


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke   
Executive Director

DATE: April 16, 1992

SUBJECT: Sablefish and Halibut Management

**ACTION REQUIRED**

Review supplemental analysis and public comments, and take action if appropriate.

**BACKGROUND**

At its December 1991 meeting the Council approved an individual fishing quota management regime for the sablefish and halibut fixed gear fisheries. In January the Council requested that individual fishing quotas be entered into the agenda for the April 1992 meeting, and that further analysis be done.

The additional analysis is titled Supplemental Analysis Of The Individual Fishing Quota Management Alternative For fixed gear sablefish and halibut fisheries: Gulf of Alaska and Bering Sea/Aleutian Islands, was made available to the Council, Advisory Panel, Scientific and Statistical Committee and the public on March 27, 1992, and is reviewed in item C-1(a). The public hearing on Monday and Tuesday provided additional information. Council members Larry Cotter and Oscar Dyson have indicated their intent to move to rescind the previous action. If the action is not rescinded, the IFQ package will be submitted to the Secretary of Commerce following this meeting and a 45-day NEPA review period.

Attached is a brief summary of the additional analysis, highlighting the organization of the document and some of the additional information presented.

**Summary**

**Supplemental Analysis Of The Individual Fishing Quota Management Alternative For fixed gear sablefish and halibut fisheries: Gulf of Alaska and Bering Sea/Aleutian Islands.**

**Chapter 1** reviews the management background of the preferred alternative and describes the documentation which will be included in the Secretarial review package. This chapter also summarizes the alternatives to individual fishing quotas which had previously been analyzed, and contrasts the preferred alternative with the status quo.

**Chapter 2** compares the current open access management to the Council's recommended program. This comparison cites the New Zealand and Canadian quota programs where relevant. Details of the distribution of quota shares which will result from the initial allocation process are presented. The implications of the conditions which the Council has attached to its preferred alternative are analyzed.

**Chapter 3** contains information intended to provide the reviewer with an understanding of the potential impacts of this program on the socioeconomic environment of coastal communities.

**Chapter 4** contains a discussion of the possible effects of the recommended program on other fisheries. These include non-quota managed fisheries, fisheries conducted in adjacently managed waters, and recreational fisheries.

**Chapter 5** contains a revised summary of the implementation plan. This is the document originally prepared by the Council appointed implementation team which included representatives from various segments of the industry. The revised plan contains the provisions inserted by the Council at its December 1991 meeting.

**Chapter 6** contains a revised Regulatory Impact Review summary.

**Chapter 7** discusses the consistency of the proposed actions with provisions of the Magnuson Act and other applicable law.

## **Summary of Significantly New Information Contained in the Supplemental Analysis of the Preferred Alternative**

Much of the supplemental analysis synthesizes material contained in the previously separate analyses of sablefish and halibut management alternatives. This material has already been presented to the Council, and it is not intended to reiterate it here. New information is contained in Chapter 3 of the analysis. The major findings are:

- geographical representations of the relative importance of sablefish and halibut landings are presented. These show, for example that:
  - for the Kodiak Island Borough, sablefish and halibut accounted for between 6.0 percent and 12.7 percent of the total landings for all species by weight, and from 15.6 percent to 31.5 percent by value;
  - for the Sitka census area halibut and sablefish landings accounted for between 36.2 percent and 45.3 percent of landings by weight, and between 40.3 percent and 44.4 percent by value;
  - for the Alaska areas adjacent to these fisheries the percentage of landed value ranged from 1 percent for some areas of Western Alaska to 46.6 percent for the Skagway-Yakutat-Angoon census area.
- an individual fishing quota program could change the distribution of landings between ports;
- characteristics of the Council's preferred alternative will tend to benefit the communities close to the fishing grounds. Specifically:
  - fishermen will land their fish at the port which can give them the best price. This will tend to be the port nearest the fishing ground at which the fish will be at its freshest and able to command a premium price at the market;
  - there is a greater likelihood of halibut being landed with other species such as rockfish and Pacific cod. These latter species will not be able to stand the extended trip to ports in states away from the fishing grounds;
  - a constant and steady flow of product is likely to be advantageous to local labor in rural communities with processors. It is far more likely that locals will be employed for a greater part of the year as opposed to the recruitment of transient labor;
  - communities which do not have processors are likely to be given an opportunity to participate more fully in the fisheries. Freezing capacity will be minimized if the majority of halibut especially is going to fresh markets;
- with few exceptions, the number of quota share recipients will be greater than the number of vessel owners for any individual year between 1985 and 1990;

- concern has been expressed that quota shares allocated to communities adjacent to the fishing grounds will migrate to larger centers within and away from Alaska. Evidence from the Commercial Fisheries Entry Commission on the sale of limited entry permits suggest that the movement of quota shares away from small communities may not be as dramatic as has been suggested. Specifically:
  - in the initial allocation of limited entry permits 81.1 percent of permits went to Alaskan residents. By the end of 1990, 78.0 percent remained in the hands of residents.
- while there will inevitably be some transfer of quota shares away from rural communities, the Council's preferred alternative is expected to provide a net benefit to these communities in the same way as the State's limited entry permit program has.
- expected difficulties with high-grading and under-reporting may be off-set by by-catch savings and less lost or tangled fishing gear;

N.P.F.M.C.  
**Motion for "Sitka Block Proposal"**  
**Saturday, April 25, 1992**

Clem Tillion: Mr. Chairman, we have some people who are in desperate hopes of catching a plane out of here tonight. . . wait a minute we seem to be missing a lot of people.

Rick Lauber: We have a quorum.

Tillion: Mr. Chairman, I move that we ask staff to analyze the Sitka Block Proposal and a floor of a thousand pounds of halibut when issuing quota shares. I'm not proposing that we institute a formal amendment process by the action. Mr. Turriss of the Canadian [Fisheries] stated we needed to be flexible in implementing an IFQ program and the analyzation will provide the Council with the information that would be usable in developing future amendments to fine tune the IFQ program if necessary. We'd like a comparison of two, three, four boats, and another comparison with it with vessel categories. All we're asking is for them to look at it at this time.

Lauber: Is there a second?

Ron Hegge: Second.

Lauber: Is there any further discussion? Is there any objection? Hearing none, it passes.

Hegge: [Question to Tillion] I got in here a little bit late; I seconded your motion, but I didn't hear the priority or tasking that you're giving this.

Tillion: Well, we'll be on tasking probably tomorrow, but I think it's fairly important. But I think we're going to have to negotiate that one a little bit, aren't we, Mr. Pennoyer?

Lauber: He doesn't really care, you see, as long as he gets it in and can say he did it; whether we do it or not isn't all that. . .

Tillion: No, no; it's important we do it, but I figure it'll get done if it's been put in.

Mitchell: Mr. Chairman, it's slightly more important than the Council appointments.

Tillion: I'm sure it'll be brought up in June. Mr. Pennoyer tells me they're going to have great difficulty getting it done that soon; I think that's something we're going to have to talk about, but just so long as it's being done and being analyzed, that's all I can ask.

Steve Pennoyer: Mr. Chairman, I think that Mr. Turriss made it clear that you had to approach this recognizing that you probably haven't figured it all out until you actually start to get into it, and we've got two years until implementation of this plan and I assume there's going to be, as we go through this implementation, there are going to be other requests and other things we're going to have to look at, so the things you've got to do by June are things most that have to be in place by the first part of 1993. You've got an amendment, you're sending it forward, you've instituted a process, you've got your objectives and goals and I assume you're going to do some modification as we go along into the plan, but this isn't something in my view you've got to have done in time for January 1st of 1993.

Tillion: If you need some assistance, I realize you're jammed right up to the highbrow, the State will stand ready to give you a little assistance on this. I'm, shall I say, fairly confident, I must go talk to the chief first, but I'm quite confident.

Lauber: Yes, Mr. Pautzke?

Clarence Pautzke: Yes, the staffs will be meeting on tasking under D-3 and be able to report to you tomorrow. We can kind of tell you when we can do this.

Tillion: O.K., I just wanted to get these people on home, they're hanging by their thumbs.

-----end of this discussion-----

### Sunday, April 26 Discussion under Staff Tasking

Larry Cotter: O.K., so what's the definition, on the next page on this Sitka Block Proposal and a thousand-pound floor? I know we had a definition of "time permits" which is due in September; we have a definition of "when available" which is sometime this summer, September. What's the definition of "when possible?" I think you said, "as we get around to it?"

Pennoyer: Mr. Chairman, it's the same definition. We can't promise you exactly when. We're going to try and have something to you, certainly in time for you to consider it relative to the implementation period or the IFQ program.

Cotter: And how do you view that timeline? For instance, if . . .

Pennoyer: Fall, September-December period.

Pautzke: September-December, yeah.

Cotter: For final action in December?

Pennoyer: Not necessarily, Mr. Chairman. This is a tuning of an amendment that you've submitted to the Secretary in terms of the possible implementation details you need to take care of. Whether it's adopted in December, if you do adopt it, or January or April, will have no effect on the actual implementation of the program. The program won't be implemented for a two-year period of time. We'll try and have it to you by September; if that slips because of the other workload it's not time-certain to be accomplished by 1993.

Cotter: I would assume at some point, if you're looking at implementation in 1994, then before you begin to allocate out the quota shares, if one of the options of the decision to issue minimums of a thousand, you're going to need to know that before you start allocating.

Tillion: I don't see that that is an impediment, because the shares are a share of what's available. If we make a decision in June to adopt the Sitka block proposal, or in September, or when we have it, it's an addendum. The letter asking the Secretary to issue not less than a thousand would be an action we could take in June and I'm convinced, I'm also convinced the Halibut Commission would be following it with a letter of their own saying 'we agree,' because they've already testified that they

want the minimums. But I don't see that who's eligible and what share they get, except for those under a thousand, should be delayed.

Hegge: Perhaps it isn't as important to implementation, as Mr. Pennoyer says, but I think it's very important in perception. We passed this. We obviously had a great deal of opposition to the plan and some of that opposition has been reduced by the fact that we're going to fine tune and make changes to the plan to make it more acceptable. If we do not put a date certain and take steps to begin that, I think we're going to waylay that trust that's been put in us and for that reason, I would move that we have an analysis in September.

Cotter: I'll second that for discussion purposes. What are we talking about? Initially when the motion was made the other day I thought we were talking about an analysis that would not constitute a plan amendment and then you would look at that analysis and then decide whether or not to go ahead with the plan amendment. Is that what you're saying, Mr. Hegge, that the analysis should be back in September and the Council then would decide whether or not to proceed with a plan amendment at that time?

Hegge: Yes, I think that one of the things that we've said all along is we haven't been able to make a real judgement decision on the block proposal because it hasn't been analyzed, the impacts it would have, and this preliminary analysis that you're talking about would give us the opportunity to make that decision.

Lauber: Any further discussion on Mr. Hegge's motion? Is there any objection to it? Passes.

Bob Mace: There are 29 proposals here and, Steve and Clarence, have you analyzed how many person-months are involved in accomplishing these? Twenty of the 29 are due in June.

Pautzke: We feel we can handle what is on here. There are some things that have slipped, as we've noted: exclusive registration area--when I had discussed it with the Council before I thought we might be able to come back in June, the federal contracting process isn't going to allow us to do that, so we're going to come back later. But Steve and I both looked at this and we think we can make these dates that are on here with the staff we have available.

Mace: Good luck, it's a real load to pull.

-----end of Sitka block discussion-----