

Decision Points for Halibut IFQ Management System

The decision points listed below reflect the specifics of the halibut fishery. Underlined items are the Council's comments sablefish longline. Those options over a grey background were recommended for deletion by the Fishery Planning Committee at their March 28 meeting.

I. Scope of Program

- A. Species: Halibut
- B. Gear:
 - 1. Longline
 - 2. Longline and trawl (account for all mortality)
- C. Areas:
 - 1. Gulf of Alaska
 - 2. Bering Sea
 - 3. Aleutian Islands
 - 4. IPHC management areas

II. Means of Access Control

- A. Type of IFQ
 - 1. Fixed weight - allows participants to be certain of the quantity they control from year to year but would require government or industry intervention when TAC decreased.
 - 2. A percentage of the TAC, possibly defined as a "unit"- the individual allocation varies from year to year with the size of the TAC and it could be expressed as a large number of "units" rather than a small percentage.
- B. Coverage of IFQ
 - 1. Area
 - i. Gulf of Alaska
 - a. 4 areas (Council sablefish areas) - Southeast/outside and East Yakutat, West Yakutat, Central, Western
 - b. 2 areas - eastern Gulf (Southeast/outside, East and West Yakutat) and western Gulf (Central and Western)
 - c. 1 area, Gulf-wide.
 - ii. Bering Sea
 - iii. Aleutian Islands
 - iv. Combine Bering Sea and Aleutian Islands
 - v. Combine Gulf, Bering Sea, and Aleutian Islands areas
 - vi. IPHC management areas - 2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E
 - 2. Yearly or by season - seasonal IFQs would spread fishing pressure out by mandate whereas yearly would allow the market to dictate the season of landing.
 - 3. Leave a portion of the fishery open access (Prochoice)
 - i. No controls on landings per entity in the open portion.
 - ii. Set a maximum landing per entity in the open portion.

C. Who initially

1. Vessel - ties allocation to the vessel
 - i. With the current vessel
 - ii. Reverts to the last qualified vessel owner
2. "Person" (must include an extensive definition of "person" or "entity") - As defined by the Magnuson Act with the exclusion of non U.S. citizens. Any individual who is a U.S. citizen, any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State but being controlled by U.S. citizens), and any Federal, State, or local government or any entity of any such government.
 - i. Vessel owner(s)
 - ii. Person leasing a vessel - "qualified" or all
 - iii. Permit holder(s) - based on State of Alaska permit
 - iv. Processor
 - v. Crewmen, with restrictions
 - vi. Financial risk taker if different than above
 - vii. People qualifying under a point system
 - viii. Other

III. Initial Allocation

A. How is the allocation made

1. Allocation by qualification and eligibility.
2. Lottery
 - i. Open to anyone - allows equal participation by all (U.S. citizens?) but involves much reallocation prior to fishing.
 - ii. Open only to "qualified" people - depending on who is qualified (see above) allows equal chances to all involved.
3. Auction system, would require a change to Magnuson Act - could be used to fund observers, etc. and would function as gas leases do.
 - i. Open to anyone - allows equal participation by all (U.S. citizens?) but involves much reallocation prior to fishing.
 - ii. Open only to "qualified" people - depending on who is qualified (see above) allows equal chances to all involved.

B. Eligibility

1. What years - more recent years allows for more participation while earlier years rewards those who have participated longer or developed the fishery.
 - i. Beginning date
 - a. 1983
 - b. 1984
 - c. Some other year
 - ii. Ending date
 - a. 1987
 - b. 1988
 - c. Some other year

2. Landings threshold - a higher amount restricts more people but allows a greater share for those eligible.
 - i. Average - would smooth out exceptional highs or lows.
 - ii. Best year(s) - a proxy for everyone's potential.
 - iii. Based on vessel size - recognizes that different size vessels have different potentials.
3. Duration of participation
 - i. Must be a current participant.
 - ii. Not necessarily a current participant but number of years participation.
4. Investment threshold - recognizes future participation, boats, gear, keel laid, etc.
 - i. Qualifying with a history of participation.
 - ii. Non-qualifying with a history of participation.
 - iii. Non-qualifying with no history of participation.
5. Income dependency based on earned income - a ranking of dislocation.
6. Financial risk - similar to investment and ownership.
7. Point system - many possibilities and could incorporate some or all of above.

C. Basis for how much per entity

1. Landings - a matter of record in IPHC and NMFS files.
 - i. Best year - as above.
 - ii. Average - as above.
 - iii. Stair step - used to reduce appeals, all qualified in a certain range receive the same amount.
 - iv. Different amount of allocation based on initial participation in 1987 and/or 1988.
2. Financial investment, must carefully consider how to measure - a matter of record in private files, must be submitted, and the type chosen dictates which group is rewarded.
 - i. Vessel
 - ii. Gear
 - iii. Other
3. Potential performance - includes keels laid, etc.
4. Point system - requires a lengthy appeals process.
5. Rural points - rewards coastal residents, possible discrimination, may need Magnuson Act change.
6. Years in fishery - rewards longevity.
7. Equal allocations - reduces appeals tremendously but severely impacts those with high historical landings.
8. Vessel size - assignment of stair step or other allocations based on size of vessel, reduces appeals.

IV. Transferability

- A. Degree of transferability All choices considered under transferable rights need to take into account the protection of consumer and small business interests.
 1. Totally transferable - eligible for sale and lease.

2. **Totally non-transferable - allows for no accumulation of shares or windfall monetary gains but hinders the efficiency of the system.**
3. **Non-leasable but saleable - requires use by entity owning IFQs so removes chance of absentee owners and allows market to work at higher price.**
4. **Leasable but non-saleable - removes chance of absentee owners but allows market to function at lower price.**
5. **Emergency provisions - to allow for health problems, etc.**

B. Transferable mechanisms

1. Management

- i. **Must pass through government - allows government to monitor control but slows down process a bit.**
 - a. **Government is the only approved broker.**
 - b. **Government approval required but transactions may be conducted privately.**
- ii. **Private transfers without government monitoring - more difficult to track control but faster.**

2. Types - many other probably possible.

- i. **Reverse checking accounts (coupons) - allows for use of any size amount.**
- ii. **New Zealand style - fixed minimum size of IFQs.**
- iii. **Other.**

3. Grace period - depends on transferability.

- i. **None - restricts fishermen during a good trip or between trips until they can locate IFQs.**
- ii. **By year or quarter - based on type of IFQ, provides a good monitor on current landings.**
- iii. **Specified period and year end - makes the time period to report finite and manageable and allows makeup in following period.**
- iv. **Specified period regardless of year end - allows no makeup in following period but allows overrun to be more easily taken from next years allocation.**
- v. **Set date before the season for transfers to be accomplished, after that transfers allowed during the season by emergency only on a case by case basis.**

4. Transfers between areas - depending on transferability.

- i. **Small amounts to fill trips - allows fishermen to adjust landings without going to IFQ market.**
- ii. **None - maintains strict biological controls.**
- iii. **Between entities controlling IFQs.**

V. Controls on Ownership, must discuss level of "control" or ownership and must define "control".

The Council feels some form of control on ownership should be instituted but industry input and data analysis are needed before further decisions.

- A. **Restrict by vessel - sets top landings per vessel (and possibly effort level) but does not control ownership of vessels.**

- B. Limit on "control" by any entity - Not required except as stated in National Standard 4 of the Magnuson Act.
- C. Require proof of ownership or participation to "control" - Same qualifications as used for initial allocation.
- D. On board or present when landing - keeps IFQs with active participants but would have to be modified for corporations.
- E. Citizenship requirements (reflagging legislation) - either use existing legislation or change it.
- F. No control.

VI. Duration of harvest rights - depending on transferability.

- A. No specified ending date - grants large windfall gains.
- B. Specified limited duration with reallocation following - reduces size of windfall gains.
- C. Allow for review in a specified time (perhaps 5 years) - does not sunset the system but allows for major structural changes if required.

VII. Adjusting amount of IFQs available

- A. Not necessary unless IFQs in absolute weight or for government needs (surveys, etc.)
- B. If TAC's change dramatically - government or industry intervention or prorate IFQs (functionally percentages).

VIII. Coastal Communities

- A. Initially how community gains access, may require Magnuson Act change.
 - 1. Allocated - includes communities but reduces other participants shares.
 - 2. Allowed for - no initial allocation but allows communities to buy in and be "separate but equal".
- B. Specific regulations
 - 1. Individuals or communities or coastal development organization - who gets them, person, town, corporation, etc.
 - 2. Qualification of ownership right - coastal, proximate, port, etc.
 - 3. Definition of community
 - 4. Use by owner or not - to be used by the entity, leased by it, or both.
 - 5. Special transferability rights - transferable when all others are not, etc.
 - 6. Administrating body - a special body set up to remove local conflicts and provide cohesion.
 - 7. Special duration rights - as with transferability.
 - 8. Amount to be allowed - limits amount totally allocated or allowed to communities.

IX. Administration

- A. Agency
 - 1. NMFS region - could be contracted to State of Alaska.
 - 2. Privatization - would require federal oversight at some level.
 - 3. North Pacific Fishery Management Council.
 - 4. Commercial Fishery Entry Commission.

5. International Pacific Halibut Commission

6. Other

B. Dispute settlements

1. Basis of judgement

- i. Fact - reduces number of appeals.
- ii. Testimony - used by State of Alaska

2. Hearing officer

- i. Administrative law judge with appeals to the Secretary of Commerce and then the court system - impartial and a federal employee.
- ii. Appeals board with decision by the NMFS Regional Director and appeals to the Secretary and then the court system - open to question but more knowledgeable of germane issues.
- iii. Binding arbitration.

The Council recognizes the need to be aware of the following items and may wish to comment on them but that the Council and NMFS staffs will deal with the specifics.

C. Enforcement

- 1. Nature of right - must be defined (property, lease, harvest, etc) including its use as collateral and the ability of NMFS to censor the right.
- 2. Ability to accurately account for catch - reporting, observer, and monitoring systems.
- 3. Adequate enforcement procedures - a new system requires new methods of enforcement (accountants).
- 4. New regulations - see above.
- 5. New penalties - see above.

D. Document trail

- 1. Time of landing - fish tickets.
- 2. Processor - secondary form to collaborate fish tickets.
- 3. Wholesale - allows enforcement to target fish at several levels.
- 4. Retail - difficult but allows total tracking of fish.

Decision Points for Halibut License Management System

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I. Scope of Program

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- B. Gear: Longline
- C. Areas:
 - 1. Gulf of Alaska
 - 2. Bering Sea
 - 3. Aleutian Islands
 - 4. IPHC management areas

II. Means of Access Control

A. Type of license

- 1. All equal - ease of checking but does not reflect potential effort levels.
- 2. Effort level specific
 - i. Vessel length (size) - might require a survey, is a proxy for available effort.
 - ii. Capacity - might require a survey, is a proxy for vessel size.
 - iii. Processing/non-processing - recognizes differences in time between port calls.
 - iv. Horsepower
 - v. Other

B. Coverage of license

- 1. Area
 - i. Gulf of Alaska
 - a. 4 areas - (Council sablefish management areas) Southeast/outside and East Yakutat, West Yakutat, Central, Western
 - b. 2 areas - eastern Gulf (Southeast/outside, East and West Yakutat) and western Gulf (Central and Western)
 - c. 1 area, Gulf-wide.
 - ii. Bering Sea
 - iii. Aleutian Islands
 - iv. Combine Bering Sea and Aleutian Islands
 - v. Combine Gulf, Bering Sea, and Aleutian Islands areas
 - vi. IPHC management areas
 - a. 2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E.
 - b. 4 areas: 2C, 3A, and 3B; 4A, 4B, and 4D; 4C; 4E.
- 2. Yearly or by season - seasonal licenses would spread fishing pressure out but might be valued differently.
- 3. Leave a portion of the fishery open access (Prochoice)
 - i. No controls on landings per entity in the open portion.

- ii. Set a maximum landing per entity in the open portion.
- C. Who initially
- 1. Vessel - ties allocation to the vessel
 - i. With the current vessel
 - ii. Reverts to the last qualified vessel owner
 - 2. "Person" (must include an extensive definition of "person" or "entity") - As defined by the Magnuson Act with the exclusion of non U.S. citizens. Any individual who is a U.S. citizen, any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State but being controlled by U.S. citizens), and any Federal, State, or local government or any entity of any such government.
 - i. Vessel owner(s)
 - ii. Person leasing a vessel - "qualified" or all
 - iii. Permit holder(s) - based on State of Alaska permit
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III. Initial Allocation

A. How is the allocation made

- 1. Allocation by qualification and eligibility.
- 2. Lottery
 - i. Open to anyone - allows equal participation by all (U.S. citizens?) but involves much reallocation prior to fishing
 - ii. Open only to "qualified" people - depending on who is qualified (see above) allows equal chances to all involved
- 3. Auction system, would require a change to Magnuson Act - could be used to fund observers, etc. and would function as gas leases do
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B. Eligibility

- 1. What years - more recent years allows for more participation while earlier years rewards those who have participated longer or developed the fishery.
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c. Some other year.

2. Landings threshold - a higher amount restricts more people.
 - i. Average - would smooth out exceptional highs or lows.
 - ii. Best year(s) - a proxy for everyone's potential.
 - a. 1,000 lbs.
 - b. 5,000 lbs.
 - c. 10,000 lbs.
 - d. 25,000 lbs for vessels over 50'.
 - e. 50,000 lbs for vessels over 50'.
 - iii. Based on vessel size (or effort factor) - recognizes that different size vessels have different potentials.
3. Duration of participation
 - i. Must be a current participant.
 - ii. Not necessarily a current participant but number of years participation.
4. Investment threshold - recognizes future participation, boats, gear, keel laid, etc.
 - i. Qualifying with a history of participation.
 - ii. Non-qualifying with a history of participation.
 - iii. Non-qualifying with no history of participation.
5. Income dependency based on earned income - a ranking of dislocation.
6. Financial risk - similar to investment and ownership.
7. Point system - many possibilities and could incorporate some or all of above.

C. Type of license - by vessel size, etc., useful depending on transferability and upgrading.
The Council feels size classes should be more appropriately defined with industry input.

1. Size classes as used for sablefish analysis (these are preliminary for sablefish pending further discussion)
 - i. Class A - less than 40 ft.
 - ii. Class B - 41 to 50 ft.
 - iii. Class C - 51 to 60 ft.
 - iv. Class D - 61 to 70 ft.
 - v. Class E - over 70 ft.
2. IPHC trip limit size classes
 - i. Class A - 25 ft. or less
 - ii. Class B - 26 to 30 ft.
 - iii. Class C - 31 to 35 ft.
 - iv. Class D - 36 to 40 ft.
 - v. Class E - 41 to 45 ft.
 - vi. Class F - 46 to 50 ft.
 - vii. Class G - 51 to 55 ft.
 - viii. Class H - over 55 ft.

IV. Transferability All choices considered under transferable rights need to take into account the protection of consumer and small business interests.

- A. Totally non-transferable - allows for no windfall monetary gains.

- B. Non-leasable but saleable - requires use by license owner so removes chance of absentee owners.
- C. Leasable but non-saleable - removes chance of absentee owners but allows all licenses to be used.
- D. Size or effort level specific - useful if split seasons, etc. or with combinative.
- E. Totally transferable - effort levels would increase with addition of large vessels but allows full freedom to industry.
- F. Combinative - Allow upgrades in vessel size class by tendering two licenses of a small class for one license of the next larger class.
- G. Emergency provisions - to allow for health problems, etc.
- H. A system incorporating transferable and non-transferable licenses based on initial participation in 1987 and/or 1988.

V. Controls on Ownership

The Council feels some form of control on ownership should be instituted but industry input and data analysis are needed before further decisions.

- A. Restrict by vessel size or effort - stops buildup of mini-fleets of similar sized vessels.
- B. Limit on "control" by any entity - Not required except as stated in National Standard 4 of the Magnuson Act.
- C. Require proof of ownership or participation to "control" - Same qualifications as used for initial allocation.
- D. On board or present when landing - keeps licenses with active participants but would have to be modified for corporations.
- E. Citizenship requirements (reflagging legislation) - either use existing legislation or change it.
- F. No control.

VI. Duration of harvest rights - depending on transferability.

- A. No specified ending date - grants large windfall gains.
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- C. Allow for review in a specified time (perhaps 5 years) - does not sunset the system but allows for major structural changes if required.

VII. Adjusting Amount of licenses available

- A. Use or lose - reduces the number of speculative licenses but may increase the number of active vessels, could be used for redistribution or retirement.
- B. Buyback - if needed.
 - 1. Government - Would need funding from some source and would require Magnuson Act change.
 - 2. Industry - program may or may not be dependable.

VIII. Coastal Communities

- A. Initially how community gains access, may require Magnuson Act change.
 - 1. Allocated - includes communities but reduces other participants shares.
 - 2. Allowed for - no initial allocation but allows communities to buy in and be "separate but equal".

B. Specific regulations

1. Individuals or communities or coastal development organization - who gets them, person, town, corporation, etc.
2. Qualification of ownership right - coastal, proximate, port, etc.
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The Council recognizes the need to be aware of the following items and may wish to comment on them but that the Council and NMFS staffs will deal with the specifics.

C. Enforcement

1. Nature of right - must be defined (property, lease, harvest, etc) including its use as collateral and the ability of NMFS to censor the right. May wish to use license with effort size endorsements if needed.
2. Ability to accurately account for catch - reporting, observer, and monitoring systems.
3. Adequate enforcement procedures - a new system requires new methods of enforcement.
4. New regulations - see above.
5. New penalties - see above.

MEMORANDUM

TO: Council, AP, and SSC Members
FROM: Clarence G. Pautzke, Executive Director 
DATE: April 7, 1989
SUBJECT: Groundfish and Crab Management

ACTION REQUIRED

- A. Give further direction on developing projections for the fisheries under continued open access.
- B. Recommend course of action on treatment of coastal communities.

BACKGROUND

The development of groundfish and crab alternatives is expected to take longer than those for sablefish and halibut and this meeting is the first one at which decisions should be made. Four public scoping meetings in Seattle, Dillingham, Kodiak and Sitka have been held since the last Council meeting and a fifth scoping session is scheduled in conjunction with this meeting on Thursday afternoon. These scoping meetings were designed to gather information on the actions, alternatives, and impacts that need to be considered during the decision process. Over 160 members of the public attended these meetings and 70 individuals testified. The testimony is summarized in item C-5(e)(1).

Several written comments have been received by the Council regarding the scoping process and the various management alternatives. Only those comments not directly related to the cut-off date and pipeline definition, sablefish, halibut, or community allocations which were included in other summaries, are summarized in item C-5(e)(2).

A. Development of a projected open access scenario

Regardless of the eventual management alternative chosen by the Council, it is prudent to first project what the fishery will look like in 5 to 10 years under continued open access. The fisheries and fleets have undergone such dramatic change in the past several years that any previous projections are necessarily erroneous. Council Document #23, published in 1984, projected a 1989 fleet of 304 vessels capable of harvesting 1.5 million mt. In 1988 over 2.1 million mt of groundfish were landed from a fleet of approximately 911 vessels [item C-5(e)(3)]. Recent developments in such areas as the pollock fishery in the Gulf of Alaska and the number of vessels currently undergoing construction and conversion in various yards around the world suggest some of the changes to be expected in the next few years.

By developing this projection the Council will be able to chart the problems it expects to encounter and some of the management measures which might be used to control fishing effort. Such a projection will, of course, be subject to the ambiguities of any such endeavour.

On March 1 a technical workgroup consisting of staff from six different agencies (ADF&G, CFEC, IPHC, NOAA Fisheries, NPFMC, ODFW, WDF) met to begin developing the guidelines and methods necessary for the analysis of controlled access management systems. As part of that meeting, the group split into advocacy subgroups to address how each of the three management systems could solve the identified problems. The report of the open access advocacy subgroup from that meeting is item C-5(e)(4).

The Committee, during its meeting, reviewed the open access scenario put together by the open access advocacy subgroup. After reviewing a summary list of measures proposed by the advocacy group, five new management measures were added: onshore/offshore processing allocations, incentives, limits on discards of fish parts, platooning the fleet, and authorized retention of a percentage of total PSC catch. This new list is item C-5(e)(5). The Committee then recommended that the workgroup be instructed to flesh these measures out and return to the Committee and Council with a developed open access scenario in time for the June Council meeting. The Committee recognizes that under open access there is a greater potential error in overshooting TACs and therefore managers will be more conservative. It was acknowledged that this exercise is essentially projecting five or more years of plan amendments at once so that the results will necessarily be hypothetical and may not be species specific in all cases.

The Council should review the measures proposed by the advocacy group and those measures added by the Committee. Changes should be made to this list as needed and direction given to formally designate a workgroup with an immediate task of developing an open access projection.

B. Coastal communities

One of the decision points approved by the Council in January for further consideration in each limited access system dealt with coastal communities. The initial choices included allocating fishing privileges to communities, allowing communities to acquire such privileges, perhaps with special restrictions, and not specifically addressing coastal communities. The subject of coastal allocations and access arose during the scoping meetings and from some written comments, included as item C-5(e)(6).

The Committee discussed coastal community access to the resource for all fisheries, not just sablefish and halibut. The Committee was in agreement that something needs to be done to ensure continued access to the local resource for communities just entering the fisheries. Two general approaches were considered; restricting participation to small vessels typical of those used by local fishermen in other fisheries; and to require all landings be processed by the local communities. The difficulty arose in trying to define coastal communities. Options included limiting community development programs to just western Alaska, all small Alaskan communities, or all communities. It was generally agreed that such allocations would be made prior to any other limited access allocations and removed from the open access pool should that system be continued. The Committee finally agreed to recommend to the Council that some consideration should be given to coastal communities but it was not willing to make a specific recommendation at this time. The staff was requested to help define communities and criteria for inclusion and to get some sense of how much of the overall quota would be involved.

The Council should discuss this topic and if possible remove from further consideration one or both options contained in the limited access decision trees:

VIII. Coastal Communities

- A. Initially how community gains access, may require Magnuson Act change.
 - 1. Allocated - includes communities but reduces other participants shares.
 - 2. Allowed for - no initial allocation but allows communities to buy in and be "separate but equal".
- B. Specific regulations
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 - 6. Administrating body - a special body set up to remove local conflicts and provide cohesion.
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 - 8. Amount to be allowed - limits amount totally allocated or allowed to communities.

Seattle Scoping Meeting Summary
February 28, 1989

This scoping meeting was held at the NMFS Montlake Lab. Council members and staff present were John Peterson, Bob Alverson, Tony Knowles, Mark Pedersen, Clarence Pautzke, Terry Smith and Dick Tremaine. Over thirty-five members of the public attended the session. Testimony is summarized below.

Mike Reif, citizen, Sitka - Would controlled access systems be able to react to changing methods and desires for harvests? Who has the right to fish? The category of small fishermen needs to be preserved for local communities and there needs to be separate playing fields for different sized vessels. There is a great deal of wastage now. He presented a competitive bid system proposal to the Council.

John Gilbert, processor, Seattle - Shoreside processors need special consideration regardless of the system chosen. A priority access issue concerning this has been presented to the Council.

Dave Johnson, restaurants, Seattle - Any system must take into account restaurants and public needs. This means a consistent, long term supply of high quality fish at a fair price. Fishermen are not receiving as much as they could for good quality fish due to the management system.

Tom Hoffman, wholesaler, Seattle - A new organization named FISH (Finding Intelligent Solutions for Halibut) has six points of frustration for halibut: 1) 24 hour derby can result in loss of life, 2) waste of fish with cut gear and rotting fish left unprocessed, 3) quality is poor with some not bled and gutted for a long time and processors and transporters can not handle peak loads, 4) fresh fish receive highest price and this can not happen with halibut under current management, 5) economic inefficiencies of system are obvious, 6) halibut bycatch problems in other fisheries. Sixty million pounds of fresh halibut could be sold in 6 months, the demand on the east coast is tremendous as is that in California. Now fluke is sold instead of halibut for this demand.

Stan Weikel, fisherman, Seattle - Recent proposals are economic and not biological. There needs to be a combined allocation system, perhaps a percentage of each load for each species. The spectrum of fish taken by each gear group should be examined and management should deal with that complex. Processors want different species at different times of the year for quality reasons.

Wally Pererya, catcher/processor, Seattle - Growth in harvesting and processing capacity is much more than we previously realized. This is evidenced by Council document #23, March 1984, containing NRC projections for 1989 which are way off. Management needs to deal with inshore-offshore allocations. With short seasons industry will be less willing to take observers since they will need the bunk space for workers. In the future there will be less willingness and ability to fund needed research and more time will be spent on allocation questions. If continued open access C/Ps will make life very difficult for many shorebased processors by entering salmon, herring, etc. January 16 should be a moratorium date with the proper definition of pipeline to qualify. The pipeline should require a contract signed or other investments with final documentation by January 1, 1991.

Tom Casey, organization representative, Seattle - (believed only IFQs were to be discussed) Problems with ITQs in New Zealand: skipper owners sold out and unionized, enforcement focused on corporate fraud but not seasons, blatant violator lost vessel and ITQs, prices dropped and fishermen lost money because of "cost" of ITQ being too high, ITQs were given for fish which were not there. He has found no articles which spoke highly of ITQs. Under IFQs, the versatility of fishermen will decrease and they will not be able to change if

the stock size changes. Management seems to be aimed at concentrating income rather than employing people. There may be a problem with allocating too many fish.

Gary Painter, owner, Oregon - Concerned with fairness, flexibility to stay competitive, concentration of controlled access rights in foreign ownership, and reduction in shoreside processing. Fishermen should have the opportunity to make it big or go bankrupt.

Dennis Reidman, owner, Seattle - The industry is requesting a bailout like the S&Ls or Chrysler. Under IFQs sophisticated fishermen will win out since most fishermen are not good politicians.

Terry Thomas, C/P, Seattle - AFTA represents \$1 billion in investments. Most shorebased processors are foreign owned. Controlled access would lead to parceling off the resource between at-sea and shorebased processing. Community allocations would also take a great deal of the resource. In the end, at-sea processors would only get 5-10% of all allocations. The fishery is dynamic and controlled access would take away from this. It is dangerous to do controlled access piecemeal.

Bill Orr, C/P, Seattle - The scoping process is to ferret out problems and with these problems identified the industry can see if these are the right ones.

Doug Gorden, JV representative, Seattle - IFQs give an incentive to maximize the value of fish. His greatest concern is that nothing will be done. By treating fisheries separately some fishermen will be left out and forced into other fisheries. He corrected some of Tom Casey's misunderstandings of the New Zealand experience.

Written Comments and Testimony Concerning Controlled Access
versus Open Access and Other General Comments Relating to These Issues

The comments received by the Council since the January Council meeting directly concerning controlling access or various generic management systems are summarized below. Written comments can be found in numerical order in the appropriate section of the comment package provided.

- *2. Gary Branfeld on behalf of P.M.T. Management and Pacific Bounty - They do not feel a limited access program is needed, at this time. However, if instituted, licenses should be transferable separate and apart from the vessel and specific limits on allowable catch could also be imposed. *NOTE: Letter is in "Cut-off Date/Pipeline" section.
27. Thomas Branshaw, Cordova - An IFQ system would only benefit non-operator owners, especially offshore, and leave no growth for the local economy or local fishermen. Licenses to fishermen is the only reasonable way.
28. Alec Brindle, Wards Cove Packing Co. - A provision for priority access to groundfish stocks is needed regardless of the management alternative chosen. Several factors must be considered including species, gear types, tonnages, areas, qualifications, distribution by entity, and socio-economic and political justification. Wards Cove is not fundamentally opposed to the concept of limited access but is opposed to IFQs.
29. Larry Cotter, Juneau - An alternative IFQ approach should be considered based on bycatch (halibut and crab) rather than target species. An IFQ system based on target species complex may become quite complicated and would still have to deal with halibut and crab bycatch. By allocating IFQs only for bycatch, competitive fishing would still be allowed and fishermen would have a strong incentive to fish clean (they could catch more fish).
30. Christina Florschutz, F/V Adeline - The status quo is unbearable and must change although it is not clear whether licenses or IFQs are best. It is important to remember that small inefficient boats employ lots of people, which may well be in our best interest.
31. Jim Green, Ketchikan Marine Charters - The groundfish are a public resource and the resource should be managed by the public. The "Competitive Bid Allocation Plan" is the sort of plan which would help reduce public monies currently being spent on resource management and would attract harvesters interested in delivering higher quality catches at better prices.
- *7. Jeff Hendricks, Alaska Ocean Seafoods - Limited access at this time may not be in the long-term interests of the industry. The Council should focus on the problem before the solution. Limited access has, at least, the following negative impacts: restraint on competition, discourages innovation, locks in a fisherman to perhaps one species, is in conflict with other government programs (Capital Construction Fund), creates a premium on access to the fishery which will raise the price of fish, artificially rewards those who happen to be in the fishery rather than those intending to enter, and rewards the very few as opposed to the many. *NOTE: Letter is in Cut-off Date/Pipeline section.
32. Mark Jacob Jr., Alaska Native Brotherhood, Sitka - Controlled access impacts cultural and social values. It also precludes the small operators who are the poorest. There is too much foreign control of the resource. Controlled access is a veiled attempt to promote aquaculture. Inefficient use of capital is not a Council concern. Limited entry in Alaska has hurt many and is discriminatory.
33. Mark LaRiviere, Neah Bay, WA - Competitive bid system is a good means of privatization. Small and medium vessels can not compete with large ones in open access. Under a different vessel sized competitive bid system they could.
34. Jerry and Donna Parker-Ellefson, Kodiak - Use open access management measures rather than limited access to confront the problems. The conservation of a lifestyle is also important.
35. Rudy Petersen, Seattle - Open access is preferred but if IFQs are used individual fishermen should be included for allocations. It would be irresponsible to give the fisheries to vessel owners and fishing companies without consideration to the many fishermen who have made their living in the fisheries.
36. Mike Reif, citizen, Sitka - Long term or permanent allocation is not good for privatization since the

desires of how and what to harvest change. Small fishermen, coastal communities and shoreside processors need to be protected. IFQs will shrink the number of operators and those remaining will want a higher maximum limit. He believes that the public should own the resource and harvesters should bid for the right to harvest it. Submitted a copy of a competitive bid plan.

37. Bill Rotecki, Ketchikan - The Council must protect the resource and the public. The Council can either: 1) minimize the political pressure, or 2) maximize the long term viability of the resource, both fish and habitat. If it becomes an allocation issue then it becomes a long run disservice to everyone. The Council has an obligation to future users and public owners of the resource. Flexible options give us the best opportunity to adjust to a changing world.
- 15.* Thorn Smith - Favors open access because: even the exercise of limited access consideration has self-serving and manipulative qualities; open access is the first choice of a lot of "hard-thinking fishermen;" the proposals could trigger a reaction in Washington, D.C. which the entire industry would regret; it is not certain where the implementation monies would come from and it is difficult to find a fisherman who wants more fishcrats or who wants to pay for them; and, economic allocation should be left to the marketplace. *NOTE: Letter No. is in Cut-off Date/Pipeline section.
38. Brad Tischer, Kodiak - The industry in December said that it wanted licenses and now the Council favors IFQs. At least at the state level when the fishery gets out of hand it is closed to protect the resource rather than left open to line the pockets of large corporations. When the Council makes a decision ensure that it is equally fair to the fishermen that have participated in the fisheries.
- 16.* Jess Webster on behalf of Stanley Weikal - Generally opposes controlling access in the longline fisheries as unfair, unnecessary, and not in the best interests of the efficient conservation of fisheries. Trip limits should be adopted for a longline complex. Limited licenses, if adopted, should be nontransferable since transferable licenses would be transferred to those seriously interested in the fishery and total catch effort would increase. *NOTE: Letter is in Cut-off Date/Pipeline section.

Dillingham Scoping Meeting Summary
March 11, 1989

This scoping meeting was held in the Senior Citizens Center. Council members and staff present were Tony Knowles, Henry Mitchell and Clarence Pautzke. Twenty-nine members of the public attended the session. Testimony is summarized below.

Jonathan Togiak - Concerned about local people not having employment. Need local community preference like the New Zealand plan. These should go to individual villages.

Tom Tilden - Need to leave a lease window of opportunity for locals to get into yellowfin sole or halibut fisheries. Perhaps IFQs or community development quotas (CDQs) would work. These would not be saleable but just reissued yearly and would give preference to local residents.

Peter Barnes - Limit the size of vessels to 32 ft. for any bottom fishing in the Togiak area.

Stan Small - Need to allow 32 ft vessels to try groundfish fishing.

Andy Golia - A small allocation of halibut from the closed area is needed for local fishermen. There is a sense of frustration with the closure because fishermen cannot develop a participation history for any future controlled access scheme.

William Nicholson - Bristol Bay fishermen are aggressive and want the opportunity to fish species other than salmon and herring. They need to be able to diversify, for example, into yellowfin sole. June would be a good time for that.

Val Angeson - Opposed to controlled access. Want to develop local cod, halibut, and flatfish fisheries. Wants IPHC to readdress issue of opening up Bristol Bay.

John Fulton - Money does not stay up in their area and therefore he is opposed to controlled access.

David Moore - Keep the higher volume, bigger boats out and give the 32 ft boats an area of their own to longline and develop a fishery for yellowfin sole.

Dave Markoff - Should limit access by time and boats to 32 ft to produce better quality fish.

Mark Weble The fishery must be economically viable. He is concerned with potentially high prices of licenses.

Ralph Thorenson - There is new technology and boats to fish that did not exist before. They need time to develop a fishery.

Gary Carls - Need to fish halibut in the nursery area so that they can develop a record for future controlled access. They need markets and small boat trawls for other fisheries.

Trefong Angesen - Bristol Bay fishermen want to hold open their opportunity to participate in the groundfish fisheries.

Senator Zarhoff - Opposes controlled access until Alaskans have the opportunity to become involved in the fisheries.

Kodiak Scoping Meeting Summary

March 17, 1989

This scoping meeting was held in the Senior Citizens Center. Council members and staff present were John Peterson, Oscar Dyson, Tony Knowles, Clarence Pautzke and Dick Tremaine. Over forty-five members of the public attended the session. Testimony is summarized below.

Dave Schrader, crewman, Kodiak - Open access offers the flexibility and market for changing resource conditions around Kodiak. Markets determine the access for fishermen for groundfish. Open access supports local economies while controlled access would put access into the hands of those with money. The opportunity to participate is important as is the potential loss of flexibility. Salmon licenses did not keep the fleet from overcapitalizing.

Linda Kozak, longline representative, Kodiak - Cost of implementation must be considered for any system. High costs would drain funds from other uses such as research. There is a concern about non fishing interests getting access, processing moving offshore, and a decrease in support for local communities.

Jack Hill, owner, Kodiak - Open access is the best alternative. There is no difference between making money in three days or a longer trip. Concerns center on concentration of ownership, restrictive rules for C/Ps, and a change in lifestyle. The fisheries are a common resource. If access must be controlled to protect the resource that is one thing but there must be other ways.

Oliver Holm, longline representative, Kodiak - Roe stripping and discards are major problems. The Council has not even addressed the goals to justify controlled access. Long seasons are not necessarily better since many fishermen do not want to fish all year. Halibut under a short season probably contributes more to the local economy than longer seasons, the extra profitability would bypass the local communities. Analysis should examine concentration of ownership and the impact on small businessmen. Controlled access adds an extra financial risk by capitalizing the resource. The second generation of fishermen must pay this capital cost to enter the fishery.

Rob Wurm, longline representative, Kodiak - Bycatch and observers are the primary concerns but instead effort is being placed on controlled access.

Jack Kooy, Musted & Sons, Canada - Licenses in Canada have ended up in company hands with different prices paid for fish. The burden of financing does not benefit the fishery. Capital investment increases with licenses since all must be more competitive. Each year the system is changed just a little. Halibut from off Alaska has bad reputation for quality and price is way off that from the east coast.

Dave Harville, owner, Kodiak - Time for controlled access is past. The shore based trawl fishery has limited access due to limited markets. The battle now is between shorebased and at-sea processors. He has great worries about the Alaskan infrastructure. The enabling legislation for the Magnuson Act discussed its intent to protect the shorebased industry in Alaska. Most nations protect shorebased and at-sea industries from each other.

Doug Dixon, Marine Const & Design, Seattle - It is important that the Council have the proper and correct facts in front of them when making decisions.

Mark Kandianis, fisherman, Kodiak - Some type of controlled access may be necessary but conservation measures such as restricting fishing on the spawning grounds is most important.

Dave Herrnstein, owner, Kodiak - Open access management measures need to be expanded and look at the long term. It is natural and healthy if people and boats go broke. This gets new blood in and keeps the industry on its toes. If a plan is going to be implemented it should be done without a cut-off date because that only accelerates participation. It is necessary to limit areas to certain gear types.

Peter Allen, owner, Kodiak - Open access is good for the small boat fishermen since it is flexible and benign. Enforcement of IFQs would be very difficult. Perhaps something needs to be done about C/Ps.

Kevin O'Leary, owner, Kodiak - The Council should consider a limit on the amount of time it spends talking controlled access since it is the same issues raised each time. It keeps coming up because the government is looking for revenues. The halibut fishery could be spread out but as long as controlled access is under discussion the fishery is rigged to fail to force the issue.

Mike Dirksen, fisherman - IFQs would take a lot of capital and the small scale fishermen could not compete for those blocks of fish. Not sure how any one system can take care of the little guys where fishing is their life. Without fishing they would have to change their whole life and probably move.

Jerome Selby, mayor, Kodiak - Both SWAMC and the Kodiak Borough are adamantly opposed to controlled access. Many salmon permits have left the area. Controlled access is not a management program, what does manage fish is observers. If controlled access is unavoidable two points are important: let some of it stay in Alaska and allow for new folks to get in without great cost.

Vern Hall, fisherman, Kodiak - Still opposed to controlled access but it has been a good effort to investigate it.

Michelle Weekly, owner, Kodiak - Halibut is a way to get extra money and any allocations under IFQs would be too little for a large boat. Likes open access.

Blake Kinner, owner, Kodiak - Licenses would have prevented the mobility and flexibility needed over the past 20 years. Large corporate interests getting power is a concern under controlled access.

Bill Wassen, ex-crewman, Anchorage - Large vessels could use controlled access but it must not shut out small vessels. IFQs may have some beneficial effect but licenses would not. Industry can not fully understand the impacts of an IFQ system without a complete plan being drawn up for review.

Dave Lowe, owner, Seattle - This a dilemma, a problem with no good solution. New people can enter controlled access but it becomes more difficult as prices go up. Licenses help in getting bank loans. The pipeline definition is very confusing.

Paul Duffy, owner, Kodiak - Economics should run things and open access is the American way. Diversification is healthy in Kodiak and for the people of Alaska. Bankers base loan potential on past fishing performance.

Bill Alwert, owner, Kodiak - Does not want controlled access and does not feel big boats should be restricted. Giving harvest rights to people will result in those rights being sold with no thought for future as happened with many salmon licenses.

Lou Jockerman, fisherman, Kodiak - With controlled access people become locked into the fishery and there is more fishing effort that during open access. This certainly happened with salmon. Let the bankers worry about not enough fish.

Sitka Scoping Meeting Summary
March 22, 1989

This scoping meeting was held in the Centennial Building. Council members and staff present were John Winther, Larry Cotter, and Dick Tremaine. Over fifty members of the public attended the session. Testimony is summarized below.

Mark Jacob Jr., Alaska Native Brotherhood, Sitka - Controlled access impacts cultural and social values. It also precludes the small operators who are the poorest. There is too much foreign control of the resource. Controlled access is a veiled attempt to promote aquaculture. Inefficient use of capital is not a Council concern. Limited entry in Alaska has hurt many and is discriminatory.

Bob Allen, Allen Marine Works, Sitka - Should limit halibut by number of skates and hooks per vessel. Management should be on a real time basis. Require herring for bait so that herring carcasses are used. He submitted a proposal for a limited gear fishery.

Sigard Ritter, fisherman, Sitka - Limited access in New Zealand resulted in no small vessels and only C/Ps left. This would be unacceptable for Sitka.

Mike Reif, citizen, Sitka - Long term or permanent allocation is not good for privatization since the desires of how and what to harvest change. Small fishermen, coastal communities and shoreside processors need to be protected. IFQs will shrink the number of operators and those remaining will want a higher maximum limit. He believes that the public should own the resource and harvesters should bid for the right to harvest it. Submitted a copy of a competitive bid plan.

Marybeth Nelson for Mark LaRiviere, fisherman, Neah Bay, WA - Competitive bid system is a good means of privatization. Small and medium vessels can not compete with large ones in open access. Under a different vessel sized competitive bid system they could.

Scott Winnop, Sitka - Some form of limited access is required since that is the only way to preserve some of the resource for today's children. With a bid system the big companies would get big money and outbid the smaller guys.

Robert Chervalia, fisherman, Sitka - Sablefish were fully U.S. utilized in SE by 1982 and a cut-off date announced in 1985. That date should be used. The fishing area is small and crowding is bad. IFQs would be unenforceable and would not reduce the number of gear units. Chatham criteria should be used for licenses. Pressure on rockfish will be extreme no matter what is done with sablefish. He was unsure of what to do with halibut.

Charles Wilbur, crewman, Sitka - Difficult to talk about limited access with non-local fleet ready to harvest herring. Limited access would not give crewmen consideration and they would be cut out of a chance to become skipper. With halibut, one day to fish is better than no days to fish.

Kenneth Miers, fisherman, Sitka - Does not know the best answer but it is not justifiable to make a better resource by limiting access to all but a select class. Future fisheries must be multi-species and where young people can enter. Licenses might work. It should limit the number of fishermen but not be a monetary limit.

Bud Dodson, fisherman, Sitka - IFQs are the best way for sablefish. It is a capitalistic system here and money is involved in everything. There should be a limit on ownership and the IFQs should go to permit holders.

David Whalen, fisherman, Port Alexander - Likes IFQs and use to like Prochoice although now sees no way to protect open access. SE sablefish grounds are under great stress unlike those out west. All species should

be done at once.

Jay Skordahl - The cut-off date of January 16 may make it difficult to use money from Capital Construction Accounts and that should be considered. Supports licenses for sablefish with the use of a cut-off date and landings. Should include oldtimers even if they missed the last few important years.

Walt Pasternak, Sitka - Socio-economic well being of coastal communities is important and IFQs and the bid system would hurt. C/Ps are taking the resource. Prefers licenses based on Chatham Straits or hand troll criteria. Cut-off date in SE should be 1 or 2 years earlier than elsewhere.

Patrick Paul Sr., retired fisherman, Chatham - Opposed to licenses since it is a tremendous barrier to new people entering the fishery.

Ann Rold, owner, Sitka - Concerned about the viability of small fishermen competing. Regulating catch by size of boat discriminates against small fishermen. The New Zealand experience where small boats got out of the fishery is disturbing because it could happen here. During halibut season fishermen make themselves go out in bad weather. More boats are lost and accidents happen in this system. Supports licenses a bit but perhaps a color coded permit card system.

Matt Donahoe, fisherman, Sitka - Already there is a 3% landing tax and that increases overhead. The money goes to government and not to the communities. New system needs to protect crewmen, with IFQs less crew would be hired and therefore there would be an overall decrease in the number of jobs. If limited access is used make it Alaskan style, ensure enough income for fishermen to live on, keep them in communities and in the hands of fishermen. Processors have already said they will buy up harvest rights if it goes limited access.

Edward Johnson, crewman, Sitka - Ensure that crewmen's interests are served. Something needs to be done to control the growth of the fleet. Likes IFQs with a point system and a percentage of income. Favors IFQs with super exclusive areas so companies can not buy up blocks.

Patricia Phillips, fisher, Sunnyside - Favors some type of IFQ with points for crewmen. Small boat fishermen should be protected and C/Ps should not be able to buy up all the rights.

Wayne Patterson, citizen, Sitka - More discussion is needed concerning the public ownership of the resource and how public monies are spent on it. The timing of the meeting should be later in the day and more information should be sent out to the public.

Unknown fisherman, Sitka - IFQs are a reasonable system if saleable but concentration must be avoided. The window for qualification should not be too narrow but the last three years may do.

Mike Mayo, owner, Sitka - Licenses are better for small boat fishermen than IFQs, based on experiences in New Zealand and Nova Scotia where the small boat fishermen were bought out. A cut-off date of 1985 should be used for SE/East Yakutat with a later date elsewhere. Processors intend to buy up harvest rights and this is bothersome to fishermen. In SE there are many owner-operators, which is not the case elsewhere. The grounds out west are decimated by the trawlers but this has not happened yet in SE. A great deal of cheating is going on out west in the catching of sablefish and other species. Halibut should be fished in the summer when the weather is good and fishermen can choose their fishery. Limited access in halibut would divide towns and families over allocations to natives and communities. October halibut openings are much too dangerous.

Ward Eldridge, fisherman, Sitka - Owner onboard was the one part of Alaska limited entry system that made it acceptable. If harvest rights go to C/Ps there will be a great decrease in jobs. Trawlers depleted fish stocks in other parts of the world more than biologists are aware.

A Comparison of Projected 1989 and Actual 1988
Fleet Size and Performance

<u>Vessel Category</u>	1989 <u>Projection</u> ^{1/}	1988 <u>Fleet</u>
Trawlers	116	141
Longliners	150	672 ^{2/}
Pot vessels	--	36
Factory trawlers	24	38
Freeze/longlines	12	17
Factory pot vessels	--	36
Motherships	<u>2</u>	<u>3</u>
Total vessels	304	943
Harvest	1.5 million mt	2.1+ million mt

^{1/} From NPFMC Document #23, "Projections of domestic fleet and effort required to harvest the Alaska groundfish optimum yield", March 1984, prepared by NRC.

^{2/} The number of vessels delivering longline-caught sablefish in the Gulf of Alaska. This does not include vessels which only operated in the Bering Sea/Aleutian Islands and may count vessels which both trawl and longline.

D R A F T

Attachment 4

Open Access Management

The measures used to control fishing effort under open access management will change over the next few years. Measures currently in use (seasons, PSC limits, gear allocations, area closures) will be utilized more often and for a greater number of species and additional measures such as logbooks, trip limits and observers will supplement these. Overall fishing effort will be controlled by making each vessel less efficient or by reducing the amount of time the vessel can actively fish. In this manner the number of vessels need not be limited.

The fishery five years from now

Following is a list of the management measures envisioned as being applicable for addressing the various identified problems of the fisheries. The measures noted with (*) indicate those the group believes will be implemented or expanded within the next five years. Those noted with (#) indicate those the group believes are possible for use or expansion within the next five years.

- I. Non-landed mortality. The objective is full accounting of all mortality.
 - A. Discard waste - species that could be landed but are discarded for economic reasons.
 - 1. Mandatory landing of all catch.
 - * 2. Mandatory catch reporting.
 - 3. Enforcement:
 - * a. Observer coverage.
 - * b. Logbooks.
 - * 4. Technological innovation, perhaps with incentives.
 - * 5. Time/area closures.
 - 6. Economic disincentives to discard.
 - B. Ghost fishing.
 - 1. Report all lost gear:
 - * a. Register all gear.
 - * b. Monitor gear in and out of fishing areas.
 - * 2. Biodegradable gear and modifications.
 - 3. Restrictive gear limits.
 - C. By-catch loss - the discard of prohibited species and those species whose TAC has been reached.
 - * 1. Measures as used for discard waste, above.
 - # 2. Authorized retention of a percentage of total catch.
 - 3. Mandatory improvements in handling.
 - * 4. PSC limits.
- II. Allocation conflicts

D R A F T

- A. Management and preseason allocations.
- * 1. Gear shares of TAC.
 - * 2. Directed or by-catch only fishery allocations.
 - * 3. Quotas by area/gear/species.
 - * 4. Trip limits.
 - # 5. Exclusive and superexclusive registration areas.
 - 6. Gear restrictions which are limiting.

- B. Gear conflicts between similar gear users.
- * 1. Exclusive and superexclusive registration areas.
 - # 2. Gear limits.
 - * 3. Prescribed fishing practices.

III. Excess capacity and economic inefficiency

From a national accounting perspective open access cannot address economic efficiency issues. From a regional or local level such efficiencies might be addressable.

- A. Platooning the fleet (alternate weeks, etc.).
- * B. Vessel and gear limitations.
- * C. Exclusive and superexclusive registration areas.

IV. Safety

- # A. Flexible seasons to accommodate weather.
- * B. Establish safety standards.
- C. Trip limits including:
 - * 1. Catch limits.
 - * 2. Trip duration limits.
 - * 3. Limits on the number of trips.

V. Quality

- A. Government mandatory handling standards.
- * B. Processor and industry education programs.
- * C. Mandatory grading (pricing) system at the processor level.

General Conclusions

In general, future open access fisheries will be characterized by the following as compared to today's management system:

- . shorter seasons
- . more vessels
- . more regulations
- . production costs will increase and profits decrease
- . economic rents will be further dissipated
- . unstable and seasonal employment
- . higher economic risk and uncertainty in all sectors
- . more costly and complex management, enforcement, and regulations.

**Open Access Management Measures Expected to be
Implemented Within the Next Five Years**

The Fishery Planning Committee reviewed the measures developed by the technical workgroup open access advocacy sub-group at their March meeting. The following is a summary list of those measures the Committee believes will be instituted by the Council within the next five years under open access management. Although many of these measures are currently in use, it is probable that they will be used to a greater extent in the future.

Open access - The measures used to control fishing effort under open access management will change over the next few years. Measures currently in use (seasons, PSC limits, gear allocations, area closures) will be utilized more often and for a greater number of species and additional measures such as logbooks, trip limits and observers will supplement these. Overall fishing effort will be controlled by making each vessel less efficient or by reducing the amount of time the vessel can actively fish. In this manner the number of vessels need not be limited.

The fishery five years from now

The suite of management measures in use will be:

- Allocation of a species as bycatch only or target only
- Authorized retention of a percentage of PSC
- Biodegradable gear and other gear modifications
- Exclusive and/or super-exclusive registration areas
- Gear allocations
- Gear check-in/check-out reports
- Gear registration
- Limits on discarded fish parts
- Mandatory catch reporting
- Mandatory logbooks
- Mandatory observer coverage
- Mandatory price grading system at processor level
- Onshore/offshore processing allocations
- Platooning the fleet
- Positive incentives to catch less bycatch and PSC
- Prescribed fishery management practices to minimize gear conflicts (e.g., longlines set perpendicular to depth contour)
- Processor and other industry education programs
- PSC limits
- Quota by area, gear and species
- Safety standards
- Technological innovation, perhaps with incentives
- Time/area closures
- Trip limits
 - Catch limits
 - Trip duration limits
 - Limits on the number of trips
- Vessel and gear restrictions (e.g., size of vessel, horsepower of vessel, number of skates, size of trawl)

Written Comments and Testimony
Related Specifically to Coastal Communities

The comments received by the Council since the January Council meeting directly concerning coastal communities are summarized below. Written comments can be found in numerical order in the appropriate section of the supplemental comment package provided.

39. Howard Amos, Nunivak Island Fisherman's Assoc. - This talk about closing our backyard to limited access would damage our hopes for a better economic future. The Bering Sea is our only hope for better economic stability and we do not want to be left out of this gold mine.
40. Mark Chamber, Yukon Kuskokwim Delta Mayor's Conference - The conference is opposed to any form of limited access unless such a system includes a clearcut provision for the participation of coastal Alaskan communities in the fishery.
- 9.* Hubert McCallum, Peninsula Marketing Assoc. - Many of the fisherman in southwest Alaska are entering the groundfish fisheries for the first time. They face the competition of at-sea processors and now a potential halt to their conversion plans. Allocate groundfish fishing rights to shorebased and at-sea processing if quota system implemented and make defined areas for shorebased fishing closed to catcher-processors. *NOTE: Letter is in Cut-off Date/Pipeline section.
- 10.* Tim McCambly, Dillingham - Opposed to licenses since they tend to go to non-Alaskan interests and priced too high for local to buy. There should be a 32-ft. vessel size limit in Bristol Bay to 3 miles offshore. If IFQs are used they should also be given to communities and regions directly related to the fishery. *NOTE: Letter is in Cut-off Date/Pipeline section.

The following summarizes the testimony received during the scoping process directed specifically to coastal communities.

Jonathan - Dillingham meeting - Concerned about local people not having employment. Need local community preference like the New Zealand plan. These should go to individual villages.

Tom Tilden - Dillingham meeting - Need to leave a lease window of opportunity for locals to get into yellowfin sole or halibut fisheries. Perhaps IFQs or community development quotas (CDQs) would work. These would not be saleable but just reissued yearly and would give preference to local residents.

Peter Barnes - Dillingham meeting - Limit the size of vessels to 32 ft. for any bottom fishing in the Togiak area.

Stan Small - Dillingham meeting - Need to allow 32 ft vessels to try groundfish fishing.

David Moore - Dillingham meeting - Keep the higher volume, bigger boats out and give the 32 ft boats an area of their own to longline and develop a fishery for yellowfin sole.

Dave Markoff - Dillingham meeting - Should limit access by time and boats to 32 ft to produce better quality fish.

Ralph Thorenson - Dillingham meeting - There is new technology and boats to fish that did not exist before. They need time to develop a fishery.

Trefon Angason - Dillingham meeting - Bristol Bay fishermen want to hold open their opportunity to participate in the groundfish fisheries.

Senator Zharhoff - Dillingham meeting - Opposes controlled access until Alaskans have the opportunity to become involved in the fisheries.

**Cut-off Date
and
Pipeline Definition**

Written Public Comments

The documents in this packet are written comments received by the Council concerning the cut-off date and definition of the pipeline. These comments were received between the January Council meeting and noon on April 6, 1989.

Summary of Written Comments Concerning
Cut-off Date and Vessel Construction Pipeline Considerations

The correspondence received by the Council since the January Council meeting directly concerning the cut-off date and/or pipeline definition are summarized below.

1. Jerome Anderson, Speedwell, Inc. - A vessel once flagged under the U.S. was sunk and is currently being repaired. Questions exist as to its qualifications under a pipeline definition. The specifics of the case are presented in the correspondence.
2. Gary Branfeld on behalf of P.M.T. Management and Pacific Bounty - The due process requirements of federal law require that the final proposal contain a prospective rather than a retrospective date. The current "record" before the Council is inadequate to support such legislation although such a record could be made. Legal counsel should draft a new proposal and eliminate the concept of pipeline. Qualification could be based on either having been engaged in any Council fishery prior to June 1, 1989, or (a) been purchased for the purpose of conversion on or before June 1, 1989 and (b) engaged in the fishery by June 1, 1990.
3. Thomas Branshaw, Cordova (2 pieces) - The cut-off date is needed and should not be changed. The situation has become critical to Alaska, its fishermen, shorebased processors, and industry workers. If immediate action is not taken a new flood of participants will emerge into these fisheries from displaced Prince William Sound fishermen. Seiners are already scrambling to get crab pots and the bottom fishing has boats cutting each other's gear. It is a critical situation right now!
4. Alec Brindle, Wards Cove Packing Co. - The current definition of cut-off date and pipeline has several deficiencies. Is a current participant (undefined) in one fishery qualified for that fishery or all fisheries? Vessel is not defined (mothership, self-propelled, moored, and so forth). The 20% investment is unfair to expensive vessels. There is no appellate process designated.
5. Phyllis Carnilla on behalf of Birting Fisheries - Clarification of "with full intent to operate in the fisheries" would be helpful including guidance as to how it could be measured or proved. Likewise the accounting principles to be applied to the investment criteria and how this category would be administered needs clarification. The pipeline definition should include "any vessel that becomes eligible, by July 28, 1990, for a fishery license under Section 4 of the Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987, Pub. L. 100-239."
6. James Ellis on behalf of Pacific Bounty - The Council's consideration of the cut-off date was not properly noticed, has regulatory impact without observance of the statutorily-mandated process for development of regulations, and cannot be given retroactive effect. The Council should recognize that its apparent preference for using past events as the sole criteria for assessing eligibility is unsound as a matter of administrative law.
7. Jeff Hendricks, Alaska Ocean Seafood - The Council has the responsibility to complete its analysis before it concludes a cutoff is necessary. The pipeline definition is not target species specific; that is, a king crab boat qualifies for pollock. The only sensible cutoff for vessels under construction is the principle used for the Anti-Reflagging Act; the date upon which a contract is signed and the owner legally committed. A major investment is arbitrarily defined and penalizes those who have risked substantial capital in reliance on existing law.
8. Sam Hjelle, Glacier Fish Co. - The cut-off date rule must be (1) clear, (2) simple to apply, and (3) not subject to legal challenge. Eligibility should be either a documented vessel which operated in a Council fishery before the cut-off date, or (a) a contract for construction or conversion was executed on or before the cut-off date and (b) the vessel is documented and operating in a Council fishery on or before June 1, 1991. Eligibility can be determined by reference to three documents: a construction or conversion contract, the vessel license, and catch reports. The cut-off date et al. as drafted in January should not be adopted.
9. Hubert McCallum, Peninsula Marketing Assoc. - Many of the fisherman in southwest Alaska are entering the groundfish fisheries for the first time. They face the competition of at-sea processors and now a potential halt to their conversion plans. Therefore set the cut-off date to actual participation in the respective fishery by December 31, 1990 and make allocations to at-sea and shorebased.

10. Tim McCambly, Dillingham - A cut-off date of January 16, 1989 would all but eliminate Bristol Bay fishermen from a fishery just offshore. The qualifications should include all already owning vessels, especially the local 32 ft. salmon boats. Local fishermen want to enter the fishery and are just preparing to do so.
11. Robert Morgan, Oceanrawl - The placement of large factory trawlers into the fishery requires a lead time of several years. Substantial financial commitments must be made at all stages of the development process. Many factory trawlers currently under conversion have relied on the Anti-Reflagging Act in making plans and financial commitments.
12. Wally Pereyra, Profish - The January 16, 1989 date should be a moratorium date with proper documentation to qualify. All vessels would have to provide documentation to NMFS by January 1, 1990 to demonstrate their qualification. Qualification could be based on past participation or both a contract signed by January 16, 1989 for design and construction or conversion and operation and participation by January 1, 1991. Some limit should be placed on conversions in the near future to limit increased capacity. If a vessel is sunk a similar sized replacement should be allowed.
13. Eric Silberstein, Emerald Seafoods - An additional category should include a vessel qualifying under the Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987 and especially any vessels that qualify under Section 4 of the Act.
14. John Sinclair, Seaboard Management - There is not an adequate administrative record for the cut-off date or pipeline definition at this time. Also, such action must be consistent with the requirements mandated by Congress when it enacted the Anti-Reflagging Act. A simple, verifiable scheme is preferable and the Anti-Reflagging Act with the addition of a verifiable delivery by January 1, 1991 provides one for vessels converted overseas.
15. Thorn Smith - The cut-off date could be the first step in a series of actions which might dramatically affect the fishing industry. A central theme of the Magnuson Act is that the industry and concerned public should review and comment before any regulatory action is taken. Therefore, the direction of regulatory action should be laid out before the first step is taken. Cut-off dates and pipeline definitions tend to be arbitrary and vulnerable to legal attack. It is difficult to justify the exclusion of anyone who has made any expenditure towards the construction of a vessel. Any cut-off date would result in a number of groups demanding "their" share of the resource.
16. Jess Webster on behalf of Stanley Weikal - There was no advance public notice for the cut-off date nor any logical support for it. The pipeline definition is overly vague regarding such criteria as target species, under-inclusive by not protecting some who have bona fide commitments and investments, and is generally inadequate. The consideration of controlled access at the April meeting is inappropriate for longliners due to the sablefish opening.

speedwell INC.

1
Hand delivered to me
3-9-89
JH

John Peterson, Chairman
North Pacific Fisheries Management Council
605 West 4th Ave.
Anchorage, AK 99501

March 9, 1989

- Re: 1) Comment regarding: Alternative Management System
for Sablefish, Other Groundfish,
Halibut and Crab Fisheries Off
the Coast of Alaska; and
2) Definition of: "In the Pipeline".


Dear Mr. Peterson:

In response to the recent activities by the Council and the Notice of Scoping Process for Exploring Alternative Management Systems for Sablefish, Other Groundfish, Halibut & Crab, I submit the following comments relating to the specific circumstances of my vessel, the WAKKANAI.

According to the Notice of Scoping Process, the Council has tentatively adopted a January 16, 1989, cutoff date, after which a vessel not "in the pipeline" may or may not be considered by the Council as eligible for participation in any future Controlled Access System for the Groundfish, Halibut and Crab fisheries under the Council's jurisdiction.

I believe the circumstances of my vessel would qualify for the general definition that has been provided of a vessel "in the pipeline". At this point, however, in seeking financial commitments for domestic shipyard work on the vessel, I have been advised by lenders that to make any such commitment they need a reassurance that my vessel will, in fact, qualify.

In addition to your reviewing my comments, for input to the Council process, I would appreciate a reply to my request for a clarification of "in the pipeline" with respect to the WAKKANAI, based on the following information.



The vessel WAKKANAI has been in my family's hands for nine years with the expectation that it would qualify for the fisheries in Alaska when completed. It is a Japanese-built stern trawler, re-flagged to U.S. ownership in 1978. It was used in salmon processing in Alaska during 1978 and 1979 by the owners, at that time, an American corporation named Eastern Shellfish, Inc. While in the custody of Duwamish Shipyard of Seattle the vessel was sunk on the night of December 31, 1979 and subsequently salvaged. In the fall of 1980, the WAKKANAI was purchased from Eastern Shellfish, Inc. by Silver Eye Company, a U.S. corporation entirely owned by U.S. citizens, and has been owned by that company to present. In September 1981 the U.S. Coast Guard recognized that the WAKKANAI was wrecked under the terms of 46 U.S.C. §14 and committed themselves to restoring fishing and coastwise trade privileges to the vessel when it had been repaired in the United States.

While some work has been done to the vessel each year no major overhauls have been undertaken. However, in 1988, we did start the overhaul of the main engine, the single most expensive portion of the restoration, and for the first time had serious discussions with qualifying lenders to put WAKKANAI into the fishing and fish processing business.

I am presently processing bottomfish in Alaska with another vessel, the SPEEDWELL, taking cod ends at sea from domestic trawlers. I would propose to do the same thing with the vessel WAKKANAI, as well as trawling itself. Both the WAKKANAI and SPEEDWELL have held Federal Groundfish Permits since 1988. WAKKANAI and SPEEDWELL would each reasonably be expected to harvest and/or process 5,000 M/T of round fish per year, targeting primarily on sole.

The Commercial Fishing Industry Vessel Anti-reflagging Act of 1987 states that a U.S. documented vessel which has had past experience in the fisheries, prior to July 28, 1987, may be issued a fishery license.

During Council discussions I would appreciate the circumstances of the WAKKANAI be discussed, and that the vessel be considered "in the pipeline", and as eligible for participation in any future Controlled Access System for the Groundfish, Halibut and Crab fisheries under the Council's jurisdiction.

Thank you for your consideration in these matters.

Sincerely yours,

SILVER EYE COMPANY

A. Jerome Anderson

A. Jerome Anderson
President



DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

MAILING ADDRESS:
U.S. COAST GUARD (G-MVD/13)
WASHINGTON, D.C. 20593
PHONE: 202-426-149

• 16713/5-4
15 September 1981

Heung Y. Kim
Kim Marine Documentation
Smith Tower
Seattle, Washington 98104

Dear Mr. Kim:

Your letter of 15 April 1981, forwarded evidence to support a request that the vessel WAKKANAI, O.N. 599001, be deemed wrecked within the meaning of section 4136 of the Revised Statutes, as amended (46 U.S.C. 14).

On the basis of the evidence presented, the vessel is deemed wrecked within the meaning of that statute. The Coast Guard has accepted \$100,000.00 as the appraised salved value of the vessel.

In order to acquire coastwise and/or fisheries privileges for the vessel, it will be necessary for you to evidence that the vessel has undergone, in the U.S., repairs equal to three (3) times that appraised salved value. That evidence should consist of:

- (a) a certificate from the shipyard detailing the work performed on the vessel and indicating the cost of each repair item;
- (b) blueprints or drawings illustrating the work performed; and
- (c) a statement from the shipyard certifying the total cost of the work.

Sincerely,

PHYLLIS D. CARNILLA
Chief, Regulations and Rulings Branch
Merchant Vessel Documentation Division
By direction of the Commandant

2

Branfeld, Holzman & Quick-Ruben, P.S.

Attorneys at Law

Gary H. Branfeld Marilyn A. Holzman Steven Quick-Ruben

RECEIVED
MAR 10 1989

March 9, 1989

FEDERAL EXPRESS

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

Re: Comments on FOG Proposal

Dear Mr. Peterson:

Our clients, P.M.T. Management, Inc. and Pacific Bounty, Inc., have asked us to respond to your recent solicitation of comments regarding the Future Of Ground Fish proposal for limited entry. After reviewing relevant statutes, court decisions, and economic considerations with our clients, we can advise you that it is our position that the current proposal is ill conceived, and ill timed. Without providing you with a legal brief on the subject, I would like to amplify these thoughts.

First, the FOG proposal does not deal with the current need for a conservation program. It does not deal with the poaching problem. It does not deal with problems relating to the donut hole. What it does do is legislate benefits for certain existing individuals and firms, at the expense of other groups. It also opens a Pandora's box with regard to set asides for various minority groups. It creates a legal morass as to various issues such as the application of antitrust laws. We believe that some part of the problem was created by the failure of the FOG group to have legal counsel to consider the legal issues, and to prepare a proposal that would pass legal muster. We do not wish to impugn the integrity of the members of the FOG group. Nor do we wish to imply that they did not use their best efforts in arriving at the current proposal. Rather, we wish to indicate that, in this very complicated legal setting, with large amounts of capital at risk, legal issues have not received adequate consideration. In particular, we would like to set forth a number of our specific concerns.

First, the FOG group picked a January 16, 1989 cut-off date. This date is still on the table. We believe that due process requirements of federal law require that the final proposal should contain a prospective rather than a retrospective date.

Mr. John Peterson
March 9, 1989
Page two (2)

In other words, if the current proposal were adopted it would be legislation based upon a date which has long since past. By doing so you would be effecting contractual rights and liabilities that existed prior to the date of the adoption of the plan. We believe that this creates various due process and other legal problems.

Second, the definition of the phrase "in the pipeline" is ambiguous and uncertain. A much clearer definition must be utilized in order to avoid costly legal battles with regard to the licensing of each individual vessel.

Third, we have been advised that various groups have already expressed a desire that certain percentages of the total allowable catch be reserved for them. I am sure that you will recall all of the legal problems that arose, in the State of Washington, with regard to treaties that reserved 50% of the available catch to various Indian tribes. Those cases ultimately reached the United States Supreme Court, over a period of more than a decade. The expenses of such litigation were enormous for all parties. Large numbers of commercial fishermen went bankrupt and various governmental agencies had to come to their rescue. We would hope to avoid that type of a legal battle with regard to this issue.

Fourth, we believe that the current "record" before the Council is inadequate to support such legislation. This is not to say that such a record could not be made, but only that the record before the council does not presently contain all of the necessary supporting data which would be necessary in order to provide a sound legal basis for the proposed legislation.

Having stated the problem, it is only fair that we provide you with a proposed solution. First, we would suggest that the current FOG proposal be permanently tabled by the Council. The Council should then refer the matter to competent legal counsel for their review and comment. We believe that legal counsel should be asked to draft a new proposal, which contains a prospective cut-off date and which contains a clearly defined definition of which vessels and/or firms will be granted fishing permits or licenses under a grandfather clause. I believe that this could be accomplished in a matter of one to three months.

As an aide to your legal counsel, we would suggest that the term "in the pipeline" be totally eliminated. Instead, we would

Mr. John Peterson
March 9, 1989
Page three (3)

propose that in order for a vessel to obtain a fishing license or a permit for fishing or processing in Alaskan coastal waters, or in the North Pacific Ocean exclusive economic zone, the vessel must have either:

a. been engaged in any fishery under the North Pacific Fishery Management Council's jurisdiction prior to June 1, 1989; or

b. been purchased for the purpose of converting the vessel into a fishing trawler, fishing trawler-processor, processor, longliner or the like on or before June 1, 1989. Provided, the vessel must actually become engaged in the fishery by June 1, 1990.

We would further propose that the fishing license or permit be transferable separate and apart from the vessel. This would insure that as the fleet of trawlers and processors age, the older vessels could be retired and new, more cost efficient vessels could be substituted therefore. This does not necessarily mean that the new vessel could be larger than the original vessel. Specific limits on allowable catch could also be imposed.

These proposals have been offered on the assumption that some form of a limited entry program is needed and that the program will solve the majority of the current problems. However, it is my client's position that the adoption of a limited entry program is not needed, at this time. The political battles which would be waged by various communities and minority groups would probably have a serious and detrimental impact upon the current firms engaged in the bottom fishing industry.

It is important for the Council to take action, at this meeting, to eliminate the existing January 16, 1989 cut-off date. Our clients, as well as various firms that have previously contracted for the purchase and conversion of vessels are already having problems with their lenders regarding continued financing of conversion work and the financing of vessel operations. A number of these banks have taken a "wait and see" approach to the problem. That is, until the Council acts, additional funds may not be advanced. It is interesting to note that in spite of the fact that the Council has not yet acted, financial institutions are already taking a very conservative approach. Apparently, the financial institutions are sufficiently concerned with the

Mr. John Peterson
March 9, 1989
Page four (4)

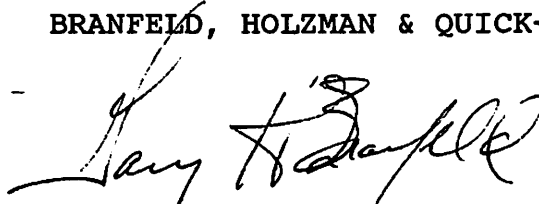
proposal for a January 16, 1989 cut-off date, and with the current definition of "in the pipeline", to holdup additional financing. We believe that the uncertainty which this proposal has created should not be permitted to interfere with previously negotiated financing arrangements and conversion contracts while the Council takes an appropriate amount of time to further consider the matter. By removing the January 16, 1989 cut-off date, and by substituting therefore a date in the future, the financial institutions should deem themselves to be sufficiently secure so as to allow for the continued funding of previously negotiated commitments.

In conclusion, my clients would like to reaffirm their commitment to the conservation efforts made by the North Pacific Fisheries Management Council. We believe that a fair minded Council will take reasonable action to provide for the conservation of the fishery while protecting those firms that have invested large amounts of capital, time, and effort in developing an American owned fleet, over a relatively short period of time.

Thank you for allowing us this opportunity to provide you with our thoughts and comments. If you have any questions or comments please feel free to contact us.

Sincerely,

BRANFELD, HOLZMAN & QUICK-RUBEN, P.S.

A handwritten signature in cursive script, appearing to read "Gary H. Branfeld".

GARY H. BRANFELD

GHB:DP



RECEIVED

MAR 29 1989

Telegram³

NL 08001 TDA CORDOVA ALASKA 116 03-28 910A AST
PMS 271-2809 ATTN: COUNCILCHAIRMAN DEAN ADAMS AND THE COUNCIL MEMBERS
NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL
P.O. BOX 103136
ANCHORAGE AK 99510

01819

AN INDIVIDUAL LIMITED ENTRY SYSTEM FOR THE LONGLINE AND CRAB FISHERIES IS THE ONLY FAIR AND PROPER MANDATE. THE CUTOFF DATE HAS BEEN MADE, I APPLAUD THE FINALITY. OUR INDUSTRIES FUTURE IS AT STAKE. PLEASE STOP THE DOWN TURN. ACT NOW SO WE CAN START OUR UPHILL FUTURES.

IF IMMEDIATE ACTION IS NOT TAKEN, A NEW FLOOD OF PARTICIPANTS WILL EMERGE INTO THESE FISHERIES BECAUSE OF THE RECENT OIL SPILL IN PRINCE WILLIAM SOUND WHICH AFFECTS THE ALREADY LIMITED ENTRY FISHERIES OF SALMON SEINE, SALMON GILNET, HERRING SEINE, HERRING GILNET, KELP FISHING. THE CRAB AND LONGLINE FISHERIES COULD NOT HANDLE THIS NEW DEVELOPMENT.

THOMAS BRANSHAW 424-7344 F.V. JOHN DAVID #536329
P.O. BOX 571, CORDOVA, ALASKA 99574



Telegram

APR 89 3: 5

07020 NL TDA CORDOVA AK 114 04-04 345P ADT

PMS COUNCIL CHAIRMAN DEAN ADAMS AND COUNCIL MEMBERS

NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL 271-2809

PO BOX 103138

00156

ANCHORAGE AK 99510

THIS IS A DESPERATE PLEA TO THE COUNCIL TO STICK WITH THE JANUARY 16 CUTOFF DATE AND IMMEDIATELY IMPLEMENT AN INDIVIDUAL LICENSING OF LIMITED ENTRY INTO THE CRAB AND BOTTOM FISH INDUSTRIES. DUE TO THE PRINCE WILLIAM SOUND OIL SPILL, THE FISHERMEN WHO ARE IMPACTED BY THE SPILL WILL LOOK TO THE CRAB AND BOTTOM FISH FISHERIES TO FISH AND THE FISHERIES COULD NOT HANDLE THIS NEW FLOOD OF 2000 PLUS NEW PARTICIPANTS. SEINERS ARE ALREADY SCRAMBLING TO GET CRAB POTS AND THE ALREADY CROWDED BOTTOM FISHING HAS BOATS CUTTING OTHER BOATS GEAR. IT'S A CRITICAL SITUATION, PLEASE DON'T IGNORE THESE PLEAS.

THOMAS BRANSHAW

PO BOX 571

CORDOVA AK 99574

F.V. JOHN DAVID NBR 536329

Rec'd by FAX 3/30/89

4

A. W. BRINDLE
H. A. BRINDLE

PROCESSORS OF
CHOICE ALASKA SEAFOOD
SINCE 1912

Wards Cove Packing Company

PHONE (206) 323-3200
TELEX 328759

88 E. HAMLIN STREET
P.O. BOX C-5030
SEATTLE, WA 98105-0030

Day Fax (206) 323-3200 Ext. 258
Night Fax (206) 323-3204

March 27, 1989

North Pacific Fishery Management Council
Post Office Box 103136
Anchorage, Alaska 99510

Gentlemen:

I am writing to express our company's opposition to the proposed adoption of January 16, 1989 as the "cutoff date after which vessels not 'in the pipeline' may or may not be considered by the Council as eligible for participation in any future controlled access system for the groundfish, halibut and crab fisheries under the Council's jurisdiction."

Our position is not based upon a fundamental opposition to the concept of a limitation on access to the various fisheries (although we are opposed to the concept of individual fishing quotas) but rather, is based upon our conviction that the proposal before the Council is so vague and imprecise that implementation of it would place an unfair burden of total uncertainty of impact on the industry during the years of litigation that would most certainly follow adoption of this proposal by the Council. The proposal is fatally vague or is deficient in at least the following instances:

1. It is not clear whether "current participation" (which itself is not defined) in one fishery qualifies a "vessel" (which is not defined as to size, type, capacity or fishery) only for that fishery or for all fisheries.
2. It is not clear whether the term "vessel" includes factory ships as well as harvester/processors or harvesting vessels alone.

North Pacific Fishery Management Council
March 27, 1989
Page Two

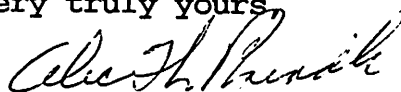
3. It is not clear what the status of "a vessel" operating at a shoreside location would be nor is it clear whether "vessel" means those in active service only and includes those that are moored but capable of self propulsion; non-self propelled; inactive ships; or dead ships.
4. It is unfair to propose, for purposes of a cutoff, that to qualify one must have an investment of at least 20% on or before the cutoff date. A new harvesting vessel can cost in excess of \$7,000,000 and under this proposal an investment of over \$1,000,000 as of the proposed cutoff date might be insufficient to qualify for participation. This is too onerous a penalty to impose.
5. There is no procedure or tribunal within the proposal for determining factual disputes; there is no appellate process designated; nor is there any administrative body - other than the Council itself - to administer this proposal.

In view of the above substantive and procedural deficiencies, it seems clear that the present proposal is ill-conceived, unworkable and unacceptable.

Management of the fisheries stock of the North Pacific is an exceedingly complex problem which is not capable of simple solutions. If the Council is to again present alternatives to the present management system, it is our view that any proposed cutoff policy must first be reviewed by staff to make sure it is sufficiently complete and clear in substance and procedure so that the implications of implementation can be fully understood by those who will be most affected by it. Anything short of this would be unacceptable.

Thank you for consideration of our views.

Very truly yours,



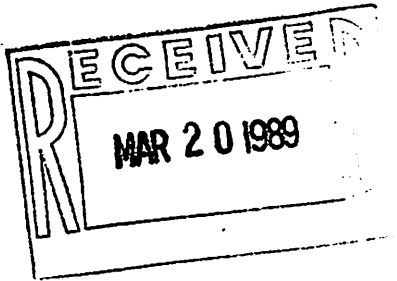
Alec W. Brindle
President

AWB:kmh



PHYLLIS D. CARNILLA
ATTORNEY AT LAW

1700 17TH STREET N.W.
SUITE 301
WASHINGTON, DC 20009
(202) 234-8763



March 10, 1989

North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Re: Cut-Off Date for Entry into Alaska Groundfish Industry

Gentlemen:

I am writing on behalf of Birting Fisheries, Inc. ("Birting") in response to your request for comments on a proposed limited entry scheme for the Alaska groundfish industry.

Birting is a Washington State corporation whose President and Chief Executive Officer is Bjorn Nymark, a United States citizen and longtime participant in the North Pacific fishing industry. For the past several years, Birting's principals have been developing plans for acquisition and/or construction of a vessel to be used in the harvesting and processing of Alaska groundfish. Last summer, Birting commenced the overseas conversion of the vessel ENTERPRISE to a catcher/processor. The conversion project, which Birting undertook in reliance on the grandfather protections afforded by the Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987 (Pub. L. 100-239, the "Anti-Reflagging Act"), is now well underway.

Birting is concerned that the time, effort, and capital it has invested in the conversion project could be nullified by the Council's adopting a cut-off date for entry into the Alaska groundfish industry. At its January 1989 meeting, the Council took tentative action to establish a January 16, 1989 cut-off date as a basis for potentially excluding some vessels from the industry, i.e. vessels not "in the pipeline" on that date. Birting appreciates the Council's effort, in defining "in the pipeline", not to harm companies such as Birting that have vessel projects underway. Nevertheless, Birting would like to ensure

that any definition actually adopted by the Council unequivocally protects Birting's project.

The proposed definition sets out three categories of vessels as being "in the pipeline". The first category consists of vessels actually operating in the relevant fisheries on January 16; Birting's vessel does not fit within this category. The second category includes vessels that on January 16 were under construction or recently constructed "with full intent to operate in the [relevant] fisheries . . ." Birting believes that the ENTERPRISE fits within this category, even though it involves conversion of an existing vessel, not construction of a new vessel. Clarification of this point would, however, be helpful. Moreover, the proposed definition provides no guidance as to how "full intent" might be measured or proved. Finally, the third category refers to vessel projects where an investment of 20% of delivered cost had been made by January 16. Again, Birting believes that its project could fit within this category. Nevertheless, there is no indication of the accounting principles to be applied nor of how this category would be administered.

Birting believes that any uncertainties with respect to its project can be eliminated and the Council's proposal generally enhanced by an approach to the "in the pipeline" definition that specifically incorporates Congressional intent as expressed in the Anti-Reflagging Act. The thrust of the Anti-Reflagging Act was to eliminate future entry into the United States fishing industry of foreign-built and foreign-rebuilt vessels. In enacting these provisions, however, Congress confronted the same fairness considerations that are now before the Council, and recognized that the changes brought about by the new law should not affect adversely those who, in reliance on existing law, had made identifiable commitments toward adding vessels to the fishing fleet. H.R. Rep. No. 423, 100th Cong., 1st Sess. 12 (1987); cf. id. at 8. Accordingly, Congress specifically mandated that vessels such as the ENTERPRISE have full fisheries privileges, notwithstanding the changes in the law.

Congress also carefully articulated the criteria for determining an "identifiable commitment":

- (1) contracted for purchase, before July 28, 1987, for use in the fishing industry, with intent proved by the contract or a Coast Guard ruling;
- (2) conversion contract entered into before July 12, 1988; and

North Pacific Fishery Management Council
March 10, 1989
Page 3

(3) redelivery by July 28, 1990.

Pub. L. 100-239, § 4(a)(4)(A), (b).

The Coast Guard has ruled that the Birting project meets these criteria (assuming redelivery before July 28, 1990), and Birting views this Congressional approach as an appropriate inclusion in any cut-off scheme that the Council may adopt.

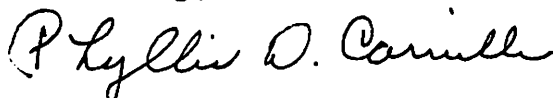
Under this approach, the "in-the-pipeline" definition would be expanded to include:

any vessel that becomes eligible, by July 28, 1990, for a fishery license under Section 4 of the Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987, Pub. L. 100-239.

Specific inclusion of vessels protected under the Anti-Reflagging Act is completely consonant with federal law and Congressional intent, especially with respect to the Alaska fisheries. Congress, in enacting the Anti-Reflagging Act, was especially concerned with developing increased U.S. processor capability in the North Pacific, including the Bering Sea, the Aleutian Islands and the Gulf of Alaska. See H.R. Rep. No. 423, 100th Cong., 1st Sess. 7 (1987). In Section 4 of that Act, Congress provided a mechanism whereby companies such as Birting could continue their projects, enjoy full fisheries privileges, and thus answer that Congressional concern. Furthermore, simple fairness dictates that the Council not exclude from the Alaska fisheries companies such as Birting that have undertaken substantial effort and investment in reliance on clearly articulated federal policy.

Birting appreciates the opportunity of commenting on this matter.

Sincerely,



Phyllis D. Carnilla

6

DYER, ELLIS, JOSEPH & MILLS

600 New Hampshire Avenue, N.W., Suite 1000
Washington, D.C. 20037
202-944-3000

Telecopier 202-944-3068
Telex/TWX 5106007910 USLAW

F A C S I M I L E T R A N S M I S S I O N

DATE: April 6, 1989 940 PAGE 1 OF 8

TO : North Pacific Fishery FAX NO. (907) 271-2817
Management Council

ATT : John G. Peterson, Chairman

FROM: James B. Ellis II,
Counsel for Pacific Bounty, Inc.

RE : Proposed Limited Access Regime for Groundfish

The attached is a copy of comments that will be delivered to the Council later today by Federal Express. Please include these comments in the briefing notebook for next week's meeting of the Council.

DYER, ELLIS, JOSEPH & MILLS

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
WATERGATE - SUITE 1000
600 NEW HAMPSHIRE AVENUE, N.W.
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THOMAS M. DYER
JAMES B. ELLIS II
MICHAEL JOSEPH
THOMAS L. MILLS
WAYNE A. KEUP
E. ALEX BLANTON
WARREN L. DEAN, JR.
HOWARD A. VINE
MARGARET T. CHAO
LEO MILLSTEIN
BRETT M. ESBER
CONSTANTINE G. PAPAIVIZAS
TYLER J. WILSON
NORMAN F. LENT III
R. ANTHONY SALGADO
KATHLEEN M. TENOEVER*
MARY CHAMBERS GRANDY
*NOT ADMITTED IN D.C.

DEBRA M. ROBBINS*
COUNSEL

April 5, 1989

John G. Peterson, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Re: Proposed Limited Access Regime for Groundfish

Dear Mr. Peterson:

These comments on the North Pacific Fishery Management Council's adoption of a cutoff date as a tentative, first step in implementing access limitation regimes in the Alaskan FCZ are submitted on behalf of Pacific Bounty, Inc.

Pacific Bounty currently operates one factory trawler in the Alaska groundfish fishery and has acquired another vessel that is in the process of being rebuilt. In addition, Pacific Bounty's current business plan contemplates participation in the management and operation of additional vessels in that fishery. The Council's adoption of a cutoff date has delayed funding of the loan previously arranged for financing the project in progress and has stopped discussion of further projects, giving rise to potentially severe adverse financial consequences for Pacific Bounty.

The Council's January action suffers from three serious flaws: (1) the Council's consideration of the cutoff date was not properly noticed; (2) the adoption of a tentative cutoff date had regulatory impact without observance of the statutorily-mandated process for development of regulations; and (3) a regu-

John G. Peterson, Chairman
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lation, even one that is properly noticed and adopted after observance of the proper procedures, must be prospective in nature -- it cannot be given retroactive effect. Beginning the development of a limited access regime with such a legally unsupportable action will not serve the best interests of the fishery or those who participate in it, and will inevitably delay the adoption of adequate protective measures for the fishery.

Discussion

At its January 1989 meeting, the Council "tentatively adopted" January 16, 1989 as the date after which vessels not "in the pipeline" may or may not be considered eligible to participate in the fishery under any limited access regime that may be implemented at some unspecified future date.¹ Pacific Bounty opposes the Council's adoption of such a cutoff date for the reasons detailed below.

Pacific Bounty recognizes that the Council is motivated by a genuine concern for the future of the groundfish fishery. We share that concern. While we agree that adoption of a limited access regime may prove to be the most suitable means of ensuring the fishery's future viability, we feel that the adoption of a specific cutoff date for determining eligibility prior to developing the elements of the limited access regime itself is premature.

Some members may think that the Council's hasty adoption of a cutoff date is advisory only, and that the Council may absolve itself of any responsibility for adverse consequences suffered by

¹ A vessel "in the pipeline" is defined as one which:

- (a) Is currently participating in any fishery under the Council's jurisdiction, e.g. catcher/processor, independent trawler, longliner, pot vessel, etc;
- (b) Is under construction or has recently been constructed with full intent to operate in the fisheries under the Council's jurisdiction; or
- (c) A major investment (e.g., 20 percent of the delivered cost) has been made to design, construct and operate in the fisheries under the Council's jurisdiction.

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the industry by characterizing the action as tentative. This was not, however, some inconsequential action. The mere discussion of such a date has a chilling effect on potential sources of financing for vessel construction. The action taken by the Council at the January meeting has already had such an effect. In fact, news articles reporting the Council's preliminary approval of a cutoff date indicate that at least some members of the Council intended the January action to serve as a de facto limitation on new entrants.²

Intended or not, actions that in fact have such a regulatory effect are unlawful unless the procedural safeguards prescribed by law for substantive regulations have been observed. Columbia Broadcasting System, Inc. v. United States, 316 U.S. 407, 417-18 (1942); cf. Pacific Gas & Elec. Co. v. Federal Power Comm'n, 506 F.2d 33, 36-45 (D.C. Cir. 1974). Those safeguards were not observed by the Council in its January action, and its adoption of the January cutoff date, no matter how tentative, is unlawful. Therefore, the Council must not only take no further steps to adopt a cutoff date at its April meeting, it must also take affirmative action to nullify the adverse effects of the action taken at the January meeting.

This affirmative action should take the form of an official announcement by the Council that: (1) its consideration of a limited access regime for the fisheries under its jurisdiction is still in the preliminary stages; (2) it will take no action directed toward adopting such a regime without fully complying with all applicable procedural safeguards; (3) it will not consider adopting a specific cutoff date for purposes of identifying vessels or persons eligible to engage in a fishery except as part of an underlying limited access regime; and (4) any eligibility criteria, if and when a regime is adopted, will be designed to avoid frustration of legitimate business plans.

By initiating its consideration of the limited access issue with approval of a cutoff date, the Council has put the cart before the horse. Approval of a cutoff date is a step in the

² Council chairman John G. Peterson is quoted as stating, "We did send a message to the financial community and folks who are considering adding to their harvesting and processing capacity." National Fisherman, April 1989 at 4.

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implementation, not the development, of a limited access regime.³ The Council cannot properly adopt a cutoff date without first adopting a limited access regime. And it cannot adopt a limited access regime without complying with the substantive standards and procedural safeguards enumerated in the Magnuson Fishery Conservation and Management Act (MFCMA), 16 U.S.C. §§ 1801 et seq., the Administrative Procedure Act (APA), 5 U.S.C. §§ 551 et seq., and the National Environmental Policy Act (NEPA), 42 U.S.C. §§ 4321 et seq.

Under the MFCMA, the Council is directed to "allow all interested persons an opportunity to be heard in the development of fishery management plans and amendments to such plans." 16 U.S.C. § 1852(h)(3) (emphasis added). The Council failed to provide that opportunity prior to its de facto implementation of limited access measures on January 16th. The Federal Register notice of the agenda of the Council meeting (54 Fed. Reg. 320 (January 5, 1989)) made no mention of consideration, discussion or adoption of a date to be used in determining eligibility to enter the groundfish fishery.⁴

The Council has also failed to comply with the procedures prescribed for the environmental assessment process. The required notice of scoping for the potential amendment to the Alaska FMPs was not issued until February 23, 1989. 54 Fed. Reg. 7814. Even when issued, the notice made no reference to adoption of a cutoff date. Moreover, the notice states that any amendment to the Groundfish FMP is not expected to be implemented before January 1, 1992, a statement clearly at odds with the Council's January 1989 adoption of a cutoff date. The scoping process, which is to be initiated at the earliest stages of an agency's consideration of a new proposal, is designed to assist in "deter-

³ The Council's Committee on the Future of Groundfish recognized that declaring a possible cut-off date for vessel access is an "essential step" in the successful implementation of a limited entry system. The Future of Groundfish, FOG Committee Report to the Council, 15-16 (June 1988).

⁴ "The council will consider future development of long-term management alternatives for groundfish in the Gulf of Alaska and Bering Sea and Aleutian Islands, and appoint an advisory committee to begin development of those alternatives for future Council consideration. . . . The Council will review proposals for amendments to the groundfish fishery management plans (FMPs) for the Gulf of Alaska and Bering Sea/Aleutian Islands and determine which ones should be further analyzed during their upcoming amendment cycle." 54 Fed. Reg. 320 (1989) (emphasis added).

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min[ing] the scope . . . and the significant issues to be analyzed in depth in the environmental impact statement." 40 C.F.R. § 1501.7(a)(2). The Council's adoption of a cutoff date prior to initiation of the scoping process is inconsistent with that intended purpose of the process.

The Council's action completely ignores the requirements for providing notice and comment before adopting regulations. The APA directs that the agency shall "give interested persons an opportunity to participate in the rule making through submission of written data, views, or arguments." 5 U.S.C. § 553(c). This process, which must be followed before changes to the rules governing the fisheries can be adopted, does not even begin until the proposed changes are published by the Secretary of Commerce. The Council has no authority to take steps designed to implement a limited access regime before such a management plan has even been proposed to the Secretary of Commerce by the Council.

The Council has also failed to consider how its action complies with the national standards for fishery management plans prescribed in section 301 of the MFCMA as explained and interpreted in 50 C.F.R. part 602, especially National Standards 4 and 5 which have special relevance for all aspects of a limited access regime. It is not at all evident, for instance, that the Council's proposed cutoff date will comply with the requirement that allocation systems be fair and equitable to all fishermen and assure that no single entity acquires an excessive share of the fishery.

The Council should recognize that its apparent preference for using past events as the sole criteria for assessing eligibility is unsound as a matter of administrative law. Just one month before the Council's January meeting, the Supreme Court, in Bowen v. Georgetown University Hospital, 488 U.S. ---, 102 L. Ed. 2d 493 (1988), held that, absent express statutory authority, an agency may not issue regulations having a retroactive effect. The MFCMA does not grant such authority. Thus neither the Council nor the Secretary of Commerce can retroactively impose a limited access regime. As Justice Scalia made clear in his concurring opinion in Bowen v. Georgetown, regulations must have "legal consequences only for the future," they cannot "alter[] the past legal consequences of past actions." Even a regulation that is not retroactive may be unlawful if it "makes worthless substantial past investment incurred in reliance upon the prior rule." 102 L. Ed. 2d at 505-06. Thus any criteria used for assessing eligibility, although they may include consideration of past events, must not frustrate legitimate business plans backed by substantial investments made before the effective date of the regulations by which the criteria are adopted.

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The process of amending the current fishery management plan is in its earliest stages. The Council has inverted the process by first acting and then requesting comments. It is much too early to even consider implementation measures such as adoption of a cutoff date. The Council's perfunctory assurance that the current cutoff date will not be finally adopted until the Council's April meeting and that even then the management scheme will come under further public comment is no substitute for use of the prescribed procedures.

Rather than adopting specific cutoff dates at this early stage, the Council should be developing broad criteria for determining eligibility to participate in the fishery under a limited access regime. These criteria should be directed toward identifying the persons or entities, not vessels, that are eligible to participate in the fishery. Under the criteria, an entity that has made a substantial investment toward implementing a specific business plan for participation in the fishery should be allowed to complete its implementation of that business plan.⁵ Under such a system, eligibility would be assessed by looking at accomplishment of some objective event (for example, vessel documentation) by some future date that provides sufficient time in which to complete plans backed by substantial investment made before the effective date of the regulations.⁵

Summary

As stated before, Pacific Bounty is not opposed to the concept of limited access, but such a regime can be properly implemented only if interested persons are given a full and fair opportunity to participate in each step of the regulatory process. All aspects of any proposed limited access regime must be fully exposed to public scrutiny through the normal regulatory

⁵ The Council must avoid upsetting the legitimate business plans not only of current fishery participants but also of those who have expended substantial amounts in anticipation of entering the fishery. The company or individual who entered the fishery with one vessel on a marginal basis with the expectation of becoming profitable with the addition of more vessels over time may be required to expedite his plans but should not be foreclosed altogether from achieving profitability.

⁶ In no event should the regulations preclude vessels documented for the fishery prior to January 1, 1991, the date established by the Fishing Industry Vessel Anti-Reflagging Act of 1987, Pub. L. No. 100-239 (Jan. 11, 1988).

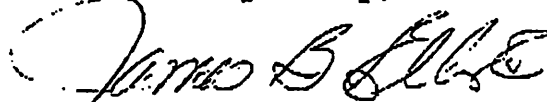
DYER, ELLIS, JOSEPH & MILLS

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process, and it must be implemented in a manner that will not unfairly frustrate business plans and projects backed by substantial investment. It most assuredly cannot be initiated by a sudden and arbitrary adoption of a past date as the sole criterion for assessing eligibility to participate in the fishery.

Pacific Bounty looks forward to working with the Council in developing amendments to the present management plans. We trust that you will take the actions necessary to erase the adverse effects of your past steps toward implementation of limited access, and that in the future you will provide all interested entities, including Pacific Bounty an opportunity to participate prior to altering the management regime to their detriment.

Yours very truly,



James B. Ellis II,
Counsel for Pacific Bounty, Inc.

cc: Each member of the NPFMC

ALASKA OCEAN SEAFOOD

LIMITED PARTNERSHIP

816 FOURTH STREET - P.O. BOX 190 - ANACORTES, WASHINGTON 98221

TEL. 206-293-4677

FAX 206-293-6232

March 8, 1989

North Pacific Fishery Management Council
Post Office Box 103136
Anchorage, Alaska 99510

Re: Limited Entry Proposal

Gentlemen:

Our company, Alaska Ocean Seafood of Anacortes, Washington, submits the following comments regarding the proposed Limited Entry Program. We have two principal concerns: (i) the proposed cutoff date; and (ii) the concept of limited access.

I. PROPOSED CUTOFF DATE

The proposed cutoff date of January 16, 1989, was adopted without advance public notice and without an opportunity for adequate response. If adopted, it would put an end to projects before the affected vessel owners were even aware of the action. The date itself does not seem to have any logical support. We contend that if a cutoff date is necessary, the date should not be earlier than the date of the Council's action to be taken in April, or at the time it is formally approved by the Secretary. For the reasons set forth below, we think the Council has the responsibility to complete its analysis before it concludes a cutoff is necessary.

A. Definition: "In the Pipeline"

The definition of "in the pipeline" does not appear to have a logical basis. Reference appears to be given to all vessels now in the fishery under the Council's jurisdiction regardless of size, target, species, age or fishing history. The proposal would exclude any vessel now operating under American flag which is not operating in the North Pacific Ocean or the Bering Sea. However, according to statement of January 19, 1989, a king crab boat would be considered in the pipeline for pollock.

B. Definition: "Under Construction"

The term "under construction" is not defined.

- Does it include vessels for which a contract has been signed?
- Does this include vessels which are now on the drawing board?
- Vessels for which steel is being cut?
- Or, is it limited to vessels which have actually had their keels laid?

The only sensible cutoff is that principle which was adopted for the Anti-Reflagging Act: the date upon which a contract is signed and the owner legally committed.

C. Standard: "Major Investment"

The term "major investment" appears to be arbitrarily fixed at twenty percent (20%) of the delivered cost. Are those that have invested only nineteen percent (19%) to forfeit that sum? Are those that have actually executed contracts and who are legally liable for one hundred percent (100%) of the cost nevertheless prevented from completing their projects because they have not yet paid twenty percent (20%)?

There are many projects now underway involving investors who have risked substantial capital in reliance on existing law. We think those persons had a right to such reliance and should not be penalized.

II. LIMITED ACCESS

We have substantial concern over the Council fixing a cutoff date prior to the time it has made a decision as to whether limited access should be adopted at all. Focus should be on the problem before the "solution" is addressed. Use of a catch-all slogan, such as "overcapitalization," is not a substitute for analysis.

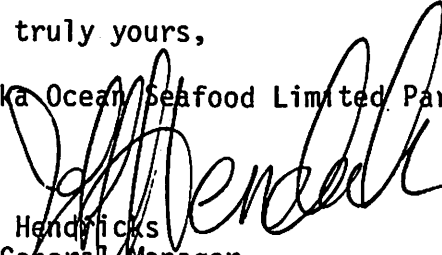
Limited access, as everyone agrees, carries with it the certainty of serious impact on the fishery and admittedly some of these impacts will be negative. The Council is already aware of these negative impacts, which include but are not limited to the following:

- A. Restraint on competition by creating barriers to entry;
- B. Discourages new methodology and new construction techniques; the history of open access has been innovation;
- C. Locks in a fisherman to perhaps one species, whereas many fishermen have survived by being able to adapt vessels to new fisheries and new markets as circumstances change;
- D. It is illustrative of inconsistent government programs -- NMFS has been assiduously promoting the Capital Construction Fund for groundfish;
- E. By creating a premium on access to the fishery, it ultimately results in an increment to the price of fish. One must buy a permit as well as a vessel; and to pay both off, the price of fish must be increased. This does not foster American competition in a world market;
- F. It artificially rewards those who just happen to be in the fishery at the moment, as opposed to those who are prepared to enter;
- G. It rewards the very few as opposed to the many. There is an existing concentration of ownership of factory trawlers in a few companies.

We submit that limited access at this time, may not be in the long-term interests of the industry. Before the Council determines that it will bar new entry, it should specifically determine its view of how each fishery will evolve under the current regulations and what actual problems will result therefrom.

Very truly yours,

Alaska Ocean Seafood Limited Partnership


Jeff Hendricks
CEO/General Manager

GLACIER FISH COMPANY LIMITED PARTNERSHIP

4601 11th Avenue N.W.
Seattle, WA 98107-4613



Telephone (206) 782-0118
Fax (206) 782-0914
Telex 320221

March 13, 1989

By Telefax

Clarence G. Pautzke
Executive Director
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

Dear Mr. Pautzke:

We are writing to comment on the cut-off date proposal that appears in the Council Newsletter of January 25, 1989. For the reasons stated below, the Newsletter proposal should not be adopted. If the Council decides to adopt a cut-off date, we propose the following rule: to guarantee eligibility for participation in any future limited entry program adopted by the Council, a vessel must qualify under one of the following criteria:

1. The vessel was documented and had operated in a fishery under the Council's jurisdiction on or before the date the cut-off date is formally adopted by the Council; or
2. (a) A contract for construction or conversion of the vessel was executed on or before the date the cut-off date is formally adopted by the Council and (b) the vessel is documented and operating in a fishery under the Council's jurisdiction on or before June 1, 1991.

Paragraph 1 applies to vessels that are already participating in a fishery, while Paragraph 2 applies to vessels that are "in the pipeline." For vessels "in the pipeline," Paragraph 2(a) sets the cut-off date by which a contract for conversion or construction of the vessel must be executed. Paragraph 2(b) provides sufficient time to complete construction, while still setting an outside date by which the right to participate in a fishery must be exercised.

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The cut-off date proposal that appears in the Newsletter should not be adopted because it does not meet its essential purpose. The purpose of setting a cut-off date prior to formal implementation of a limited entry program is to give clear guidance to the industry as to who will be eligible to participate and to minimize legal challenges from those who are excluded. To achieve this purpose, the cut-off date rule must be (1) clear, (2) simple to apply, and (3) not subject to legal challenge. The Newsletter proposal does not meet these requirements.

First, the Newsletter proposal is not clear. A primary purpose for setting a cut-off date is to give clear guidance to potential participants so that they can assess whether or not a vessel project will qualify for participation if limited entry is introduced. The "in the pipeline" definition provided in the Newsletter uses unclear, subjective standards such as "intent to participate" and "substantial investment." These subjective standards are inherently uncertain. This uncertainty undermines the purpose of adopting a cut-off date, will cause needless administrative burdens, and increases the likelihood that any limited entry program will be challenged.

Second, the Newsletter proposal is not simple to apply. Application of the "in the pipeline" standard to each individual request for entry into a fishery will raise numerous factual issues. Resolution of these factual issues will require an administrative staff to conduct investigations and a procedure to hear and resolve the inevitable disputes. Since the criteria for eligibility are largely subjective, disputes are likely to be common. As a result, the investigation and hearing process will be time consuming and expensive.

Finally, the a cut-off date of January 16 is probably subject to legal challenge. The Council did not follow proper procedures in its adoption of the cut-off date at the January meeting. Consideration of a cut-off date was not on the agenda for that meeting. No notice that a cut-off date would be considered was given to the public prior to the meeting, and no effective opportunity to comment on the proposal was provided at the meeting. In fact, based on the Council's action at its June, 1988 meeting, the public reasonably believed that cut-off dates, moratoria and limited entry proposals for fisheries other than longline sablefish had been entirely removed from formal consideration by the Council.

"Final" action in April that simply ratifies the January 16 date will not cure these procedural problems. The purpose of providing advance notice is to allow the affected industry sufficient time to take action prior to the effective date of the action. Notice given after the effective date does not allow those affected to take action. Therefore, notice given on January 25 of an action effective on January 16 has the same effect as giving no notice at all.

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A primary purpose of setting a cut-off date is to minimize the possibility that excluded persons will challenge the limited entry system because their investments and business opportunities were eliminated without prior notice. If the Council adopts a January 16 cut-off date, it will simply be inviting such a challenge. Since there is no compelling reason to risk such a legal challenge, any cut-off date adopted by the Council should be made effective no earlier than the day on which final action is taken.

The cut-off rule which we propose will meet the requirements that we have identified. First, it is clear and objective. Each potential participant will be able to easily determine whether or not a vessel project is eligible for participation. Second, our alternative is simple to apply. Eligibility can be determined by reference to three documents: (1) a construction or conversion contract, (2) the vessel license, and (3) catch reports. Extensive factual investigations and a hearing process should not be required. Since the standard is objective, disputes over eligibility will be minimized. Finally, our alternative is not subject to legal challenge on procedural grounds, since the cut-off date will become effective only after the Council has given prior notice and the opportunity to comment. In addition, it is fair because existing projects are not cut-off without advance notice and the opportunity to comment.

Thank you for this opportunity to comment on this issue.

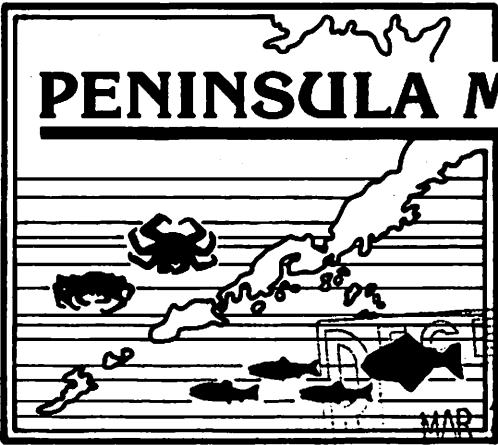
Very truly yours,

GLACIER FISH COMPANY

By

Sam O. Hjelle
Sam Hjelle

cc: Mr. Craig O'Connor
NOAA General Counsel



PENINSULA MARKETING ASSOCIATION

P.O. Box 248
 Sand Point, Alaska 99661
 (907) 383-3600

308 G Street, Suite 304
 Anchorage, Alaska 99501
 (907) 279-7366

MAR 20 1989

March 16, 1989

North Pacific Fishery Management Council
 P.O. Box 103136
 Anchorage, Alaska 99510

Dear Council Members:

The Peninsula Marketing Association, representing several hundred fishermen from the Alaska Peninsula and the communities of Sand Point, King Cove, False Pass and Nelson Lagoon wish to comment on the proposed systems management of blackcod, other groundfish, halibut and crab outlined in your recent notice of scoping process. Our comments are directed to the specific issues of the cut off date and vessels "in the pipeline" as well as broader issues for the Council to consider in their scoping sessions.

Proposed Cut-Off Date:

The proposed cut-off date of January 16, 1989 causes concern among our fishermen and residents. Commercial fishing has been the economic base for our communities for over 100 years. Before the turn of the century, several of our communities were developed as cod stations. Since the early 1900's salmon has been the backbone of our fishing activities, but our fishermen have also participated in the fisheries for shrimp, king crab, tanner crab, dungeness crab and various longline fisheries for halibut, blackcod and Pacific cod. Over the years, we have seen many fisheries come and go. The king crab fishery and shrimp fishery went through a period of development, overdevelopment and decline (or collapse). The Pacific cod fishery that established our commercial fishing industry died out in the late 1930's and early 1940's as the resource declined. By necessity, our fishermen have had to be flexible and innovative to be able to weather the changes in resource abundance within our area.

The resident fishermen from the Alaska Peninsula have been successful in making the capital investments necessary to pursue the salmon fishery and various other fisheries. Our communities have growing populations, with the resulting need for new fishing opportunities for our young people. Not everyone can fish salmon, crab or halibut. In recent years, there has been a trend to re-develop the various groundfish fisheries, particularly for Pacific cod. Our fishermen have primarily utilized longline and pot gear; however, a portion of our seine fleet has either converted, or is in the process of converting, their vessels to trawl for Pacific cod, pollock and other species. Some of these conversions would not fall within the cut-off definitions proposed in your notice.

If the Council decides to go ahead with some type of controlled access management system, we request that the cut-off date be delayed to allow fishermen currently converting their vessels to participate in the groundfish fisheries. We would suggest a cut-off date of December 31, 1990 for vessels to have made landings in the respective fishery. That criterion would have the advantage of simplicity of definition over your proposed definition and would likely cause fewer administrative and legal problems.

Other Issues:

If the Council implements some type of share system for the groundfish fishery, we suggest that a system be designed to assign shares to both shorebased processing and at-sea processing by factory trawlers. By regulatory requirement, our fishing fleet is restricted in size to 58 foot limit seiners unless we develop an entirely new fishing fleet which is neither economically efficient nor financially feasible. This size limitation confines our bottom-fishing to grounds near our processing centers for shore delivery. The major processing companies in our area have already developed capacity to handle groundfish so we have an existing and viable groundfish industry, although it is in its early stages of re-development.

It is essential for the Council to recognize that we are in the initial stages of re-development of our groundfish fisheries. Therefore, we request that in making specific allocations, the Council make classifications for our fleet to deliver to shorebased plants within a defined area, where at-sea processing would not occur. By this request, we make no exaggerated claims to major areas of the Gulf or Bering Sea. We merely request that the Council recognize the reality that our fishing fleet faces....the mobile factory trawlers have the potential to fish the grounds near our communities to depleted levels that would make our groundfish operations non-viable. We do not have the physical capability to move to other areas. Any limited entry system needs to accommodate this reality if Alaskan marine communities are to have a role in the future groundfish industry.

In summary, our requests are to:

- 1) set the cut-off date to actual participation in the respective fishery by December 31, 1990
 - 2) to allocate groundfish fishing rights specifically for the categories of shorebased and at-sea processing if a quota system is implemented
- and 3) make defined areas for the category of shorebased fishing which would be closed to catcher-processors

NPFMC, page three

We thank you for the opportunity to comment on these management proposals, and look forward working with you in you management deliberations.

Sincerely,

A handwritten signature in cursive script that reads "Hubert G. McCallum".

Hubert G. McCallum
Chairman, Executive Committee

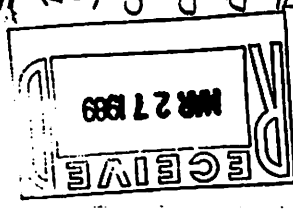
supports from a fishery that is on our
 would all but eliminate local fishermen/shore
 I think that the proposed cut-off date
 Alaska. So I am for open access because
 as I'm sure were many others in western
 not aware of this until the March 11, 1989 meeting.
 of March 10, 1989. Call me unenforced, but I was
 on the June date and "the Pitline" definitions
 system. You gave a cut-off date for public comment
 cut-off date, should we go to a license/limitation
 intention of the Council to implement a June 1, 1989
 reasons if I understand correctly it is the
 to vote for continued open access. And for obvious
 as for the matter at hand I would have
 for (Herby) for 6 years.

My Name is Tim McCambly, I am a resident
 of Dillingham, AK. I have fished commercially for
 Salmon and Herby in Bristol Bay (essentially come also
 for Herby) for 6 years.
 AS FOR THE MATTER AT HAND I WOULD HAVE
 TO VOTE FOR CONTINUED OPEN ACCESS. AND FOR OBVIOUS
 REASONS IF I UNDERSTAND CORRECTLY IT IS THE
 INTENTION OF THE COUNCIL TO IMPLEMENT A JUNE 1, 1989
 CUT-OFF DATE, SHOULD WE GO TO A LICENSE/LIMITATION
 SYSTEM. YOU GAVE A CUT-OFF DATE FOR PUBLIC COMMENT
 ON THE JUNE DATE AND "THE PITLINE" DEFINITIONS
 OF MARCH 10, 1989. CALL ME UNENFORCED, BUT I WAS
 NOT AWARE OF THIS UNTIL THE MARCH 11, 1989 MEETING.
 AS I'M SURE WERE MANY OTHERS IN WESTERN
 ALASKA. SO I AM FOR OPEN ACCESS BECAUSE
 I THINK THAT THE PROPOSED CUT-OFF DATE
 WOULD ALL BUT ELIMINATE LOCAL FISHERMEN/SHORE
 SUPPORTS FROM A FISHERY THAT IS ON OUR

LET ME SAY FIRST THAT I AM NOT WELL
 VERSED OR VERY FAMILIAR WITH THE ACRONYMS USED,
 SO PLEASE BEAR WITH ME. THIS IS A REQUESTING ACCESS FOR ME.
 CHAIRMAN,
 I HAD 60 DAYS TO DO SO AS PER JOHN PETERSON,
 MADE AVAILABLE AT THE SESSION MENTIONED. I UNDERSTAND
 UNTIL I COULD READ THROUGH THE LITERATURE
 I RESERVED MY RIGHT TO MAKE STATEMENT
 ON MARCH 11, 1989.
 SCOPING SESSION HELD IN DILLINGHAM, ALASKA
 I ATTENDED WITH GREAT INTEREST THE
 (GUILTY)

RE: BERING SEA/WILDMOUNTAIN/STARS (Commercial Fishery Management Plan)

TO: North Pacific Fishery Management Council
 FROM: TIM McCAMBLY
 COMMERCIAL FISHERMAN
 BOX 506 DILLINGHAM, AK
 99576 /



own Great Door. I also think the pipeline
definitions too limiting. They should include those
of us already owning vessels, i.e. the Bristol Bay
Boat' on entire fleet of locally owned 32 foot boats
not designed with trawling in mind, but still many
versatile crafts, which have proven themselves
(with modifications) able to cross into new fisheries
i.e. the to Gak, Herby, Seave fleet. Also
the definitions should not prevent those of us
with smaller crafts like the 20' motor skiff and
20' weedy skiffs I own from earning enough
to buy larger vessels for I have intended
to participate in the yellowfin sole/coal/Halibut
fisheries as we develop them.)
There was a gentleman at the April 11 meeting
with told of the great opportunities made available
by allowing such vessels to frequent Kodiak
waters. As stated by him at the meeting however,
the fleet came to them and would have done it
for themselves if the community businessmen
hadn't acted. This has not happened as of
yet in Dillingham. I don't see it happening
on a large scale if the local boats are taken
out of the picture. Our local businesses would
benefit greatly by the involvement of the local
fisherman. I do not see this buying our
small town Ambrose as we still have a
long winter each year. All such would have
us believe there are jobs available for those
of us willing to invest in ourselves through
training etc. It would only be a small fraction
of us that could be hired any one year.
The talk outside the meeting by some

(3)

Very upset fishermen was that it is

next to impossible to break into that fishery.

Not many of us can go to Kadak and

"hang around" befriending captain and crew

hoping to be in the right place at the right

time" I respect Al Burch but his accomplishments

in his field. However he had sort of a defeatist

attitude at the meeting. Saying basically that it

was just too expensive to gear up - to buy

a large boat, needing some studies to see if

bay boats could handle such a fishery, fish gear

management costs if we were involved he went

as far as to suggest we would all have to

give up drugs to pass urine tests etc. Al seemed

intent on staying in his country vs.

But I say every fisherman knows setup

costs are high. So we start a little slow

and build up. And we are not all a bunch

of drug dependents. As far as studies to determine

our boat stability. What of studies to determine

continental shelf stability with large draggers

in the Herby, Spawning grounds?

I'm also opposed to the license limitation system

because it seems to lead to licenses going

from local hands to outside interests

i.e. the Bristol Bay salmon permit is priced

so high that locals that came later simply

cannot or are not willing to risk the high investment

price so the permits inevitably get sold out of

the region. There were some valid

questions raised at the scoping session

such as "What would change after Jan 11 1989?"

Why would locals not participate then do so now?

(14)

I SAY THAT THE BRISTOL BAY FISHERMAN IS A RESOURCEFUL BREED. ONE CAPABLE OF OVERCOMING, ADAPTING, SURVIVING. WE FACE PROBLEMS COMING INTO ANY NEW FISHERY - FINANCIAL - LEGISLATIVE - ALLOCATIVE - ETC. AND WE CAN AND MUST OVERCOME THESE PROBLEMS. OUR SALMON FISHERY IS ALWAYS CHANGING, EVERY SEASON SEEMS A BIT SHORTER. THE BOATS WEREN'T DESIGNED FOR TRAWLING SO AS WITH THE TOGIAK HERRING FISHERY WE CAN AND MUST ADAPT TO THE TIMES AND FISHERIES. MANY OF US HAVE FAMILIES TO SUPPORT. COSTS ARE HIGH - COST OF LIVING - COST OF GEARING UP FOR A NEW FISHERY I SAY WE CAN AND MUST (FOR FUTURE BAY FISHERMEN) SURVIVE THIS NEEDED TRANSITION. THE QUESTION OF COULD THE BAY BOATS PRODUCE ENOUGH TO SUPPORT A DECISION IN THEIR FAVOR WAS AGAIN PROVED IN THE TOGIAK HERRING FISHERY. AFTER THE FLEET CAUGHT THE QUOTA IN A 4 (FOUR) HOUR FISHERY IN SPRING '88. JEFF SKRADE A.D.F. & G. BIOLOGIST AND MANAGER OF THE TOGIAK HERRING FISHERY, CAME ON THE RADIO AND STATED MATTER OF FACTLY THAT THE FLEET (COMPOSED OF LESS THAN 100% OF THE BAY BOAT FLEET) WAS "NOTHING SHORT OF AWESOME" JEFF PRAISED THE FLEETS ABILITY TO PRODUCE SO MUCH IN SO LITTLE TIME. JEFF SKRADE WAS ALSO AT THE APRIL 17TH MEETING. I CAN'T RECALL HIS EXACT WORDS BUT I BELIEVE HE WAS CONCERNED ABOUT SUCH LARGE SHIPS DRAGGING THROUGH HERRING STOCKS (SEE) OR SO CLOSE TO THE SPawning GROUNDS. - I THINK THE SMALLER VESSELS WOULD DO FAR LESS IF ANY, DAMAGE TO THE GROUNDS THAN THE LARGER BOATS.

(5)

So I would like to propose for these reasons that there be a 32' vessel limit 3 miles from shore and possibly a limit for larger vessels operating to 12 miles out - limits like that being able to come within 12 miles (or 9 miles giving each 3 miles to fish in) or what time of year a large vessel can enter the proposed area to fish. Open access is not perfect - what is? But it would enable us to go back every year and earn out - much needed income. Some of the local problems caused by few options are alcoholism, assault, theft, low self esteem. We need this fishery!!

As for individual fishing quotas - if you were to implement such a plan I would like to propose that individuals be given a renewable quota (yearly) as well as individual communities and regions directly related to the fishery so that I can fish also the community and region can decide what to do with their quotas (like splitting amongst fisherman - for example) well, that is what I think, and I think if you gentlemen review your own primary plan objectives in your summary of the BS/AI, G.F.M.P. revised (12/30/88) you will come to the same conclusion: you cannot exclude the Bristol Bay 32' fleet and still meet such objectives as conservation + O.R. - Protoning efficient usage of fishery - NOT solely for economic purposes (i.e. Al Bureau's rule company over investment or A.D.F.G. management costs) excessive privileges - anyone? Thank you for coming to Dillingham

Oceantrawl

11

RECEIVED
MAR 28 1989

March 27, 1989

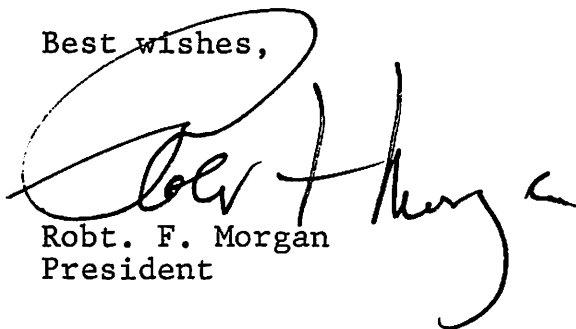
Mr. Clarence G. Pautzke
Executive Director
North Pacific Fishery Management Council
P. O. Box 103136
Anchorage, Alaska 99510

ACTION	ROUTE TO	INITIAL
	Exec. Dir.	
	Deputy Dir.	
	Admin. Off.	
	Exec. Sec.	
	Staff Asst. 1	
	Staff Asst. 2	
	Staff Asst. 3	
	Economist	
	Sec./Bkkr.	
	Sec./Typist	

Dear Clarence:

Enclosed are the comments of the Oceantrawl group of companies regarding the Council's consideration of limited entry management systems for the Alaska ground-fish fisheries. I apologize for not submitting the comments earlier and request that you include them in the Council's records for consideration as this process moves forward.

Best wishes,



Robt. F. Morgan
President

RFM/sel

Enclosure

March 23, 1989

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

COMMENTS ON LIMITED ENTRY PROPOSALS FOR GROUND FISH

ROBT. MORGAN, OCEANTRAWL GROUP

These comments are submitted by the Oceantrawl group of companies. The comments focus on the question of the use of a cut-off date or a pipeline definition and date to qualify vessels for entry into the groundfish fishery. The comments make three major points as follows.

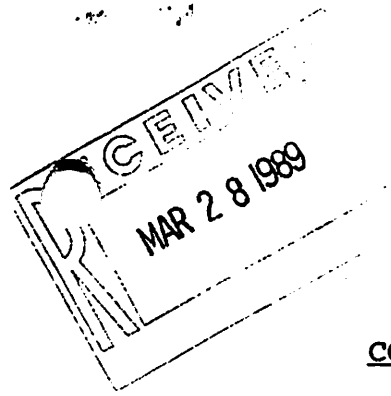
A. The placement of large factory trawlers into the fishery requires a lead time of several years.

B. Substantial financial commitments must be made at all stages of the development process.

C. We, and others, have relied on existing law, particularly the Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987, in making our plans and financial commitments.

A. Lead Time Required.

The Oceantrawl group of companies have one vessel, the NORTHERN EAGLE, currently operating in the Alaskan groundfish fisheries and other vessels in various stages of development.



The last vessel currently under development is scheduled to be redelivered in July 1990 and to enter the fishery in October 1990.

1. Business Plan. Oceantrawl began the planning for its operations in the Alaskan groundfish fisheries in 1985. The company developed a business plan based on the operation of at least three large, sophisticated factory trawlers. The business plan was completed on February 19, 1986. With the last of the vessels scheduled to enter the fishery in late 1990, the total lead time required is over five years. The officers of the company have worked full-time for the entire period on the development of these vessels.

2. Markets for Products. The company began negotiating potential sales contracts in 1985 and signed a letter of intent on September 2, 1985. The final contracts were then negotiated after that point and completed in November 1986 and December 1987. The negotiation required several months and trips to the purchaser's headquarters. Negotiation of the contracts were essential for the obtaining of both equity and debt to finance the project.

3. Vessels. The company began searching in 1986 for suitable vessels for conversion in factory trawlers. Contracts to purchase the first two vessels were signed in December 1986

and February 1987. The contract to purchase the third vessel was signed in June 1988. Because of a casualty to one of the original vessels, a letter of intent to purchase a replacement vessel was signed in December 1988. Commitments have been made for that replacement vessel.

4. Shipyard Contracts. Shipyard contracts were negotiated over a period of 18 months from January 1987 to July 1988. Those contracts have been amended to cover the specific financing arrangements of each deal and the final specifications for each vessel. Change orders will be adopted throughout the conversion process.

5. Financing. Both equity and debt take substantial time to arrange. Equity participation was decided relatively early but debt financing required negotiations over the course of a year for each vessel. Final packages are now being put in place.

6. Vessel Specifications. Naval architect work, obtaining of processing equipment and competitive bids for major equipment takes several months to complete after each vessel is purchased and the shipyard contract is signed.

7. U.S. Government Approvals. U.S. Coast Guard rulings are required for all foreign conversions to ensure compliance with the Anti-Reflagging Act. Rulings cannot be requested until

shipyard contracts are signed and vessel specifications are largely completed. Rulings take a few weeks to a few months to obtain.

8. Conversion Time, Testing and Trials. Transportation to and from the yard, conversion and all testing and sea trials take approximately 15-18 months before the vessel is ready to enter the fishery.

B. Financial Commitments.

The entire development process requires extensive investment of time and money throughout the process. Although the major commitment to the shipyard occurred in each case about three years after the beginning of planning, substantial sums were expended prior to that time. Personnel costs, legal fees and architects's fees are high. In addition, final commitment to the shipyard and final commitment on the major loans are signed 15-18 months prior to the vessel being ready to enter the fishery.

C. Anti-Reflagging Legislation.

The Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987 established several requirements that must be met to undertake conversions of vessels in foreign shipyards and still be able to document the vessels for the U.S. fisheries. For

several reasons, we determined that we would undertake conversion of our vessels in foreign yards and had begun that process prior to passage of the legislation.

The legislation was controversial and involved extensive negotiations among private sector interests and Congressional Members and staff. The result was a firm restriction on foreign shipyard work and a "grandfather" provision to avoid adverse impacts on vessel projects that were well along. Our vessels all qualify for the grandfather provision.

We have relied on the cut-off dates in that legislation in continuing with our vessel projects. Particularly because of the controversial nature of the legislation, we believed that the issue was settled and we have gone forward.

We recognize that the consideration of limited entry in the groundfish fishery is an entirely different issue with other considerations involved. However, from our business perspective, we have moved forward while depending on the current law regarding rebuilding.

D. Conclusion.

If the Council moves to adopt a limited entry system, we strongly urge that the system allow us to bring our vessels into the fishery. We have invested four years of work and in excess of sixty million dollars in getting to the current point. We are committed to the expenditure of large sums of money on our remaining vessels that are not yet completed. The long lead times required for these projects must be accommodated in any limited entry system.

ProFish International, Inc.

12



March 16, 1989

Mr. John G. Peterson, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

RE: Alternative management proposal

Dear John,

The purpose of this letter is to propose a "next step" in the on-going process of exploring long-term management alternatives for the fisheries under the Council's jurisdiction. We also want to define in greater detail certain of the elements in this process, including a more comprehensive definition of "in the pipeline" for vessels which would be considered for inclusion in any future management plan.

The Problem

Recent data and production performance clearly demonstrates that there is now or soon will be sufficient capacity to fully Americanize all the fisheries under the Council's jurisdiction. Since the Council has not as yet taken any action to formally stem the tide of new entrants into the North Pacific fisheries, and considering that our resource base is finite and there are numerous projects "in the pipeline", it is only a matter of time before we will be faced with substantial overcapitalization in all our fisheries.

Recognizing the unused capacity in the JV fleet, excess harvesting capacity is already a reality. The following recount reflects the frightening pace at which growth is occurring:

- since the early 1980's the number of sablefish longliners has increased 10 fold.
- in the last two years the number of catchers delivering to shoreplants or U.S. motherships has shown a 60% increase.
- since 1987 the fleet of vessels which process their own catch (factory trawlers, frozen longliners or crab catcher processors) or catch received from independent catchers (motherships) has grown 2.7 times to more than 100 vessels.

Other examples can be cited but the important point is that the Americanization process is occurring at a pace far and above the most optimistic forecasts and it is not stopping. Over capacity is here now; and since the entire complex of fishery resources is soon to be fully utilized, this excess capacity has no where to go. Moreover, with continued open access the situation can only get worse.

The FOG Committee report of last June underscored the problems which are occurring as a consequence of the uncontrolled access into our fisheries. The Committee summarized its findings by stating:

"In sum FOG believes that the current management system may not prevent overfishing, is not promoting efficient utilization, is not providing optimum benefit to the nation, is not reducing bycatch or the impacts of one fishery on another, is not promoting economic health to the industry, and is not strengthening fisheries research."

FOG further stated that the current management system is not presently providing a framework for the U.S. industry to be competitive in the world groundfish markets within the principle of sound biological management; and that FOG believed that the complexities of the near future will exacerbate the situation.

It is clear that our fisheries are going to experience major dislocations and negative impacts from this inevitable overcapitalization. The following represent some of the more obvious and onerous eventualities:

- 1) Shortened seasons due to fixed quotas and increasing fishing effort, e.g. halibut.
- 2) Economic performance in the fisheries will decline dramatically.
 - low-to-negative profitability.
 - increased bankruptcies.
 - negative impacts on the competitiveness of our industry in the world market.
- 3) Conflicts among user groups will increase.
 - trawl vs longline vs pots.
 - inshore vs offshore. -
 - no one will be willing or financially able to compromise.
- 4) Bycatch problems will increase.
 - fishermen will be unwilling and unable to compromise due to marginal economic performance.
 - fishermen will be unwilling to reduce bycatch if they perceive that the corrective measures will negatively impact the CPUE of their target fishery.

Mr. John G. Peterson
March 16, 1989
Page three.

- 5) Safety risks will increase as operators are forced to race for the fish in shortened seasons.
- 6) Product quality will decline, e.g. halibut situation.
- 7) The fisheries will become increasingly more difficult to manage.
 - fishermen will be less willing to accommodate observers.
 - fishermen will be less willing and less able to fund needed research.
 - there will be added pressure to increase the TAC's, e.g. recent lawsuit by the Midwater Trawlers Association challenging the council's decision on the Bering Sea TAC.
 - more regulatory measures will be needed to mitigate the direct and indirect resource impacts.
 - allocative conflicts will intensify which will force the Council to devote a major portion of their time in dividing up the fish among growing numbers of fishermen.

The Solution

The above eventuality is unacceptable given the fact that actions can be taken to prevent or minimize the negative impacts on our fisheries as we approach full Americanization. In this regard the Council took a bold first step when at its last meeting it tentatively adopted a January 16, 1989 cut-off date and defined the criteria by which a vessel would be judged as "in the pipeline". While we praise the Council for taking this first step, we are concerned that the adopted cut-off date is not a permanent date. This date only represents the earliest date the Council can come back to in any final plan to control entry.

If the experience of the Pacific Fishery Management Council (PMFC) is any example of what can be expected, any cut-off date adopted at this time will not remain permanent. The PFMC initially fixed a cut-off date of July, 1987 for entry into the groundfish fisheries. Subsequently, the Council moved this date up to August, 1988. This allowed new entrants which came into the fishery after the original cut-off date to be eligible in the final plan. Obviously the cut-off date did not prevent the fishing power of the groundfish fleet from increasing during the period that the Council had been putting together a limited entry management plan.

Mr. John Peterson

March 16, 1989

Page four.

If the NPFMC is going to avoid a similar situation whereby new entrants came into the fisheries after the cut-off date is fixed, a stronger measure will be needed. In considering the alternatives and the need to sharply curtail further growth of vessel capacity into the fisheries under the Council's jurisdiction, I would strongly recommend that the Council adopt a moratorium date of January 16, 1989 instead of just a cut-off date, and that this moratorium date apply to all fisheries under the Council's jurisdiction (groundfish, halibut, sablefish and crab). A moratorium date would unequivocally articulate the Council's aim of preventing further growth in the offshore fisheries while it studies the various management options. This moratorium date together with a properly worded pipeline definition would leave no doubt as to the intent of the Council on this important issue.

A proper definition of the "pipeline" of course is critical to the establishment of a workable moratorium date. At the recent hearings on this subject, I gave our views on those items which we feel should be included in a pipeline definition. These points are summarized in the attached pipeline definition for consideration by the Council.

Summary

In summary, we are convinced that continuation of an open access management system in the North Pacific fisheries is going to lead to gross overcapitalization in our fisheries with attendant negative consequences to the resources, the fisheries and the management process itself. The present open access or laissez faire approach is inappropriate in our free enterprise, market-based economic system. Open access does not equate to free enterprise as some would have us believe.

Alternative strategies whereby the harvestable resources are privatized offer greater promise of realizing certain purposes of the Magnuson Act. In order to put a cap on further expansion of vessel capacity into the North Pacific fisheries while the Council investigates the feasibility of alternative management systems, we strongly recommend that the Council implement an amendment to the Fishery Management Plans for groundfish and crab adopting January 16, 1989 as a moratorium date, after which vessels not in the pipeline would be denied access to the North Pacific fisheries under the Council's jurisdiction. Anything less will allow increased overcapitalization in our fisheries and a disipation of the benefits realizeable under the Magnuson Act.

Mr. John Peterson
March 16, 1989
Page five.

We request that the Council take decisive action on this extremely important issue now. We cannot wait further as one fishery after another becomes overcapitalized with all the attendant problems. By acting now we can intercede before the management problems reach the crisis stage as has happened in so many other fisheries. By acting now we can establish once and for all that our fishery legacy will be intact for future generations.

Thank you for your consideration of our views.

Sincerely,



Walter T. Pereyra
Chairman and
Chief Executive Officer

cc: Michael Stevens
Steve Hughes
Conrad Uri
Phil Chitwood
Francis Miller
Terry Baker
Bob Alverson
Dr. Lee Alverson
Joe Blum
Oscar Dyson
Gordon Jensen
Mark Lundsten
Doug Gordon
Dick Prout
Marv Stone
Vince Curry
Ted Evans
Stan Hovik
Einar Pedersen Sr.
Einar Pedersen Jr.
John Winthers
Tony Knowles
Barry Fisher
Congressman John Miller
Dr. Don Collingsworth
Senator Brock Adams
Senator Slade Gorton
Steve Pennoyer
Ted Smits
Sam Hjille
James Brennan
Dr. Donald Bevan
Congresswoman Joleen Unsoeld
Bill Orr
Larry Cotter
Mr. Mace

REVISED PIPELINE DEFINITION

A. A vessel "in the pipeline" should be defined as one which:

- 1) Is currently licensed by NMFS or ADF&G and is participating in any fishery under the Council's jurisdiction ("the fisheries"), e.g. catcher/ processor, independent trawler, longliner, or pot vessel.
- 2) Is under construction or has recently been constructed with the full intent to operate in the fisheries; or
- 3) A contract has been signed to design, construct or convert with full intent of operating in the fisheries; and a major investment (e.g. 20% of the delivered cost) has been made to carry out this project.

B. Furthermore, the following additional points should be satisfied in order for a vessel to be considered as "in the pipeline".

- 1) Vessel must be documented and licensed for the fisheries by January 1, 1991; and
- 2) Vessels which are not currently documented would have to provide "proof" to NMFS by January 1, 1990 that they qualify for consideration to receive a license to operate in the fisheries.
- 3) Any vessel, which qualifies as being "in the pipeline" and is subsequently lost could be replaced with a vessel of similar fishing power and capacity, and that replacement vessel would qualify for the fisheries.

C. Any qualified vessel which underwent a conversion that excessively increased its fishing power or capacity (e.g. 20% increase in a ten-year period) would lose its qualification to participate in the fisheries.

D. A judication group should be established to which an owner could appeal a negative NMFS determination as to their qualifications to be considered as "in the pipeline".

A limited resource access system would permit the Council

We share the same concerns as have been expressed to the Council. We believe vessels "in the pipeline" need to be assured of every opportunity for full access to the resource. Project commitments were made and financial obligations were undertaken with the understanding that full access to the resource was not only available and would be available but, in fact, was actively encouraged as set forth in the Magnuson Fishery Conservation Management Act of 1976. Our group reacted to that clear legislation signal and began to develop these projects early.

Members of our group currently own and manage the F/T CLAYMORE SEA, a 238 foot catcher/processor operating since October 1988 in the North Pacific Fishery. We also have, under construction since 1987, an additional similar class vessel, the F/T HEATHER SEA, which is nearing completion and is scheduled to be delivered by March 31, 1989. In addition, a similar class vessel, the F/T ALEXANDRE, a 304 foot factory trawler, has been under construction since the middle of 1988 and is scheduled for delivery by the end of June 1990. These vessels represent a more than 90 million dollar initial commitment. While all our vessels are eligible for purposes of your January 16, 1989 cut-off date and appear to satisfy the definitions of "in the pipeline" which has been proposed, we believe the definition should be as complete as possible.

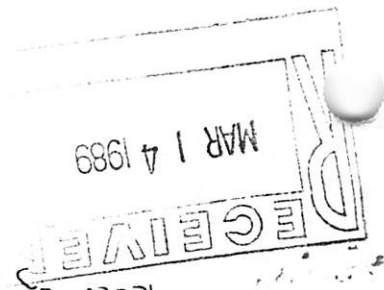
In response to the North Pacific Fishery Management Council's examination of long term management alternatives for sable fish, other ground fish, halibut and crab fisheries off Alaska, we submit the following comments regarding the capability for participation in any future controlled access system for those fisheries.

Dear Mr. Peterson,

Re: Alternative Management Systems for Sable Fish, Other Ground Fish, Halibut and Crab

Mr. John G. Peterson
Executive Chairman
North Pacific Fishery Management Council
605 West Fourth Avenue
Third Floor
Anchorage, Alaska 99501

March 10, 1989



Rec'd & fax - 3/10/89

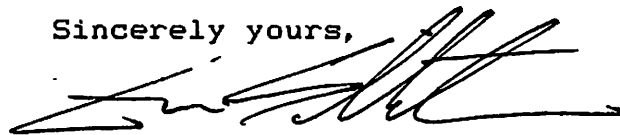
and the industry to assess the impact upon the resource of the current fleet that is "in the pipeline", and give every opportunity for the successful repayment of the substantial capital investments made to develop this rapidly growing portion of the industry.

To avoid any confusion over definitions of vessels "in the pipeline" we recommend that an additional category to the three that have been proposed clearly state that any vessel qualifying under the Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987 and especially any vessels that qualify under the exclusionary language of Section 4 be deemed to be "in the pipeline." Vessels "grandfathered" by the Anti-Reflagging Act by definition would be deemed to be "in the pipeline." Any proposed regulation should clearly relate to the Act which encouraged and recognized the special efforts made by a number of groups to initiate the development of the ground fish catcher/processor fleet in accordance with laws existing when their projects commenced. We believe that so long as a vessel qualifies under the savings clause of this Act for documentation in the fishery, the vessel should be defined as "in the pipeline" for purposes of any proposed controlled access system.

We mention this concern so that there would be no confusion or attempts to define "in the pipeline" or "under construction" or any other language that has been proposed in the Council's notice in some manner that would affect a vessel that can qualify pursuant to the existing law of the Anti-Reflagging Act.

We hope to be present at the Council meeting when this topic is discussed in Anchorage the week of April 10, 1989. We also hope that these comments- will be carefully considered and that any proposed language be revised to include reference to the Anti-Reflagging Act vessels.

Sincerely yours,



Eric C. Silberstein, President
Emerald Seafoods, Inc.

ES/jh
cc: James A. Wexler, Esq.
a:em/council_ltr

SEABOARD MANAGEMENT, INC

14

MAR 10 1989

John Peterson
Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Re: North Pacific Limited Entry Program

Dear Mr. Peterson:

I am writing to express the strong opposition of Seaboard Management, Inc. ("the Company") to the unexpected action of the North Pacific Fishery Management Council (the "Council") in adopting Mr. Wally Pereyra's proposal to establish a cut-off date of January 16, 1989, after which vessels not "in the pipeline," as defined by Mr. Pereyra, may or may not be considered eligible for participation in a future North Pacific limited access system. The Company owns two U.S.-built vessels which are under contract for rebuilding in a foreign shipyard. In the Company's view, the Council's tentative approach is unfair and inequitable to entities such as itself which have made substantial commitments to participate in the fisheries in reliance on the dates for fisheries eligibility established by the Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987, Pub. L. No. 100-239 (Jan. 11, 1988) (the "Anti-Reflagging Act"), but whose vessels may not meet Mr. Pereyra's pipeline definition.

For policy and practical reasons, the Company submits that Mr. Pereyra's proposal is inappropriate, unwise and unworkable insofar as it would be applied to foreign-rebuilt

unworkable insofar as it would be applied to foreign-rebuilt vessels. Finally, if the Council decides to take any action to establish a cut-off date, that action must be consistent with the requirements mandated by Congress when it enacted the Anti-Reflagging Act, and not merely with Mr. Pereyra's requirements to assure that his latest project will be eligible for any future limited entry scheme.

Requirements for Record Support for Agency Action. Under the Magnuson Act, as under other federal statutes, agency action which is not supported by an adequate administrative record cannot be sustained. Citizens to Preserve Overton Park, Inc. v. Volpe, 401 U.S. 402 (1971); Motor Vehicle Manufacturers' Association v. State Farm Mutual Automobile Insurance Co., 463 U.S. 29 (1983); Bowen v. American Hospital Association, 106 S. Ct. 2101 (1986). At this point, there is no record support for a January 16 cut-off date or for the Council's tentative definition of the "pipeline." The Council's attorney, Mr. O'Connor, stated specifically on January 17,

I don't know what your record is going to look like on this issue. There is not meaningful debate proceeding on this issue. There is nothing before you at this point upon which you can base a decision as to the impact of this particular motion. I don't know what it is going to show and you don't know what it's going to show, its speculative.

Further, without regard to the statement of Mr. Pereyra, there was little basis to formulate a rationale either for January 16 as a cut-off date or for the pipeline criteria. Facts related to the growth of exploitation of the fishery,

likely numbers of new entrants, the current status of vessels intended for introduction into the fishery, current and projected biological considerations in the fishery, current and prospective market conditions, etc. are all relevant to making a rational determination. None of these facts was on the record before the Council. Indeed, the only rationale for the January 16 date is that it was the first day of the Council's meeting -- a purely arbitrary choice. In addition, there is no explanation why a twenty percent investment criterion, for example, as opposed to any other criterion, makes sense in this fishery. Finally, there were no facts before the Council, as there should have been, related to other possible alternatives. E.g., Boswell v. Heckler, 749 F.2d 788 (D.C. Cir. 1984). Until such a record is established, there can be no legitimate basis for agency action.

The Council's Approach to a Cut-Off Date for Entry is Inappropriate and Unwise. Leaving aside the Magnuson Act deficiencies in the Council's approach to date, there are still the strongest possible reasons not to adopt the proposed pipeline definition insofar as they would apply to foreign-rebuilt vessels such as the Company's. These reasons relate to: the need for consistency with the Anti-Reflagging Act; the difficulties in administering the proposed pipeline; and the importance of recognizing the commitment of companies which have planned and invested in vessels designed to participate in the fisheries.

(a) The Need for Consistency with the Anti-Reflagging Act

The one existing benchmark for determining the eligibility of foreign-rebuilt vessels for participation in the North Pacific fisheries is found in the Anti-Reflagging Act. The Anti-Reflagging Act generally requires that all fishing industry vessels be both built and rebuilt in the United States in order to be eligible for a fisheries license. However, the Act contains a savings clause which exempts from this requirement vessels intended to be rebuilt and in fact rebuilt in foreign shipyards in accordance with its statutory timetable. Under that timetable, a U.S.-built vessel will be eligible for a fisheries license if it is (a) purchased or contracted to be purchased prior to July 28, 1987, with documented intent to be used in American fisheries; (b) rebuilt in a foreign country under a contract entered into before June 11, 1988; and (c) redelivered to the owner before July 28, 1990.

The Anti-Reflagging Act was a response to the growth in the North Pacific fisheries and particularly to the introduction of factory trawlers, often U.S. oil supply vessels converted abroad. E.g., H.R. Rep. No. 423, 100th Cong., 1st Sess. 5-8 (1987); 133 Cong. Rec. H.9811 (Nov. 9, 1987) (Statement of Rep. Studts); H.9812 (Statement of Rep. Miller); H.9814 (Statement of Rep. Lowry). It was intended to limit the introduction of vessels rebuilt in foreign yards into the fisheries, while, at the same time, creating

an exception where legitimate investment decisions had been made prior to the advent of legislation, where further commitments would be made within a reasonable, but relatively short time thereafter, and where delivery itself would take place within such a period as to avoid long-term speculation. The House Report is explicit in recognizing the need for this exception:

The amendment recognizes that the U.S. fishing industry already has undertaken plans aimed at expanding U.S. harvesting and processing capacity. Accordingly, and in keeping with the overall purpose of the bill, the amendment contains grandfather provisions to protect those who have relied on current laws and who have made certain identifiable commitments toward rebuilding fishing, fish processing, and fish tender vessels in foreign yards. The Committee believes strongly that it is only fair and equitable that those who have relied on current law while planning and undertaking significant financial commitments ought not to be adversely affected by changes in the laws that they were unable accurately and with adequate advance notice to predict.

H.R. Rep. No. 423, supra, at 12. The scheme is sensible, and the passage of the Act created the reasonable expectation that, if a foreign-rebuilt vessel met the timetable, then it would be able to participate in the fisheries which were of concern to the Congress in the first instance.

The Company has relied upon this statutory timeframe in proceeding with plans for new vessels. This legitimate reliance interest should not be upset by the actions of the Council. Indeed, to do so would be inconsistent with the intent of the Anti-Reflagging act and would undermine the very commitments which Congress determined required

protection on grounds of fairness and equity. Consequently, if any cut-off date and pipeline definition are to be adopted by the Council, they should be premised upon the Congressionally-specified timetable for eligibility and not some other, arbitrary considerations.

(b) Difficulties in Administering the Council's Proposed Pipeline Definition

Consistent and fair implementation of the Council's proposed pipeline definition, especially the "major investment" criterion, would be exceedingly difficult. Indeed, it would likely engender endless disputes and litigation. Not only is the administrative task of assessing the status of individual projects going to be burdensome and contentious, but the likelihood of inconsistent interpretations, due to different accounting schemes and "delivered cost" calculations, is great.

Although our company had made a major investment in our two projects prior to January 16, it is impossible for us to predict before actual delivery what the final delivery cost will be, and therefore to know if we have a definite percentage of delivered cost invested prior to the cut-off date. Design change orders are negotiated every day, and the price of equipment and material can increase significantly over the ten to fourteen month period required for construction. We are forced to continue to convert these vessels without knowing, until the vessels are finally delivered, if a twenty percent investment prior to January 16th has been made.

Even Mr. Pereyra has publicly retreated from his pipeline requirement that "a major investment (e.g., 20 percent of the delivered cost)" must have been made prior to the cut-off date. During the February 28 "scoping sessions" held by the Council in Seattle to solicit comment on the proposed limited entry cut-off date and pipeline, Mr. Pereyra testified that the portion of his proposal requiring twenty percent of delivered cost was, perhaps, a "grey area" and should be discarded in favor of a retroactive cut-off date for shipyard or purchase contracts and a future cut-off date for documentation or delivery.

We agree with Mr. Pereyra's current view that a simple, verifiable scheme is preferable, and such a scheme is readily at hand for those vessels being converted overseas. The U.S. Coast Guard Vessel Documentation office in Washington, D.C., issues a ruling for each foreign conversion project as to whether or not the vessel will be eligible to enter the U.S. fisheries upon its return. This ruling is based upon a thorough review of the vessel's documentation, including the purchase and conversion contracts. The ruling is obtained prior to the vessel's departure to the foreign yard and is conditioned upon the vessel being redelivered to the owner by July 28, 1990. Consequently, if the Council adopts the same scheme, it could accept the U.S.C.G. ruling described above as conclusive evidence that a project is in the pipeline, and require that a vessel must be documented or have made a

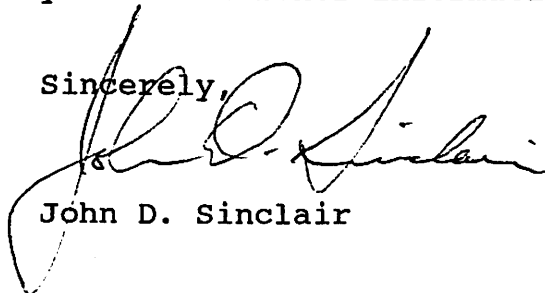
verifiable delivery of fish within the Council's jurisdiction by January 1, 1991. This would allow an owner to take delivery of his vessel from a foreign yard according to the Anti-Reflagging Act timetable, steam to Dutch Harbor, make necessary repairs or adjustments, and begin fishing prior to the cut-off date. There then would be no separate administrative burden imposed upon the National Marine Fisheries Service (NMFS), and the actions of NMFS would be consistent with those of the Coast Guard.

Conclusion

In sum, if the Council is going to proceed to establish a cut-off date for access to the North Pacific fisheries, it needs to reconsider in entirety the proposal emanating from its January meeting, which was not the product of public comment, staff review and reasoned debate, but initiated by the self interested proposal of one individual. Any action the Council ultimately takes must be consistent with the provisions of the Anti-Reflagging Act governing foreign conversion projects.

Thank you for this opportunity to submit comments on the Council's proposal. Please feel free to contact us if you wish further information or elaboration of our views.

Sincerely,



John D. Sinclair

15

RECEIVED
MAR 20 1989

Thorn Smith
Suite 201, Fishermen's Center
Fishermen's Terminal
Seattle, WA 98119
March 14, 1989

Mr. Clarence Pautzke, Executive Director
North Pacific Fishery Management Council
Anchorage, AK

RE: Cut-off Date, Etc.

Dear Clarence:

Enclosed is a copy of my response to the Council's request for comments on exploring alternative management systems for groundfish and crab. John Peterson and Bob Alverson asked that some of us express our views. My letter was FAXed to your office on March 10.

A point which I failed to emphasize in my letter is that I am suspicious of any attempt to promote a "simple cut-off date" for vessel construction now, while putting off a final decision on whether an alternative management system might be adopted, and if so, what system.

A central theme of the Magnuson Act is that the industry and the concerned public should be fully informed and offered an opportunity to review and comment on a variety of impact analyses before any regulatory action is taken. A "cut-off date" could prove to be the first step in a series of actions which might dramatically affect our businesses. We deserve to know where the regulatory authorities are going before that first step is taken...will we be subject to an alternative management system, and if so, what system? There is a vast difference between a cut-off date, and a cut-off date followed by some further allocative scheme.

While well-drafted, the "NOTICE OF SCOPING PROCESS" certainly does not give us enough information to know where things are headed, or to comment meaningfully on the alternatives.

Thank you for your attention.

Sincerely,


Thorn Smith

Thorn Smith
Suite 201, Fishermen's Center
Fishermen's Terminal
Seattle, WA 98119
March 10, 1989

Mr. John G. Peterson, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue
Anchorage, AK

RE: Limited Access, Cut-off Date, Pipeline

Dear John:

Both you and Council member Bob Alverson have requested that some of us express our views on the above subjects, for consideration by the Council. As a fisherman, processor, graduate student, fish lawyer, fishery manager, fishery trade association representative and corporate CEO I have studied limited access from various perspectives. I am personally opposed to any form of access limitation and favor the status quo, for the following reasons:

1. The Status Quo is Favored By Many Fishermen; "Everybody's Second Choice."

Public discussions of limited access follow a pattern. A few vocal proponents trying to protect and promote their own perceived interests lead off with arguments for their own pet proposals. "We'll just have a little moratorium on construction of vessels while we think about this." Translation: Even if it doesn't get implemented in the long run it will foul up construction financing for my competition during the development and review process. "I want Individual Fishing Quotas." Translation: It's been great getting these free fish all these years, and the government is about to give away the farm, once and for all - I'll get mine! "Let's go for license limitation." Translation: I'm in for good, new competition is out. Details are added, tailoring each proposal to serve the purposes of its supporter, while piling burdens on the competition. Arguments ensue.

The self-serving and manipulative qualities of the exercise are not lost on the quiet majority - they become suspicious. Someone points out that in his experience all fishery stocks fluctuate over time. While he was once a crab fisherman and is now a trawler, he may have to go back to crab fishing some day. He doesn't want to get closed out of the crab fisheries, or have to buy his way back in - he is a fisherman, and he fishes for dollars. Another wonders how his children will ever become fishermen under access limitation. A third doesn't want the feds

Mr. John G. Peterson
March 10, 1989
Page 2

or the Council or the State to have anything to do with his business - "no way, no how, never!" More arguments.

Finally someone pipes up from the back: "We can't agree on any of these limited access proposals, but the status quo is everybody's second choice. Let's stick with it!"

The status quo is in fact the first choice of a lot of hard-thinking fishermen.

2. There Is No Such Thing As a "Simple" Cut-off Date.

Cut-off dates and "pipeline" definitions tend to be arbitrary and vulnerable to legal attack. How can any given date be justified? Why should a "major investment" be 20% of delivered cost, rather than 7% or 35%? During the development of the halibut moratorium proposal it was determined that almost anyone who had made any gesture towards the fishery would have to be allowed to participate under the moratorium, if the measure were to have any chance of surviving legal attack. It is difficult to justify the exclusion of anyone who has made any expenditure towards the construction of a vessel.

3. The Slippery Slope.

It is entirely unrealistic to think that a "simple cut-off date" would ever be implemented. Any such measure would be viewed by certain interest groups as a move towards "privatization" - economic protectionism, an identification of public resources to private interests. They will demand "theirs". The Council would be inundated by requests for allocations from special interest groups - shoreside processors, shoreside communities, native groups, joint venture fishermen, etc. It can be expected with confidence that the sum of these petitions would far exceed the Optimum Yields available, and that the Council would be faced with a nonsensical and impossible allocative obsecration.

Invocation of the measures proposed is an open invitation to endless political mischief.

4. The Public Property Argument.

Any limited access proposal, including a cut-off date, would arrive in Washington, D.C. attended by special interest groups of every stripe, threats of litigation, etc. - a bureaucrat's nightmare. Inevitably, someone would raise an obvious question: "Aren't we really proposing a giveaway of public property?" Republican publicists have already noted that commercial fishery resources should be administered like any other renewable resource (timber) - each crop (annual OY's?) auctioned off to the highest

Mr. John G. Peterson
March 10, 1989
Page 3

bidder. Alternatively, federal fees might be imposed to extract economic rents.

Any of the proposals under consideration could easily trigger a reaction in Washington, D.C. which the entire industry would regret - forever.

5. Institutional Resources.

NMFS/NOAA and the Council have their hands full, trying to manage commercial fisheries in the EEZ as things stand. There is nothing to suggest that these entities will come into the resources necessary to develop, implement, and administer an effective scheme for economic rationalization...unless, of course, the resources were extracted from the industry. It is difficult to find a fisherman who wants more fishcrats -- or worse, who wants to pay for them.

6. Economic Efficiency and the National Interest.

There is no reason to believe that the first generation of factory trawlers and shore plants, or existing fleets of other fishing vessels, for that matter, represent the optimal mix of capital and technology for efficient exploitation of our groundfish resources. Only free market mechanisms can drive the industry in that direction. The proper role of the Council and of NMFS/NOAA is to determine harvestable surpluses, and to conserve the stocks which produce them. Economic allocation should be left to the marketplace.

I have no particular interest in entering the political fray which inevitably surrounds the question of limited access. In response to your requests I am merely offering my opinions as food for thought - thrown up on the floor for your consideration, as Dr. Beaton says.

Sincerely,


Thorn Smith

MAR 14 1989

LAW OFFICES

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March 10, 1989

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G. LAWRENCE SALKIELD
FRANK J. BROWN
OF COUNSEL

North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Re: Limited Entry Proposal

Gentlemen:

This firm represents Mr. Stanley Weikal of Mount Vernon, Washington, who submits the following comments regarding the Council's consideration of controlled access to the sablefish, halibut, and other long-line fisheries, and the Council's tentative adoption of a January 16, 1989 cut-off date for vessels to be engaged in those fisheries. Mr. Weikal has participated in the long-line fisheries of Washington and Alaska for the last nine years and has relied upon these fisheries for his sole source of income.

1. Proposed Cut-Off Date.

The proposed cut-off date appears to have been adopted without advanced public notice and without an opportunity for those affected by it to provide adequate response. Nor does the date appear to have any logical support. Mr. Weikal contends that the resolution of January 20, 1989 has had a moratorium effect upon new entrants to the fisheries and that any cut-off date ultimately selected by the Council should not be earlier than the date of the Council's action to be taken in April 1989.

2. Definition: "In the Pipeline."

The definition of "in the pipeline" is overly vague, under-inclusive, and generally inadequate. The definition appears to allow vessels to come within the cut-off date, regardless of their size, their target species, age, or history in any particular fishery. Under this definition, a king crab fishing vessel would be "in the pipeline" for purposes of participating in the sablefish long-line fishery.

More importantly, the definition is under-inclusive and fails to protect those persons with a vested interest in participating in these fisheries. If a cut-off date is set, the definition of "in the pipeline" should protect those individuals who have in bona fides committed themselves to investment in the fisheries.

a. Definition: Major Investment.

The definition of "a major investment," as being one where 20% of the delivered cost has been made to operate in the fisheries, fails to protect persons who have incurred valid liabilities in preparation to enter the fisheries, but have yet to part with 20% of the total project cost.

A good example would be the case of a fisherman who was in the process of buying a new and safer vessel for use in the fisheries as of January 16, 1989. If at that point in time he was legally committed to pay the full purchase price for the vessel, but had only paid 18% of the total purchase price as earnest money, it would appear that his vessel would not qualify for entry into the fisheries under the action being considered by the Council.

If a potential entrant in the fisheries was legally liable to purchase a vessel for use in the fisheries under a bona fide contract, the detriment from being excluded from the fisheries is no less than that which would be suffered by a current participant in the fisheries who would be excluded by regulation from further participation. Under either scenario, such regulation would constitute a taking.

3. Controlled Access to Fisheries Generally.

Mr. Weikal generally opposes controlling access in the long-line fisheries as unfair, unnecessary, and not in the best interests in the efficient conservation of fisheries. Rather, Mr. Weikal believes that open access should be preserved and a system of trip limits adopted for the long-line fisheries. In this regard, Mr. Weikal believes the Council should consider regulating all long-line fisheries as a single regulatory scheme, and not breaking the long-line fisheries into separate regulatory schemes for each specie. Specifically, Mr. Weikal proposes the Council allow fishermen to pursue sablefish, halibut, and other long-line species simultaneously, and that the catch be regulated through weekly trip limits with percentage limits as to the specie composition within the trip limit. For example, a fisherman might be allowed a weekly trip limit of 30,000 pounds of fish, subject to specific percentage catch limits for sablefish, halibut, and other long-line species. In the event the trip limit or species composition limit were exceeded by less than 10% of the allowable limits, any excess catch would be sold with the proceeds payable to cover the administrative expenses of fishery regulation and enforcement. Over-catches of greater than 10% would be subject to fines.

Such a system of trip limits would eliminate the derby fishery which now plagues the fishery, allow participants to make a fair return on their efforts, allow processors to arrange delivery dates for a smooth flow of product, increase product quality, and eliminate waste and dead loss. Such a system would also put the focus on biologic conservation of the resource, where it belongs, rather than concerning itself with the economics of the fishing industry. Fishing is a risky business, and if too many people have decided to take the risk of getting involved in the fishery, it is not the Council's place or responsibility to impose new regulatory regimes to insure that some of those participants do not go broke.

If the Council were to adopt a system of license limitation, Mr. Weikal believes licenses should not be transferrable or salable by their recipients. Rather, the licenses should be issued to individuals, who would then be entitled to fish the license until retiring from the fishery, at which time their license would revert to the Council, until the pool of licensees was reduced to an optimal number. Thereafter, the number of licensees in the pool would be maintained by the Council, issuing new licenses when appropriate, either by lottery or upon a point qualifications system.

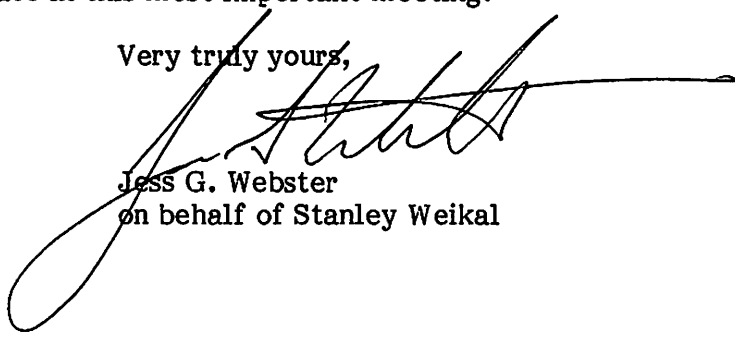
Mr. Weikal opposes granting licenses to participants currently "in the pipeline," because he believes there are many fishermen who have only dabbled in the long-line fishery in the last year or so only in hopes of obtaining a limited entry permit for these fisheries, which they may later sell for financial gain. If permits are not transferrable, only those current participants who are seriously committed to the long-line fisheries will follow through to participate in those fisheries in the future. If permits are transferrable, they are apt to be transferred from those not seriously devoted to the fisheries to those who will be, increasing the total catch effort. Mr. Weikal also believes transferable limited entry permits unfairly create artificial financial barriers to new entrants to the fisheries.

Mr. Weikal also believes that in considering the possible use of quotas, and the allocation of quotas, the Council should place considerable weight on the history of prior landings made by individuals owning or chartering participating vessels.

4. Consideration of Long-Line Issues at April Meeting.

Mr. Weikal feels that it is particularly inappropriate for the Council to be considering controlled access to the long-line fisheries and its attendant problems at the April meeting, when most long-line fishermen will be engaged in one of our few openings. Obviously, most of the concerned fishermen, such as Mr. Weikal, will not be available in April to participate in this most important meeting.

Very truly yours,


Jess G. Webster
on behalf of Stanley Weikal

JGW:knh:wp
cc: Stanley Weikal

Sablefish Management

Written Public Comments

The documents in this packet are written comments received by the Council concerning sablefish management. These comments were received between the January Council meeting and noon on April 6, 1989.

Written Comments
Related Specifically to Sablefish Management

The correspondence received by the Council since the January Council meeting directly concerning sablefish are summarized below.

17. Ron Hegge, ALFA - ALFA requests that the southeast area be considered a separate area in sablefish management considerations. Many of the problems are unique to that area and by managing the area separately could be addressed without imposing those solutions on the remaining areas.
18. Dennis Hicks, Sitka (2 letters) - During the past few years many sablefish fishermen leased vessels large enough to fish offshore. This was done for reasons of safety and economics. In order to determine a bona fide lease, for allocation purposes, it is best to look at who handled the money. That is, who made all the decisions, paid all the bills, decided how to pay the crew, and paid the owner of the vessel his share. Basically, a bareboat charter of a vessel is what should be considered. To be conservative a notarized lease agreement could be required as proof although this would penalize many who would otherwise be fully covered by the above criteria.
19. Frank Murray, Sitka - Experience and actual participation in the fishery should be recognized rather than just vessel ownership. It is those type of people who keep things from becoming total chaos out on the fishing grounds. His leasing arrangements include paying the insurance, fuel, supplies, crew, owning most of the gear (or most of the time owning it), converting the vessels to the specifics of the fishery, choosing when and where to fish, and paying the owner a percentage of the gross.
20. Unidentified Washington vessel owner - The present system of management of the sablefish fishery leaves the fishery wide open for the disastrous results that occurred in the halibut fishery. License limitation based on the 1987 FVOA proposal is the best option for sablefish while halibut, too far gone for licenses should have IFQs. All the safety gear in the world would not save as much personal injury as would sensible management of the fisheries themselves.

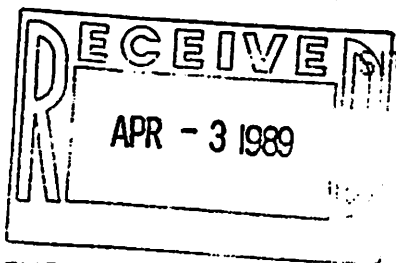
A.L.F.A.

ALASKA LONGLINE FISHERMAN'S ASSOCIATION

P.O. BOX 1229

SITKA, ALASKA 99835

907-747-3400



NPFMC

John Peterson Chairman

P.O. Box 103136

Anchorage, Alaska 99801

Dear Chairman Peterson,

As a result of the Scoping Session recently held in Sitka and members comments at our recent ALFA meeting we would offer comments pertaining to Blackcod management considerations.

We request that Southeast be considered as a separate area in Blackcod management considerations. The basis for this request is that we recognize that many of the problems that are being addressed are unique to Southeast and do not apply to the remaining management areas.

Due to the proximity of the shelf, abundance of fish and good markets the fleet has grown dramatically with all of the accompanying problems.

Managing Southeast separately would offer the opportunity to address specific problems without imposing those solutions on the remaining area.

Thank you for your consideration.

Respectfully,

A handwritten signature in cursive script, appearing to read "R. E. Hegge".

R.E. Hegge Director

February 20, 1989

RECEIVED
FEB 27 1989

ACTION	ROUTE TO	INITIAL
<i>cm</i>	Exec. Dir.	
	Deputy Dir.	
	Admin. Off.	<i>gal</i>
<i>cc: Dr. Joe Blum</i>	Exec. Sec.	<i>kl</i>
	Staff Asst. 1	
	Staff Asst. 2	
	Staff Asst. 3	
	Staff Asst. 4	
	Staff Asst. 5	
	Staff Asst. 6	
	Staff Asst. 7	
	Staff Asst. 8	
	Staff Asst. 9	
	Staff Asst. 10	

Mr. Joe Blum
 Chair - Sablefish Management Committee
 North Pacific Fishery Management Council
 P.O. Box 103136
 Anchorage, Alaska 99510

Dear Mr. Blum:

In reading the areas of concern from the January Memorandum on Sablefish Management that your committee drew up, I find one point of particular concern to me: that is number 15 - how to define pipeline for qualification.

As the sablefish fishery evolved in Alaska, a number of us found that the fishery we were involved in changed from a summer fishery to a winter fishery. In 1985 it was over by March 17th. By the next year, it was a big boat derby starting April 1st. Many of us had small to medium-sized boats and for reasons of safety and economics chose to lease larger vessels over those years of transition for the fishery: these are the exact years that the council is looking at for qualification for future access to the sablefish fishery.

In my case, I've fished sablefish offshore since 1976 with two of my own boats and two boats belonging to other people. I leased these boats from 1985-1988. I'm gearing up right now for the spring season with my own boat. I have a long and continuing history in the fishery.

I know a number of people in Sitka in a similar situation: Jim Swift, Bruce Bauer, Frank Murray to name a few. As I did, they leased the boat and were totally in charge of their business during the lease period as well as before and after. In every one of these cases when you compare the leasor with the owner, the leasor clearly comes out with the strongest argument for continued access to the fishery.

In the four years between 1985 and 1988, I leased two different boats for sablefish fishing. Neither of the boat were in the fishery before I brought them in. None of the owners themselves have ever fished sablefish before or since. I've already commented on my history in the fishery.

I've heard the argument that the owner who leased his boat out may suffer a financial loss if he is excluded from the fishery. This may be the case. The stronger question,

Mr. Joe Blum]
February 20, 1989
Page Two

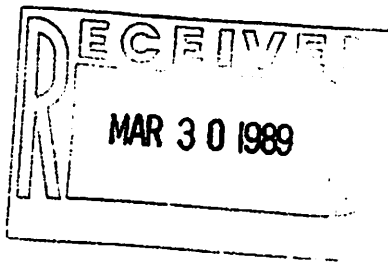
however, has to be whether you are going to exclude a number of long-time sablefish fisherman because they felt that leasing a boat over a few year period was a safe and sane thing to do.

I'm sure you and the other members of the committee are wrestling with the question of access. I feel that the fisherman who leased a vessel and ran his own business should have every right and privilege as the fisherman who ran his own boat.

Yours truly,



DENNIS HICKS
726 Siginaka Way
Sitka, Alaska 99835
747-3465



726 Siginaka Way
Sitka, Alaska 99835

March 25, 1989

Mr. Clarence Pautzke
Executive Director
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Dear Mr. Pautzke:

Thank you for your letter of March 20 concerning access to the sablefish fishery.

In terms of differentiating between bona fide lessees and hired skippers, I think the main question is, who ran the business? Or put in other words, who handled the money? If the only relationship to the business the owner had was to provide a boat and receive a share of the revenue, a lease situation clearly exists. If, on the other hand, the grub, bait, fuel, etc., is charged to the owner and at the end of the opening or season or pay period he settles up the crew shares, you have a situation with a hired skipper.

An example of this is one year when I went up and crewed on a king crabber in the Bering Sea. The skipper made all the fishing decisions, but the bills were charged to the owner and at the end of the season, the settlement was from the owner.

You could use the most conservative criteria to make this distinction and say that for a lessee to qualify, he needs to have a signed and notarized lease agreement. Many of us can produce this documentation. I feel, though, that if the criteria were that strict, many fishermen who were in a clear lease situation may be penalized for not having a signed lease.

Most of the lessee/owner situations in Southeast Alaska were situations whereby a man leased a boat for the whole longline season and the lessee made all the decisions, paid all the bills, decided how much to pay his crew, and paid the owner his share.

I appreciate your inquiry into my thoughts in this area.

Sincerely,

Dennis Hicks
Dennis Hicks ^{so.}

19

MAR 22 1989

Frank C. Murray
P. O. Box 6065
Sitka, Alaska
99835

Mr. Joe Blum
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

March 20, 1989

Dear Mr. Blum,

By now you must have received a letter from Dennis Hicks concerning sablefish access allocations.

Like Dennis, I have a long and continuing history in the off-shore sablefish fishery. My catches in the last few years were made on boats that I was leasing. I would like to point out that on all the boats I have leased I was the sole proprietor. I paid the insurance, fuel, supplies. I paid the crew. In most cases, I also owned the gear, which is a considerable investment, and had to set up the deck for a fishery the boat had not previously participated in. I chose when and where to fish, and I paid the owner a percentage of the gross income. The owners whom I leased the boats from were either not inclined or not able to participate in the fishery.

In short, I am a fisherman with a substantial stake in the sablefish fishery. Over 60 percent of my annual income comes from this fishery. I have no less of a stake because I chose to lease a large boat, rather than take my own small boat out for dangerous midnight openings and unpredictable winter and spring weather.

The people with years of hands-on experience in this fishery are the ones who keep things from becoming total chaos out on the fishing grounds. With all the new boats that entered the fishery last spring, there were hundreds of miles of gear lost, wasting an untold amount of fish and causing inestimable damage to the habitat. Most of this gear loss was due to inexperienced fishermen not knowing

how to set with the cuttent, pull gear under harsh conditions, or cooperate with other fishermen.

The experienced hands have a much better chance of returning with all their gear intact, and are an asset to the fishery regardless of whether they own or lease a boat. Such experience and longterm commitment merit future access rights to this fishery.

In summary, I hope that experience and actual participation in the fishery will be recognized rather than just vessel ownership.

Sincerely,

Frank C. Murray
Frank C. Murray

RECEIVED

MAR 31 1989

2/23/89

20

Dear North Pacific Management Council:

I have been a commercial longline fisherman my entire working life. I now own and operate a longline Vessel which has been in my family since it was built in 1941. I am 34 years old and my boat is 71 feet in length and is 102 gross tons.

I would like to address ^{three}~~five~~ separate concerns which may potential affect all longline fisherman.

1. License Limitation for the Alaska Longline Sablefish Fishery.
2. License Limitation for the North Pacific Longline Halibut Fishery.
3. On board safety of all Fishing Vessels.

1. License Limitation for the Alaska Longline Sablefish Fishery.

The present system of management of the sablefish fishery leaves the fishery wide open for the disastrous results that have already occurred in the now lost Halibut fisheries. With increased effort catch limits become impossible to attain. Waste of the resource becomes greater and greater as boats set gear in risk areas or tangle with gear from other vessels. As seasons grow shorter it becomes tempting to fish before or after scheduled openings or to fish in closed areas. Improper handling of fish occurs more often, due to short fishing periods and inexperienced fishermen. And finally and most important in my mind, safety is often sacrificed in lieu of economic pressure to fish during poor weather conditions and haul as much gear as possible.

In my opinion, the best way to alleviate these problems is with a Limitation system that would be acceptable to the most number of fishermen as possible. My proposal is also dubbed as the FVOA Proposal:

A. Two-year non-transferable permits issued to those with participation in the fishery for the first time in 1987. (This provision would give the newest entrants an opportunity to keep fishing while looking for permits that will undoubtedly go on sale in the first years of the system.)

B. Transferable permits issued to longline vessels with a record of 5,000lb minimum landed in some year prior to 1987.

C. Graduated permits based on vessel length with upgrading requirements of acquiring two lesser permits in order to upgrade to a larger class vessel.

It is my opinion that this proposal will solve many of the industry problems while at the same time give those that have investments in the fishery a chance to continue seeing returns.

2. License Limitation for the North Pacific Longline Halibut Fleet.

The Halibut Fishery which was my main family source of income since 1945 has suffered so badly from overcrowding that it can no longer be called a fishery. The term "derby" has been the more common and appropriate term used in recent years. The fact that the fishery is so long overdue for some sort of effort limitation requires that a more drastic limitation than the Sablefish Fishery be implemented. (However, if the following ITQ system is implemented to both fisheries at the same time it would work and be accepted for the Sablefish Fishery also.)

Individual Transferable Quotas or ITQ would solve almost all of the major problems that plague the halibut fishery today. With the system of ITQ that I support, individual quotas or portions of the total yearly quota would be assigned the boat owner or owners (collectively) based on a formula which takes into account the following criteria: 25% past performance, 25% past participation, 25% investment (based on computing the vessels "share" of total boat length) and 25% equal (based on an equal share among all licensees).

With ITQ, fishing seasons would no longer be required (except for biological considerations) thus reducing drastically the need for at-sea enforcement. Without fishing seasons or "derbies" as in this case, personal safety, insurance costs and wastage would be greatly reduced. (Last year where I fished a 2 day opening a boat along side me admittedly set twice as much gear as he could possibly haul. He could then pick the gear that had the most fish on, leaving the rest with thousands of pounds of fish to die on the bottom.)

Regulations designed for inefficiency (such as trip limits) would no longer be necessary thus reducing the cost to the consumer.

Fishermen would be able to make their own decisions

about when, where, and how to fish. A person could bring in fresh fish when needed allowing for the best possible return on his product. Buyers would be able to receive fish when it is most convenient. Fishermen would be able to make intelligent decisions concerning safety and adverse weather.

With transferability, initial allocations could be liberal since the market, not managers, would change the fleet size.

ITQ's would dramatically change the halibut fishery making it a sensible and sane way to make a living again.

3. On board safety of all fishing vessels.

For the last few years I have been involved as a director for a newly created indemnity insurance pool. In my mind too much can not be said about the dangers inherent in the fishing industry. The new safety laws being considered by our lawmakers are over due. Our insurance pools have already been requiring survival suits and life rafts. EPIRB's are a fantastic invention and should be on board all vessels.

With all the progress being made it's a shame to create seasons and derbies that require fishermen to put aside safety in order to get a brief and frantic crack at his income. All the safety gear in the world wouldn't save as much personal injury as would sensible management of the fisheries themselves.

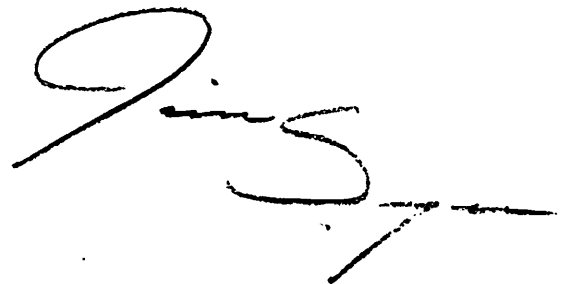
3-27-89

Sincerely,

An Endangered Species

~~_____~~

This letter was returned
with one of our
ground fish limited entry
surveys.



JIM SIEGEL
PFMC

Halibut Management

Written Public Comments

The documents in this packet are written comments received by the Council concerning halibut management. These comments were received between the January Council meeting and noon on April 6, 1989.

Written Comments
Related Specifically to Halibut Management

The correspondence received by the Council since the January Council meeting directly concerning halibut are summarized below.

21. Bob Allen, Allen Marine Ways - The halibut fishery should be managed as a sustained yield, year-round fishery. This could be accomplished by limiting every vessel to a set number of skates and hooks. An in-depth proposal for such a system was submitted.
22. Andy Golia, Dillingham - Bristol Bay residents are requesting a commercial test fishery for halibut in the local area. A proposal previously presented to the Halibut Commission was submitted.
23. Thomas Hoffman, Booth Fisheries - Concerning halibut, if IFQs are used they should be allocated by month to ensure continued fresh supply. This allocation should be bell curved to allow for most to be caught in the summer fishing months. The current system forces fishermen to fish in bad weather, wastes fish (an estimated 25% of the allowable catch due to cut gear and poor handling), unnecessary quality degradation, lack of fresh supply, economic inefficiency, and bycatch problems with other longline species.
24. Jack Keane, Bristol Bay Driftnetter's Assoc. - For halibut, will those who have fished before the cut-off date receive points for additional fishing?
25. Jack Polster, Homer - Comments concern a view from 1992 looking back at the problems that drove the halibut fishery to a property rights fishery.
26. John Rowley and Tom Hoffman, FISH - They support the concept of IFQs as the best, most equitable solution to the complex issues.

A LIMITED GEAR FISHERY

1. The Halibut fishery would be managed as a sustained yield, year around fishery. Every boat involved would be limited to (X) skates with (X) hooks and allowed to fish year around with certain limits on the gear depending on amount of boats that are involved, area fished and amount of resource available.

The criteria could be developed in this manner.
A. Determine amount of resource available by area.
1. This should be available from resource planning that has been in operation and is presently used.

B. Determine percentage of resource to be used.
1. Same source as A.

- C. Determine how much was caught by area in past.
 - 1. How many boats were licensed.
 - 2. How many boats actually fished.
 - 3. How many skates were licensed.
 - 4. How many fishermen were licensed.
 - 5. How many lbs of fish were caught.
 - 6. How much time were the skates fished to fill quota.

D. Using the above information determine how many lbs per skate per day can be expected

1. Determine the number of skate days needed to fill

Bob Allen
21

4-89

1/1

the quota. At this point if the total number of boats that fished last year was divided into the skate days, it would seem that on a year around fishery each boat would receive less than one skate. It must be remembered that every boat from every other fishery was involved in the Hallibut openings and no competitive fishery was going on at the same time. This would change on a year around fishery.

- E. How to determine skates allowed per boat per year.
1. All boats must register in September for the following year. Any boat not registered at that time cannot fish.
 2. You register by the year with a month by month breakdown of which months will be fished.
 3. A particular boat might register this way

Jan. Not fish, on vacation

Feb. Not fish, Scheduled repairs in boat yard.

Mar. Fish

Apr. Fish

May. Fish

Jun. Not fish, going for black cod

Jul. Not fish, salmon trolling

Aug. Fish

Sep. Not fish, salmon trolling

Oct. Not fish, black cod opening

Nov. Fish

Dec. Not fish, King Crab opening.

3. Each boat is locked into their registered times.

At the end of Sept. the list by area is compiled.

At that time it will be found that a large

percentage of fisherman that fished the short openings are not available for an extended fishery with limited gear.

As observed in past years these type of fisherman became involved because of the short openings and ability to

place large amounts of gear in the water.

a. School teachers

b. Charter boat operators.

c. Trollers

d. Dungeness crabbers.

e. Fish packers.

f. Plus anyone that only had to take a few days off a

regular job and had any type boat.

4. When breakdown is made the formula would probably show

more like this.

a. SE Alaska- 10 skates per boat

b. Gulf- 20 skates per boat

c. Westward 30 skates per boat

d. Bering Sea 35 skates per boat

5. This could then be refined on a monthly basis

according to the sign up to insure an equal catch per

month to satisfy the fresh market so the highest price

would be received by the fisherman.

6. Once the base was established it could be refined to

allow larger boats to have more gear.

a. Each boat is allowed base skates + one skate per

crew member. This would allow large boats to have more

crew and have a safer, less tedious operation and not

split to smaller crew shares.

b. Areas to westward where less boats fish would draw

large boats because of a higher base figure, plus larger

crews, allowing them more gear.

c. Local areas where mostly local, small boats have

fished would be left to them, as a large boat that had a

base 30 would not want to fish an area of base 10.

7. Determine how much fish are caught on a timely basis.

a. Phone in daily by all processors to central

computer as to poundage and area.

b. As the fishery is aimed at the fresh market, trips

will automatically be shorter, thus giving catch data on a

timely basis.

d. If a vessel decides not to fish a month as

scheduled, it will notify a processor by the middle of the

preceding month. Any month dropped cannot be picked up

later. His skate base is redistributed to the remaining

boats for the next month. This would stop boats from

jumping around and causing too much change in base for

skates, and pounds caught.
e. Charts and logs furnished to each boat to be turned in at the end of each month logging every skate set, as to number of hooks, soak time, hook type, bait, catch per skate, loran coordinates. This would be privileged information but would furnish information to management for future base calculations.

E. Management and protection

a. A users fee of about 3%, virtually like the troilers pay for their hatcheries. This would be used for personnel and computer time to keep all data up to date. This charge should be sufficient to insure data is current so maximum yield and fishing time for each area is insured.
b. To keep a vessel from fishing more gear or time than allocated.

1. Periodic checks on gear in water.
2. 1st. offense--\$25,000.00 fine.
3. 2nd. offense-- Loss of gear and license for boat and crew for one year.
4. 3rd. offense--Loss of gear, boat and permanent loss of boat license and crew licenses.

This was effectively used in the seine fishery about 1960 to stop creek robbers.

Consumer:

1. Fishery

- a. Control of resource to provide sustained yield.
- b. Ability to control fishing in separate areas so fishing is not concentrated on known hot spots so they are wiped out. Boats would have time to prospect areas not usually fished. New fishing areas would be found thus spreading out gear effort.
- c. Innovative practices, like release of all fish over 150 lbs, thus keeping the breeding population high and only putting on the market the quality eating fish.
- d. Restrict all hooks to unclad iron, so a released fish with a hook left in its mouth would have the hook rust away in one or two months. This way, ganglions could be cut and the fish's mouth would not be torn out when released.
- e. Return to cotton ganglions, so lost gear would self destruct in a short time and not ghost fish.
- f. Restrict bait to herring, thus forming a market for herring carcasses from the herring roe fishery. This would enhance the value of the herring, stop waste in that fishery, and stop the use of rock fish and other species being used for bait.
- g. Use incentives i.e. two extra skates for a year for a boat that pioneers a new area that develops into a new producing area.

2. Fisherman

a. Able to gear up for only one type of fishery, thus cutting the massive gear costs now common.

b. Time to fish when weather conditions are best rather than fish or lose under the present situation.

c. If involved in other fishery, he can plan his year to make maximum use of his boat.

d. Less gear to be pulled each day, giving more time to clean and properly care for his catch. Top quality will insure top value.

e. Because of bonus skate for each crew member, there is no benefit to run shorthanded. Boat crews being larger would spread out the work. There would be less accidents or bad judgement calls made because of a tired crew.

f. With no advantage to running shorthanded, new employment is created. A stable year round fishery would create year round jobs. This would keep knowledgeable, skilled, and safer workers involved, making the whole fishery safer. The present method of picking anyone, skilled or not off the streets would end.

g. It would give a viability to the fishery on a long term basis. Decisions could then be made on investing in a new boat, rebuilding an old one, buying a home, moving to a new town. A life style with a future would be created.

3. Processor.

a. Able to look and plan ahead.

b. Smaller work force, but on a year around basis,

providing a stable, local, skilled work force.

c. Time to process fish for a maximum salable

product. Filets, prepackaged shelf ready, smoked, dried,

etc.

d. Time to develop fresh markets with guaranteed

delivery.

e. Ability to block out airline space ahead for

shipping. i.e. Alaska Airlines, Japan Airlines, Korean

Airlines etc.

f. Cut down on overtime, savings could be passed on

to the fishermen.

g. By rotating money faster, the need to borrow and

pay interest on vast amounts for up to a year would not be

necessary. A better cash flow would develop which would

benefit both the processor and fishermen.

f. Cutting out cold storage rental fees for up to a

year at a time would increase profit to processor and

fishermen.

4. Consumer

a. Fresh product.

b. Better quality

c. Always available.

7. General observations.

A. A year around fishery would force Canada to adopt the same system. This would stop their practice of opening two weeks earlier than ours, thus getting a better price and gutting the fresh fish market.

B. Stop Halibut fishing from going limited Entry, and creating the same problem it created in the troll fleet. These problems are:

1. There are still the same number of boats in the fishery.

2. Old boats were replaced by new, larger more efficient boats.

3. The increased efficiency caused shorter openings.

4. Because of the long closures, the boats spread to other fisheries to make a living.

5. Because of the increased fishing pressure the other fisheries had to go to short openings.

6. We have now developed a series of short, shotgun openings, generating massive quantities of poorly handled fish all arriving at the processors at one time. With no time for quality, the processor freezes and ships to cold storage warehouses to save his product. This fish must then compete on the market with farm raised fresh fish imported from Norway, etc.

C. If one fishery would adopt the gear limit system this could possibly reverse the limited entry trend, which

has not proved workable.

1. It has not removed boats from the fishery.

2. It has not created a local fleet.

3. It has stopped young people from coming into the

fishery, as they cannot afford a permit.

It has created a privileged class of people holding

permits because of a matter of timing, not because of

investment, skill, or ability.

4. It did not decrease the fishing pressure.

5. It increased the fishing pressure by replacing

small boats with larger, more efficient boats.

D. Limited gear worked in the past.

1. During the late 1950s and early 1960s King Crab

fishing in Alaska was regulated as a year around fishery

limited to 30 pots per boat. As the processors would not

buy crab when they were soft shell, during that period the

boats went for dungeness, packed, or fished salmon or did

maintenance. The boats had time to prospect, so only the

best areas were fished and the gear was always being

moved. Marginal areas were left alone and any area that

started to become overfished was left to rebuild. As more

boats came into the fishery, new areas were found to fish

in, and pressure was decreased on areas that had become

marginal. The end of limited gear fishing for crab did

not come from any problem with this system. It came

directly from the results of the 1964 earthquake and tidal

wave. During the tidal wave and storm four days later, we lost most of the crab fleet. The federal government came in with massive doses of disaster relief funds. Anyone who had lost a vessel was eligible to borrow low interest money to replace his boat. The boats that replaced the old fleet were larger and more costly to operate. As a result, to keep the fleet viable, the pot limit was raised to 60 and then taken off altogether. Without the gear limit, larger and larger boats came into the fleet with some boats fishing 600 pots. We now had one boat that could fish as effectively as 20. It was no secret to the fisherman that the bust was coming, but if these were the rules, they all hoped to get theirs before it happened. This trend of unlimited gear in the Haitibut fishery is following the same pattern. You must have a larger boat, and more gear if you are going to compete. By limiting the gear this pattern will be broken, and instead of concentrating on large volume and low price, the fisherman can produce a quality, high valued product. The total poundage caught will remain the same, but the value of the poundage will double.

A. Use of a Gear Limit.

B. To make the maximum use of the Halibut resource without causing the endangerment of fishermen and vessels, during short, must fish or lose openings and to maximize the value of the resource through fresh fish being put on the market at the best price possible.

C. To keep the Halibut fishery from going to limited entry as the Salmon troll fleet has. When the troll fleet went limited entry, the old fleet was replaced with new, more efficient, larger vessels which put more pressure on the resource. This forced short openings, heavy deliveries, and the bulk of the fish having to be frozen. Because of the short openings, most of these vessels have now entered the Halibut, Blackcod and rockfish fisheries, causing short openings here also. Almost all of our fish is now frozen, and it becomes harder to compete with imported farm raised fish delivered daily to the U. S.

- D.
1. Put fresh Halibut on the market year around.
 2. Increase value to fisherman by 100%.
 3. Allow fisherman to fish under better weather conditions.
 4. Allow fisherman to target one or two specie all

year.

5. Bring more young people in to learn the fishery.

6. Better control of the resource to keep fishing

pressure on the good areas and allow marginal areas to

rebuild.

7. Allow more fishing time each day by not having too

much gear in the water, thus allowing more innovative

programs to be used such as the release without harm of

all 150 lb. and over breeding fish and retention of the

quality cating fish.

8. By having boats stay in the Hallbut fishery year

around and not have to jump into all the other fisheries

to survive.

9. At present, a great number of boats that fish

Hallbut and Black Cod are using only Black Cod gear. It

has smaller hooks, and they are spaced three feet apart.

A Hallbut skate is most efficient with a ten foot spacing.

The other two hooks are bringing up hundreds of rockfish

and red snapper, which are wasted. As it is for rockfish,

twenty years in selective size, this practice will soon ruin

a relatively new fishery before it starts. By controlling

the number of skates and spacing of larger hooks, the

impact on that fishery will be reduced.

10. See attached sheet, coded 5 E.

11. All data now used to set quotas in the fishery.

Halibut Fishery Proposal
Robert S. Allen
Page 2

is probably sufficient to set up a limited gear system.
Other data and information I have used has been gained by
personal association with the fisheries during the past
twenty nine years.

5 E
Alternate methods of management of the Halibut fishery

1. Gear limit--as proposed.

2. Limited entry

A. For

1. Easiest to initiate, as criteria has been developed for the troll fishery.

B. Against

1. Will perpetuate short openings.

2. Fisherman will have to jump between fisheries to survive.

3. Massive gear requirements to be effective during short openings.

4. Poor quality control.

5. No control on weather, fish or be left out.

6. Larger boats to overcome weather factor needed.

7. No control of volume of fish caught during each opening, requiring stop and go fishing to arrive at quota.

8. Mainly frozen market available, lowering price received by fisherman.

3. Trip limits on poundage allowed per boat.

A. For

1. Ability to spread harvest over longer season.

2. More openings would allow more fish on the fresh

to make a living.

40. Continues necessity of finding between fishermen

the fishery, if they know they can never be involved.

9. No incentive for anyone to have an interest in

fishery.

6. No incentive for young people to come into the

whatever method is used to allocate boundaries.

size, past history of landing, dependence on fishery, or

boat is allowed what boundary, whether it is based on boat

7. There will always be prices of unfair as to what

living.

have longer fishing periods, hoping to make a year around

6. Good fisherman will move to other fisheries that

openings.

5. Inexperienced crews will be hired for the short

are released.

achieves his quota early, many fish will be wasted as they

4. Once gear is set, if a boat has set too much and

development of fresh fish exports by air.

3. Heavy volumes having to be frozen, will not allow

fishery.

2. Price will not be as high as on a fresh market

into the fishery.

1. If limit is too small, large boats will not come

B. Against

market, allowing better price.

11. No incentive to upgrade boats if you can't catch more fish without moving to another area. Many fisherman could use a larger boat to be involved in packing or other fisheries that require a larger boat but do not want to fish westward.

22

P. O. Box 663
Dillingham, Alaska 99576

March 22, 1989

Clarence G. Pautzke, Executive Director
North Pacific Fishery Management Council
P. O. Box 103136
Anchorage, AK 99510

Dear Mr. Pautzke:

Per the request of Mr. Tony Knowles, please find enclosed a copy of the proposal that was submitted by a group of Bristol Bay fishermen to the International Pacific Halibut Commission at their January 26, 1988 meeting in Sitka, Alaska. The proposal requested the establishment of a small-boat, near-shore commercial halibut fishery in the Bristol Bay area.

At that particular meeting, the Halibut Commission rejected the proposal citing conservation concerns.

We have been unhappy with the decision for the following reasons:

1. The Bristol Bay area is the only area in coastal North America where local fishermen do not have immediate access to commercial halibut fishing grounds.

2. Although in the past, the NPFMC has allowed for a significant bycatch of halibut in the closed area by joint venture and domestic trawlers, the Halibut Commission still denied us a small halibut fishery.

3. Per the results of the setline survey completed in the Bristol Bay area by the Halibut Commission during the summer of 1988, 60% of the halibut caught were of legal size.

For the above reasons, we continue to believe that our proposal posed no conservation concerns, and thereby request that the NPFMC request the Halibut Commission to reconsider its decision in regards to our proposal.

If you have any questions, please don't hesitate to contact me at (907) 842-5307.

Sincerely yours,

Andy Golia

Andy Golia

Statement By

ANDY GOLIA
BRISTOL BAY HALIBUT CO-OP
DILLINGHAM, ALASKA

Before the

International Pacific Halibut Commission
Sitka, Alaska

January 26, 1988

Mr. Co-chairmen, and conference board members, my name is Andy Golia. I'm from Dillingham, Alaska, and I represent the Bristol Bay Halibut Co-op.

The Bristol Bay Halibut Co-op was organized in the latter part of 1986 by commercial fishermen from Dillingham and Naknek. We organized primarily to propose the development of a commercial halibut fishery in the Bristol Bay area .

Most of you may recall, last year in Vancouver, B. C., our group initially requested a commercial fishery. To reacquaint everyone, last year, we proposed to open up a portion of an area that has been closed to the commercial take of halibut since 1967 - over twenty (20) years ago.

Furthermore, if you recall, last year, the conference board, as well as the Halibut Processors Association, recommended to the Halibut Commission to consider completing a set-line survey of the area before a commercial fishery will be considered, and subsequently, the Halibut Commission agreed to a set-line survey.

This past summer, three (3) vessels were chartered to complete the survey. A larger Seattle-based longliner was used, including two (2) 32' Bristol Bay gillnetters that were converted to longlining. Although the results of the set-line survey showed low numbers of halibut found in the area, most of the halibut caught were determined to be mature, commercial legal-sized halibut.

Because of the results of the set-line survey, we're here to ask for a small commercial test fishery. Being commercial fishermen, and knowing the Bristol Bay area, we believe we can find enough legal-sized halibut to support a small commercial fishery.

More specifically, in regards to our proposal, we ask the following:

AREA (see attached map):

Similar to what we proposed last year, we'd like to create a new area - labeled as AREA "4G". The proposed boundaries of this area will encompass the waters from Cape Newenham (located northwest of Bristol Bay) adjacent to AREA 4E, and extend twenty (20) miles offshore along the coastline south to what's known as Stroganoff Point (an area located near the community of Port Heiden).

We're asking for an area twenty (20) miles offshore for obvious safety reasons. Most of us fishermen in Bristol Bay own shallow-draft 32' vessels, and cannot venture too far offshore.

OPENINGS:

In terms of the openings, we ask that two (2) openings be allowed - with each opening to last two (2) weeks in duration. We'd like the first opening to begin June 1, and end June 15, 1988, and the second opening to be allowed in the early fall - to begin August 1, and end August 15, 1988.

QUOTA:

In terms of a quota, we'd like to see a total quota of 50,000 lbs - of which 25,000 lbs will be allowed for each opening.

We ask for no less than 50,000 lbs because we feel that any amount less will not provide the incentive necessary for fishermen in our area to attempt a commercial test fishery.

At this moment, I'd like to make it clear that we are not proposing any restrictions to vessel length, limitations on the number of skates that can be used, or trip limits for the proposed test fishery.

I know that some of the conference board members had problems last year when we mentioned such restrictions, and I want to make it well understood that we are NOT proposing any restrictions for the proposed test fishery.

In closing, I'd like to mention that we have received resolutions of support from the city councils of Dillingham, Aleknagik, Ekwok, New Stuyahok, Togiak, Clark's Point, Manokotak, and Port Heiden in our efforts to obtain a halibut fishery.

We've also received resolutions of support from the Bristol Bay Borough, and the Bristol Bay Native Association. I might add that the Bristol Bay Native Association, through its board of directors, represent the entire twenty-nine (29) community

traditional village councils in the Bristol Bay area.

We've also received resolutions of support from fish and game advisory committees - more specifically, the Southwest Alaska Fish and Game Regional Council and the Nushagak and Naknek/Kvlichak Fish and Game Advisory Committees.

Furthermore, we've also received a recent resolution of support from the Southwest Alaska Municipal Conference.

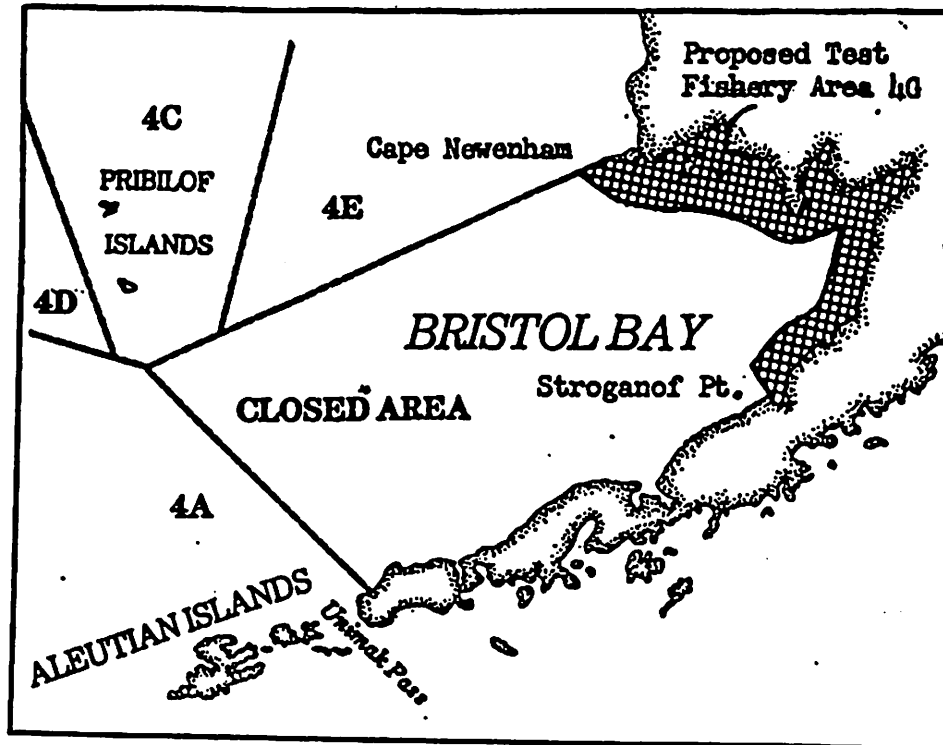
So, in closing, we feel we have received over-whelming support from the entire area of Bristol Bay, including certain southwest Alaska organizations.

We respectfully request that the conference board recommend a commercial test fishery be granted in our area. We believe that a test fishery will show whether or not commercial quantities of legal-sized halibut exist in the area to support a small fishery.

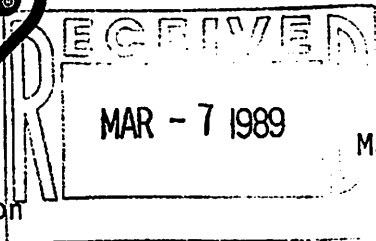
We firmly believe that a small test fishery in will not adversely impact the conservation of the healthy halibut resource of the Bering Sea. With a possible harvest of 68 million pounds of halibut to be considered for the North Pacific, we feel that we're asking for just a very small portion of the total harvest.

Thank you, and if there's any questions, I'll try my best to answer them.

The map below reveal the boundaries of the proposed commercial halibut test fishery area being requested by the steering committee members of the Bristol Bay Halibut Co-op before the International Pacific Halibut Commission (Photocopy of map courtesy of the BRISTOL BAYTIMES, Dillingham):



Booth Fisheries Corporation
Western Division
814 Sixth Avenue South
Seattle, WA 98134-1304
(206) 623-1011



March 1, 1989

Mr. John Peterson
Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

Dear Mr. Peterson:

Thank you for allowing me to testify at the Council scoping meeting on Tuesday, February 28.

I failed to mention one of my primary concerns about individual fishing quotas. To wit, that the quotas should be allocated by month of the year. My concern is that a fisherman would fish all his annual quota in a one or two month period, with most of the fish going in the freezer and the fresh market again being short changed. Ideally, I believe the quotas should be bell curved by month, with the lowest quotas in the winter months and the highest in the peak summer, good fishing months. Since weather could sometimes wipe out a quota, a 30-day delay period might apply. For example, January's quota might be permitted to be fished in February if the fisherman was unable to catch it in January.

It seems to me that market demand would pull the winter catch into the fresh market, where the larger summer catch would naturally be distributed between the higher value fresh market and the lower value frozen market. Similarly, the fishermen would have the benefit of placing their more expensively caught winter fish in the higher value fresh market.

I agree completely that long liners should be able to keep, and count against their quota, incidental catches of other species, such as black cod, true cod, etc. Let's not waste the resource.

While I know the presentation was tape recorded, reflecting what I actually said, a copy of my prepared remarks is attached for your consideration.

Once again, thank you for the opportunity to testify.

Sincerely,

Thomas Hoffman
Vice President
Distributor Operations
Western Division

TH/jh
enclosure

cc: C. Pautzke, Executive Director

My name is Thomas Hoffman. I appear before you today as the acting chairperson of a new group, tentatively called F.I.S.H. FISH stands for "Finding Intelligent Solutions for Halibut".

FISH is a group of frustrated Seattle based restaurants, supermarkets, distributors, and seafood support companies. We have met informally over the last year and are on the verge of becoming a formal industry organization.

Most impartial observers would agree that the participants in FISH's meetings over the last year include many of the leading seafood marketers in Seattle.

Nevertheless, we don't have all the answers, as symbolized by the first word "FIND" in our proposed name.

We also recognize the need to broaden our group to include brokers, processors, and fishermen and to deepen our membership in the supermarket, restaurant, distributor, and transportation categories.

Why are FISH's members frustrated about halibut?

1. The present 24-hour derby system almost forces the fishermen to go fishing during the specified 24 hours, in spite of weather conditions, in order to meet his financial obligations. In the first 1986 Canadian opening, several fishermen lost their lives. This is criminal. How would the members of the North Pacific Management Council feel if bad weather caused loss of life during the first 1989 Alaskan opening?
2. The waste of edible fish is shameful. It is estimated that up to 25% of the allowable catch is lost, due to halibut drowning when some fishermen cut their gear at the end of the 24-hour period, and due to unprocessed halibut rotting before they can be processed. If the 25% is accurate, an additional 18 million pounds of halibut could have been marketed last year. This outcome is criminal to an environmentally concerned Northwest population and to a protein hungry world.

3. The quality of the halibut caught and sold is a real problem. Because of the 24-hour derby, some fishermen do not gut, bleed, and ice their catch until the 24 hours is over. The processing plants and transportation system cannot handle the peak demand. The result is sour and mushy fresh and frozen halibut. My company rejects 5-10 lots of substandard halibut each year. I really wonder where the rejected substandard lots end up being marketed. I do know that ultimately, the quality reputation of this fine fish is lowered in the consumers' eyes.
4. "Fresh" is in today. The present system forces the bulk of the halibut to be marketed in frozen form. Why shouldn't the consumer be able to obtain top quality fresh Alaskan halibut continuously from April through October and possibly even all year round?
5. The economic and unemployment inefficiencies of the present system are obvious. It's also obvious that consumers, not the seafood industry, ultimately pay the costs of these inefficiencies. Why can't we operate our fleet, processing plants, freezers, transportation, and distribution networks in a more efficient manner?
6. Finally, we have a relatively new problem - the bycatch problem. The 1989 allowable halibut catch has been lowered from 1988's 74M pounds to 64M pounds. The International Halibut Commission highlighted "the urgent need for more effective management of non halibut fisheries to reduce the halibut bycatch problem" in its January 30th 1989 news release setting the 1989 regulations. I interpret this as asking the North Pacific Management Council to quickly carry out its responsibilities.

The problems with halibut have developed over many years and are worsening at an exponential rate. There is no time for further facts and studies. The time to act is now for the 1990 fishing year. FISH suggests a system of individual fishing quotas broken down by calendar month. Individual fishing quotas could be established based on fishermen's or boats' historical share of the catch or length of boat.

In conclusion, I have the luxury of detailing all of the negative effects of a halibut regulation system that does not work. You, the North Pacific Management Council, have the responsibility for fixing the problem. In the area of halibut regulation, bycatch, and overcapitalization of factory trawlers, you are trying to fix the problems after the disasters have happened. There is no more time left for studies. It's time for the bureaucrats in our government to get ahead of the game and lead instead of reacting after the fish are out of the water.

Thank you.

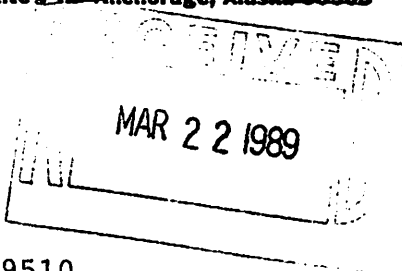
24

BRISTOL BAY DRIFTNETTERS' ASSOCIATION

3605 Arctic Blvd., Suite 742 Anchorage, Alaska 99503

(907)568-8102, EXT. 742

279-5208



NPFMC
Box 103136
Anchorage, AK 99510

March 20, 1989

Dear Council Member:

Members of our group have asked a question regarding the Jan. 15th Halibut Limited Entry cutoff. The question is: For those who have fished at least once, prior to the cutoff, is it possible or likely, that points would be awarded for additional fishing in the future?

I don't have a clear understanding of this and would appreciate your help.

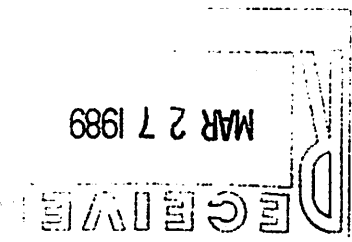
Thank you,

A handwritten signature in black ink, appearing to read "Jack Keane".

Jack Keane, Chairman

Jack Keane
2152 Dawson St.
Anchorage, Alaska
99503

25



Jack Beaton
1506 Ocean Drive
Hemp, Grete 99603

Dear Mr. Beaton:

Enclosed is a copy of a letter to the editor submitted to (15) newspapers in Grete.

Please give each of the members on the Council a copy of the letter.

Several like to contribute suggested to be considered by the council.

Please allow us to receipt of this letter, its disposal and opportunities in press and/or writing before a night press my recommendation.

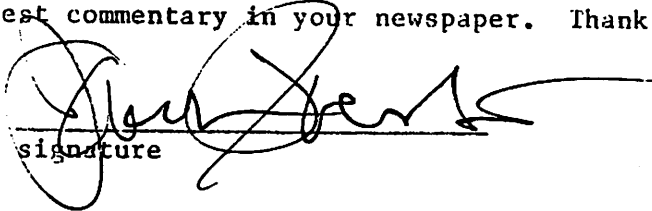
Thank you

Jack Beaton

Please consider the following as a guest commentary in your newspaper. Thank you.

Jack Polster
1506 Ocean Drive
Homer, Alaska 99603
907-235-8777

signature



ALASKANS TO SEE CHANGES IN 1992 COMMERCIAL HALIBUT SEASON (A Futunist view)

by Jack Polster
Special to the _____ (Newspaper name)
_____ (Month and day of publication in 1989), 1992

Dramatic changes in the way commercial halibut will be taken in Alaskan waters were revealed at the January 1992 meeting of the Association of Southcentral Alaska Halibut Fishermen, held recently in Homer.

Guest speaker Bill Robertson of the Fisheries Division of Alaska Department of Fish and Game told a group of 200 fishermen and fisherwomen of the reasons which brought the change.

"As you will recall" said Mr. Robertson, "a storm of tremendous force, with 80 knot winds and 40 foot seas, hit the Gulf of Alaska and its inlets 12 hours into the last 24 hour halibut opening this past year. Six commercial boats went down with a loss of 16 lives - also the department enforcement vessel Zero Tolerance and a Coast Guard rescue helicopter and their crews. My sympathy goes to all here who lost friends and relatives."

"While only 3 million pounds of halibut were lauded during that opening, our agency estimates that lost and unretreivable fishing gear resulting from the storm produced a loss of 5,000,000 pounds of halibut and unknown amounts of other marine life. Stainless steel hooks and snaps on nylon gangion material and synthetic groundline have, unfortunately, a very long fishing life when lost. The main stimulus for change came from the public who thought this loss of fish an unacceptable waste of their commonly owned resource."

"The small amount of fresh halibut available in the market, caused by a limitation of commercial halibut fishing to two 24 hour openings each year, also irritated the public."

"Inundation of fish processors with very large numbers of halibut during very short periods has, in the past, produced problems in production, including difficulty finding adequate numbers of qualified production employees during such short openings, safety of personnel working 16 hour shifts, and an inability to process the overload of halibut deliveries quickly enough to provide a truly quality fresh or frozen product."

Mr. Robertson was followed at the podium by Enuf Gov, a Polish merchant mariner, who, having jumped ship in Seward in 1982, was granted asylum, and is now president of the fishing association.

"When the need for change in commercial halibut regulations became clear' said Mr. Gov, "the State of Alaska, in co-ordination with the Feds and Canadians, appointed a steering committee which was assigned the task of producing a new halibut management document."

"Guideline for formulation of the document was simply that it would be both fair to all parties concerned, and in compliance with the language and intent of the Alaska State Constitution."

"Three final alternatives were chosen continued Mr. Gov., "The first alternative was to place a quota on the number of licenses which would be issued for halibut harvest; we are talking limited entry. The second alternative was to break the total allowable annual harvest quota into blocks of 5,000 pounds, 10,000, 20,000, and 40,000 pound units with the right to harvest those units being obtained through the bidding process. The third alternative simply recognized the justice found in operation of a free market and the fact that halibut in Alaskan waters belong to each resident of the state - as is clearly defined by the Alaska State Constitution, which states, 'wherever occurring in the natural state, fish, wildlife, and waters are reserved to the people for common use.'"

"Please permit me to address first the limited entry issue. I left Poland years ago, choosing this state, because it presented equally to all residents those opportunities denied in a communist state. In Poland, license and privilege - as opposed to right - were dispensed by government bureaucrats in a discretionary manner, with family relationship and party membership being heavily considered in the allocation of the very permits which became a necessity for virtually every activity of daily life. Possession of a limited entry permit or license, however, eventually became a stone around the necks of most of us who participated. Once a dependency upon permission to operate was established, the permittee discovered that the state could and would impose increasingly restrictive conditions upon continued use of the permit.

I was a licensed marine electrician in Poland for 15 years. When I decided to become vocal about blatant government abuse I was threatened with withdrawal of my license and livelihood if I did not remain quiet. So I decided that I would one day get off a boat in Seward Alaska, buy a hamburger, and find that it tasted so good... so to speak...I would never go back. My outspokenness today is simply the result of a deep appreciation of the opportunity to do so in Alaska."

"Limited entry into the halibut fishery in Alaska would both deny all individuals equal access to the common resource and place permittees of limited entry in a position where, as Federal and State governments impose more constitutionally repugnant law and regulation, vulnerability of the permittee would place him or her in jeopardy if he or she wished to protest such constitutional violations. Those permittees wishing to protest recent Federal and State limitation on ownership of firearms, for example, would think twice knowing that civil disobedience or vocal outcry might constitute grounds for future state confiscation of the limited entry permit...to say nothing of the firearm."

"Neither was the second alternative, selling blocks of harvestable fish to successful bidders, chosen. While the method did allow all interested individuals equal opportunity to participate in the fish harvest, the assignment of monies received

from successful bidders to government coffers was not desirable. Allow me to explain."

"When other common resources, Alaskan oil and gas, were discovered and mined in the 70's and 80's, taxes and royalties from those resources went to Alaska state government, which, as an institution, placed itself like a sponge between the ultimate owner of the resource - the individual resident - and the income received from production of those resources. Consequently we find today, after 15 years, Alaska State government spending five times as much per capita as the average state, resulting in a bloated bureaucratic maze of overly-compensated and entrenched bureaucrats and union employees who, unfortunately, because of inherent inefficiency, trickle down to the individual resident a pathetically small segment of the billions of dollars consumed by state government each year."

"The remainder of oil and gas tax and royalties were assigned to the permanent fund, which, as you know, exists no longer as a provider of dividends to the individual resident, but solely as a source of funding for those special interests who know best how to gain access to the public trough."

"The third alternative was chosen to become law" continued Mr. Gov. "Allow me to explain how the new system will work."

"To provide firm property rights to the resource, each individual who qualifies for that right - determined in the manner by which past qualification for the now defunct Alaska Permanent Fund dividend check was determined, will be mailed a non-counterfittable chit which represents a proportional right to the resource. If 500,000 residents qualify, for example, each is assigned property right to 30 pounds of halibut - that is - 40 million divided by 500 thousand.

"We then take the advice of an economist long dead and simply allow the invisible hand of the free market to do its thing. The fisherman intending to participate in commercial harvest of halibut would be required to purchase sufficient chits from individual residents to cover the amount of halibut he would harvest. It can be expected that while fishermen could deal directly with individual residents, brokers would

compete with other brokers for the purchase of chits from individual residents.

The broker then would sell those chits at the best price to competing fishermen.

"Fishermen will be able to harvest halibut anywhere in Alaskan waters at any time - other than the winter spawning season. When management area quotas have been harvest, further fishing in that area will be prohibited for the remainder of that year by Fish and Game."

'Regulations will be incorporated in the 1992 season which will allow for the shortcomings which are not addressed in the limited explanation I presented here today.'

"In closing I point out that the new system will address each of the problems Mr. Robertson exposed in the opening comments. It also will increase the value of the harvest an estimated 10 per cent above the same poundage harvested in the old system...simply because of the increased appreciation of the market buyer for fresh over frozen halibut. The new system maximizes income from the resource and distributes it directly and equally to the resident of the state. And no fisherman is denied opportunity to harvest.

"The new harvest system was opposed by many government agencies and all state employee unions who saw it as a threat to their domain, and by a few halibut fishermen who would choose the opportunity of privilege over the challenge of competition in a free market.

"I would like to add that in recognition of the inherent right of those Alaskan residents who express want and need of the halibut resource, by both taking and utilizing halibut, the month of July will be open to subsistence fishing of halibut by any Alaskan resident, by hook and line, without need of sport or commercial license, so long as the resource was neither wasted nor used for sale or barter.

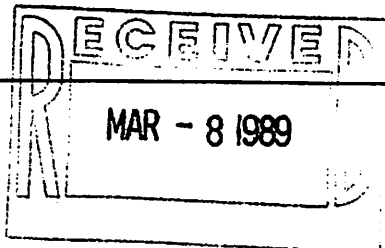
"I note a contrast in the songs of Poland and the United States.

While the Pole waxes about lost freedom, American singers would have you believe that 'freedom's just another word for nothing left to lose'. Don't you believe it.

"I thank you."

Fish Works!

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Fishermen's Terminal
C-10 Building
Seattle, Washington 98119
(206) 283-7566

February 28, 1989

Mr. John Peterson
Northwest & Alaska Fisheries Center
7600 Sand Point Way NE, Building 4
Bin C15700
Seattle, WA 98115

Dear Chairman:

Find Intelligent Solutions for Halibut, or FISH, an organization made up of individuals and companies who either ship, supply, or consume halibut. Few of us have first-hand experience with the halibut fishery itself, but all of us have had to deal with the chaos and waste the present management system creates.

FISH exists as an organization to promote resource conservation, the availability of a quality fresh product and a continuity of fresh product flow to market. We support the management concept of individual transferrable quotas as the best, most equitable solution to the complex issues surrounding fishery limitation. We would also like to see council management include adequate analysis of market economics in their planning processes.

FISH finds much to support in the Council's intention to find a rational solution to all groundfish management, including crab and halibut. We hope to see the Council give representation to end-user/consumer groups in future decision making.

Sincerely,

A handwritten signature in cursive script that reads "Jon Rowley".

Jon Rowley

A handwritten signature in cursive script that reads "Tom Hoffman".

Tom Hoffman, Chairman, FISH

**Controlled Access
versus
Open Access**

and

General Comments Relating to These Issues

Written Public Comments

The documents in this packet are written comments received by the Council concerning controlled access versus open access and general comments relating to these issues. These comments were received between the January Council meeting and noon on April 6, 1989.

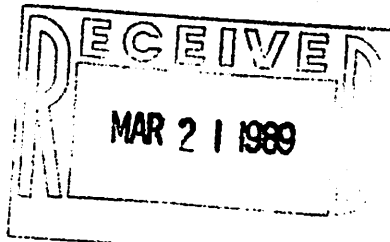
Written Comments Concerning Controlled Access
versus Open Access and Other General Comments Relating to These Issues

The correspondence received by the Council since the January Council meeting directly concerning controlling access or various generic management systems are summarized below.

- *2. Gary Branfeld on behalf of P.M.T. Management and Pacific Bounty - They do not feel a limited access program is needed, at this time. However, if instituted, licenses should be transferable separate and apart from the vessel and specific limits on allowable catch could also be imposed. *NOTE: Letter is in "Cut-off Date/Pipeline" section.
27. Thomas Branshaw, Cordova - An IFQ system would only benefit non-operator owners, especially offshore, and leave no growth for the local economy or local fishermen. Licenses to fishermen is the only reasonable way.
28. Alec Brindle, Wards Cove Packing Co. - A provision for priority access to groundfish stocks is needed regardless of the management alternative chosen. Several factors must be considered including species, gear types, tonnages, areas, qualifications, distribution by entity, and socio-economic and political justification. Wards Cove is not fundamentally opposed to the concept of limited access but is opposed to IFQs.
29. Larry Cotter, Juneau - An alternative IFQ approach should be considered based on bycatch (halibut and crab) rather than target species. An IFQ system based on target species complex may become quite complicated and would still have to deal with halibut and crab bycatch. By allocating IFQs only for bycatch, competitive fishing would still be allowed and fishermen would have a strong incentive to fish clean (they could catch more fish).
30. Christina Florschutz, F/V Adeline - The status quo is unbearable and must change although it is not clear whether licenses or IFQs are best. It is important to remember that small inefficient boats employ lots of people, which may well be in our best interest.
31. Jim Green, Ketchikan Marine Charters - The groundfish are a public resource and the resource should be managed by the public. The "Competitive Bid Allocation Plan" is the sort of plan which would help reduce public monies currently being spent on resource management and would attract harvesters interested in delivering higher quality catches at better prices.
- *7. Jeff Hendricks, Alaska Ocean Seafoods - Limited access at this time may not be in the long-term interests of the industry. The Council should focus on the problem before the solution. Limited access has, at least, the following negative impacts: restraint on competition, discourages innovation, locks in a fisherman to perhaps one species, is in conflict with other government programs (Capital Construction Fund), creates a premium on access to the fishery which will raise the price of fish, artificially rewards those who happen to be in the fishery rather than those intending to enter, and rewards the very few as opposed to the many. *NOTE: Letter is in Cut-off Date/Pipeline section.
32. Mark Jacob Jr., Alaska Native Brotherhood, Sitka - Controlled access impacts cultural and social values. It also precludes the small operators who are the poorest. There is too much foreign control of the resource. Controlled access is a veiled attempt to promote aquaculture. Inefficient use of capital is not a Council concern. Limited entry in Alaska has hurt many and is discriminatory.
33. Mark LaRiviere, Neah Bay, WA - Competitive bid system is a good means of privatization. Small and medium vessels can not compete with large ones in open access. Under a different vessel sized competitive bid system they could.
34. Jerry and Donna Parker-Ellefson, Kodiak - Use open access management measures rather than limited access to confront the problems. The conservation of a lifestyle is also important.
35. Rudy Petersen, Seattle - Open access is preferred but if IFQs are used individual fishermen should be included for allocations. It would be irresponsible to give the fisheries to vessel owners and fishing companies without consideration to the many fishermen who have made their living in the fisheries.
36. Mike Reif, citizen, Sitka - Long term or permanent allocation is not good for privatization since the desires of how and what to harvest change. Small fishermen, coastal communities and shoreside

processors need to be protected. IFQs will shrink the number of operators and those remaining will want a higher maximum limit. He believes that the public should own the resource and harvesters should bid for the right to harvest it. Submitted a copy of a competitive bid plan.

37. Bill Rotecki, Ketchikan - The Council must protect the resource and the public. The Council can either: 1) minimize the political pressure, or 2) maximize the long term viability of the resource, both fish and habitat. If it becomes an allocation issue then it becomes a long run disservice to everyone. The Council has an obligation to future users and public owners of the resource. Flexible options give us the best opportunity to adjust to a changing world.
- 15.* Thorn Smith - Favors open access because: even the exercise of limited access consideration has self-serving and manipulative qualities; open access is the first choice of a lot of "hard-thinking fishermen;" the proposals could trigger a reaction in Washington, D.C. which the entire industry would regret; it is not certain where the implementation monies would come from and it is difficult to find a fisherman who wants more fishcrats or who wants to pay for them; and, economic allocation should be left to the marketplace. *NOTE: Letter No. is in Cut-off Date/Pipeline section.
38. Brad Tischer, Kodiak - The industry in December said that it wanted licenses and now the Council favors IFQs. At least at the state level when the fishery gets out of hand it is closed to protect the resource rather than left open to line the pockets of large corporations. When the Council makes a decision ensure that it is equally fair to the fishermen that have participated in the fisheries.
- 16.* Jess Webster on behalf of Stanley Weikal - Generally opposes controlling access in the longline fisheries as unfair, unnecessary, and not in the best interests of the efficient conservation of fisheries. Trip limits should be adopted for a longline complex. Limited licenses, if adopted, should be nontransferable since transferable licenses would be transferred to those seriously interested in the fishery and total catch effort would increase. *NOTE: Letter is in Cut-off Date/Pipeline section.



March 15, 1989

North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

Atten: Council Chairman Dean Adams;

I applaud the council for finally acting on a cut off date into the groundfish and crab fisheries. This action is a show of finality on a situation which has become critical to Alaska, its fishermen, shorebase processors, and industry workers. To change the cut off date or in any way change the finality of this mandate would only distroy an almost too late action as it is.

I have seen my crab seasons closed continually and my long-line seasons cut so short it has become increasingly difficult to find a season in which to fish my vessel. I have watched local processors shut their doors for the lack of proper fisheries management action.

A limited entry per individual fisherman is the only system to which is to benefit fishermen, local industry and an economic future for all involved.

The quota system would benefit only non-operator owners and exploit the fishermen running lease vessels. It would be a real disrespect to all fishermen involved to use a quota. It would benefit non fishermen, who are invested into off-shore catcher processors, and leave no growth for local economy or local fishermen. With an individual system these boats will still be able to fish and process at the degree the industry is today like all involved. I plead to all council members to implement individual fishermen the limited entry into these fisheries without delay.

I submit this request to you as a 35 year old owner-operator fishermen, 20 year Alaskan resident, 17 year 2nd generation crab fishermen and an 8 year longline fishermen. I want to continue to support the community in which I live year round.

Since the decline of the crab industry over the past 8 years and the quickly developed longline industry by fishermen like myself trying to make it, I would like to say once again the need for the implementing of individual limity entry for not only myself, but for the economic furture of all fishermen involved, local industry and our economic furture.

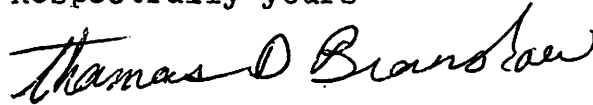
In 1982 I supported United Fishermen of Alaska's petition for the limiting entry into the halibut fishery. Although I did not retain a copy of the petition or the correspondence I'm sure there is record of those who campaigned for the implementation that far back.

I do have considerable correspondence from 1982, petition and proposals on the implementation of limiting entry into the dungeness crab fishery in Prince William Sound.

I retain this information for the purpose of showing the need for the limiting entry of these fisheries for some time.

Our industrys future is in your hands, please consider all of what I have had to say.

Respectfully yours



Thomas D. Branshaw
P.O. Box 571
Cordova, AK 99574
424-7344

F.V. John David
536329

A. W. BRINDLE
H. A. BRINDLE

RECEIVED
MAR - 8 1989

28

PROCESSORS OF
CHOICE ALASKA SEAFOOD
SINCE 1912

Wards Cove Packing Company

PHONE (206) 323-3200
TELEX 328759

88 E. HAMLIN STREET
P.O. BOX C-5030
SEATTLE, WA 98105-0030

Day Fax (206) 323-3200 Ext. 258
Night Fax (206) 323-3204

February 27, 1989

North Pacific Fisheries Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Re: Consideration of priority access allocations
of groundfish to shore based processing plants
in the development of alternative management
systems for groundfish.
Scoping Meeting, Seattle WA, February 28, 1989

Gentlemen:

This letter is written in response to the Notice of Scoping Process issued by the Council, which we received February 21, 1989. The stated purpose of the scoping process is to determine the breadth and significance of issues to be analyzed in relation to controlling access to the fisheries.

One such issue which must be included in any consideration of alternative management systems for groundfish is the provision for priority access to groundfish stocks for fishermen delivering their catches to shore plant processing operations in the State of Alaska.

Priority access for shore plants and the development and implementation of a controlled access system are not necessarily interdependent but the two issues will interact and have reciprocal impacts. That is, the priority access issue must be addressed by the Council in the near future whether or not a controlled access system is adopted or open access is continued in the future; and the issues will interact under any of the alternatives.

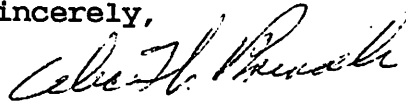
North Pacific Fisheries Management Council
February 27, 1989
Page Two

Time does not allow development of a full discussion of the priority access issue but some of the factors which must be considered are as follows:

1. Species, gear types, tonnages and areas to be considered for priority access;
2. Qualifications required for priority access allocations;
3. Distribution by entity and time of priority access allocations;
4. Socio-economic and political justification for priority access allocations to shore plants.

We are certain that specific proposals for Council action relating to priority access allocations for shore plants will be fully developed and presented to the Council in the near future. However, we urge that this matter also be considered in the analysis of issues relating to controlling access to the fisheries.

Sincerely,



Alec W. Brindle
President

AWB:JRG:kmh

REGISTRATION

FEB - 3 1989

January 25, 1989

To: Clarence Pautzke, Dick Tremaine
From: Larry Cotter
Re: Alternative ITQ Approach

ACTION	ROUTE TO	
	Exec. Dir.	
	Deputy Dir.	
	Admin. Dir.	
cc: DT	Exec. Sec.	
	Staff Asst. 1	
	Staff Asst. 2	
	Staff Asst. 3	
	IC Liaison	
	Comp. Mgr.	
	Sec./Typist	

29

Handwritten initials/signature

I would like to request the evaluation of an alternative groundfish ITQ approach. Simply stated, the ITQ would consist of bycatch species as opposed to groundfish species. Presently, there are three bycatch species which would fit: halibut, bairdi, and king crab. However, it may be wise to anticipate the future and include opilio as well.

Our major Bering Sea groundfish species -- pollock, Pacific cod, yellowfin sole and other flatfish, and rock sole -- are, in essence, species complex fisheries: each target fishery requires bycatch of each of the other species. I assume the current course of developing ITQ approaches would address the need to devise separate and/or integrated ITQ approaches for each of the four target fisheries. Each target fishery would, of course, require a bycatch of each of the remaining three species within the complex. Presumably, a target fishery would need to have a certain amount of ITQ, or something similar, from the remaining three species in order to prosecute its fishery. Although there are different options, this approach is beginning to sound rather complex.

Another factor common to all four target fisheries is their non-groundfish species bycatch needs. Each of the four target fisheries have the same, albeit different numerically, halibut, bairdi and king crab bycatch needs. The approach outlined above unnecessarily separates the issue of groundfish bycatch from non-groundfish bycatch. By altering the approach slightly it may be possible to address both issues at the same time and simplify the ITQ management system.

In this alternative, ITQs would be issued for the non-groundfish species. There would be no ITQ system for the four groundfish species. The non-groundfish species for which ITQs would be developed include halibut, bairdi, king crab and possibly opilio. TACs for the groundfish species would be set as they have been in the past. Bycatch caps would be set according to whatever system the Council ultimately adopts.

Theoretically, the system would work as follows:

Bycatch ITQs would be issued to fishermen based upon an appropriate formula, possible their percentage of groundfish catch. The ITQs could be transferable. A fisherman would be able to harvest any one of the four target groundfish species

providing 1.) there is TAC available, and 2.) the fisherman has sufficient bycatch ITQ. A fisherman's harvesting activities would be managed on the basis of the amount of bycatch he takes -- not the amount of his groundfish harvest: the cleaner he can fish, the more he can harvest.

I have mentioned the possibility of adding opilio to the list of non-groundfish species for which ITQs would be established. Although the population of opilio is currently very high, we have enough experience to know the population will decline some day. When that occurs, opilio bycatch will assume significant political, economic and social importance. Therefore, to the extent it is possible to address this issue before it becomes an issue, it may make sense to deal with it now.

In the absence of analysis, it is difficult to quantify with certainty the benefits of this alternative as compared to other alternatives. It appears, however, the major benefits could include:

- Simplification of the system. Instead of developing four interlocking ITQ systems which account for groundfish species bycatch, there would be three (possibly four, if opilio is included) independent systems.
- The issue of non-groundfish species bycatch would be addressed concurrent with the groundfish target fisheries themselves.
- A tremendous economic incentive would be generated for the industry to minimize non-groundfish bycatch.

I fully understand there are some potential problem areas within this approach. It's my hope the staff, the committee and the public can positively address those issues.

MAR - 8 1989

CHRISTINA FLORSCHUTZ

F/V. ADELINE

Box 547

WRANGELL, AK 99929

NP FMC

P.O. Box 103136

ANCHORAGE, AK 99510

DEAR SIR:

I READ YOUR LATEST COMMUNIQUE WITH GREAT INTEREST. I APPLAUD THE COUNCIL'S DECISION TO CREATE A JAN 16, 1989 CUT-OFF DATE FOR VESSEL PARTICIPATION. AS I WILL BE UNABLE TO ATTEND ANY PUBLIC HEARINGS IN YOUR SCOPING PROCESS, I OFFER MY THOUGHTS HERE.

I CANNOT MAKE ANY DECISION BETWEEN LICENSE LIMITATION OR ITQ'S. HOWEVER THE STATUS QUO IS UNBEARABLE AND MUST CHANGE.

BUT I DO HAVE ONE CONCERN I'D (2)
LIKE TO VOICE: I FEEL THAT PERHAPS
"EFFICIENCY" HAS TOO MUCH WEIGHT
IN YOUR DELIBERATIONS. I SUPPOSE
IT WILL BE ONE DAY POSSIBLE TO
BUILD AN ENORMOUS AUTOMATED
GOBLER OF A BOAT THAT CAN
STAY OUT EVERY DAY REGARDLESS OF
THE WEATHER AND BE MANNED BY
A MINIMAL CREW, SAY-THREE. WE
COULD GIVE OUR ENTIRE HALIBUT QUOTA
TO THIS ONE BOAT AND TRULY BE
EFFICIENT. (WITNESS THE 680' MOTHER-
SHIP MENTIONED)

BUT IS THIS REALLY IN OUR
(THE HUMAN RACE) BEST INTEREST?
I'D LIKE TO SEE THE "ARMS RACE"
IN HALIBUT FISHING ENDED; AND
I HOPE THE COUNCIL ^{WILL} BEAR IN MIND
THAT SMALL, INEFFICIENT BOATS
EMPLOY LOTS OF PEOPLE, BOTH ABOARD
AND ASHORE. IF POSSIBLE, I'D LIKE
TO SEE LARGER BOATS HAVING SOME
SORT OF (FINANCIAL?) INCENTIVE TO
FISH THE GULF OR BERING SEA - BY
_{OR OTHER}

LARGE I MEAN > 100'. THERE A
LARGE BOAT IS NEEDED TO SURVIVE.
THANK YOU FOR YOUR TIME.

SINCERELY,

Christina Floeckner

P.S. YOU MIGHT UPDATE MY ADDRESS
IN YOUR COMPUTER FILES - BOX 2217
SITKA IS NO LONGER MY BOX.

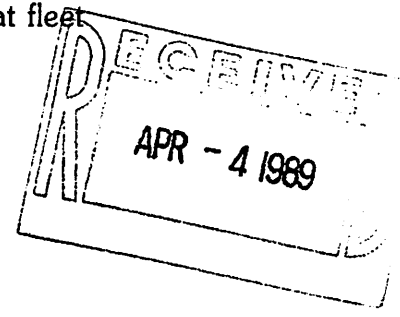
P.S. GOOD LUCK AND YOU HAVE
MY SYMPATHY. YOU'VE GOT SOME
TOUGH DECISIONS TO MAKE.

Ketchikan Marine Charters, Inc.

representing Alaska's largest sportfishing charter boat fleet

March 29, 1989

North Pacific Fishery Management Council
John G. Peterson, Chairman
Clarence G. Pautzke, Executive Director
P.O. Box 103136
Anchorage, AK 99510



TO WHOM IT MAY CONCERN:

We have considered a number of different avenues for appropriate management funding and harvest allocation of groundfish.

The issues involved in the harvest of these public resources are intricate and worrisome to commercial harvesters. Obviously, input from commercial harvesters is important in maintaining economic health in the harvest fleet. Since the resource itself is a responsibility of the public at large, it is especially important that any new harvest regime or structure receive widespread public approval.

As members of the public we oppose any actions which would take control of the resource away from the public or inhibit the public's ability to manage the harvest of the resource in an appropriate way.

In allocating the harvest shares we approve some sort of competitive bidding arrangement which should allow for some distribution of harvest time and effort and reduce waste. Bids have the potential of attracting harvesters interested in delivering higher quality catches at better prices. The bid monies could help reduce the public monies presently needed for research and management of groundfish.

We have reviewed the "Competitive Bid Allocation Plan" to be presented by a Sitka coalition from the public, and we enthusiastically endorse this sort of plan as best serving the public interest. We would like action taken to use this Plan as a model for first discussion. The Plan may need some modifications, but the framework is solidly based on the need to address the public interest along with harvester interests.

Sincerely yours,

Jim Green
Secretary-Treasurer

Acting as directed by the Board of Directors
for Ketchikan Marine Charters, Inc.

TO THE NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
SCOPING PROCESS MEETING

32

MARCH 23, 1989 SITKA, AK

MEMBERS OF THE COUNCIL, MY NAME IS MARK JACOBS, JR

P.O. BOX 625, SITKA, AK. I AM THE PRESIDENT THE ALASKA NATIVE

BROTHERHOOD CAMP # SITKA,

FOR ME IT IS DIFFICULT TO DETERMINE IF YOU

WILL BE RESPONSIVE TO TESTIMONIES SUCH AS MINE. YOUR

COUNCIL STATES THAT THE ISSUE SUCH AS CULTURAL

IMPACTS IS TOO BROAD. INSTEAD SPECIFIC IMPACTS NEED

TO BE EVALUATED. ANY CONTROLLED ACCESS IS A DEFINITE

IMPACT ON CULTURE AND TRADITIONAL CUSTOMS. WITH YOUR

TECHNICAL JARGON I THINK THE SMALL OPERATORS ARE

ALREADY PRECLUDED OF ANY CONSIDERATION, NAMELY THE

SMALL VILLAGERS WHOSE ECONOMY IS MAINLY FISHING.

FISH AND GAME BOARDS ON STATE LEVEL AND

THIS COUNCIL IVE NOTED HAS EMPLOYED VERY SUBTLE

MANEUVERS TO ~~ELIMINATE~~ OR SEVERELY RESTRICT THE

THE VILLAGES

POOREST SEGMENT OF OUR SOCIETY, THEY HAVE BEEN MADE

TO EXPEND MONIES WHICH IS DIFFICULT FOR THEM TO BUDGET.

IT IS NOTED THAT YOUR HEARINGS ARE HELD ONLY IN

AREAS OF EASY ACCESS FOR THE BIG MONEY INTERESTS, THE

MEETINGS TIME AND LOCATION IS A TESTIMONY TO THIS

END.

IT IS ALSO NOTED THAT YOUR SCHEDULED MEETINGS

ARE WIDELY SPACED, WITH TWO TECHNICAL ~~MEETINGS~~ WORKS

MEETINGS IN SEATTLE, IS CULTURAL IMPACTS TOO BROAD

FOR YOUR TECHNICAL WORKSHOPS? IF YOUR WORK IS SO

TECHNICAL HOW COME YOU ALLOW US ONLY A HALFDAY?

IF YOUR ANSWER IS ITS TOO COSTLY TO ALLOW MORE

TIME THEN YOUR WIDELY SPACED MEETINGS ARE

100

Also ¹⁰⁰costly. I believe your scheduled hearings

as grossly inadequate, it meets mainly the

input from larger operators, small operator has

always been treated as a nuisance, yet your

record will declare ~~for that~~ that you

have held hearings in a wide geographical

locations.

I have many concerns for this down trodden

small operators, many of whom are aboriginal

native fishermen, there is too much foreign

control of our resources, there is very little or

no concern for the small operator.

fishing seasons, catch quotas and restrictions

on gear, benefits only the big money interests

most of which are foreign processors, I feel

very strongly that the restrictions imposed is

not because of a depleted resource but it is

a subtle maneuver in an effort to bring in

mariculture operations. The three day conference

on mariculture emphasized that the natural stock

cannot meet the market demand, yet the resource

is out there. Halibut fishing is a good example,

the quotas is filled in only a few hours of fishing.

this means increasing the quotas and a

longer season opening is justified.

I favor open access, past history has shown

limited entry has hurt many, it has been discriminatory,

this same attitude will persist in your limited

licensing if you should choose this method.

ALASKAN FISHERMAN HAS ALREADY TAKEN A SEVERE BEATING IN HIGH SEAS FISHING POLICIES. IT SEEMS THIS COUNCIL IS ONLY RESPONSIVE TO THE SECRETARY OF COMMERCE, THE ONLY POWER ALLOWED TO ALASKA IS THE GOVERNOR'S PRIVILEGE TO NOMINATE THREE PERSONS FOR EACH POSITION ON THE BOARD, THE FINAL SELECTION IS MADE BY A POLITICALLY APPOINTED SECRETARY OF THE U.S. DEPARTMENT OF COMMERCE.

"INDIVIDUAL FISHING QUOTAS" HAS HURT THE SMALL OPERATORS KNOWN AS HANDLINERS, A VERY UNJUST AND ILLEGAL POLICIES IMPOSED ONLY ON THE POOREST.

INEFFICIENT USE OF CAPITAL ^{SHOULD} ~~SEEM~~ TO BE OUT OF YOUR CONCERN, OR IS THERE AN OMNIBUS LAW BY WHICH YOU SET POLICIES? INEFFICIENCIES HAS ALWAYS BEEN ENDEMIC IN THIS GAME. IT TENDS TO SEPARATE THE MEN FROM THE BOYS.

WE FELT THAT THE ACT OF CONGRESS THAT CREATED THE 200 MILES OFF SHORE JURISDICTION OVER THE HIGH SEAS FISHERIES RESOURCES WOULD ENHANCE OUR FISHING, INSTEAD IT HAS WORKED AGAINST US THROUGH FOREIGN POLICIES OF THE U.S. STATE DEPARTMENT AND IMPLEMENT^{ING} THOSE ~~POOR~~ POLICIES BY THE DEPARTMENT OF COMMERCE.

WE KNOW THAT THE WORLD WART IN THE

PACIFIC WAS CAUSED BY THE UNITED STATES

IMPOSITION OF THE EMBARGO. AFTER THE WAR

THE "MARSHALL PLAN" BECAME OUR FOREIGN

POLICY, TO HELP DEFEATED OR SUBDUED NATIONS

TO REGAIN THEIR ECONOMIC SUFFICIENCY, THIS

AMOUNT TO THE U.S. CONGRESS AND TRADE BANKS

AND INDUSTRIES OF AMERICA TO START

TOSsing OUR MONIES OVER SEAS. THIS WAS A

VERY COMMENDABLE POLICY, BUT THERE WAS

NO STOPPING, AS CHANGES BEGAN TO DEVELOP

THROUGH POLICY CHANGES THE NATION WE

HELPED NOW DIMITATES OUR INDUSTRIES AND

EVEN EXPORTING ^{OUR} INDUSTRIES TO A POINT WHERE

IF THIS TREND IS NOT CHECKED, OUR NATIONS

SOVEREIGNTY IS THREATENED.

I AM A FULL BLOOD NATIVE AMERICAN,

AN ETHNIC GROUP THAT HAD THE HIGHEST

PERCENTAGE OF VOLUNTEERS IN THE MILITARY

DURING ALL WARS, AS FOR MYSELF I WAS A

NAVY VOLUNTEER, SERVED IN THE AMPHIBIOUS

FORCES IN THE SOUTH PACIFIC. MY TOUGHTEST

BEACH HEADS WERE AT IWO JIMA AND OGINAWA.

THE TRENDS TO ME IS ALARMING, A

THREAT TO OUR WAY OF LIFE, WE USED TO

DEBATE CREATING SOCIALISM, NOW A SYSTEM IS

CREATING IN THAT I FEEL WILL BE THE DEFEAT

OF A GREAT NATION FROM WITHIN. SOME OF YOUR

LAWS WILL ALREADY BE IN PLACE. ^{BEFORE} I AM STILL FIGHT FOR

OUR FREEDOM

TESTIMONY FOR NORTH PACIFIC FISHERY MANAGEMENT COUNCIL,
SCOPING PROCESS FOR EXPLORING ALTERNATIVE MANAGEMENT SYSTEMS

SITKA, ALASKA
MARCH 22, 1989

PREPARED BY: Mark G. LaRiviere
Neah Bay, Washington

PRESENTED BY: _____

As a concerned citizen and a fishery professional, I present this testimony to members of the North Pacific Fishery Management Council in my former hometown and famous fishing port - Sitka. Although I am no longer working in Alaska, I have a great interest and concern for the groundfish and crab resources under the management jurisdiction of the NPFMC and I am a member of the "Whose Fish Are These?" Coalition that has recently formed.

I applaud the NPFMC for bringing the issue of controlled-access fishery systems to the public's eyes and ears. The more citizens of the United States that realize the value of the North Pacific fishery resource, the more concerned citizens we will have ensuring the fishery managers are doing their job! Although controlled access has been discussed in recent years, primarily for halibut, no ^{Federal} government entity has had the courage to implement such a system. THE TIME TO START IS NOW!! But the way to start is not by license limitation or individual fishing quotas (IFQ). Another system can be implemented which would fairly allow participation in the fisheries, pay for management costs and return to the American public funds from a private usage of a public resource. I am speaking of a competitive bid allocation system.

The NPFMC needs to consider the small to medium sized operators and what effect license limitations or IFQs would have upon them. Privatization of the public fishery resource in the North Pacific, the current trend in

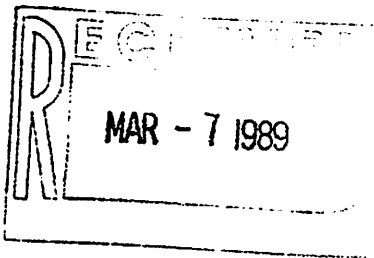
fishery management of groundfish, is unfair to the small and medium vessel owners and to the all U.S. citizens. For example, one vessel scheduled to join the groundfish fishery in 1989 will have the harvest and processing capacity to take almost 10% of the entire Alaska groundfish harvest (1988 figure). There will be no additional costs for this vessel to join the fishery and begin harvesting and processing. This is not a fair and equitable distribution of fishing opportunities to fishermen!! Some will qualify no doubt, but what of those who do not? Is it fair to unilaterally exclude them from fishery participation?

How will small and medium vessel owners economically compete against large, corporate vessels that are allowed an open share of the resource? Under the systems presently proposed they cannot! If all fishermen have an opportunity to bid against their peers, under a tiered allocation system, the smaller and undercapitalized members of the fishing community will be able to participate.

We can devise a competitive bid allocation system which would allow access to the fishery resource and pay for itself. The key phrase is "pay for itself". Revenue generated through licensing under a bid system will more than cover fishery management costs even using conservative estimates.

Now is the time for our offshore fishery resource managers to become accountable to John Q. Public and cease serving only the interests of the fishermen. Continued open access will ultimately lead to overcapitalization, short seasons, fishing accidents and a decline in the resource. The time is now for developing a competitive bid allocation system in one of the North Pacific groundfish or crab fisheries which will benefit the resource owners and equitably allocate the resource.

Thank you for this opportunity to testify today.



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Box 1840
Kodiak, Ak. 99615
(907) 486-2993
Feb. 22, 1988

NPFMC
P.O. Box 103136
Anchorage, Ak. 99510

Dear Council Members;

We hope that before you finalize your commitment to "exclusivity" as a management style for the fisheries under your jurisdiction, you will consider further other options that do not leave the deckhands who have worked those fisheries out in the cold.

Simply, we have been overlooked while fishery managers help vessel owners divide up ownership of the ocean. And it's not just today's deckhands who have been forgotten, it's tomorrow's deckhands. Unlike the sons and daughters of permit holders who will inherit their privilege to fish as if they were little lords and ladies, our children will likely remain on the back deck like peasants in a feudal system.

It seems to us that the proposals currently being bandied about by the Council and the Future of Groundfish (FOG) Committee have been focusing on resolution of management problems using only the perspective of current vessel owners. We think there are other management choices available that make more sense if fish are managed as a public resource rather than a publically funded, private resource.

For instance, we have heard no discussion of gear or capital construction restrictions. And season or area restrictions have received little serious consideration. When huge factory trawlers are allowed to scoop up without restraint several hundred thousand pounds of fish in a single day, it seems the efficiency of their gear is more a culprit to the plunder of the groundfish than the boats that manage to get by with healthy 50,000 pound daily catches. But in the end it is those who have contributed more to the problem who will receive the bigger rewards when it comes time to divide up the pie.

In New England where the groundfish resource is on the verge of collapse, fishery managers admit that increased harvesting capacity was largely responsible for killing that fisherery. From 1977 to 1987 on the Georges Bank, there was a 53 percent decrease in stock of Atlantic cod. At the same time, more efficient fishing techniques caused the annual boat catch to rise from 27.4 tons to 34 tons. Stocks of pollock, flounder and haddock also declined.

We are not arguing for a return to the Stone Age of fishing, but increased gear efficiency spurred on by incentives to over-capitalize is a serious problem that no one denies. Either reduce the incentives or initiate gear and season restrictions that make outside investment less attractive and conserve the fishery. Salmon harvests have probably benefited more by utilization of season, gear and hull restriction than the installation of limited entry. Yet groundfish have remained immune to any restraint. This has encouraged a "bigger is better" trend that has resulted in a

fishery dominated by bankers rather than fishermen.

Both the factory trawler fleet and the shore-based fleet could be saved without the use of a limited access system: Separate them with either a distance boundary from shore that would keep the factory trawlers far out to sea, or simply restrict factory ships to the Bering Sea and save the Gulf for smaller catcher boats managed under the existing open access system. Shore processing capacity and markets would manage that fleet quite effectively. So if the Seattle factory trawlers want limited entry, let them have it at their own expense rather than ours. Leave something for the Alaskan family-fishing operations.

If limited entry is not installed in the groundfish fishery, boats will not be "squeezed" into the crab and halibut fisheries making limited entry into those fisheries unnecessary. Even so there are alternatives that could be used to more effectively manage those fisheries under the open access system. For instance, halibut openings were slashed in half when longliners started placing hooks every nine instead of 18 feet. If the salmon fleet can live with mesh restrictions, the longline fleet should be able to live with hook restrictions that have the double benefit of increasing safety during a frenzied opener.

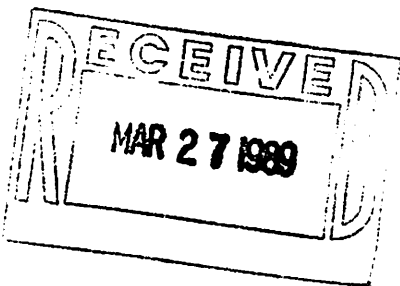
Currently, entry into the crab fleet seems to be successfully managed by the size of the resource. Imagine separate limited entry crab fleets for king and opilio crab created ten years ago. Imagine the minute opilio fleet of that time fishing the current 132 million pound quota. Now imagine the huge king crab fleet of a decade ago cemented to a paucity seven million pound harvest. Limited entry will only hamstring the flexibility of the fishing fleet in Alaska; the very quality which has made it so successful.

These days it seems that those with big investment capital rather than fishing smarts and a love for the sea are the ones that reap the rewards. It is our belief that the Magnuson Act was passed for the benefit of American fishermen not bankers. Leaving fishing to real fishermen may be a romantic notion, but who's to say that quality of life isn't as important as quantity. So what if the U.S. fleet may be a little less efficient than our foreign counterparts. They've fished-out their own back yards with their emphasis on quantity. And it's doubtful that workers aboard Japanese, Korean, or Polish factory ships feel like fishermen any longer.

Right now, a deckhand can still look up at the wheelhouse and count the seasons it will take to save for our own boat. But if you continue to limit access, that day may never come for us. Isn't conservation of a unique lifestyle just as important as conservation of a fish species? We hope you will consider management options that protect each without excluding the other.

Sincerely,


Jerry and Donna Parker-Ellefson and family



March 22, 1989

John G Peterson
Chairman, NPFMC
P.O. Box 103136
Anchorage, Alaska 99510

Dear, Mr. Peterson:

My position on Limited Entry, or any form of Limited Access, is for STATUS QUO.

However, if a system were implemented, I think the individual fisherman should be included in the consideration for a quota.

I think it would be wrong and very irresponsible to give these fisheries away to the boat owners and fishing companies, without considering the many fisherman who have made there living for many years, working on, and operating vessels, that they do not own.

I have personally fished in Alaska for over twenty years and have held gear licenses for all of the major fisheries. I think that over the years, myself, and many others like myself, have contributed a great deal to the development of these fisheries. Any form of limited access would have a serious impact on our livelihood.

Sincerely,

Rudy Petersen Jr.
Rudy Petersen Jr.

NPFMC = Meeting Wed. Mar 22 1989
Sitka

36

My name is Michael Reif. I believe
on the Competitive Bid Allocation
plan ... For those in the audience who
do not know me. I am a home builder in
Sitka in which a substantial amount of
my business comes from the fishing
community. I believe this competitive
bid plan is pro ^{Sitka} fishermen and I am betting
a good chunk on my business on it.

First I want to ask the council if
they would accept a billing for making &
handing out over a 100 copies of the
"Notice of Scoping Process" to fishermen &
members of the public. The copying job just
about wore out my little Cannon copier.

I have three concerns that I want
to bring up & develop.

The great concern is that the allocation should be dynamic ~ be able to change with the future. Long term privatization of harvest rights of public natural resources is problematic. Two examples right out side our doorstep. Prove that point.

In 1976 the state of Alaska privatized the herring harvest rights in 5th the sound to 52 permits. Now 13 years later there is an opportunity to mariculture kelp, market a product many times more valuable than sea roe that is roe or kelp and a harvest system biologically much less destructive of the resource. But the harvest system does not change! We are locked in to the decisions of 1976.

Another example of privatizing harvest rights to public natural resources. Decided 1956 when the federal government privatized the harvest rights of 240 million bbl of timber per year for 50 years to a couple of mills. In 1956 the idea was greeted with near universal acceptance. Now 33 years later instead of wanting to harvest old growth timber a majority of the communities in SE Alaska? I suspect a majority of commercial fishermen want to save old growth timber. But we are locked into the decision of 1956. ^{The cost of breaking that contract will be expensive}

The future will be dynamic ~ we all know that. Don't create a fishery allocation plan that will be locked into the mentality of 1990s. The competitive bid system is dynamic because harvest rights are not privatized to a few forever, but instead are leased to the commercial fishermen for 10 years or less

(My second concern is protecting the smaller fisherman (like Sitka's fisherman), shore based processors, and small coastal communities of Alaska. Sitka needs its fisherman ~ but Sitka's fisherman cannot compete & survive against the big fleet.

Let's imagine a IFQ's system ^{a privatization of the resource:} that NPFMC might adapt, in which 1200 boats are given quotas. That is about the number of serious boats fishing last year if you exclude boats that double up on fisheries or just fish two days of ~~the~~ ^{the} week. In the interest of protecting the "small" fisherman the rules would not allow processor to buy quotas so as to avoid the New Zealand example of processor buying up all the quotas and fisherman forming unions. Maybe that is why we already see some processor buying boats to get around ^{that} ~~the~~ ^{rule.}

In the interest of protecting the "small fisherman" let say the rule allow vessels to buy up only 3 other quotas. After a number of years the number of "owner" would be down to 400. Now the system hits a road block to growth. Do you think the "owners" who are left and in control of the system will honor its pledge to protect "small fisherman" if any still exist. Or do you think the rules will be changed to allow further consolidation of private ownership of a public resource

The competitive bid plan has a 3 tier system in which the small fisherman competes only against other small fisherman, medium against medium, and large against large. They are separate.

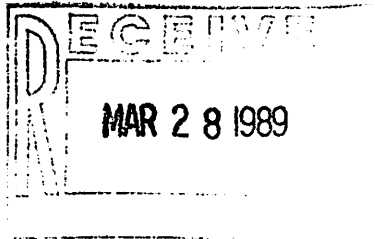
My last concern is directed to the appointed voting members of this council and their future vote on an allocation plan in which those they represent or they themselves might be enrich deeply by "free" quotas or permits. Let me state clearly, I am not questioning the integrity or honesty of any member on this council. I am sure the hour are long; rewards small for your public service. But you are only human and thus susceptible to all the shortcomings the words "only human" embodies. It is a temptation I personally would excuse myself if ^{were} public trustees on this councils. And hope the council will address this conflict of interest

In closing - I believe strongly the public should retain harvest right if it is going to retain ownership of the fishery resource.

In some year hence I can imagine all of us complaining about whatever allocation plan the NPFMC adapts. It is a tough job. So I urge everyone in this room to speak now before there is an allocation plan. You wouldn't be here if you were not concerned.

If anyone who like to receive a ^{copy of the} Competitive Bid Allocation Plan - please ask.

By Michael Reil
Competitive Bid Plan.



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Bill Rotecki
Box 7738
Ketchikan, Ak 99901
March 23, 1989

Council Members, NPFMC:

- "Halibut ought to be caught in the summer"
- "Halibut ought to be caught by the guys who always used to catch it"
- "Black cod ought to be open to everyone"
- "Black cod permits ought to go to the boat"
- "IFQ's should be awarded to the boat owner" "the operator" "crew"
- "We can catch all of it as bycatch" etc etc etc

MORE FOR ME, MORE FOR ME!! Why don't people show a little more respect for the resource and the public? I thought this was supposed to be a so-called "publicly owned resource"? Who's protecting the owner of the resource? Who's watching the principal while we're dividing up the interest??

YOU have to protect the principal. YOU have to protect the public, When YOU adopt your management plans you can choose two different guiding lights: 1) To minimize the political pressure you will be getting from all of us in all the different interest groups or 2) to maximize the long term viability of the resource, both the fish and the habitat that produces them.

If you treat this issue as an allocation issue then the solution you choose is doomed to be no better than that. Reality is harsh. If you try to make everyone happy and ignore the biology, in the long run you do us all a disservice.

HOWEVER, if you can start by designing a system that first and foremost protects the resource, in the future we will still have a healthy resource to allocate. The future is before us, we are surrounded by opportunities to begin new management plans that protect the resources before they collapse.

When you make your management decisions, please:

- 1) Prioritize protecting the resource and the habitat above protecting the interest groups.
- 2) Remember your obligation to the future users and the future owners. Flexible options give us the best opportunity to adjust to a changing world.

Sincerely yours

Bill Rotecki

Are not we creating another
 Big money market with
 an F O F system? are we
 going to let big money and
 political decisions our could be
 non reversible measures?

I am wrong or misreading something
 at the meeting in Dec.
 It seems to me that the
 money from the fishing industry
 was for a limited access or
 entry system for the ground and
 great fisheries. I had understood
 that the council favor an
 F O F system.

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Please convert me to
 Council members

FEB 27 1989

It's great obvious to me at
the point that Council
has little or no control over
managing the existing picking.
Shouldn't a lesson be learned
from what the factory workers
have recently done in Waco
P.C.? What need do we
have for a Council?
Why is NIMFS others on
these boards? Are seen
much like the management of
a state level. at least when
a picking gets out of hand, the
management closes the picking
to protect the resource, not
leave it open to line the pockets
of large corporations.

On making the award,
when they make a decision
on F&F or limited access entry
to implement a system that
is equally fair to the fishermen
that have participated in
the process.

Thank you
Brad Stokes

910 Hemlock
Westport AK
99615

Coastal Communities

Written Public Comments

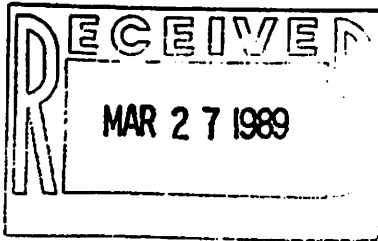
The documents in this packet are written comments received by the Council concerning coastal communities. These comments were received between the January Council meeting and noon on April 6, 1989.

Written Comments
Related Specifically to Coastal Communities

The correspondence received by the Council since the January Council meeting directly concerning coastal communities are summarized below.

39. Howard Amos, Nunivak Island Fisherman's Assoc. - This talk about closing our backyard to limited access would damage our hopes for a better economic future. The Bering Sea is our only hope for better economic stability and we do not want to be left out of this gold mine.
40. Mark Chamber, Yukon Kuskokwim Delta Mayor's Conference - The conference is opposed to any form of limited access unless such a system includes a clearcut provision for the participation of coastal Alaskan communities in the fishery.
- 9.* Hubert McCallum, Peninsula Marketing Assoc. - Many of the fisherman in southwest Alaska are entering the groundfish fisheries for the first time. They face the competition of at-sea processors and now a potential halt to their conversion plans. Allocate groundfish fishing rights to shorebased and at-sea processing if quota system implemented and make defined areas for shorebased fishing closed to catcher-processors. *NOTE: Letter is in Cut-off Date/Pipeline section.
- 10.* Tim McCambly, Dillingham - Opposed to licenses since they tend to go to non-Alaskan interests and priced too high for local to buy. There should be a 32-ft. vessel size limit in Bristol Bay to 3 miles offshore. If IFQs are used they should also be given to communities and regions directly related to the fishery. *NOTE: Letter is in Cut-off Date/Pipeline section.

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HOWARD T. AMOS
P.O. BOX 12
MEKORYUK, ALASKA 99630
MARCH 22, 1989

NORTH PACIFIC FISHERIES
MANAGEMENT COUNCIL
C/O CLARENCE PAUTZKE,
EXECUTIVE DIRECTOR
P.O. BOX 103136
ANCHORAGE, ALASKA 99510

DEAR MR. PAUTZKE:

MY ORGANIZATION IS NO WAY IN COMPARISON TO THE SEATTLE BASED, FACTORY/TRAWLER FLEET. WHOM HARVEST BOTTOMFISH FROM OUR BACKYARD EARNING MILLIONS OF DOLLARS. WE VERY MUCH LIKE TO ACHIEVE RECOGNITION FROM THE NPFMC AS AN EXISTING DEVELOPING FISHERIES.

WE HAVE RELIED ON THE BERING SEA FOR OUR RESOURCES FOR CENTURIES. AND IS STILL TRUE TODAY. WE DON'T HAVE THE MONEY POWER, AND CANNOT PAY-OFF POLITICAL STRENGTH AS DO THE SEATTLE FLEET. THIS TALK ABOUT CLOSING OUR BACKYARD, THE OVER THE HORIZON FISHERIES TO LIMITED ENTRY STATUS WOULD DAMAGE OUR HOPES FOR A BETTER ECONOMIC FUTURE.

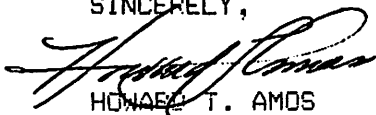
AS ALL ALASKA KNOWS, THE VILLAGES IN RURAL ALASKA ARE ECONOMICALLY DEPRESSED, AND IS THE REASON FOR ABUSING ALCOHOL AND DRUGS, THE LACK OF JOB OPPORTUNITIES LEADING TO OUR YOUNG PEOPLES SELF-DESTRUCTION.

WE REQUEST THAT A REPRESENTATIVE FROM THE NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL MAKE TRAVEL ARRANGEMENTS TO THE VILLAGE OF MEKORYUK TO MEET WITH THE FISHERMAN'S ASSOCIATION AS SOON AS POSSIBLE.

THE BERING SEA IS OUR ONLY HOPES FOR A BETTER ECONOMIC STABILITY, AND WE DON'T WANT TO BE LEFT OUT OF THIS GOLD MINE.

THANK YOU VERY MUCH, SHOULD YOU HAVE ANY QUESTION, CONTACT ME AT; 827-8229 HOME, OR MESSAGE PHONE, 827-8313.

SINCERELY,


HOWARD T. AMOS

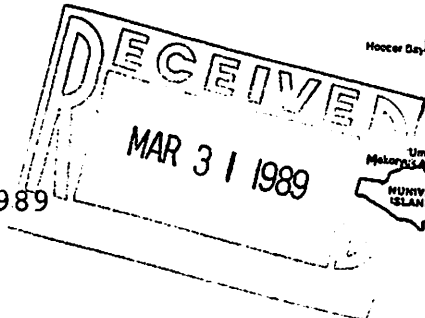
CHAIRMAN, NUNIVAK ISLAND
FISHERMAN'S ASSOCIATION

CC: GOVERNOR, STEVE COWPER
SENATOR, JOHNE BINKLEY
REPRESENTATIVE, LYMAN HOFFMAN
BERING SEA FISHERMAN'S ASSOCIATION
NUNIVAK ISLAND FISHERMAN'S ASSOCIATION

YUKON KUSKOKWIM DELTA MAYOR'S CONFERENCE



BETHEL, ALASKA
March 22 & 23, 1989



RESOLUTION 89-05

A RESOLUTION OF THE 1989 YUKON-KUSKOKWIM DELTA MAYOR'S CONFERENCE CONCERNING LIMITED ENTRY FOR BERING SEA FISHERIES.

WHEREAS, the North Pacific Fishery Management Council is currently exploring various methods of limiting access to the commercial fisheries under its jurisdiction, for purposes of improved management and conservation; and

WHEREAS, although many communities and villages in Western Alaska live on coast of the Bering Sea, yet do not participate in or benefit from the economic exploitation of the rich fisheries resources contained in the Bering Sea; and

WHEREAS, the Bering Sea fishery represents in most cases the only viable economic resource available to these communities.

NOW THEREFORE BE IT RESOLVED, that the Yukon-Kuskokwim Delta Mayor's Conference hereby states for the record of the proceedings of the North Pacific Fishery Management Council its opposition to any form of Limited Entry for the Bering Sea bottomfishery, unless such a system includes a clearcut provision for the participation of coastal Alaskan communities in the fishery;

AND THEREFORE BE IT FURTHER RESOLVED, that this resolution shall be entered as the testimony of the Yukon-Kuskokwim Delta Mayors Conference to the North Pacific Fishery Management Council on the matter of Limited Entry.

PASSED and APPROVED BY THE ELEVENTH ANNUAL YUKON-KUSKOKWIM DELTA MAYOR'S CONFERENCE this 23rd day of March, 1989.

Mark Charles
President

Clara Key
Secretary