements new players or operatives to enter the game such as the (CD) community development groups in this area to be allowed to purchase, own and lease shares. They of course see the versatility of the B class shares once again and will be purchasing these shares to whatever degree the Council allows. As time progresses the availability of B class shares for B class vessel owners gets scare and scare. One of the reasons also is because at the implementation of the program so many of the C and D class share were blocked quota and once a C or D class vessel owner has been blocked up then their only option is to find unblocked share and they are able to find unblocked share to add to their other unblocked share is B class shares. Once each share holder becomes blocked up in B class they only have one option left and that is to find unblocked quota in B class share which they are competing for with other B share holders as well as C and D share holders.

Alternative solutions would be to allow quota, to be able to fish from only the vessel class for which it was originally issued. B class vessel can only fish B quota, C class vessel can only fish C quota, D class vessels can only fish D quota.

My alternative solution which I feel is just a small crumb at this point, is to allow C class quota to be able to be fished on B Class vessels in WY, CG and 3A. This would allow B class vessel owners to purchase C class shares if the possibility of some unblocked coming available for those of us that were already blocked up. But mainly to take the pressure off of the highly attractive and overly priced versatility of B class shares. The main option here is for crewmembers of C class shares to be able to come aboard a B class vessel with C class share and be able to fish. This gives the B class vessel owner the option to have more quotas without having to compete in the extinct B class quota for crewmembers and B class vessel owners alike.

Supportive data is attached. Please see the enclosed broker web pages 25 to 30 pages from every broker I could find out there. Since my first attempt at a proposal in Sept. of 2002 I have been hounding the brokers for shares, and frankly they are tired of hearing from me. They do not have anything available for me to purchase at any price and this has been on going for a full year. If the council would please query the data from fished shares and compare the escalation of B class shares being fished on C and D class vessels this would only validate my complaint. This data query even though I really do not know what it may be, I would venture to bet it has superseded even my guess as to the amount of B class shares being fishing on C and D class vessels. Please consider my request and not continue to down trodden one vessel class to extinction, meaning the B class vessel. Is this why the trend is for vessel to get smaller, to cut the vessel in two and shorten, to not only get under the 60' class for no observer coverage but to also fish C and B class share?

Signature

Thomas D. Branshaw  
Denise J. Branshaw

August 20, 2003

To: Council

Please find my original proposal from Sept. 2002 and the addendum from August 2003.

I would ask the council to query the data needed for supporting documents prior to the meeting in Oct. Supportive documents from the brokers are included but would like to have the data needed regarding the B shares being fished on other classes of vessels. Thank you for supplying this data requests to be added to our addendum. Thank you.

at point of broker listing

Thomas D. Branshaw  
Denise J. Branshaw  
PO Box 571  
Cordova, Alaska 99574



Joe

August 26, 2003

NMFS  
Council Members  
Chairman Dave Benton  
605 W. 4<sup>th</sup> Ave.  
Anchorage, AK 99501

RECEIVED

AUG 27 2003

N.P.F.M.C

Dear Council Member

Please accept the enclosed data as our second addendum to our first addendum dated Aug 21, 2003 for our proposal submitted Sept. 20, 2002. We did reference this data in our first addendum on Aug. 21, 2003 and were able to get the requested information from Restricted Access Management NMFS Alaska Region just yesterday.

The numbers from this data request are even staggering to us. The loss of available B class vessel quota being purchased and fished on other than B class is hard for us to see being taken out of the B class availability.

The first couple of years were very large jumps as you can see. The figures for 2003 are only to date (Aug 25, at 1:00 p.m. 2003) It looks like the B class has lost over 25% in Central Gulf and 3 A and over 20 % in West Yakutat by year-end 2003.

At this rate we may even become extinct. Please consider allowing Class C quota to be fished on B vessels. The historic data that NMFS used to implement the quota system shows that the B class vessel is who was out there fishing offshore and now they are losing the percent of quota to the other vessel class sizes. Again we wish to ask the council to look at these figures and implement the option for B class vessel owners and crew to fish C class quota shares on B class vessels.

Thank you

*Denise J. Branshaw*  
Denise J. Branshaw  
Thomas D. Branshaw  
PO Box 571  
Cordova, Alaska 99574  
9074247344  
northernmariner@hotmail.com

8/25/03  
 NMFS/ARK/RAM/Gharrett  
 Dat\_branshaw\_82503.xls

Table 3. Annual IFQ Landings of Area WY Category "B" Sablefish by Year and Vessel Size Category

Round Wt. Pounds	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total WY Pound Allocation</b>	8,586,917	6,366,885	5,048,534	4,795,005	4,023,395	4,230,627	3,944,029	3,708,137	4,466,520
<b>Total WY Landings</b>	8,010,748	6,096,858	4,952,667	4,672,007	3,942,953	4,234,389	3,875,658	3,702,653	3,620,947
<b>Total WY, Cat. B Pounds Landed</b>	4,931,529	3,456,581	3,024,956	2,844,289	2,384,429	2,602,519	2,351,963	2,260,459	2,305,401
<b>WY Cat. B landed on Size B vessels</b>	4,931,529	3,456,581	2,721,990	2,412,286	2,018,253	2,155,457	1,969,180	1,826,777	2,019,462
<b>Percent of all Landed B</b>	100%	100%	90%	85%	85%	83%	84%	81%	88%
<b>WY Cat. B landed on Size C vessels</b>	0	0	302,966	432,003	366,176	447,062	382,783	433,682	285,939
<b>Percent of all Landed B</b>	0%	0%	10%	15%	15%	17%	16%	19%	12%

Notes: Data totals may differ slightly from published totals for WY  
 Fish down provisions became effective mid-September 1996; data may include some category violations  
 Data for 2003 are as of 1 p.m. on 8/25/03  
 Size B vessel = greater than 60' LOA  
 Size C vessel = less than 61' LOA  
 All sablefish pounds are round weight

8/25/03

NMFS/ARK/AM/Gharrett

Dat\_branshaw\_82503.xls

**Table 2. Annual IFQ Landings of Area CG Category "B" Sablefish by Year and Vessel Size Category**

Round Wt. Pounds	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total CG Pound Allocation</b>	15,167,648	12,169,392	11,305,189	11,146,458	9,858,971	10,105,886	9,541,509	9,576,782	11,358,099
<b>Total CG Landings</b>	14,072,590	11,818,813	10,961,702	10,843,967	9,762,324	10,037,052	9,295,504	9,571,133	10,228,462
<b>Total CG, Cat. B Pounds Landed</b>	6,994,227	5,527,746	5,369,618	5,208,345	4,608,988	4,830,193	4,411,214	4,577,232	4,939,923
<b>CG Cat. B landed on Size B vessels</b>	6,944,117	5,527,746	4,875,033	4,518,822	3,850,806	3,955,586	3,439,199	3,155,561	3,658,332
<i>Percent of all Landed B</i>	<b>99%</b>	<b>100%</b>	<b>91%</b>	<b>87%</b>	<b>84%</b>	<b>82%</b>	<b>78%</b>	<b>69%</b>	<b>74%</b>
<b>CG Cat. B landed on Size C vessels</b>	50,110	0	494,585	689,523	758,182	874,607	972,015	1,421,671	1,281,591
<i>Percent of all Landed B</i>	<b>1%</b>	<b>0%</b>	<b>9%</b>	<b>13%</b>	<b>16%</b>	<b>18%</b>	<b>22%</b>	<b>31%</b>	<b>26%</b>

Notes: Data totals may differ slightly from published totals for CG  
 Fish down provisions became effective mid-September 1996; data may include some category violations  
 Data for 2003 are as of 1 p.m. on 8/25/03  
 Size B vessel = greater than 60' LOA  
 Size C vessel = less than 61' LOA  
 All sablefish pounds are round weight

8/25/03  
 NMFS/ARK/AM/Gharrett  
 Dat\_branshaw\_82503.xls

**Effects of "Fish Down" Provisions  
 Annual IFQ Landings of Area 3A Category "B" Halibut by Year and Vessel Size Category**

Net Wt. Pounds	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total 3A Pound Allocation</b>	20,000,000	20,000,000	25,000,000	26,000,000	24,670,000	18,310,000	21,890,000	22,630,000	22,630,000
<b>Total 3A Landings</b>	17,978,081	19,365,600	24,276,533	24,606,322	24,310,879	18,066,096	21,071,467	22,560,168	17,966,302
<b>Total 3A, Cat. B Pounds Landed</b>	6,872,577	7,330,772	9,115,909	9,329,251	9,171,866	6,773,669	7,990,775	8,449,971	6,896,613
<b>3A Cat. B landed on Size B vessels</b>	6,781,122	6,691,057	7,745,245	7,648,787	7,218,410	5,146,108	6,067,731	6,251,209	5,167,246
<i>Percent of all Landed B</i>	99%	91%	85%	82%	79%	76%	76%	74%	75%
<b>3A Cat. B landed on Size C vessels</b>	91,224	606,768	1,258,370	1,558,107	1,849,767	1,426,205	1,752,143	2,037,302	1,610,900
<i>Percent of all Landed B</i>	1%	8%	14%	17%	20%	21%	22%	24%	23%
<b>3A Cat. B landed on Size D vessels</b>	231	32,947	112,294	122,357	103,689	201,356	170,901	161,460	118,467
<i>Percent of all Landed B</i>	0%	0%	1%	1%	1%	3%	2%	2%	2%

Notes: Data totals may differ slightly from published totals for CG  
 Fish down provisions became effective mid-September 1996; data may include some category violations  
 Data for 2003 are as of 1 p.m. on 8/25/03  
 Size B vessel = greater than 60' LOA  
 Size C vessel = greater than 35' and less than 61' LOA  
 Size D vessel = less than 36' LOA  
 All halibut pounds are net weight (head off, gutted)

11

**HALIBUT AND SABLEFISH IFQ PROGRAM  
AMENDMENT PROPOSAL  
North Pacific Fishery Management Council  
Fax: (907) 271-2817**

**Name of Proposer:** Jane DiCosimo, Council staff

**Date:** 8/27/03

**Address:** North Pacific Fishery Management Council  
605 W. Fourth Avenue, Suite 306  
Anchorage, Alaska 99501

**Telephone:** 907 271-2809

**Brief Statement of Proposal:** "Use it or lose it." Inactive QS permits would be forfeited (with no compensation). Notice would be given to all whose permits would be forfeited. Relinquished QS would be eliminated from the program and result in redistribution to the QS pool. The concept mirrors that whereby voter registration rolls are "purged" periodically to remove those who don't exercise their right to vote.

**Objectives of Proposal (What is the problem?):**

A significant number of people who hold QS/IFQ have never fished.

Approximately 900 halibut and 200 sablefish QS holders have never made a landing.

Approximately 750 halibut and 140 sablefish initial issues of QS have never made a landing.

Approximately 2,500 out of 4,400 QS holders are billed for IFQ cost recovery fees (indicating activity).

(These figures may be overestimates due to multiple permit holdings.)

**Need and Justification for Council Action (Why can't the problem be resolved through other channels?):**  
Magnuson-Stevens Act National Standard 1 – Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery.

**Foreseeable Impacts of Proposal (Who wins, who loses?):**

Inactive QS holders win by not receiving unwanted paperwork annually. Active QS holders win by having their IFQs increase proportionate to the amount of QS voluntarily relinquished. The nation benefits by a reduction in unnecessary paperwork and achievement of optimal yield (full utilization) of the halibut and sablefish resource.

**Are there Alternative Solutions? If so, what are they and why do you consider your proposal the best way of solving the problem?**

A regulatory change could be made to allow permit holders to voluntarily relinquish his/her QS, but few may voluntarily opt to file the paperwork to relinquish small holdings. A QS (permit) holder also may voluntarily sell his/her QS or fish the associated IFQ, neither one of which is apparently happening. NMFS/RAM updates several files of QS holders and transfer-eligible persons daily to facilitate transfers and for general public information. All include descriptions of the QS held (e.g., species, area, category, block type, fish down flag, CDQ compensation QS flag), number of QS units held, and include business mailing addresses of QS holders. In each file, a person is listed as many times as necessary; each block is listed on a separate row but all "identical" unblocked QS held by a person is summed and displayed in a single row. Each list is formatted in .csv format which is an ascii text file meant to be used with Excel or other spreadsheets. These lists are available at:

**<http://www.fakr.noaa.gov/ram/ifqdata.htm>**

1. "master list" of all QS holders. Current Quota Share Holders with QS Units: .csv or .zip (by species, area, vessel category, fish down flag, blocks, and CDQ compensation flag);
2. subset of (1) that lists Current Holders of QS Blocks Under Sweep-up Limit Size: .csv or .zip (by species, area, vessel category, and fish down flag);
3. subset of (1): Current Holders of CDQ Compensation QS: .csv or .zip (by species, area, vessel category, and fish down flag. QS is all unblocked.);
4. subset of (1): Current Holders of Category "A" (freezer) QS: .csv or .zip (by species, area, fish down flag, blocks, and CDQ compensation flag); and
5. list of Persons Eligible to Receive QS by Transfer: .csv or .zip (by name)

**Supportive Data and Other Information (What data are available and where can they be found?):**  
See attached Tables 1 and 2

**Signature:**

Table 1. Number (#) of Persons who Currently Hold QS and Have Never had Landings on any IFQ Permits Held (by species):

IFQ Species	# current QS holders with no landings on any permits for the species	# current QS holders who were <b>initial issuees</b> with no landings on any permits for the species
Halibut	889	754
Sablefish	193	142

Note to table: data are not additive; a current QS holder is counted separately for each species for which they ever held an IFQ permit and had no landings.

Table 2. Number (#) of Persons who Currently Hold QS and Have Never had Landings on any IFQ Permits Held (by species and area):

IFQ Species/Area	# current QS holders with no landings on any permits for the species/area	# current QS holders who were <b>initial issuees</b> with no landings on any permits for the species/area
Halibut 2C	386	353
3A	634	598
3B	243	225
4A	181	169
4B	51	38
4C	20	17
4D	19	16
4E	107	103
Sablefish AI	37	26
BS	51	40
CG	116	98
SE	105	97
WG	74	66
WY	79	69

Notes to table:

data are not additive; a current QS holder is counted separately for each species/area combination for which they ever held an IFQ permit and had no landings.

halibut area 4E: that there has never been any IFQ issued for area 4E; all of the available IFQ TAC is reserved for the CDQ program.

**Halibut and Sablefish IFQ Program: Amendment Proposal: NPFMC**

8/27/03

**Proposer:** Gerry Merrigan, 2-C halibut QS holder, Box 1065 Petersburg AK 99833, 907-772-4835

**Proposal:** Raise the sweep-up amount for 2-C and 3-A halibut to 5,000 pounds (using 2003 pounds). For 2-C this would be 35,080 QS units and for 3-A 40,860 QS units. Present sweep-up amounts for 2003 are 2,850 pounds in 2-C (19,992 QS units) and 3,416 pounds in 3-A (27,912 QS units). This proposal is for halibut, however many of the same considerations could also apply to sablefish.

Present (2003) sweep-up amounts in other areas for halibut are as follows: 3B=13,967 pounds, 4A=7,818 pounds, 4B=5,434 pounds, 4C=7,690 pounds, and 4D=7,475 pounds.

**Objective of Proposal:** 1.) Allow for a sweep-up amount in 2-C and 3-A that is comparable to amounts in other regulatory areas. 2.) Allow sweep-up to an amount that is economically practical without causing excessive consolidation. 3.) Allow for incremental growth of small blocked QS holders (with blocks less <5,000 pounds) in 2-C and 3-A without causing divestiture (and possible loss) of existing holdings. 4.) Allows for limited incremental growth and flexibility for small blocked QS holders comparable to growth opportunity for unblocked QS holders.

Many QS holders would like to increase their participation in the halibut fishery in their area by acquiring more QS to achieve growth in their business. QS holders of unblocked quota can do this by incrementally buying more unblocked QS (if available). Blocked QS holders must sell a block in order to buy a block. This makes it difficult to have incremental growth. QS holders of small blocks would like the opportunity for some growth within their means and without going into excessive debt. It should not be mandatory for every QS holder to take out a loan the size of Bolivia.

QS holders of blocked quota must sell a block in order to buy a larger block. It is very difficult to arrange the two transactions to occur simultaneously. Selling a block without having another block already lined up can put an active participant in the fishery at risk of being at a reduced level of participation (minus a block) until an other block is found. Additionally there can be costly price differences between the time of sale of the old block and purchase of the new block. If this time period between sale and purchase extends too long, then capital gains tax is also triggered. Selling a block to buy a block is often an obstacle to growth of active participants in the fishery.

This proposal would allow small block QS share holders the flexibility and opportunity to acquire additional QS (if there are willing sellers) up to 5,000 pounds without having to sell a block to do so. Currently in 2-C there are 1534 QS holders of which 803 have less than 3,000 pounds and 468 have 3,001-10,000 pounds. In 3-A there are 2047 QS holders of which 981 have less than 3,000 pounds and 489 have 3,001 -10,000 pounds. In 2-C and 3-A there are proportionately smaller blocks than in other regulatory areas. 84% of all the holdings under 3,000 pounds in all areas are in 2-C and 3-A.

The amount of sweep-up transactions (all areas and both species) peaked in 1997. The number of sweep-up transactions in 2001 was 20% of the number of transactions in 1997 (-80%).

**Need for Council Action:** Sweep-up amounts are set in regulation, 50 CFR 679.41 (3) (i) and (ii) therefore requiring Council action.

**Foreseeable Impacts:** In 2-C and 3-A, the proposal would facilitate growth of blocked QS holders with <5,000 pound blocks. The proposal should have no effect on blocked QS holders with blocks >5,000 pounds and should have no effect on QS holders with unblocked QS. There maybe a possible increase in the price of sweep-up amounts (good for the sellers, bad for the buyers). If the number of sweep-up transactions increases, there will be additional consolidation that may result in fewer very small blocks being available. However, there is nothing in this proposal that makes anybody sell their small block if they don't want to.

**Alternatives:** Allow ownership of three blocks. This would address all blocked QS holders. This proposal is directed toward smaller block holders (<5,000 pounds). If three blocks is to be analyzed for any area, it should be analyzed for all areas.

**Supportive Data:** 2002 IFQ Report to the Fleet. 2003 Quota Share Pool (attached).



Gerry Merrigan





## 2003 QUOTA SHARE POOLS (QSPs) AND TOTAL ALLOW CATCHES (TACs) FOR IFQ

2003 HALIBUT AND SABLEFISH QSPs AND IFQ TACs			
Species & Area	2003 Quota Share Pool (units)	2003 IFQ TAC (pounds)	Ratio (QS:IFQ)
Hallbut 2C	59,635,055	8,500,000	7.0159
3A	184,930,966	22,630,000	8.1719
3B	54,203,176	17,130,000	3.1642
4A	14,587,099	4,970,000	2.9350
4B	9,284,774	3,344,000	2.7765
4C	4,016,352	1,015,000	3.9570
4D	4,958,250	1,421,000	3.4893
4E	139,999	0	0
<b>All Areas</b>	<b>331,755,671</b>	<b>59,010,000</b>	
Sablefish AI	31,932,492	4,100,556	7.7874
BS	18,768,845	2,557,336	7.3392
CG	111,668,048	11,358,099	9.8316
SE	66,119,746	7,848,376	8.4246
WG	36,029,105	4,532,658	7.9488
WY	53,267,935	4,466,520	11.9260
<b>All Areas</b>	<b>317,786,171</b>	<b>34,863,545</b>	

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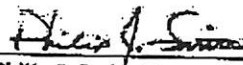
19,992 - 2849.5  
27,912 - 3415.6  
44,193 - 13,966.6  
22,447 - 7,818.4  
15,087 - 5,435.8  
30,930 - 7,690.29  
26,082 - 7,474.85

33,270 - 4,272.2  
47,790 - 5,912.1  
46,055 - 4,684.4  
48,410 - 5,746.3  
99,210 - 12,481.1  
91,275 - 7,653.5


**Notes:**

- The "ratio" displays the number of units of QS that yield one pound of 2003 IFQ.
- QS Pools include small amounts of QS in "Reserve" (QS that is yet to be issued) and QS that is "Restricted" (QS that has been issued, but which does not yield IFQ to its holder).
- IFQ TACs do not include pounds that have been set aside for the CDQ program.
- Halibut weights are displayed in net pounds, sablefish weights in round pounds.
- Areas are shown in alphabetic order.

Verified: February 4, 2003

  
Philip J. Smith, Program Administrator  
Restricted Access Management  
Alaska Region, NMFS

(13)

**Halibut and Sablefish IFQ Program: Amendment Proposal: NPFMC 8/28/03****Proposer:** Gerry Merrigan, 2-C halibut QS holder, Box 1065, Petersburg AK 99833, 907-772-4835**Proposal:** Allow ownership of three blocks in 2-C and 3-A (as is being considered for 3-B and 4-ABCD).**Objective:** Allows for blocked QS holders to acquire another block without having to sell a block.**Need:** The current block program is in regulation. There is need for an analysis and a policy decision to determine what is the appropriate or acceptable level of consolidation. New market demands on the commercial longline IFQ program are pending (community purchase, charter boat IFQ). These demands may make it more difficult for longliners to acquire QS in terms of availability and cost. While the Council has taken action to facilitate community ownership, it has not taken recent action to facilitate fishermen owning QS (i.e. the original intent of the program).**Impacts:** This will allow current participants who are blocked to acquire additional QS without having to sell an existing block. This will also cause increased consolidation of ownership of QS.**Alternatives:** Raise sweep-up amounts (see other proposal). Allow QS holders of unblocked QS to hold two blocks (in addition to unblocked QS).

Gerry Merrigan

**HALIBUT AND SABLEFISH IFQ PROGRAM  
AMENDMENT PROPOSAL  
North Pacific Fishery Management Council  
Fax: (907) 271-2817**

**Name of Proposer:** Deep Sea Fishermen's Union of the Pacific      **Date:** August 29, 2003

**Address:** 5215 Ballard Avenue N.W.  
Seattle, Washington 98107

**Telephone:** (206) 783-2922

**Brief Statement of Proposal:** The DSFU proposes the strengthening the current hired skipper provisions to disallow non-boat owners from "Fishing" their quota.

**Objectives of Proposal (What is the problem?):** The DSFU believes it is not in the best interest of the fishery or working fishermen to allow IFQ holders to "Fish" their quota without being a legitimate vessel owner. 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.

**Need and Justification for Council Action (Why can't the problem be resolved through other channels?):** To date, even the attempts already initiated by the Council have been unsuccessful in deterring initial quota holders from circumventing the intent of the regulations and "Fishing" their quota after either selling their boat or otherwise not having a fishing vessel or employing a crew. The original and continuing intent was for IFQ holders to be practicing fishermen. There was a compromise made for initial quota recipients to allow them to have hired skippers on their boats. The intent of this compromise was to make allowances for those long-term fishermen during the first phase of the rationalization process. It was clearly the Council's intent to only allow boat owners to have hired skippers during the duration of the initial quota recipients' tenure. The intent included the expectation that the initial recipient would continue to own his/her boat(s) and keep crew employed. The 20% ownership loophole has been exploited to allow some of these initial quota recipients to divest themselves of their boat(s), put working fishermen out of work and continue to "Fish" their quota. The Council must find a way to end this practice. One suggested methodology would be to use Federal Tax Return/Depreciation Schedule to identify true owner as opposed to the 20% rule currently in effect.

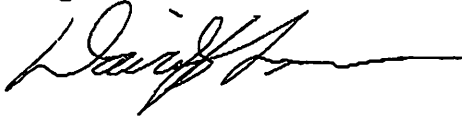
**Foreseeable Impacts of Proposal (Who wins, who loses?):** The working fishermen "Win" in that the IFQ holder has a boat and employs a crew to fish his/her quota. The fishery "Wins" in that individuals who are truly invested in the health, safety and future of the fishery are actively involved in the 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.

**Are there Alternative Solutions? If so, what are they and why do you consider your proposal the best way of solving the problem?** The Council could simply mandate that their can be no

hired skippers and that anyone with quota must be on the boat. This would be the easiest and most enforceable alternative. However, DSFU believes it would unfairly punish those owners who have invested time, energy and capital into the fishery. They own a boat, support four to six crewmembers and have a true stake in the fishery. Finding a way to disallow non-boat owners from circumventing the intent of the Council and the fishery participants is, in our opinion, the fairest way to deal with the issue.

**Supportive Data and Other Information (What data are available and where can they be found?):** National Marine Fisheries Service, RAM Division. (Phil Smith, Tracy Buck and Jessica Gharrett), Phil Smith's Report on the hired skippers in the IFQ program.

Signature:

A handwritten signature in black ink, appearing to be "David", written over a horizontal line.

**North Pacific Fishery Management Council, June 2003**

8

# Petersburg Vessel Owners Association

PO Box 232

Petersburg, Alaska 99833

Phone: (907) 772-9323

Fax: (907) 772-4495

E-mail: pvoa@alaska.net

August 31, 2003

## FISHERY MANAGEMENT PLAN AMENDMENT PROPOSAL FOR NPFMC

**SUBMITTED BY:** Petersburg Vessel Owners Association, PO Box 232, Petersburg, Alaska 99833. Phone: (907) 772-9323 Fax: (907) 772-4495

**PROPOSAL SUMMARY:** Short-term emergency medical transfer of quota shares assigned to vessel categories B, C, or D in cases of personal injury or extreme personal emergency.

**OBJECTIVES OF PROPOSAL:** At present there are no emergency transfer provisions for the IFQ program, other than the provision that allows a trip to be completed if an emergency takes place on the vessel. In the case of a medical emergency that prevents a quota share holder from fishing, there are no options available to those restricted from using hired skippers.

In the event of a short term injury or illness that would prevent the QS holder from fishing one season, yet would not preclude participation in future years, it is reasonable to allow for the short term transfer of quota shares. This will allow quota share holders to retain ownership of their quota and realize some revenue when they are unable to fish.

Many participants in the IFQ program have purchased quota share and have loan payments that must be made yearly. In addition, their quota share cannot be permanently transferred because it is held as collateral securing their loan. Even if they were able to transfer quota permanently, they would be subject to applicable taxes and might be unable to find comparable quota share to purchase when they had recovered. Recently, this situation has occurred several times within our fleet. Examples are listed below.

**Example:** A quota share holder plans to fish aboard a relative's vessel. Prior to fishing, he suffers a compound fracture of the leg and ankle requiring surgery, pins, traction, and months of intensive physical therapy. The individual's quota share is collateral on a loan, and he needs the income from fishing the shares to make the loan payments. Although he is physically unable to fish this year, he will be sufficiently rehabilitated by next season and would like to continue to fish his quota share. Under the current system, the individual had no options. He ended up boarding the vessel on a stretcher and remained strapped to his bunk during the trip. If this proposal were adopted, he could have petitioned NMFS/RAM to allow a temporary transfer of the quota share.

**Example:** A quota share holder is diagnosed with cancer and needs to undergo chemotherapy and radiation treatment. However, the outlook is positive for recovery and she expects to be able to fish the next year. She needs the income from harvesting her quota share to pay medical bills, but isn't physically able to be present when the fish is harvested. Under the current system, she would have no choice but to leave the quota unharvested or to sell it permanently. If this proposal were approved, she could petition NMFS/RAM to allow a temporary transfer of the quota share.

**NEED AND JUSTIFICATION FOR COUNCIL ACTION:** PVOA believes that the authority to provide for emergency transfer already exists in the FMP for the BSAI (14.4.7.1.4(5)) and the GOA (4.4.1.1.4(5)):

"The Secretary may, by regulation, designate exceptions to [the transfer provisions] to be employed in cases of personal injury or extreme personal emergency which allows the transfer of [IFQ resulting from QS assigned to vessel categories B, C, or D] for limited periods of time."

PVOA submitted a request to NMFS on this subject in December of 1998 (attached). In a January 1999 response (also attached), PVOA was informed by NMFS that it was highly improbable that NMFS would revisit the issue absent Council action. It was recommended by NMFS that a proposal be submitted and that the issue be resolved through the Council process.

**FORESEEABLE IMPACTS OF PROPOSAL:** This change would be beneficial to anyone who encounters a medical emergency that prevents them from fishing their quota share. It is possible that this provision could be manipulated by quota share owners who do not wish to participate in the harvest of their quota. However, a sufficiently limited program can be developed that would not allow for long-term transfers. This should address concerns about serial transfers and abuse of the system. Without change in the present system, there is a risk of placing lifelong fishermen at financial risk when there is a genuine need for a medical transfer for a limited time period.

**ALTERNATIVE SOLUTIONS CONSIDERED:** Allowing leasing of quota shares would solve this problem, but would fundamentally change the nature of the IFQ program. To preserve the owner-operated nature of the program, we prefer the medical transfer option.

**SUPPORTING DATA:** 1.) NMFS and NPFMC discussion of this issue in 1995. 2.) State of Alaska CFEC medical transfer policy.

**SUBMITTED BY:** Cora Crome, Director, on behalf of PVOA



# Petersburg Vessel Owners Association

P.O. Box 232  
Petersburg, Alaska 99833  
Phone (907) 772-9323 Fax (907) 772-4495

December 28, 1998

Mr. Phil Smith, Administrator  
NMFS/RAM  
P.O. Box 21668  
Juneau, Alaska 99802

Re: Transfer of IFQ for Emergency Medical Reasons

Dear Phil,

The Individual Fishing Quota (IFQ) Program restricts the transfer of category B, C, or D quota shares (QS) and resulting IFQ to prevent excessive consolidation of QS and to ensure that the QS continues to be held by professional fishermen.

However professional fishermen are subject to personal injuries or extreme personal emergencies that could prevent them from fishing their QS in an IFQ season unless there was provision for a transfer for limited periods of time.

Such a provision would be consistent with the intent of the Council (NPFMC) for the IFQ Program, as evidenced by 4.1.1.4(6) of the Fisheries Management Plan (FMP) for the BSAI as well as 4.1.1.1(5) of the FMP for the GOA, which states:

The Secretary may, by regulation, designate exceptions to the transfer provisions to be employed in cases of personal injury or extreme personal emergency which allows the transfer of IFQ for limited periods of time.

While there exists options for medical emergencies for QS holders who may be able to use hired skippers, there are no such options available to those restricted from using hired skippers such as non-initial issuance QS or QS held in 2-C unless the Secretary designates an exception.

PVOA recognizes that the medical transfer provisions under the State of Alaska's Commercial Fishing Entry Commission have been prone to abuse. However, PVOA also recognizes that genuine medical problems do exist and these problems would prevent a QS holder from fishing their IFQ in a season.

IFQ may be transferred if an injury occurs during a trip but that transfer only applies for the duration of the same trip. But in the case of a personal injury, condition or emergency that would prevent the QS holder from fishing during the eight month season,

can a QS holder petition the Secretary to allow transfer of IFQ? If so, how is this done?

If there is not a set procedure for medical transfer, could such a procedure be developed? PVOA would work with NMFS/RAM to develop transfer guidelines while attempting to avoid loopholes from the CFEC experience.

Thank you for consideration in this matter.



Gerry Merrigan

Director, PVOA





UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration  
National Marine Fisheries Service  
P.O. Box 21668  
Juneau, Alaska 99802-1668

January 14, 1999

Gerry Merrigan  
Executive Director  
Petersburg Vessel Owners Association  
P.O. Box 232  
Petersburg, AK 99833

Dear Gerry,

Happy New Year! -- and thanks for your December 28, 1998, letter to Phil Smith, wherein you posit these penultimate questions:

... in the case of a personal injury, condition or emergency that would prevent the QS holder from fishing during the eight month season,

- can a QS holder petition the Secretary to allow transfer of the IFQ? If so, how is this done?
- If there is not a set procedure for medical transfer, could such a procedure be developed?

The short answer is that, other than the existing provision that allows a trip to be completed if an emergency takes the IFQ holder off the vessel, there are no emergency transfer provisions for the IFQ program. With respect to the question of whether such provisions could be developed, I quote below from a letter that Phil Smith sent to Council member Linda Behnken last October:

You may recall that, during 1995, the Council recommended an amendment to the regulations that would allow a person to apply for an emergency transfer of his/her IFQ permit under certain circumstances. Those circumstances included a medical condition or some other unforeseen event that prevented the permit holder from fishing. As worded, the recommendation was almost identical to the Emergency Transfer provisions that govern the use of limited entry permits issued by the State of Alaska's Commercial Fisheries Entry Commission. In pertinent part, the provision would have read as follows:



... the Regional Director may approve the Application for Transfer of a person's IFQ if it can be demonstrated that the person is presently unable to participate actively in the IFQ fisheries because of illness, disability, or other unavoidable hardship of a temporary, unexpected, and unforeseen nature ...

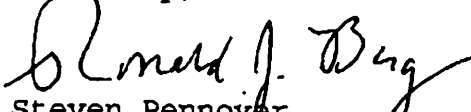
Upon review, the agency opted to withdraw the proposed amendment. Considerable concern was expressed that NMFS was simply ill-equipped to make the type of judgments contemplated by the Council, and that adoption of the measure could result in essentially unregulated "leasing" of catcher vessel IFQs, a situation that both the Council and the agency have been careful to guard against. Further, it was noted that the duration of the IFQ season (8 full months) allows (in most cases) ample opportunity for IFQ holders to transfer their shares if they find themselves unable to participate. The duration of the IFQ season is, of course, quite different from the situation in the state salmon and herring fisheries, in which a sudden onset of illness or disability could result in an entire season being lost to a permit holder.

In consideration of the agency's decision with respect to the proposed 1995 measure, it is highly improbable that, absent Council action, NMFS would be willing to revisit the issue.

Therefore, I would recommend that the Council process be employed if you wish to pursue an amendment that would make any exceptions to the anti-leasing provisions in the regulations. As you know, the Council's IFQ amendment cycle is upon us (a "Call for Proposals" will be issued this summer), and that would be the appropriate time to formally present the idea to the Council and its Committees. Of course, NMFS would cooperate fully with the Council in trying to devise a satisfactory solution to the problem you identified.

Again, thank you for your interest. Please let us know if we can provide additional information.

Sincerely,

  
Steven Pennoyer  
Administrator, Alaska Region

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**HALIBUT AND SABLEFISH IFQ PROGRAM  
AMENDMENT PROPOSAL  
NORTH PACIFIC MANAGEMENT COUNCIL  
FAX 907-271-2817**

**Name of Proposer: Buck Laukitis**

**Address: 33 Stonewall Place, False Pass, AK 99583**

**Date Aug 31, 2003**

**Telephone: 907-548-2210; 235-1001**

**Brief Statement of Proposal: Currently there are four eligible "classes" of IFQ holders: initial recipients, eligible crew members, CDQ holders, and the new Amendment 66 communities. A fifth group consisting of boat owners who actively fish should be included. This new group of IFQ holders would be afforded the same opportunities to use their IFQs as initial recipients.**

**Objectives of Proposal (What is the problem?):**

**The problem is that many second generation IFQ holders are classified as crew members under the program, but we are captains and owners of boats currently fishing. There were five or six years between the last qualifying year and implementation of the IFQ program. Many of us fished halibut during those 'tween years with our own boats but never qualified for one pound of IFQ. Boat owners who hold IFQs have different needs than crew members and shouldn't be classified as such. And all IFQ holders should have the ability to use their IFQs in similar ways. There are issues of succession (passing a portion of the fishing operation to a trusted crew), retirement and disability that put second generation boat owners at a distinct disadvantage when compared to initial recipients and now Amendment 66 lessors.**

**Need and Justification for Council Action:**

**One group of IFQ holders should have the same rights to utilize their quota as another. Even disregarding the obvious advantage of gifted IFQs that original recipients had over those of us who bought into the program, the investing playing field is far from even now. If one group has more uses of the permit than another then obviously that group can benefit more from it, and pay more for it.**

**A new development is blackcod predation by sperm whales and orcas. If a pot fishery is allowed in the GOA should second generation black cod fishermen/boat owners be allowed to lease quota to a longline pot boat, or will he have to invest in an entirely new and costly gear type, just feed the whales, or sell out to a Gulf Coalition community?**

**Foreseeable Impacts of Proposal:**

**Prior to implementation of Amendment 66 it was contemplated by many halibut and sablefish holders that the community buy in program in conjunction with the increased level of leasing by initial recipients in westward areas would squeeze second generation participants. Quota would become increasingly scarce and it would be difficult for second generation boat owners to buy in at levels that support a full-fledged longline operation. We asked that the block program be modified; that blocks above 20,000# be reclassified as unblocked; and that westward areas have only two vessel classes - under 60' and over**

60'. All of these were proposed with the idea that individual fishermen who are financing their purchases with individual resources should be allowed to get in position before (or concurrently to) having to compete with community entities.

**Are there Alternative Solutions?**

I've listened to and participated in the debate about whether to sunset the hired skipper provisions (leasing). That would certainly loosen up some quota in the market, but I think there are legitimate hired skipper uses. Also, if you require 100% owner on board with no exceptions for original recipients, but have a wholesale leasing program (by definition) under the community program, what purpose have you served?

The IFQ program was supposed to be about individuals standing at the rail of their own boats. That changed when people figured out that for \$500 they could become 25% "owners" of someone else's boat and after Amendment 66 which will allow 21% of the IFQs in the Gulf to be eventually leased.

The best way to solve the problem is to keep a lid on who qualifies to own and use IFQs, namely fishermen, not accountants. Then give everyone the same uses of the quota. Otherwise it won't be long before you need to drop the word "Individual" from IFQ.



**HALIBUT AND SABLEFISH IFQ PROGRAM  
AMENDMENT PROPOSAL**  
North Pacific Fishery Management Council  
Fax: (907) 271-2817

Name of Proposer: *Beck LAUKITIS*

Date: *Aug 31, 2003*

Address: *33 Steward Place  
Fair Pass, AK 99583*  
Telephone: *907-548-2210*

**Brief Statement of Proposal:**

*Consider a check in/check out procedure for both Aleutian Island and Bering Sea black cod boats or require VMS use when fishing those areas.*

**Objectives of Proposal (What is the problem?):**

*Less than half of the AI or BS black cod quota is caught each year. The quota has doubled in those areas. This proposal would make fishing in the along area less likely.*

**Need and Justification for Council Action (Why can't the problem be resolved through other channels?):**

*There is an increased incentive to attempt to harvest AI or BS black cod in the Western Gulf.*

**Foreseeable Impacts of Proposal (Who wins, who loses?):**

*There is a cost involved with VMS although many boats already have the equipment. A check in/out similar to the IPHC program is simple and cost effective.*

**Are there Alternative Solutions? If so, what are they and why do you consider your proposal the best way of solving the problem?**

*VMS or check in/check out*

**Supportive Data and Other Information (What data are available and where can they be found?):**

*Reports of illegal fishing are second-hand, but they are prevalent.*

**Signature:**

*MB Laukitis*

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

**Name of Proposer:** Rhonda A. Hubbard **Date:** 9/1/03  
**Address:** P.O. Box 3302, Seward, Ak 99664  
**Telephone:** (907) 224-5584 **E-mail:** Kruzoff@ak.net

**Brief Stmt of Proposal:**

Eliminate Prohibition under 50 CFR, 679.7f15 and its reference to (50 CFR) 679.42k1&2 which requires IFQ holders to fish all their B, C or D vessel Category shares before they can catch any of their A shares or non-IFQ fish from state waters.

**Objectives of Proposal (What is the Problem?):**

Eliminate an unnecessary prohibition and give those holding A shares, in conjunction w/B C and/or D category shares and in state waters permits, the flexibility to harvest their shares whenever they want, and that it will no longer be mandated that B,C and/or D shares must be harvested first before fishing and processing A shares or non-IFQ fish.

**Need and Justification for Council Action:**

To my knowledge there is no other way to get the prohibition eliminated

**Foreseeable impacts:**

The only foreseeable losers are the enforcement agents who would lose the responsibility of having to enforce this unnecessary regulation. The question of who wins, is not the issue as much as it is a question of flexibility. Without this regulation share holders who may hold a variety of shares in the A, B,C, and/or D categories as well as any other non-IFQ fishing permits would be given the flexibility to fish their shares at anytime in any order. 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.

**Alternative Solution:** No other alternative solution

**Supportive Data and Other Information:** See Prohibitions 679.7f15 and 679.42k1&2. Call local enforcement agent, Scott Adams in Seward at 224-5348 regarding past conversations and dialogue supporting the change of this regulation.

March 10, 2003

Dave Benton, Chairman  
NPFMC  
605 W. 4<sup>th</sup> Ave. Suite 306  
Anchorage AK 99501

Dear Dave,

On behalf of the members of the Alaska Longline Fishermen's Association (ALFA) I am requesting the Council initiate a Regulatory Amendment to change the Product Recovery Rate (PRR) for bled sablefish from the current 0.98 to 1.

NMFS began applying the 0.98 PRR for bled sablefish early last year. Fishermen bleed their fish to improve quality. The effect of the 0.98 PRR is that for every 10,000 lbs of bled sablefish delivered, 10,200 lbs. is deducted from that person IFQ. This 2% deduction for blood loss has caused many fishermen to quite bleeding their fish thus reducing quality. (see figure below)

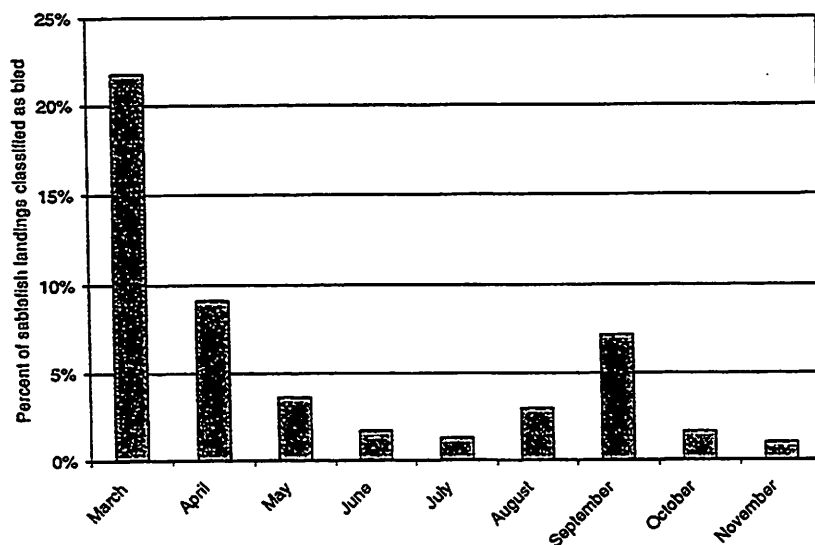


Figure 1.—Percent of sablefish landings classified as bled (product code 03) in the Alaska EEZ during 2002 (NMFS Alaska Regional Office).

ALFA contacted NMFS in May to ascertain what information the 0.98 PRR was based on. We were told that the PRR dates back to the early 1980's and it is uncertain if the amount was every verified for sablefish. It is also unclear what the 0.98 number represents. Fish landed as unbled, round (product code 01) often have some blood loss due to handling practices such as gaffing. The 0.98 PRR for bled fish (product code 03) should reflect the additional amount of blood loss due to actively bleeding the fish. It is unclear if this distinction was ever considered when setting the 0.98 PRR.

In July, ALFA participated in a joint study with NMFS Auke Bay Lab onboard the Survey vessel *Alaskan Leader* to determine the **maximum amount of blood loss in sablefish under ideal conditions**. Maximum blood loss was chosen over estimating an appropriate PRR because of the short time available and the difficulty in taking into consideration variables such as soak time.

While the study was able to achieve a maximum of 2 % blood loss using short soak times, netting rather than gaffing the fish to avoid injury, and bleeding them dry rather than in a RSW tank, it noted that these methods are not consistent with normal fishing practices. This in addition to the fact that an appropriate PRR should account for variability in soak times, and the background blood loss due to handling practices (gaffing) led the draft report (in review) to conclude that

- “The current PRR for bled sablefish appears too high because of these factors.”
- “The blood loss in bled fish may differ little from unbled fish which lose blood due to being gaffed aboard then removed from the hook with a crucifier.”
- “The overall PRR for bled fish for the fleet is difficult to estimate because of the several factors that affect the PRR for a commercial fishing trip and because the blood loss is small and variable.”

ALFA’s proposal to change the PRR for bled sablefish to 1 is also predicated on the fact that the current PRR of 0.98 is more an exercise in accounting than a measurer necessary to conserve the resource. Blood loss from handling practices is not is not considered in the stock assessment model, during the survey, or in the abundance estimates used for sablefish. The draft report on the bleeding experiment further concludes:

- “Whether or not blood loss is accounted for in catch estimation has minimal effect on abundance estimation in stock assessment models and the recommended quota, and does not serve to prevent overharvest.” (emphasis added)

In closing, the current PRR of 0.98 is too high and needs to be changed. It is not necessary for conservation of the resource, and is having a detrimental effect on quality. ALFA respectfully request the Council initiate a regulatory amendment to address this issue.

Sincerely,

Linda Behnken  
(Executive Director)



**RECEIVED**

DEC - 3 2003

TO: NPFMC  
605 W 4<sup>th</sup> Avenue Suite 306  
Anchorage, AK 99501

**N.P.F.M.C**

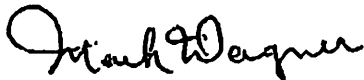
FROM: Mark Wagner  
P.O. Box 326  
Sand Point, AK 98383

Dear Council Members,

I would like to offer for review the halibut proposal that I submitted on July 15, 1999. The proposal would allow 3B and 4A D class shareholders to fish up their shares on a C class vessel. A copy of the original proposal has been included. Most of the same problems that existed then, are still present today. These include: safety, localized stock depletion, accessibility of higher paying markets, and the difficulty of selling the larger blocks.

The IFQ program was instituted to help the fishermen and aid the resource. Since the IFQ's inception, there have been a number of changes made to improve this program.. It is now time for another change to benefit the small boat shareholders of areas 3B and 4A.

Thank-you,



Mark Wagner  
December 2, 2003

Name of Proposer: Mark J. Wagner

July 15, 1999

Address: P.O. Box 326  
Sand Point, Ak. 99661  
Phone # 907-383-3272

**Brief Statement of Proposal:**

For areas 3B and 4A, to include in the halibut IFQ program a provision to fish up class D shares on a class C fishing vessel. This fish up amendment would enable class D IFQ holders (35 foot vessel and under) to harvest halibut on a fishing vessel up to 60 foot in length.

**Objectives of Proposal (What is the problem?):**

In area 3B and 4A a class D vessel is extremely limited as to when and where it can be fished. These limitations are a major safety concern. Both 3B and 4A are less protected and subject to severe weather conditions. The geography and weather in area 3B and 4A would seem to support a vessel class breakdown similar to blackcod, where there are only B and C classes. Fishing for halibut and blackcod in 3A and eastward is more small boat friendly than fishing in area 3B or 4A.

Currently, the halibut season (8 months) opens on March 15 and closes on November 15. With a class D vessel, an IFQ holder is generally limited to fishing between May 15 and September 15 (4 months) based on weather and fishing grounds accessibility. Prior to May 15 or after September 15, the weather is a big concern for a vessel 35 foot and under, and the halibut are generally further off shore that presents a major safety problem on a class D vessel.

There's also the problem of markets and the distances between the existing markets. At various times last year, fish processors in King Cove, Sand Point and Chignik weren't buying halibut during the salmon season. A class D boat would be forced to wait until fall, with its worsening weather, or run fish across Unimak Pass to Dutch Harbor, or east to Kodiak Island to sell his product.

In area 4A (that runs 100 miles to the west of Dutch Harbor), the only markets are Akutan and Dutch Harbor itself. The ability to fish D shares on a larger boat would move more effort further from town and prevent localized stock depletion. The same problem occurs in area 3B.

**Justification for Council action (Why can't the problem be resolved through other channels?):**

One solution would be to sell the class D shares and buy class C shares. The problem that others and I have encountered is that there is virtually no market for class D shares. The salmon fisheries and small boat cod fisheries in 3B and 4A are fished on boats almost exclusively larger than 35 foot.

Since the fish-down amendment was instituted, any vessel less than 35 foot will generally consider buying only class B or C shares. By buying the larger boat class shares, they save time and broker commissions when they later increase the size of their boat.

In a lot of ways, the initial class D shareholders are being penalized by a system that was intended to help them. By adopting the fish-down amendment in August 1996, the 35 foot and under vessel owners were helped because a person who bought IFQ shares for a vessel in a larger class size, could later buy a larger boat and not have the problem of selling their current shares. But if you already own class D IFQS, you now have a big problem of trying to sell them and then replace them with the appropriate class of shares when you want to improve your fishing operation.

**Foreseeable Impacts of Proposal (Who wins, who loses?):**

**Who wins:** The biggest winner is the 35 foot or under boat owner who was originally issues halibut shares. They wouldn't be handicapped with trying to sell their shares when buying a bigger vessel. Also, anyone who is looking to buy IFQ shares in area 3B or 4A.

Skiff fishermen would also benefit. In area 3B the quota has increased approximately 3.5 times since 1995. This has created difficulty for skiff fishermen to catch the larger amount. By adopting the fish-up policy, it gives the skiff fishermen the option of taking their quota and fishing on a bigger boat. By modifying the IFQ program, the following issues would be addressed.

1. The safety concerns of the 35 foot and under boat owner.
2. The increase of localized halibut stock depletion.
3. The availability of halibut markets during the salmon seasons.
4. The flexibility to fish halibut throughout the 8 month season.

**Who loses:** Possibly entry level skiff fishermen. But quota shares would still be available, as it is a "buyers market" in all vessel size classes in both 3B & 4A.

**Are there alternative solutions? If so, what are they and why do you consider your proposal the best way of solving the problem?**

A class D IFQ holder in area 3B or 4A can try to sell their shares. In the three years that I've had my 3B shares on the market, I have had no offers. I know of several others who share this same problem.

**Supportive Data & other information (What data are available and where can they be found?):**

For safety concerns, the larger the vessel the more the Coast Guard requires in safety equipment. That data can be found in Commercial Fishing Vessel Requirements.

For selling the shares, the IFQ brokers are aware of the lack of market for selling the class D shares in area 3B or 4A.

By instituting this proposal, it doesn't force a class D IFQ holder to sell their shares in order to improve the safety and efficiency of their operation.

To Chair Stephanie Madson  
North Pacific Fisheries Management Council

From David Barth

12816 311<sup>th</sup> AVE. S.E., Sultan WA 98294

12.5.03

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DEC - 5 2003  
N.P.F.M.C.

I am writing in support of an amendment to allow  
emergency medical transfers of U.F.D.

On Halloween night of 4<sup>th</sup> year I was running off the  
ocean from a cod trip when a pan of boiling water  
slipped into my shoe, burning my foot severely. I  
had to hire an alternate skipper to finish my season  
for me. I only needed 900 pounds of L-C halibut to  
get to 90%, yet it was very difficult finding a way  
to allow for the alternate skipper to catch the fish.  
The idea that I might lose that \$3000.00 in income for  
lack of a simple regulation was frustrating.

We desperately need this very rational, logical  
amendment and I certainly hope it will get done.

Thank you, Sincerely,

David Barth

**PUBLIC TESTIMONY SIGN-UP SHEET FOR  
AGENDA ITEM C-4 IFQ**

	NAME (PLEASE PRINT)	AFFILIATION
1	<del>SCOTT STEVENSON</del>	<del>A.S.D.A.</del>
2	Lindy Wagner	3-B halibut fish- <del>up</del> prep.
3	John Webb	
4	Bob Alverson / <sup>SAGE</sup> KUTSER	F.U.O.A. / SEATTLE
5	Bob Storts	Unalaska Native Fisherman's Assoc.
6	Jeff Stephana	UFMA
7	Scott Stevenson	BBDA
8	Dave Souza	DSFY
9	John CROWLEY	FUOA
10	Heather McCarty	CBSFA
11	GERRY MERRIGAN	PVOA
12	John Moller	ADICDA
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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."

Heather C-H  
McCarthy



## CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

Post Office Box 288 ▲ St. Paul Island, Alaska 99660 ▲ Phone (907) 546-2597 ▲ Fax (907) 546-2450

December 13, 2003

Mr. Chris Oliver, Executive Director  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Street, Suite 306  
Anchorage, Alaska 99501

**Re: Agenda Item C-4  
IFQ Implementation  
Comments in support of Oct. 5, 2003, committee recommendations**

On behalf of the Central Bering Sea Fishermen's Association, whose members harvest both CDQ and IFQ halibut in Area 4C, we offer the following comments on the IFQ Implementation Committee report.

During the 2003 season, Area 4C fishermen landed just 42% of their IFQ halibut, compared to a statewide average of 97%. Only 45% of 4C CDQ halibut was landed. Loss of income was significant. The causes of such low abundance in Area 4C are being debated and researched, but the answers are not yet known. The actions below would help alleviate some of the problems.

### **I. Action 2: Amend Area 3B, 4A, 4B, 4C and 4D QS Categories**

Under Action 2, CBSFA specifically supports Alternative 2 and Alt. 3. There are approximately 22 Category D vessels fishing Area 4C. Some Area 4C Category D QS holders want the alternative to buy larger vessels and have the ability to own and fish their Category D QS on those larger vessels. Other Category D QS holders, because of bad weather and safety considerations, want the alternative to hire Category C or B vessels to fish their QS.

Please move to analyze and adopt this recommendation at the earliest possible date.

### **II. New proposed action: Allow Area 4C fishermen to also fish Area 4D.**

We propose that Area 4C IFQ and CDQ fishermen be allowed to harvest their quota in Area 4D.

The NPFMC has previously allowed the creation of a "perforated boundary" between Area 4D and 4E for CDQ groups. In light of continuing low abundance of halibut in Area 4C, we are asking the NPFMC to take similar action with the area 4C/Area 4D boundary.

The current Catch Sharing Plan apportions 46.42% of the Area 4C/D/E catch limit to Area 4C, yet Area 4C size is only about 5% of the total fishing grounds for the combined 4C/D/E area. In the past, this has not been an issue, but the CPUE of halibut in Area 4C has significantly declined in 2002 and 2003, causing significant loss of income to Area 4C fishermen.

*We support the work and recommendations of the IFQ Implementation Committee and ask that the NPFMC analyze and act on the specific proposals in this letter at the earliest possible date.*

Respectfully submitted,

Central Bering Sea Fishermen's Association

National Marine Fisheries Service  
 PO Box 21668  
 Anchorage, Alaska 99802-1668

Prepared: DEC-13-03 06:46  
 Restricted Access Management  
 800-304-4846

*C. H. Heather McCurdy*

### Individual Fishing Quota (IFQ) Allocations and Landings

From 01-MAR-03 through 13-DEC-03

Area	Species	Vessel Landings	Total Catch Pounds	TAC		
				Allocation Pounds	Remaining Pounds	Percent Landed
2C	halibut	2,755	8,242,583	8,500,000	257,417	97
3A	halibut	2,551	22,281,887	22,630,000	348,113	98
3B	halibut	1,003	17,140,605	17,130,000	-10,605	100
4A	halibut	384	4,895,472	4,970,000	74,528	99
4B	halibut	151	3,005,534	3,344,000	338,466	90
4C	halibut	58	424,935	1,015,000	590,065	42
4D	halibut	37	1,421,028	1,421,000	-28	100
<b>Total</b>		<b>6,939</b>	<b>57,412,044</b>	<b>59,010,000</b>	<b>1,597,956</b>	<b>97</b>
AI	sablefish	153	1,966,385	4,100,556	2,134,171	48
BS	sablefish	170	1,207,792	2,557,336	1,349,544	47
CG	sablefish	646	11,251,502	11,358,099	106,597	99
SE	sablefish	684	7,763,699	7,848,376	84,677	99
WG	sablefish	208	4,233,462	4,532,658	299,196	93
	sablefish	216	4,416,060	4,466,520	50,460	99
<b>Total</b>		<b>2,077</b>	<b>30,838,900</b>	<b>34,863,545</b>	<b>4,024,645</b>	<b>88</b>

Total number of vessel offloads containing only halibut IFQ: 5,497  
 Total number of vessel offloads containing only sablefish IFQ: 630  
 Total number of vessel offloads containing both IFQ species: 1,300

- Notes:
1. This report summarizes fixed gear IFQ landings reported by Registered Buyers. At sea discards are not included.
  2. Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds.
  3. 'Vessel Landings' include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one IFQ Permit Holder.
  4. 'Vessel Offload' is the removal of fish from a harvesting vessel to (or by) a specific Registered Buyer on a particular date/time.
  5. Due to over- or underharvest of TAC and/or rounding, percentages may not total to 100%.
  6. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.
  7. The IFQ seasons are: 1995 - 2001 March 15 - November 15. 2002 March 18 - November 18. 2003 March 1 - November 15.



National Marine Fisheries Service  
 PO Box 21668  
 Juneau, Alaska 99802-1668

Prepared: DEC-13-03 06:46  
 Restricted Access Management  
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### Community Development Quota (CDQ) Halibut Allocations and Landings

From 01-MAR-03 through 13-DEC-03

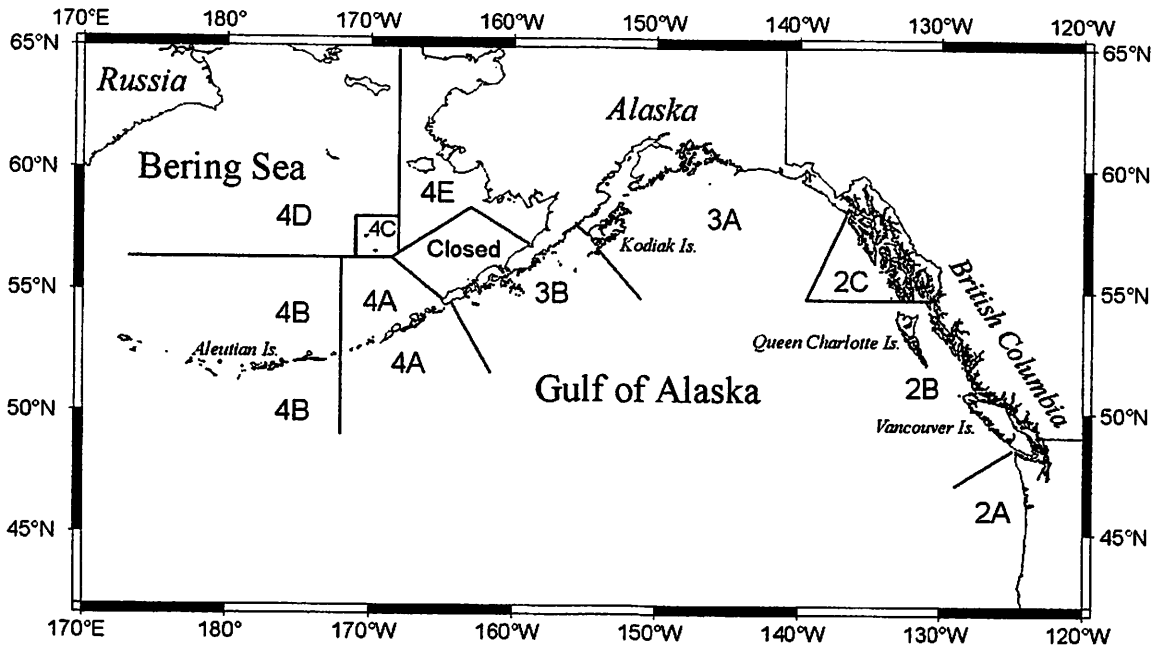
Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	TAC Remaining Pounds	Percent Landed
4B	halibut	79	821,887	836,000	14,113	98
4C	halibut	459	461,181	1,015,000	553,819	45
4D	halibut	13	485,169	609,000	123,831	80
4E	halibut	1,305	409,947	390,000	-19,947	105
<b>Total</b>		<b>1,856</b>	<b>2,178,184</b>	<b>2,850,000</b>	<b>671,816</b>	<b>76</b>

**.1 amount of 4D allocation harvested from 4E** (by CDQ groups that have 4D allocations and have exceeded their 4E allowance)

**Pounds**

117,692

- Notes:
1. This report summarizes fixed gear CDQ landings reported by Registered Buyers. At sea discards are not included.
  2. Halibut weights are reported in net (headed and gutted) pounds.
  3. 'Vessel Landings' include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one CDQ Permit Holder.
  4. Due to over- or underharvest of TAC and/or rounding, percentages may not total to 100%.
  5. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.
  6. Starting in 2002, 4D CDQ halibut allocation may be harvested from 4D or 4E; 4E allocation may be harvested only from 4E.
  7. The CDQ halibut seasons are: 1995 - 2001 March 15 - November 15. 2002 March 18 - November 18. 2003 March 1 - November 15.



COMMISSIONERS

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VANCOUVER, B.C.

## INTERNATIONAL PACIFIC HALIBUT COMMISSION

ESTABLISHED BY A CONVENTION BETWEEN CANADA  
AND THE UNITED STATES OF AMERICA

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November 26, 2003

Mr. Phillip Lestenkof, President  
Central Bering Sea Fishermen's Association  
P.O. Box 288  
St. Paul Island, AK 99660

Dear Phillip,

The IPHC staff has discussed your letter of September 19<sup>th</sup> concerning the issues of Area 4C, particularly the continuing low catch rate of halibut. We are aware of the problems in catching the Area 4C catch limit that the Pribilof Islands harvesters have experienced in recent years. As you know, the Commission assesses the Area 4C/D/E as a single unit and adopts the North Pacific Fishery Management Council's catch sharing plan (CSP) for this unit annually. From a biological perspective, the Commission does not regard Area 4C as an independent production unit and we do not believe that recruitment to the area is governed primarily by events in Area 4C. However, fishing effort in this area can impact available yield if the rate of removals exceeds the rate of replenishment through recruitment and other movements of adult fish.

The CSP assigns approximately 46% of the entire catch limit for the Area 4C/D/E unit to Area 4C, even though Area 4C contains only about 5% of the total bottom or fishing ground area of the 4C/D/E unit. When the removals in Area 4C were about 700,000 lbs and the total removals for Areas 4C/D/E were about 1.6 Mlbs, the replenishment rate to Area 4C was probably enough to keep up with removals. Now that we have removals in Area 4C of 2.03 Mlbs and those from Areas 4C/D/E at 4.45 Mlbs, then these replenishment rates do not appear to be sufficient to offset local removals in Area 4C. The larger number of older fish in Area 4D relative to Area 4C also indicates slow mixing of fish in these areas.

Your proposal to extend the Area 4C boundaries raises several issues, as I am sure you aware. We will not comment on the allocative implications because that is outside the Commission's area of responsibility. We would however, offer comments on the other aspects of your proposal.

1. The proposal to extend the Area 4C boundary southward in Area 4A is not one that we would endorse. Such a proposal could create significant allocative issues concerning historical and future IFQ determinations. It would also invoke a different productivity base for the new area, with implications that are unknown at this time.
2. The proposal to extend the Area 4C boundary westward, to be the same as the western boundary of Area 4D is not entirely clear but we interpret your proposal as allowing Area 4C harvesters to fish in this expanded Area 4C but not allowing Area 4D harvesters to fish inside

- 2 -

the previous Area 4C. We agree that the latter would require revisions to the NMFS IFQ regulations, however we also believe that the North Pacific Fishery Management Council would likely require public commentary on any proposal to change the boundaries of Area 4C. A requirement for public commentary might invoke much of the same process as would be required for regulatory amendments. Your proposal appears to encompass having Area 4C CDQ harvesters also fishing outside the present Area 4C boundaries and this would also be likely to trigger a public commentary.

3. We do not perceive any biological impediments to a westward extension of the Area 4C boundary. However, the Commission staff would prefer that Areas 4C/D/E be treated as a single operational unit, since we view this as a single unit from a biological and assessment process. These are allocative decisions that the NPFMC would need to implement and the Commission would also need to provide an analysis of the implications of eliminating the internal boundaries of these areas.

If you wish to have any elaboration on these comments, please let me know. Any future action on your proposal would need to come through the NPFMC. If it were submitted directly to the IPHC, the Commission would supply its comments but refer it to the NPFMC for further action.

Sincerely,



Bruce M. Leaman  
Executive Director

Scott Stevenson  
C-4  
DID NOT  
TESTIFY

Madam Chairwoman, Ladies and Gentlemen of the North Pacific Fishery Management Council. My name is Scott Stevenson and I am Vice President of Bristol Bay Driftnetters' Association. I have been fishing Bristol Bay salmon for the last 23 years and have been involved in the IFQ Halibut fishery in 4A and 4B for the last 5 years. You have a number of proposals before you to change the IFQ program and I would like to comment on some of them.

I am in favor of increasing the number of allowed blocks from 2 to 4 in area 4. The TAC in these areas was so low when the IFQ program was implemented that there are very few blocks of any size. This makes it very hard to purchase blocks that are big enough to optimize a fishing operation. Another outcome of the low TAC is that there is very little unblocked IFQ in area 4 and that takes the option of using one of your block as unblocked and adding to it when you have the money to reinvest in your fishing operation. Having the ability to have 4 instead of 2 blocks would alleviate this problem.

I am in favor of the proposal to increase the sweepup limit to 5,000#s in 2C and 3A and I am also in favor increasing the limit in 4A to 10,000#s.

I am in favor of the "use it or loose it" proposal, as it would reduce the administrative burden at RAM.

I am in favor of PVOA's proposal to set up an emergency medical transfer program to allow the temporary transfer of the pounds of the affected fisherman to someone else as an answer to the problem of an IFQ holder not being able to fish his or her IFQ due to health reasons.

I am in favor of allowing the fish up of C or D class Quota shares on a larger vessel in areas 3B and 4. I currently fish my 4A shares on a 32' Bristol Bay boat and I will continue to do so in the future but many people I know have enough shares to make this impractical due to the area they fish or the number of pounds they have to catch after the salmon season.

In closing thank you very much for the opportunity to share my views with you and for your work to implement our fisheries.