

C-6 FUTURE MANAGEMENT PLANNING

The Council needs to review and take action on the following items at this meeting.


	<u>Item</u>	<u>Tab</u>
✓ 1.	Receive Fishery Planning Committee recommendations and consider adding specific dates to the planning schedules that will allow review, revision, or abandonment.	C-6(a)
✓ 2.	Open access: Receive open access technical workgroup meeting summary, review Committee recommendations, identify future problems and measures to address them.	C-6(b)
✓ 3.	Sablefish Management: Review Committee recommendations and refine options for final analysis.	C-6(c)
✓ 4.	Halibut Management: Review Committee recommendations and refine options for further development and analysis.	C-6(d)
✓ 5.	Coastal communities: Review Committee recommendations and consider further course of action.	C-6(e)

Proposed Schedules for Analyzing and Implementing Alternative Management Systems for Sablefish, Halibut, Groundfish and Crab

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

MEMORANDUM

TO: Council, AP, and SSC Members

FROM: Clarence G. Pautzke 
Executive Director

DATE: June 16, 1989

SUBJECT: Future Management Planning

ACTION REQUIRED

Receive Committee report and consider adding specific dates to the planning schedules that will allow for review, revision, or abandonment. Finalize list of problems and concerns.

BACKGROUND

The Fishery Planning Committee met in Juneau on May 17 and 18. The discussion covered future management measures under open access, coastal communities, and limited access alternatives for sablefish and halibut. The summary of the meeting is in item C-6(a)(1). The Committee is scheduled to meet on June 19 and any recommendations from that meeting will be included in your supplemental folder.

The Committee received a letter from John Peterson suggesting that periodic review and revision points be added to the schedules [item C-6(a)(2)]. The Committee felt that the suggestion had merit and is presenting the topic for Council discussion and decision.

The Council approved the list of problems and concerns in item C-6(a)(3) which also incorporated changes proposed by the open access technical workgroup. This list will be the basis for comparing the pros and cons of the major limited access alternatives to open access. Are there any further changes?

DRAFT

Summary of Fishery Planning Committee meeting
May 17 - 18, 1989 Juneau, Alaska

The Fishery Planning Committee met at the Alaska Department of Fish & Game offices in Juneau beginning at 8 p.m. May 17. Council members present were Joe Blum (chair), Bob Alverson, Larry Cotter, Tony Knowles, and John Winter. Staff present were Clarence Pautzke, Steve Davis and Dick Tremaine (NPFMC); Ron Berg, Jay Ginter, and Pat Peacock (NOAA Fisheries); and Bob Trumble (IPHC). The meeting resumed on May 18 at the same location with Bob Alverson (chair), Tony Knowles, Mark Peterson (for Blum), John Winter, Clarence Pautzke, Steve Davis, Jay Ginter, Dick Tremaine, Bob Trumble and two members of the public. The 17th was spent discussing open access in all fisheries and community access issues. On the 18th, the Committee discussed and made recommendations on the subjects of sablefish and halibut open and limited access.

Ben Muse and Kurt Schelle of the Alaska Commercial Fisheries Entry Commission presented a summary of their study on individual fisherman's quota (IFQ) systems. The recently released study reviews twelve IFQ systems in Canada (5), Wisconsin (3), Australia (2), Iceland (1), and New Zealand (1). They acknowledge that theirs was only a sampling of the IFQ systems in place worldwide. The systems are all different and each is designed and has evolved to meet the problems of particular fisheries and the desires of the fishermen involved.

Open access management in general

Open access management was defined by the Committee as the lack of proprietary or harvest rights to any part of the fishery and continued use of traditional management measures. The fisheries would continue to be managed as a common property resource and all would have the option of entering or leaving the fishery without obtaining rights. Management regulations would continue to result in "winners and losers". The Committee did not wish to recommend specific management measures. Instead, they suggested that, when necessary, the Plan Teams could develop such alternatives for review by the Council and public.

The Committee acknowledged that management regulations can strongly influence the structure of the different sectors of the fishing industry. The open access technical workgroup had recommended that the Council consider their future, long term course of action and the changes this would have on industry planning and structure. In terms of types of management measures, this would be a general choice between two types of measures: those which allow fishermen to fish as effectively as possible (such as shorter seasons); and those that maintain a certain length fishery (such as trip limits). However, the Committee's unanswered question was whether or not the Council should actively shape the industry. If the Council cares what the industry looks like then such questions need to be answered, otherwise they do not.

Community access

The discussion on communities was centered on means of new or continued access to the resource. Committee members recognized that community dependence on the resource was not restricted to local communities. Several communities in Washington and Oregon are heavily dependent on the fishery resources in the EEZ off Alaska. Two types of community access were discussed, structuring regulations to give communities certain advantages or setting aside a certain amount of the TAC for communities. A concept paper concerning community allocations, as requested by the chair of the Committee, is attached as Appendix I [item C-6(e)(1)].

Regulations such as vessel size limits, registration areas, trip limits, and hold inspections could be used to give local fishermen advantages for certain species in certain areas. Hold inspections and trip limits are presently used in order to give certain western Alaskan communities a competitive advantage in local halibut fisheries. In two halibut management areas, fishermen not landing their fish locally are required to obtain a hold inspection and vessel clearance in specific non-local ports within five days prior to and following each opening (the openings are either one or two days long). In these two areas there are also trip limits, the same for all vessel sizes, which

greatly reduce the profit potential for larger vessels. Such regulations need not directly discriminate against residents of any region but they would dictate the structure of the fleet in certain fisheries.

Two types of direct allocations to communities were also discussed. These allocations could provide stability for existing fishing communities (maintenance quotas) or they could provide access for communities just entering the fisheries (development quotas). The allocations would be taken from the overall TAC. Maintenance quotas would ensure a source of supply to shoreside communities. Such quotas would only go to communities with processors and perhaps also to floating processors and all longliners. The quotas could be designated by area and/or by vessel category (e.g. harvest only versus harvest/processor vessels). Community development quotas could be used to assist communities just entering proximate fisheries. The quota would be allocated for only a few years in order to allow the necessary infrastructure to be built. After that time, these communities would fish under the maintenance quotas system, should such quotas exist.

Sablefish and halibut open access

The Committee had several views of the sablefish fishery in the near future should open access management continue. The TAC for sablefish is expected to continue to decrease over the next few years. This will lead to decreases in CPUE as sablefish become less concentrated on the bottom. Shorter seasons are expected especially in the West Yakutat and Southeast Outside areas. A series of short openings might be used in these areas as has been done with halibut. Use of short openings would result in the consideration of a number of different issues and conflicting requests for each opening. Total effort (longlines) will increase in all areas although some vessels in the Central and Western Gulf may leave the fishery. Ice boats will take longer trips (if allowed) resulting in increased discards of rockfish (which can not be iced beyond three days). A significant increase in at-sea processing will occur although some factory longliners might move to the Bering Sea due to the amount of gear on the grounds in the Gulf. Crew safety will decrease as the number of injuries increases, as has occurred during the past few years.

The Committee did not make recommendations concerning future open access but instead suggested several options which the Council might examine in the next few years. These measures could include shorter seasons with serial openings as has been used for halibut. As an alternative to shorter seasons trip limits might be used to control effort. Essentially, sablefish management might use the same management measures while experiencing many of the same problems as halibut.

No lengthy discussion of open access in the halibut fishery occurred. However, the Committee felt that halibut open access management might continue along the same path described for sablefish. That is, the seasons might remain short and serial or trip limits might be used to spread out the effort.

Limited access programs

The Committee found that most of the limited access recommendations they were scheduled to consider were similar for licenses and IFQs. Likewise, they felt that their recommendations should be similar for sablefish and halibut. Therefore, the discussion of limited access which follows notes generic recommendations. Later sections review those recommendations specific to a type of system or species. It should be remembered that the discussion of and recommendations concerning limited access were for the purpose of developing alternatives, not for the purpose of advocacy.

An open access portion of the fishery could be left for bycatch under any of the systems. No license or IFQs would be needed to land this bycatch. This would allow the utilization of sablefish and/or halibut as bycatch in other longline fisheries. The purpose of allowing bycatch would be to reduce overall mortality. The separation of TAC from that for the directed fishery would follow the same procedures currently used for sablefish. If instituted for halibut, a change from the present practice of only directed fishing would be required.

Initial allocations are recommended to go to vessel owners unless there is a qualified lease of the vessel to another person. An examination of sablefish vessel owners and permit holders showed that for similar qualifications there were consistently fewer vessel owners than permit holders. A similar difference in numbers is expected for halibut. Therefore, such a choice would help in reducing the number of those qualified to receive allocations.

The Committee recognized that there are occasions when a vessel is leased to a fisherman who makes all of the decisions relating to fishery, gear, etc. The Committee recommended that in these few instances the leaseholder (person operating the vessel) should be granted allocations instead of the vessel owner. In order to qualify for this allocation a written contract for the bareboat lease would be necessary. The leaseholder should be the one paying the crew and supplying the fishing gear. There is no absolute way of determining the number of bareboat leases which would be covered by this provision but, based on industry experience, the Committee believed them to be rare. It was acknowledged that such allocations would have to be decided during the appeals process since there is no *a priori* means of being aware of them.

When analyzing those eligible for initial allocations, the Committee recommended that both the best and an average of the two best years landings be examined. If a qualified person only landed the species in one year then under the analysis of average years they would be qualified for half of those landings.

The Committee felt that it is important to lessen the change to the current fleet should one of these limited access programs be instituted. Therefore, they recommended that allocations be given only to those qualified persons who have participated in the fishery during the twelve months prior to final Council action. This criteria would also assist in initially reducing the number of those qualified for allocations.

The Council has previously dropped the consideration of investment as a means of determining allocations. Therefore, the Committee recommended dropping investment threshold as a qualification for eligibility.

The Committee is uncertain as to exactly what citizenship requirements are possible under existing legislation. There was discussion concerning the limits which might be imposed if the Council were given a free hand. These limits might range as high as requiring 100% control by U.S. persons. The Committee has requested that NOAA General Counsel prepare an analysis of what requirements are possible under existing legislation and what legislation would need to be changed to raise those requirements.

After some debate, the majority of the Committee recommended that any allocations should have no specified ending date. There was one dissenting opinion to this recommendation who wished to retain the option of a specified limited duration allocation for further analysis. The majority recommendation was based on such factors as the instability thrown into the system by the uncertainty surrounding future reallocations. All Committee members agreed that the overall system should be subject to review.

The Committee recommended that an appeals board consisting of members such as the Regional Director be instituted with subsequent appeals to the Secretary of Commerce and the courts. This sequence is thought to offer the least threatening approach since fishermen would not be initially required to retain legal counsel. In addition, it was felt that an appeals board would be better prepared to understand the intricacies of the fisheries and any mitigating factors better than a law judge. This process would also allow for a full hearing of any appeals at a higher level if the fisherman so desired.

License systems

In regards to sablefish licenses, the Committee recommended that there be two areas licensed, the Gulf of Alaska and the Bering Sea/Aleutian Islands (BSAI). If all areas were combined into one and license holders were free to move anywhere within the area it is probable that effort levels in the BSAI would increase significantly. With two areas, those people who qualified for both areas would receive a license for each but excess effort would not be institutionalized in the BSAI area.

The Committee made separate recommendations for sablefish and halibut concerning the minimum landings required to qualify for allocations. Based on industry experience, the Committee recommended that 10,000 lbs be the lowest level of minimum landings to be analyzed for sablefish. It felt that any professional longline vessel would have landed at least 10,000 lbs in one or more years. By defining a group of professional longliners, and perhaps in conjunction with non-transferable licenses, a reduction in the permanent size of the fleet could be accomplished. In the halibut fishery, however, the Committee recommended that all minimums presently suggested be analyzed. This difference in minimum landings recognizes the proclivity of the halibut fleet towards smaller vessels and the occurrence of halibut in shallower waters nearer to shore. The minimum landings for either species could be applied differently to various vessels size categories.

Changes to the vessel sizes were recommended for both sablefish and halibut. It was noted that no industry input has been received on this subject. All vessel lengths are to be overall length as stated in Coast Guard records. There are six recommended sablefish vessel size categories. The only change is the addition of a large class F for vessels over 100 ft. The Committee recommended the use of IPHC trip limit vessel size categories for halibut.

Several recommendations were made concerning transferability of licenses. Both leasable but non-saleable and totally transferable licenses should be analyzed. The Committee felt that public comments would help the Council reach a decision on this subject. Non-transferable licenses should be analyzed for initial participants in 1988 and 1989. The Committee felt that this was one means by which the fleet size could be reduced over the long term while still initially including those had participated. Likewise, non-transferable licenses should be analyzed for those participants who did not qualify due to landings below the minimum weight. When discussing combinations of licenses the Committee wanted to be specific in that combinations would be allowed for one vessel class upgrade only. That is, two Class A licenses could be combined to a Class B license but not to any other Class.

Individual fishing quotas (IFQs)

In regards to halibut, the Committee recommended that the plan apply only to longline caught halibut and not be designed to include trawl bycatch (currently a prohibited species).

When determining the size of IFQ allocations for qualified persons, the Committee recommended that the "stair step" approach not be analyzed. This means of allocation would have assigned equal allocations to all persons whose qualification amount fell into the same quantity range. The Committee felt that such a procedure, while reducing the number of appeals, would not be equitable. This is because half of the qualifiers would receive more allocations than they qualified for while half would receive less.

The types of IFQ systems recommended for analysis were either a reverse checking system or a fixed minimum size of 100 pounds. The Committee felt that either of these systems could be workable and it awaits further analysis and discussion.

No grace period is recommended by the Committee. Instead, they recommend that fishermen have control of a sufficient quantity of IFQs before departing on a trip. No landings over that quantity would be allowed but IFQs could be bought or leased up until the time the vessel leaves the dock (or floating processor).

Recommendations were also made to document transactions only through the processor level. That is, landing tickets and processor reports should be gathered and corroborated but it is not necessary to trace the fish to the wholesale or retail levels. Further tracking of fish beyond the processors is believed to be unnecessarily burdensome and difficult.

North Pacific Fishery Management

AGENDA C-6(a)(2)
JUNE 1989

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May 5, 1989

Mr. Joseph R. Blum, Director
Washington Department of Fisheries
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Dear Joe:

During our deliberations on agenda item C-5 at the April Council meeting, the following motion was adopted by a 9-2 vote: "...to proceed with the schedule for sablefish, halibut, groundfish and crab management options as prepared by staff".

This motion eliminates the options to alter or abandon the work schedules adopted by the Council in January. For the Council to lose that flexibility is unfortunate since good management practice requires regular evaluation and adjustment of such work plans as they evolve. Such adjustments include abandonment if, in the opinion of management, no useful purpose will be served by proceeding. The work schedules as adopted are flawed by not providing for periodic Council review with the options of continuing, altering or abandoning.

The Council has received an overwhelming negative reaction from industry on the issue of limited access, and this response was generally spontaneous since comment was requested on the "cut-off date and in-the-pipeline definition" at the April meeting, and scoping sessions were described as a discovery process to determine issues of concern to be analyzed in relation to limited access systems. The negative reaction from industry was not in response to a specific request for comment on limited access versus status quo.

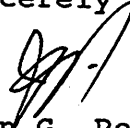
The Council must have the flexibility to continue, alter or abandon this program at regular intervals during the one to two year schedules, and I therefore request the Council amend these schedules at the June meeting to provide for "Review and Evaluation" at appropriate intervals. Such predetermined dates for Council review would provide proper public notice that the Council intends to review, evaluate and determine the fate of the schedules. The Council at those times would exercise whatever

options it deems appropriate, including, but not limited to, slowing down, speeding up, changing direction, fine tuning, combining schedules or abandoning. I suggest the changes to the schedules provide for "Council Review and Evaluation" during the September, January and June Council meetings each year.

This suggestion for an amendment of the work schedules is intended to be both benign and non-controversial; and I therefore request you, as Chairman of the Fisheries Planning Committee, to bring this matter before the Committee at the May 17-19 meeting in Juneau in order that the Committee may recommend adoption of this amendment at the June Council meeting.

Thank you.

Sincerely yours,



John G. Peterson
Chairman

cc: Clarence Pautzke

Replaced

Problems Facing the Fisheries

The problems listed below are those the Fishery Planning Committee believes are facing the groundfish and crab fisheries. It is these problems that the management alternatives will be designed to correct. Individual Council members have recommended deletions which are ~~struck out~~. The open access technical workgroup has recommended additions which are ~~grayed out~~ and changes which are *italicized*.

1. Allocation conflicts
 - a. Management or preseason allocations (examples include sablefish gear in the Gulf; shorebased vs at-sea processing)
 - b. Gear conflict, both intra and inter-gear (examples include excessive amounts of longlines on the grounds causing tangles, grounds conflicts between trawlers and longliners during halibut season)
2. Excessive non-catch fishing mortality
 - a. Deadloss - ghost fishing and lost gear
 - b. Bycatch loss - species whose PSC apportionment or TAC has been reached
- species not landed for regulatory reasons
 - c. Discard mortality - species not landed for economic reasons
3. ~~Economic inefficiency~~— excess harvesting capacity
Excess harvest capacity - economic inefficiency at a fleet level
4. ~~Poor~~ product quality
5. ~~Decreased~~ safety
6. Opportunity for new entrants into the industry and increased economic development
 - a. ~~Ease of entry to the fishing industry and coastal community development~~
 - b. ~~New or less expensive fishery products and markets~~

Areas of Concern

Listed concerns will be used to evaluate each of the management system alternatives. For example, assuming each alternative adequately addresses the management problems, how each alternative accommodates the listed concerns will undoubtedly help the Council and Secretary determine the preferred alternative.

The Fisheries Management Committee recommends the use of the following list of concerns as expressed through past committees, Council discussion, public comment, and scoping sessions:

1. Concentration of fishing privileges
2. Disruption of the traditional relationship between vessel owners, crewmen, and processors.
3. The fear of increases in governmental controls, regulations, intrusion, and costs.
4. Locking out proximate local communities from future participation.
5. Highgrading.
6. Extremely high "buy in" costs for new entrants and an associated decrease in the ability of new entrants to make it on their own.
7. Limited access is forever and, even if not working, will not go away.
8. Fishers will begin to work for a wage rather than shares and their income will decrease.
9. Processing will move almost entirely offshore.
10. Development of a blackmarket with illegally caught fish.
11. Keep any participation rights in the hands of those otherwise involved in the industry.
12. The management system allows for the full harvest of total allowable catch.
13. Provide a framework for the U.S. industry to be competitive in the world groundfish and crab markets within the principles of sound biological management.
14. Allow for technological innovation.
15. Unequal economic advantage will be given to those possessing fishing privileges.
16. Biological conservation must be maintained.
17. Data collection must be sufficient to allow for sound biological management.
18. Enforcement costs may be excessive.
19. Changes will occur for fishermen, their families, and communities.
20. Flexibility to stay competitive by changing between gears and species.
21. Consumers receive a high quality product at a reasonable price.