

MEMORANDUM

TO: Council, AP and SSC Members

FROM: Clarence G. Pautzke
Executive Director



DATE: January 8, 1990

SUBJECT: Inshore-Offshore Allocations

ACTION REQUIRED

Receive Fishery Planning Committee report. Review revised alternatives, tasking and analytical needs. Provide direction on development of amendment.

BACKGROUND

The rapid harvest of pollock in the Gulf of Alaska during the spring of 1989 has brought to the forefront the controversy over domestic inshore-offshore priorities to the groundfish resources off Alaska. In April 1989 the Council began a process of developing a better understanding of the issue which included drafting of a problem statement and several proposed solutions. During this process the Council has received input from its Fishery Planning Committee (FPC), its Advisory Panel, and members of the public. Comments made to the Council have ranged from recommending a fast-track approach to allocating the resources, to favoring abandoning further pursuit of this issue until the Council has completed its limited access agenda.

In December the Council revised the problem statement and list of alternative solutions (items C-8(a) and (b)) and requested the FPC to review the new draft and recommend any changes which would clarify and more narrowly focus the issue. The FPC met earlier this week, so a report should be available.

In preparation for the FPC meeting, the Council staff has reviewed the latest draft problem statement and alternatives, and prepared the attached memo (item C-8(c)). Also provided for your review are several letters on the inshore-offshore issue received since the December meeting (items C-8(d) and (e)).

At this meeting the Council needs to determine if the problem statement and alternatives are sufficiently defined for analysis. The Council also needs to consider tasking requirements and review the time schedule for the analysis. The Council has approved the following schedule:

January 1990	Alternatives approved for analysis
June 1990	Amendment package approved for public review
September 1990	Consider final approval of amendment

The Council has the latitude to modify, revise, or abandon this schedule at any time.

INSHORE-OFFSHORE ALLOCATION

Problem Statement

The finite availability of fishery resources, combined with current and projected levels of harvesting and processing capacity and the differing capabilities of the inshore and offshore components of the industry, has generated concern for the future ecological, social and economic health of the resource and the industry. These concerns include, but are not limited to, localized depletion of stocks or other behavioral impacts to stocks, shortened seasons, increased waste, harvests which exceed the TAC, and possible pre-emption of one industry component by another with the attendant social and economic disruption.

Domestic harvesting and processing capacity currently exceeds available fish for all species in the Gulf of Alaska and most species in the Bering Sea. The seafood industry is composed of different geographic, social, and economic components which have differing needs and capabilities, including but not limited to the inshore and offshore components of the industry, which may be defined as follows:

- 1) Inshore: Includes fishing vessels that deliver product for processing to inshore and offshore (stationary or minimally mobile) processing facilities, and vessels which are dependent upon frequent shoreside logistical support.
- 2) Offshore: Includes highly mobile fishing vessels which have onboard facilities to process their own catch, mothership processors which are sufficiently mobile to pursue species throughout its range, and those processors which do not depend upon frequent shoreside logistical support.

The Council will address these concerns through the adoption of appropriate management measures to advance the conservation needs of the fishery resources in the North Pacific and to further the economic and social goals of the Act.

INSHORE-OFFSHORE ALLOCATION

Management Alternatives

1. Status quo with no change in regulations to address the problem.
2. Use traditional management tools including but not limited to: trip limits, periodic allocations, super-exclusive registration areas, and gear sizes.
3. Allocate the Total Allowable Catch (TAC) between inshore and offshore components of the industry. This could be done with or without specific operational areas.
4. Prohibit some or all of the offshore components of the industry from the Gulf of Alaska, except as specifically provided for by the Council, and in the Bering Sea/Aleutian Islands, allocate a portion of the TAC between inshore and offshore components of the industry and define operational areas.

In addition to the above, at the discretion of the Council, provide for future management options for disadvantaged communities.

- (i) Yukon-Kuskokwim Fisheries Task Force Proposal
 - (ii) Kokechik Fishermen's Association
 - (iii) Community Development Quotas
5. Allocate TAC on basis of species (for example, just pollock) and vessel length (for example, partition the BSAI TAC 50-50 between vessels over 150' and those less than 150'. A threshold for the GOA might be 125').
6. Use a combination of the following measures: ban pollock roe-stripping everywhere, delay opening of GOA pollock season until after roe season, split pollock into roe, non-roe seasonal quotas, and divide GOA pollock area into separate districts.
7.
 - Establish an immediate moratorium on new harvesting and processing capacity;
 - Exempt vessels under 40 ft or in the pipeline; and
 - Establish a cut-off date.

THIS AGENDA ITEM WILL BE AVAILABLE AT MEETING TIME

December 26, 1989

Mr. Don Collingsworth , Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Mr. Don Collingsworth:

At the last meeting of the Council in December there was considerable debate and motions regarding the inshore and off shore allocation options. On several occasions I attempted to interject a couple of options for future consideration.

I would appreciate if the subcommittee, which will discuss the Council directions in December, will discuss specifically the following two concepts as the allocations would apply to Pollock only.

A. (In part, taken from testimony of Alyeska Seafoods, Icicle Seafoods, Trident Seafoods, UniSea, Inc., Westward Seafoods.)

i Create an in-shore fishery area around Dutch Harbor in which only vessels who deliver to shorebased processors can operate. (A proposed area for in-shore fishing would be 168 degrees to 163 degrees West Longitude and 56 degrees North Latitude south to the Aleutian Islands chain.)

ii Divide the total allowable catch for pollock whereby 50 percent of the total Bering Sea/Aleutian Islands pollock TAC will be equally divided between inshore and offshore interests.

B. (In part, taken from the testimony of the Midwater Trawlers)

i Allocate the resource in the Gulf of Alaska and Bering Sea (pollock) between harvesters.

ii Allocate between vessels harvesting the resource that are less than 125 feet overall length and those vessel which are over 125 feet in length.

These two proposals are very specific , whereas the Council was discussing more general options in December. I believe that analysis of these options would provide the type of information the Council needs to a variety of options of interest to various Council members.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. Alverson", with a long horizontal flourish extending to the right.

Robert D. Alverson
Rm. 232 West Wall Bldg.,
Fishermens Terminal
Seattle, WA. 98119

NORTH PACIFIC TRAWL FISHERIES
KODIAK ALASKA

P.O. Box 8190
Kodiak, AK 99615

AGENDA C-8(e)
JANUARY 1990

JAN 2

F/V BARBARA LEE F/V EMERALD SEA

December 18, 1989

Mr. Don W. Collinsworth
Alaska Dept. of Fish & Game
P.O. Box 3-2000
Juneau, AK 99802

COMMISSIONER'S OFFICE
RECEIVED
DEC 26 1989

DEPARTMENT OF FISH AND GAME


Dear Mr. Collinsworth:

I would like to express my complete support for a plan which seems to me to be the fairest of all the alternatives I have heard of for future management of our groundfish stocks. This alternative is to allocate the Gulf of Alaska/Bering Sea resources according to the length of the boats. If this was done in such a manner that someone could not come in with a large processing ship and have some smaller catcher boats catch for it, you would, in fact, insure that the fleet of smaller catcher boats that exist in the USA and the shoreside plants that have already been built and support the local economy would get their fair share of the resource.

I am also very much in favor of your banning the roe stripping. I believe it is a total waste of the resource and could further damage the fishing stock.

I cannot express to you how strongly I feel on this issue of the factory trawlers coming into the Gulf of Alaska in the Spring of 1989 and wiping out the allocation in a matter of days. This type of action can not be allowed to continue. Your 50% allocation for boats over 150' and 50% for boats under 150' in the Bering Sea and 50% for boats over 125' and 50% for boats under 125' in the Gulf of Alaska seems to be a very reasonable alternative and solution to the problem. The one thing to keep in mind is that you would have to be careful in the wording pertaining to length so that some large floating barge or mother ship employing 300-400 people from Seattle is not allowed to sit there with a half dozen catcher boats and take all the allocation that should be going into the Alaskan economy. If the allocation rules were written such that all boats involved in the catching and processing of the resource had to be under a certain length it would go a long way to solving our resource allocation problem. I think this is by far the best plan that you have come up with and I strongly urge its implementation.

Sincerely,


Jim Jovle
Owner/Manager

JJ/gj

M E M O R A N D U M

TO: Fishery Planning Committee Members
FROM: Steve Davis
Deputy Director
DATE: January 15, 1990
SUBJECT: December 8, 1989 Draft Inshore-Offshore Problem Statement and Alternatives

In January the Council will determine whether the current draft inshore-offshore problem statement and accompanying solutions are sufficient to initiate development and analysis of a plan amendment to the groundfish FMPs. In December the Council requested that the Fishery Planning Committee (FPC) review the revised draft and recommend any changes which would further define or clarify the issue and the alternative solutions. The need to have a clear problem statement and focused alternatives is more apparent now than ever given the Council's existing staff, data, and time limitations.

In preparation for your meeting, I have reviewed the December 8 draft and have prepared the following comments. My intent is to aid the FPC and Council during its review by raising issues which should be addressed before sending the draft to analysis.

1. Inshore-Offshore Problem Statement

The problem statement now addresses two separate problems: (1) the fishery resource is limited and there is no assurance of continued product flow to various industry sectors; and (2) domestic harvest and processing capacity exceeds available resources. Both problems are related and have conservation, social, and economic ramifications.

These problems could be redefined as: (1) a resource allocation problem where one industry sector is threatened by another; and (2) an economic problem of excess harvest and processing capacity given the resources at hand.

As mentioned previously, these two problems are not independent in that Problem 1, resource allocation, might well be a direct result of Problem 2, excess capacity. However, it is not necessary to resolve both problems simultaneously or with the same solution since it can lead to a single measure which doesn't completely address either problem. **Does the FPC wish to address both problems as a single agenda topic, within a single analysis? Or, would it prefer to separate the two problems, focus on the resource allocation issue in one amendment package, and address the excess capacity issue in the limited access project currently underway?** This in turn could help reduce the number of alternative solutions analyzed, simplify the analysis, and help maintain a relatively short time schedule for Council/Secretarial review and approval.

2. Management Alternatives

Seven management alternatives have been developed to date, some being more specific than others. Alternative 1 is maintaining the status quo. Alternatives 2-6 can be considered as ways to address the resource allocation problem while Alternative 7 is clearly a measure to deal with excess capacity. To solve both the resource and economic problems simultaneously, more than one alternative must be chosen. Without additional alternatives designed to address excess capacity, the Council will be forced into selecting between Alternative 1 and 7. **Does the FPC believe additional excess capacity alternatives are needed? Does the FPC have any recommendations?**

Alternatives 2-6 could use further work. In general, they are a list of concepts rather than specific management measures. To better refine the alternatives, the Council's goals should be understood. For example, if it is a Council goal to maintain recent harvest and processing shares of the TAC, when addressing the resource allocation problem, Alternative 3 could be written so that 77% of the Alaska groundfish OY is allocated offshore and 23% onshore (based on 1989 data). If the Council's goal is to provide stable employment and a steady source of supply to onshore plants and communities during the year, these percentages would change.

Alternative 2 proposes using traditional management tools including, but not limited to, trip limits, periodic allocations, registration areas, and gear sizes. This alternative is too broad as written. Any measure is possible. Four examples are used to separate the catch and processing of resource in space, time, and by user. Each of these examples can be viewed as a typical amendment proposal with each containing several alternatives themselves. Unless refined, I can anticipate that Alternative 2 would require the analysis of at least twelve more specific management measures that remain to be developed by the FPC or staff.

Alternative 3 proposes allocating a species TAC between inshore and offshore components of the industry, within or outside specific operational areas. **Is it your understanding that this concept apply to all fisheries?** There are at least nine identifiable fisheries in the Bering Sea/Aleutian Islands and Gulf of Alaska. Doing an analysis of the impacts of particular allocations (which remain to be specified) will likely show differences between fisheries. Before analysis can begin, specifications of allocation percentages by fishery and by area need to be developed.

Alternative 4 proposes prohibiting some or all of the offshore components of the industry from the Gulf of Alaska and allocating the TAC between inshore and offshore components in the Bering Sea/Aleutians. **Isn't Alternative 4 the same as Alternative 3?** Under Alternative 3, the Council could allocate the entire Gulf TAC to inshore components and likewise allocate Bering Sea TAC among industry groups and coastal communities. As with Alternative 3, the specific allocations still need to be developed.

Alternative 5 would allocate TAC on basis of species (same as Alternative 3-4) and vessel length. Specific vessel length categories will be needed for analysis. A vessel length data base is available but will require time to sort by fishery. The FPC and Council will need to examine this data base before determining appropriate vessel length categories for analysis.

Alternative 6 presents a combination of four measures for pollock fishery management only. **Is this alternative needed?** There already exists a proposed amendment to ban roe-stripping. A delay in the opening of the Gulf pollock season until after the roe season can be accommodated by regulatory amendment using the fishing season framework. The apportionment of pollock TAC

into roe/non-roq quotas can be accomplished through the current pollock amendment. The further specification of districts within the Western/Central Regulatory Area will require plan amendment and could probably be more easily addressed as an amendment separate from the inshore-offshore issue.

Alternative 7 would establish an immediate moratorium on new harvesting and processing capacity, a freeze on the current fishery. **Does this measure precede a limited access system, or does it institute permanent restrictions for the foreseeable future? What is the cut-off date?**

CONCLUSION

It appears that further fleshing out of the alternatives is required prior to analysis. Alternative 2 needs to be more specific. Alternatives 3-5 can be refined and possibly combined. Alternatives 6 and 7 could possibly be withdrawn from this package and pursued in other amendments.

Summary Report of the
Fishery Planning Committee Meeting
January 15, 1990
Anchorage, Alaska

The Fishery Planning Committee (FPC) meeting was called to order by Chairman Blum. Council members in attendance were: Henry Mitchell, Bob Alverson, Oscar Dyson, Larry Cotter, John Peterson, and Ron Hegge. Council staff support was provided by Steve Davis. There were over twenty members of the public in attendance.

The Committee's agenda focused on a review of the Council's December 8, 1989 draft of the inshore/offshore problem statement and proposed alternatives.

I. Review of Problem Statement

The FPC was presented with a staff review document on the draft problem statement and alternatives. In general the analysis suggested further refinements to the problem statement and raised several questions concerning the alternatives. The FPC agreed that further work is required to better define the alternatives prior to analysis. The Committee re-examined the draft problem statement and made several editorial changes to shorten the statement and make the problem more specific. The FPC's revised problem statement is provided as Attachment 1. The Committee stressed that it was their desire to draft a generic problem statement, with particular inshore-offshore problems addressed through specific management measures.

II. Review of Proposed Alternatives

The FPC examined each of the draft alternatives, noting that several of the alternatives presented management concepts rather than specific measures. For purposes of analysis and amendment development, these "alternatives" will need to be refined further by the Council. Following initial review, it was also apparent that several of the draft alternatives could be combined. A detailed discussion of each alternative followed. A list of the FPC's revised alternatives is provided as Attachment 2. A summary of key points is presented below:

Alternative 2: This alternative proposes the use of traditional management tools when addressing problems including but not limited to: trip limits, periodic allocations, super-exclusive registration areas, and gear sizes. While this alternative is broad and clearly a conceptual approach to solving the problem, the FPC recommends leaving this alternative in the amendment package since the Council should have this approach available to them when considering future management actions. Further development of this alternative could take the form of a Council policy implemented through a framework where traditional management tools are used.

Alternative 3 & 4: The FPC recommends merging these two alternatives since they both proposed allocating portions of the TAC to inshore/offshore components of the industry. The Committee recommends refining this alternative by focusing on the pollock, rockfish, flatfish and Pacific cod fisheries in the Gulf of Alaska and the pollock, flatfish and Pacific

cod fisheries in the Bering Sea, and analyzing the impacts of several allocation percentages. The suggested percentages for analysis are:

<u>onshore</u>	<u>offshore</u>	
100%	0%	(GOA pollock only)
80%	20%	(GOA only)
50%	50%	(both GOA and BS)
20%	80%	(BS only)

The FPC also recommends that any allocative scheme include some provision for community development.

Alternative 5: This alternative proposed allocating TAC based on vessel length. The proposed 150' length was originally suggested by industry as a size where as a definition, all these large vessels process offshore, and vessels less than 150' in length usually deliver to inshore processors. The FPC recommends that this alternative remain in the package for analysis and that the same allocation percentages described under Alternative 3 be used. Analysts should also examine DAH catch histories (1979 - present) for information which may suggest other allocation percentages between the two vessel length categories.

Alternative 6: While this alternative is generally being addressed in another Council amendment, the FPC recommends leaving this alternative in the package.

Alternative 7: Would establish a moratorium on new harvesting and processing capacity. The FPC recommends leaving this alternative in the package so that it can remain a discussion topic as a way to address the inshore-offshore issue.

In general the FPC recommends that the Council develop a list of working definitions of terms used in the problem statement and alternatives. The Committee also recommends that the Council initiate the development of an economic input/output model that would provide important information as allocative percentages are evaluated. Information the FPC would like to see included are: allocative effects on employment, markets, fishery revenue, investment, U.S. competitiveness on world markets, fleet displacement, and the support service industry.

Recognizing that further development of the inshore-offshore issue will require substantial effort by the Council and staff, the FPC anticipates meeting frequently with analysts during the course of this project.

Fishery Planning Committee Draft 1/15/90**INSHORE-OFFSHORE ALLOCATION****Problem Statement**

The finite availability of fishery resources, combined with current and projected levels of harvesting and processing capacity and the differing capabilities of the inshore and offshore components of the industry, has generated concern for the future ecological, social and economic health of the resource and the industry. These concerns include, but are not limited to, localized depletion of stocks or other behavioral impacts to stocks, shortened seasons, increased waste, harvests which exceed the TAC, and possible pre-emption of one industry component by another with the attendant social and economic disruption.

Domestic harvesting and processing capacity currently exceeds available fish for all species in the Gulf of Alaska and most species in the Bering Sea. The seafood industry is composed of different geographic, social, and economic components which have differing needs and capabilities, including but not limited to the inshore and offshore components of the industry.

The Council defines the problem as: 1) domestic harvest and processing capacity exceeds available resources; and 2) a resource allocation problem where one industry sector is threatened by another.

The Council will address these problems through the adoption of appropriate management measures to advance the conservation needs of the fishery resources in the North Pacific and to further the economic and social goals of the Act.

INSHORE-OFFSHORE ALLOCATION

Management Alternatives

1. Status quo with no change in regulations to address the problem (Required by law).
2. Use traditional management tools including but not limited to: trip limits, periodic allocations, super-exclusive registration areas, and gear sizes (Council may ask to analyze one or more of these depending on need).
3. Allocate the Total Allowable Catch (TAC) between inshore and offshore components of the industry. Specifically this alternative would examine the Gulf of Alaska pollock, rockfish, flatfish and Pacific cod fisheries, and the Bering Sea pollock, flatfish and Pacific cod fisheries, under various allocation percentages, ~~and adapt operations~~.
4. Allocate TAC on basis of species (for example, just pollock) and vessel length (for example, partition the BSAI TAC 50-50 between vessels over 150' and those less than 150'. A threshold for the GOA might be 125').
5. Use a combination of the following measures: ban pollock roe-stripping everywhere, delay opening of GOA pollock season until after roe season, split pollock into roe, non-roe seasonal quotas, and divide GOA pollock area into separate districts.*
6. -Establish an immediate moratorium on new harvesting and processing capacity:
-Exempt vessels under 40' or in the pipeline; and
-Establish a cut-off date.

* Each of these is presently being looked at in one form or another by Council, presently the FPC recommends this alternative remain in this forum until the individual items are dealt with by the Council.