

MEMORANDUM

TO: Council, SSC and AP Members  
FROM: Clarence G. Pautzke  
Executive Director  
DATE: November 29, 1999  
SUBJECT: Pacific Cod LLP Endorsements

ESTIMATED TIME  
1 HOURS

**ACTION REQUIRED**

Review discussion paper on potential grandfather provision (see below).

**Introduction**

The Council requested that a discussion paper of the grandfather provision proposed for the Pacific cod fixed gear LLP program be developed for the December 1999 Council meeting. This paper is the result of that request. The paper will briefly present the elements of the grandfather provision. A summary of the information available on the number of vessels that might fall under the provision will then be provided.

**Council's Grandfather Motion**

Exempt from the cod species/gear participation and landing requirements catcher/processor vessels that (i) met the original License Limitation Program general qualifying period and area endorsement period requirements for BSAI groundfish non-trawl endorsement; (ii) were purchased between July 1, 1997 and December 31, 1998 with the express purchaser intent of being employed in the fixed gear cod fishery, as evidenced by documented processing equipment and/or vessel modification or improvement investments of not less than \$100,000 that are specific to groundfish (gear purchases would not count for purposes of the \$100,000 threshold), and (iii) were employed in the fixed gear fishery during 1999. Owners of grandfathered vessels would have a one-time election to choose either a longline or pot endorsement, but not both.

**Fixed Gear Catcher/Processors Targeting Cod in 1999**

A total of 49 catcher/processers targeted Pacific cod using fixed gear (Longlines or Pots) during 1999. The language in point 3 of the grandfather provision, states that the vessel must have been employed in the fixed gear fishery (it was not specific to cod). Our interpretation of that language is that the vessel must have fished in the BSAI fixed gear cod fishery. That interpretation seems appropriate given that point 2 states the vessel must have been purchased with the intent of being used in the fixed gear cod fishery.

**LLP Qualified for a Fixed Gear Endorsement?**

The RAM list of LLP qualified vessels was matched against the list of 49 catcher/processors that targeted BSAI Pacific cod with fixed gear during 1999. The results showed that 33 of the 49 vessels would be expected to qualify for a fixed gear endorsement. It is important to note that the qualification list is not final. Some of the 16 vessels that do not appear to be qualified for a fixed gear endorsement may have purchased licenses that would qualify them to use fixed gear in the future, or they may appeal because the data base did not accurately portray their catch history. In any case, the RAM data set is the best information currently available on the number of vessels that would be LLP qualified.

**Was the Vessel Purchased Between July 1, 1997 and December 31, 1998?**

The US Coast Guard was asked to provide an "Abstract of Title" for the 49 vessels that fished during 1999. Data contained in the "Abstract of Title" would indicate if the vessels had been sold between July 1, 1997 and December 31, 1998. Using the transfer information, we will break out the vessels by whether we think they are LLP qualified and whether they were purchased during the July 1, 1997 through December 31, 1998 time window (Table 1). The results of that filter will yield a list of vessels that would need to be checked to determine if they had made a minimum of \$100,000 worth of processing equipment purchases and/or vessel modification and improvements specific to the groundfish fishery. **Checks to verify that a vessel met the investment criteria is not possible given the existing data available to the analysts.** That information would only be found in private contracts, so no attempt will be made to determine if the vessel owners spent the \$100,000 to modify the vessel or purchase groundfish processing equipment. Vessel owners would need to submit information to NMFS in order to verify their eligibility for the grandfather provision, should the Council decide to implement the program.

The bolded numbers in Table 1, represent the maximum number of vessels that would fall under the grandfather provision, given the best information at our disposal. It is uncertain if the three vessels currently listed as not holding a fixed gear LLP endorsement actually do or not. Therefore, it is likely that as many as nine vessels would be eligible for this grandfather provision. Six of these vessels do appear to be LLP qualified for a fixed gear endorsement (as the program was approved by the Council, that portion of the LLP program has not yet been approved by the US Secretary of Commerce).

Table 1: Number of catcher/processors that participated in the 1999 fixed gear cod fishery.

LLP Qualified for a BSAI Fixed Gear Endorsement	Vessel Purchased between 7/1/97 and 12/31/98		
	Yes	No	Total
Yes	<b>6</b>	28	34
No	<b>3</b>	12	15
Total	<b>9</b>	40	49

If all nine of the vessels that were purchased during the July 1, 1997 through December 31, 1998 time window do hold a fixed gear endorsement, then an important question is how many of these vessels would qualify for the LLP anyway, based on the recency requirements. Without checking all of the alternatives and options, we can identify the universe by checking against the most restrictive qualification criteria. Examination of the catch data indicates that two of the freezer longline vessels would need the grandfather clause to qualify under the most restrictive criteria, and one of the two vessels would need the grandfather clause to qualify under any scenario. These numbers would add to those listed in Table 2, that was presented at the last Council meeting. Two more vessels only used pot gear between 1995-98, but given the language of the grandfather clause would be allowed to elect to be freezer longliners. In summary, seven of the nine qualify anyway, but two of those seven could switch to the FLL category, so the maximum number of new FLL is four. Therefore, it is estimated that the grandfather clause might increase the pool of qualified freezer longline vessels by four, and only two if you exclude the two that are already qualified under pot gear.

Length	> 0 mt	> 100 mt	> 200 mt	> 300 mt
0-59'	1	-	-	-
60-124'	19	14	13	11
125'+	33	29	29	28
<b>Total</b>	<b>53</b>	<b>43</b>	<b>42</b>	<b>39</b>

As stated earlier two of the vessels only employed pot gear from 1995-98. Both of the vessels would qualify under any pot qualification criteria included in the Council list. Therefore, new pot vessels would be added to the fleet only if a freezer longline boat elected to make the one time switch to pot gear. It is unlikely that any vessels would elect to make that switch.

**Other Issues**

Should the Council move forward with the grandfather provision outlined in this discussion paper, it will likely be necessary to provide justification for the rulemaking package when the Council makes a final decision. Questions which were raised in public comment, or by NOAA GC, include:

- Why must a vessel have been purchased, as opposed to the existing owner making an investment to fish cod?
- Why was the July 1, 1997 - December 31, 1998 time period for vessel purchases selected?
- What documentation will be required to prove that at least \$100,000 worth of investments were made?
- Why is \$100,000 the appropriate minimum level of investment?
- Why should these vessels be grandfathered in, when other vessels that have been fishing cod in recent years may get excluded from the fishery, depending on the minimum landing requirements selected?

POLESTAR, INC.  
P. O. BOX 9042  
KAILUA-KONA, HI 96745-9042

November 10, 1999

Rick Lauber, Chairman  
North Pacific Fisheries Management Council  
605 W. 4<sup>th</sup> Ave. Suite 306  
Anchorage, AK. 99501-2252

RECEIVED  
NOV 13 1999  
N.P.F.M.C

Dear Chairman Lauber:

I own the F/V Polestar, a 100-foot steel crabber that has fished most crab species and also Pacific Cod in the Bering Sea since 1992. My vessel qualifies for Pacific Cod fishing pots under the original qualification guidelines that is now listed as option 1. The Polestar fished Pot Cod in 1995 and prior. We had to temporarily stop due to operating losses at those prices. With the downturn in crab it is critical to the future viability of my vessel and our personal financial stability that it have the option of fishing for Bering Sea Cod. Some of the alternatives that are being considered for the December council meeting would eliminate the Polestar from qualifying for cod.

My crew and I have a life long commitment to the Bering Sea fisheries and want to continue to fish. Please consider some leniency in the qualification years and landing requirements for those of us that have a past history in this fishery and the ability and commitment to focus on fishing cod in the future.

Option 1 is the only one that is not geared to self interest of our competition.

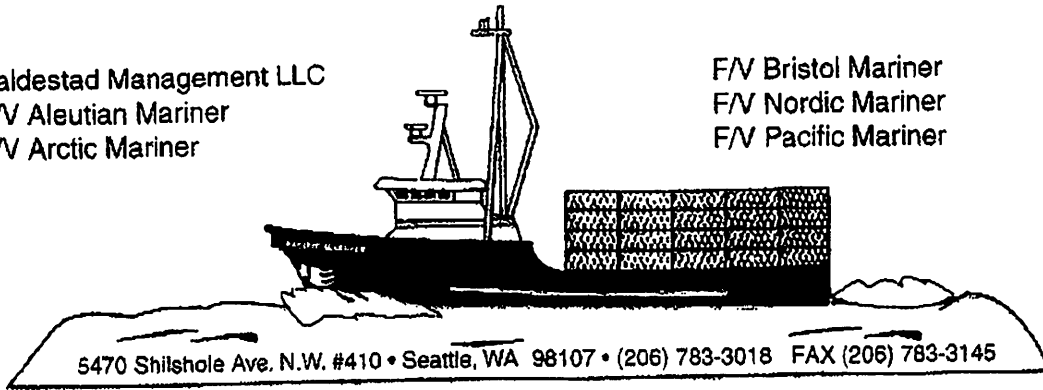
Sincerely,



Ron Warren  
F/V Polestar

Kaldestad Management LLC  
F/V Aleutian Mariner  
F/V Arctic Mariner

F/V Bristol Mariner  
F/V Nordic Mariner  
F/V Pacific Mariner



November 30, 1999

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL  
605 4TH AVENUE, SUITE 306  
ANCHORAGE, AK 99501-2252

RECEIVED

DEC - 1 1999

RE: C-5 PACIFIC COD LLP ENDORSEMENTS

N.P.F.M.C

Dear Council Members,

Under the License Limitation Program which is scheduled to be implemented in 2000, the Bering Sea/Aleutian Island Pacific Cod stock is to be made two separate endorsement areas, the Bering Sea and the Aleutian Islands. The cod stocks will still be managed under a single quota for the two areas. Until now, under the Moratorium and Federal Fisheries Permit the cod stocks have always been BS/AI.

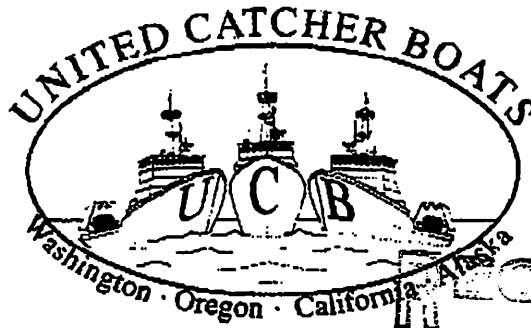
Our pot cod vessels have participated in the BS/AI cod fishery since 1993. Until this year, the vessels have not made any landings of BS/AI cod from the new AI area due to lack of processing facilities in an economically feasible distance to the area. Thus under the LLP, our vessels would not qualify for an AI endorsement. I believe that very few pot vessels would qualify in the AI area.

With the anticipated influx of vessels which will fish cod due to the short opilio season in 2000 and the proposed cod split, the separation of BS/AI cod into two endorsement areas will potentially increase bycatch of crab as more vessels fish in Bering Sea waters, create area depletion of cod as more vessels concentrate in certain areas and increase greatly levels of gear loss as vessels are forced to fish in one area. Allowing vessels to spread out over a larger area will lessen all the aforementioned impacts. With new opportunities for processing in the AI endorsement, area this could be accomplished keeping the BS/AI cod one endorsement area.

I believe the council should move to amend the LLP so that vessels which qualify for a pot cod endorsement under the LLP for either a Bering Sea or an Aleutian Island endorsement be eligible for both a Bering Sea and an Aleutian Island endorsement.

Sincerely,

*Kerand Kaldestad*



Brent C. Paine  
Executive Director

Steve E. Hughes  
Technical Director

Jeffrey R. Pike  
Washington D.C. Representative

December 1, 1999

Steve Pennoyer  
National Marine Fisheries Service  
PO Box 21668  
Juneau, AK 99802

DEC - 1 1999

N.P.F.M.C

Dear Mr. Pennoyer,

We recognize that NMFS RAM division has a large workload implementing stage one of the LLP, and that gear endorsements are not anticipated to be in effect until 2001. However, there appear a significant number of incorrect "trawl endorsement flags" shown in the "official record" database posted on the NMFS website.

Our concern is that people will make investment decisions in reliance upon the information provided in that record. This will make it even more difficult to deal with excess capacity and latent effort. There are 337 vessels in the LLP database on the NMFS website that show up as "trawl" qualified, of which 249 are >60 feet LOA. A review of the VIP files show that in 1994 there were 193 trawlers who carried an observer at least once during the year (indicating they were 60 feet or greater), in 1995 the number was 191, and in 1999 it is 167. This indicates a large number of potential latent licenses.

A review was done of the groundfish vessels which are "dual" qualified for both "trawl" and "non-trawl." There are 191 vessels that are "dual" qualified, and 146 that are "trawl" only. The list of the 146 includes a number of sunken vessels, and one mothership (the Northern Victor which only processes). However, the sunken vessels do not account for the large difference between the number of LLP trawl qualified vessels and the number of active trawlers on the VIP list.

The list of 191 "dual" trawl vessels was further sorted by area of endorsement, and circulated among the trawl associations in the Kodiak, the Western GOA, and Bering Sea. All the vessels that anyone thought to be a vessel that had ever trawled were eliminated from the list. The remaining vessels account for 61 of the "combo" trawl endorsed vessels, of which 39 are 60 feet or greater. 11 vessels are over 125 feet, and some qualify for CP endorsements (see Table 1 below).

The issue of latent effort within the LLP program is one that all gear groups are facing. It would be extremely unfortunate if the problem were unnecessarily exacerbated in the trawl fishery by the issuance of endorsements to vessels that have never trawled.

We request NMFS to review the data files to determine whether these vessels actually made trawl deliveries, or whether there are obvious data entry errors that could account for the "trawl" endorsement flag. At a minimum we request that NMFS issue a news release underscoring that the "trawl endorsement flag" field in the LLP database is preliminary, and that buyers of LLP rights should obtain other independent documentation of trawl landings before making the assumption that a license will ultimately receive trawl endorsements. A similar notice should be placed in the Council newsletter and posted with the LLP database file on the NMFS website.

Sincerely,

Brent Paine  
cc: NPFMC

Table 1. Potential "Data Entry Error" Dual LLP Endorsed Vessel List

VESSEL	LOA	ENDORSEMENT AREA	OWNER
ARCTIC ORION	166	BS only	ARCTIC ORION FISHERIES
AZUMA SEA RAY	44	BS only	PREVATT, PAUL
BLUE NORTH	167	BS only	YAKUTAT, INC.
FIERCE SEA	165	BS only	FIERCE SFA COMPANY, I.L.C.
JUPITER	132	BS only	NEPTUNE NORTHWEST, INC.
LADY LOUISE	54	BS only	JACKSON SR, CLARENCE
NEW VIKING	66	BS only	GILMAN, LLOYD
NORTHERN EMPIRE	198	BS only	EMPIRE ALASKA SEAFOODS, INC
SHAMAN	110	BS only	MATTSEN FISHERIES, INC.
U.S. LIBERATOR	162	BS only	TYSON ENTERPRISE SEAFOOD, INC.
ALASKA SPIRIT	98	CG (not WG, maybe BS)	DARJEN, INC.
ALASKAN PRIDE	32	CG (not WG, maybe BS)	YAKUNIN, SERGEY
ALEUTIAN	68	CG (not WG, maybe BS)	SCHOONER SEAFOODS, INC.
ALYESKA	34	CG (not WG, maybe BS)	BLAKE, WILLIAM M
ANGELA CAROL	77	CG (not WG, maybe BS)	NIEMI, DEEA
BLUE ICE	82	CG (not WG, maybe BS)	SILVER ICE FISHERIES PARTNERSHIP
CHRISTINA	58	CG (not WG, maybe BS)	AYERS, ROBERT W
FRONTIER EXPLORER	135	CG (not WG, maybe BS)	EXPLORER LIMITED PARTNERSHIP
HESSAFJORD	142	CG (not WG, maybe BS)	HESSAFJORD, INC.
JOANICE-T	58	CG (not WG, maybe BS)	TORSEN, HOWARD
KATHY-O	46	CG (not WG, maybe BS)	FILIATRAUT, ROBERT
LISA JO	82	CG (not WG, maybe BS)	ESTATE OF ERLING H. BENDIKSEN
MERIDIAN	52	CG (not WG, maybe BS)	THOMAS, JOHN R
MIRANDA ROSE	47	CG (not WG, maybe BS)	MILLER JR, DANIEL R
MISS LINDSAY	58	CG (not WG, maybe BS)	ERICKSON, STANLEY
NEW OREGON	56	CG (not WG, maybe BS)	BLAIR, ANDREW R
NYIAD	36	CG (not WG, maybe BS)	CARLSEN, DENNIS
OCEAN PROWLER	155	CG (not WG, maybe BS)	OCEAN PROWLER PARTNERSHIP
OLYMPIC MONARCH	124	CG (not WG, maybe BS)	G. NELSON ENTERPRISE, INC.
PRFDATOR	63	CG (not WG, maybe BS)	SEA LANES, INC.
RAVEN	47	CG (not WG, maybe BS)	LARSEN, H. GLENN
RITA MARIA	42	CG (not WG, maybe BS)	PLETNIKOFF, ROBERT
SAND HILL 2B	28	CG (not WG, maybe BS)	HUTCHINSON, DENNIS
SARAH BESS	30	CG (not WG, maybe BS)	OWEN, GEORGE
SEABROOKE	109	CG (not WG, maybe BS)	FERRIS, WILLARD S
TENACIOUS	49	CG (not WG, maybe BS)	WHITE, REBECCA
TOPAZ	41	CG (not WG, maybe BS)	REUTOV, EMILHIAN
VAN ELLIOTT	76	CG (not WG, maybe BS)	BACH, TOBY
ANNETTE	68	WG (maybe BS/CG)	GALOVIN, CLARENCE F
ASSURANCE	58	WG (maybe BS/CG)	GUNDERSEN, MARTIN H
CAPE DEVINE	90	WG (maybe BS/CG)	CATERPILLAR FINANCIAL SERVICES CORP.
CLIPPER ENDEAVOR	124	WG (maybe BS/CG)	CLIPPER SEAFOODS, LTD.
CORVA MAY	58	WG (maybe BS/CG)	SPEARIN, JAMES
HORIZON	148	WG (maybe BS/CG)	PENGWIN, INC.
JUDI B	92	WG (maybe BS/CG)	ALASKA SABLEFISH, INC.
KJEVOLJA	110	WG (maybe BS/CG)	JUBILEE FISHERIES, INC.

KRISTIANA	69	WG (maybe BS/CG)	PACIFIC OCEAN FISHERIES, INC.
MELISSA BETH	77	WG (maybe BS/CG)	DAILY FISHERIES, INC.
NORQUEST	110	WG (maybe BS/CG)	NIEMELA, JAMES R
OCEAN HARVESTER	72	WG (maybe BS/CG)	HANSEN JR. EGIL
PACIFIC SUN	121	WG (maybe BS/CG)	DEAVER, DENNIS
PROVIDENCE	70	WG (maybe BS/CG)	RABER, WALT
REBECCA B	78	WG (maybe BS/CG)	HEGGE, RONALD
RESOLUTE	72	WG (maybe BS/CG)	BASSI, BYRON
SEYMOUR	82	WG (maybe BS/CG)	MCHENRY, JOHN
SUPERIOR	54	WG (maybe BS/CG)	NUZUM, GEORGE
TERRY ANNE	51	WG (maybe BS/CG)	HAGAN, CHARLES
TRINITY	70	WG (maybe BS/CG)	KENNEDY, TIM
WESTERN STAR	80	WG (maybe BS/CG)	FRY, DENNIS M
NORTHERN VICTOR	379	BS	NORTHERN VICTOR PARTNERSHIP



**MATTSSEN FISHERIES, INC.**  
**F/V SHAMAN**

P.O. Box 2686, Poulsbo, WA, 98370

PHONE: 360-697-2551  
TELEX: 430356610@STRATOSMOBILE.NET

December 6, 1999

North Pacific Management Council  
605 West 4<sup>th</sup> Avenue  
Suite 306  
Anchorage Ak, 99501-2252

Dear Council Members:

I am a Bering Sea and Aleutian Islands crab and cod fisherman. I own the F/V Shaman, a 110 foot pot vessel, ADF&G number 36. I am writing to comment on the "recency" requirement being considered for a Bering Sea Pacific Cod endorsement under the License Limitation Program (LLP). I also have a comment regarding the use of 1999 as a qualifying year for this endorsement.

I have fished cod with the Shaman since shortly after I purchased the vessel in 1991. However, my production has been very sporadic, in large part due to the low prices for codfish that pot catcher vessels have faced. There is little profit in cod at \$.15-\$.19 per pound.

I made deliveries in each of the years 1996, '97, and '98. Only 1997 would meet ANY minimum poundage requirement.. During 1997, I made 18 deliveries for over 700,000 pounds delivered. In both 1996 and 1998, significant events prevented me from fishing cod for any length of time. As a result, I only made nominal deliveries in each of these years.

I won't bore you with my particular circumstances in '96 and '98, except to say that my reasons for not fishing were valid and were the correct actions for me to take. Feel free to contact me personally if my reasons are in any way germane to the issue.

The end result of my particular circumstance is this: I urge you to support any of the options which use a minimum poundage requirement from ANY of the years 1996, '97, 'or '98, rather than one from EACH of those three years. I have well over \$150,000 invested in codfish. Without access to the fishery, I face the very real possibility of bankruptcy. I own a bona fide pot cod boat- my production of over 700,000 pounds in 1997 proves it.

I also have one comment regarding using 1999 production to qualify for this fishery endorsement. Although Shaman DID fish cod steadily in 1999, I am opposed to allowing 1999 production for endorsement eligibility. The fleet was notified prior to beginning opilio fishing in January of 1999 that this year's production would not "count" towards ANY future access in federal fisheries. I urge you to stick with this resolve. Allowing 1999 to count can only prolong the race for fish, as boat owners continue to scramble to fish for anything accesible to them, in hopes that the Council will later change their mind.

Sincerely,



Daniel R. Mattsen  
Owner/ operator, F/V Shaman

C-5

December 11, 1999

Rick Lauber, Chairman  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501-2252

Dear Rick,

I own and manage the fishing vessel Arctic Sea. This vessel has historically fished for crab as well as cod. Substantial investments were made in the vessel to allow processing to occur onboard. Well over \$1 million was spent on processing equipment and modifications to the vessel between 1994-1999.

The Arctic Sea targeted Pacific cod in the Bering Sea/Aleutian Islands between 1995 to 1998 with pot gear only. However, in 1998, we entered into a contract for \$250,000 with a shipyard to modify the vessel and purchase gear which would allow the vessel to target cod with longline gear. A landing of cod with longline gear was not made until January 1999. We are again targeting cod this winter with longline gear. Business decisions to enter the freezer-longline fishery were made prior to any word of a recent landing requirement.

I also believe it is arbitrary to implement a grandfather provision which stipulates that a vessel must have been purchased in order to qualify for the grandfathering provision. I have owned the Arctic Sea for over 20 years. However, significant investments were made and steps taken to enter the freezer-longline fishery prior to 1999.

In addition, since the Arctic Sea was already modified to process cod onboard in 1998, very little was spent to modify the actual vessel or add processing equipment. Instead, purchase of longline gear and systems was all that was necessary for us prosecute the fishery.

In conclusion, all vessels which made investments, or entered into contracts, to purchase fishing gear or modify the vessel for processing should qualify for a freezer-longline license.

Sincerely,

Kris Poulsen

December 11, 1999

Rick Lauber, Chairman  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501-2252

Dear Rick,

I am opposed to the allocation of Pacific cod between longliners and pot boats, which was passed by the North Pacific Fishery Management Council regarding the Bering Sea/Aleutian Islands Pacific Cod Fixed Gear Allocation at the October meeting. This allocation severely disadvantages the vessel I manage.

I own and manage the Arctic Sea, which is a fishing vessel that fishes for crab as well as for cod with pots and longline. An investment of over \$1,000,000 was completed in 1994-1995 to convert the vessel to be a cod catcher-processor. The Arctic Sea made cod landings in each year since 1995, primarily with pot gear. However, the vessel also began longlining for cod in 1999.

On average, about 10 catcher-processors target cod with pots per year. However, these 10 vessels are able to catch an average of 25% of the total cod caught by all pot boats (or 2.5% per vessel). There are approximately 93 pot cod catcher boats which fish each year and harvest 75% of the total cod caught by all pot boats (or .83% per vessel). Each pot cod catcher-processor harvests about three times as much per vessel as the pot cod catcher boats. In addition, pot cod catcher-processors have much more at stake financially, since large investments have been made to maximize catch and allow processing to take place on board the vessel.

Approximately 10 vessels will qualify as pot catcher-processors under the LLP, which means that no increase in effort will occur from this sector since historically 10 vessels have prosecuted the fishery as pot catcher-processors. On the other hand, pot catcher boats may increase effort somewhat, disadvantaging the pot catcher-processors. Under the LLP, about 165 vessels will qualify as pot cod boats. Of these, 40 are trawlers and will most likely not target cod with pot gear, leaving the total number of LLP qualified pot cod vessels at about 125. This is a 21% increase in effort from the historic average of 103 total pot cod vessels. With the approval of the Allocation of Pacific Cod Among Fixed Gear Sectors, pot catcher-processors will be severely disadvantaged with a likely drop in catch of over 50%.

The allocation passed at the October Council meeting was very damaging to the vessel I manage. To protect the investments and historical catch of these pot catcher-processors, a separate allocation should have been made for these vessels. I ask that the Council set aside 4.4% of the total Fixed Gear TAC for pot catcher-processors, as this is what they have caught historically, based on the years 1995-1998.

Sincerely,

Kris Poulsen

C-5

**Rick Lauber, Chairman  
North Pacific Fishery Management Council**

**12/8/99**

**Dear Sir:**

**As representatives of the fishing vessel Vixen (ADF&G # 70030, Moratorium Number 1063312) would like the Council to take into consideration a unique case pertaining to lost or destroyed vessels.**

**The Council has made exemptions for a Recent Participation Requirement to the Crab LLP and we are fully aware of the framework for a Recent Requirement for Groundfish. Our concern is that unlike the Crab exemptions set forth in the October 1998 Newsletter, we have been unable to find via internet, NPFMC Newsletters or Federal Register any information or allowances for lost vessel exemptions pertaining to Groundfish.**

**We would like the Council to please consider an option for lost vessels and allow provision under number 4 that was defined in your October 1998 Newsletter (Page 4) in regards to Crab to also include Groundfish.**

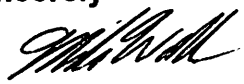
**We are estimating four vessels would be up for review or be included under this additional provision. Like so many other fishermen we have a huge sum of money invested in the Vixen. Since the Vixen's genesis we have been in compliance with every rule set forth by the Council and criteria listed in the Federal Register. (i.e. 679.4 (c)(9)(iii) vessels lost or destroyed from 1989 through 1995- this pertains to keeping moratorium permits active).**

**The Vixen has a good recent catch history for cod, just under 600,000 pounds in 1998 and just over 900,000 pounds in 1999; However, we are afraid that if the Council doesn't motion for some sort of provision dealing with vessels that have been lost or destroyed in regards to Groundfish and make a provision similar to the one for Crab then we'll be excluded from a fishery that we have put a substantial effort into in both time and money (Over 1.5 million dollars in Permits, Vessel Construction, and Gear).**

**We have complied with all rules set forth, we just ask for the council to please review our request to include Groundfish along with Crab in the hardship provision- loss vessel.**

**We have provided a copy of your October 1998 Newsletter pg. 4, Hi-lighted segment that we referred to in the Federal Register, and our past landings history.**

**Sincerely**



**Mike Wahl  
100 Port Dock Rd, Reedsport Or 97467  
541-271-5720 Email: fredw@presys.com**

**Add a Recent Participation Requirement to the Crab LLP.** In order to reduce latent capacity in the BSAI crab fisheries, the Council voted to require that crab vessels must have made a landing during 1996, 1997, or on or before February 7, 1998 (one landing in any of the three years) in addition to the landing requirements under the original LLP, to qualify for the general license and species/area endorsements earned under the original LLP. This action reduces the overall number of eligible vessels in the fleet from 365 to 272, a 25% reduction in the fleet compared to the original LLP.

The following **exemptions** were also included under this provision:

1. Vessels with only a Norton Sound red and blue summer king crab endorsement.
2. All vessels that are less than 60' LOA and are qualified under the original LLP.
3. Vessels that made landings in the BSAI crab fishery in 1998, on or before February 7, 1998, and for which the owner acquires license limitation rights from a vessel that meets the general qualification period (GQP) and endorsement qualification period (EQP) landing requirements. The owner must have acquired the rights or entered into a contract to acquire the rights by 8:36 a.m. Pacific time on October 10, 1998.
4. A vessel that was lost or destroyed and which made a landing in the BSAI crab fishery at any time from the time when the vessel left the fishery through January 1, 2000. A vessel would be deemed to have met the recent participation criteria and would be granted a general license and all the species/area endorsements to which it was entitled under the original crab LLP.

The Council urged NMFS to implement the changes in the crab LLP as soon as possible (NMFS currently plans to implement the changes by the start of the 2000 fishing season). However, if it is not possible to have these amendments in place by 2000 and interim use permits are necessary, the Council recommended that NMFS have them mirror the permanent license as closely as possible for simplicity and consistency.

*A discussion of Senate Bill 1221's impact on the number of vessels qualified to fish crab under LLP will be placed on the agenda at the special November Council meeting. The Council will determine if any further action is required and may schedule such action for a subsequent meeting.*

**Allow Limited Processing Upgrades for Catcher Vessels.** The Council also voted to allow vessels less than 60' LOA, operating under a groundfish catcher vessel license in the Gulf of Alaska or Bering Sea and Aleutian Islands, to process up to one metric ton of round fish per day. A provision to allow vessels 60' LOA or greater to process limited amounts of products was not included in this amendment. Staff contact is Darrell Brannan.

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## Crab Buyback Program

Following action on the crab LLP eligibility criteria, the Council once again reviewed and discussed the proposed crab permit buyback program. The Crab Reduction and Buyback (CRAB) Group has drafted a preliminary buyback business plan (BBP), pursuant to the Magnuson-Stevens Act. Finalization of the specifics of that plan has been awaiting two things: (1) Council action on the eligibility requirements, which prescribes the number of LLP qualified vessels, and in turn affects the overall projected costs of the buyback plan to be supported by an industry fee (assuming 2/3 approval of an industry referendum to be conducted by the Secretary of Commerce), and (2) publication by NMFS of generic guidelines for all buyback plans nationwide.

The Council has now taken its action on LLP, as described above, and the guidelines are expected to be published by NMFS very soon. This fall, Council staff will work with the drafters of the BBP to address those guidelines and confirm the BBP's consistency with them and the FMP. Based on the Council's recent action, the BBP will no longer need to differentiate between two classes of crab licenses (an 'A'

§ 679.4 Permits

(iii) Vessels lost or destroyed from 1989 through 1995. The moratorium qualification of any vessel that was lost or destroyed on or after January 1, 1989, but before January 1, 1996, is valid for purposes of issuing a moratorium permit for that vessel, if salvaged, regardless of when salvage began, provided that the vessel has not already been replaced and the LOA of the salvaged vessel does not exceed its maximum LOA. The moratorium qualification of any vessel that was lost or destroyed on or after January 1, 1989, but before January 1, 1996, may be transferred to another vessel, provided the LOA of that vessel does not exceed the maximum LOA of the original qualifying vessel. The moratorium qualification of such a vessel is not valid for purposes of issuing a moratorium permit for 1998, unless that vessel is used to make a legal landing of a moratorium species from January 1, 1996, through December 31, 1997.

(iv) Vessels lost or destroyed after 1995. The moratorium qualification of any vessel that was lost or destroyed on or after January 1, 1996, is valid for purposes of issuing a moratorium permit for that vessel, if salvaged, regardless of when salvage began, provided that the vessel has not already been replaced and the LOA of the salvaged vessel does not exceed its maximum LOA. The moratorium qualification of any vessel that is lost or destroyed on or after January 1, 1996, may be transferred to another vessel, providing the LOA of that vessel does not exceed the maximum LOA of the original qualifying vessel.

(v) Reconstruction. The moratorium qualification of a vessel is not valid for purposes of issuing a moratorium permit if, after June 23, 1992, reconstruction is initiated that results in increasing the LOA of the vessel to exceed the maximum LOA of the original qualifying vessel. For a vessel whose reconstruction began before June 24, 1992, and was completed after June 24, 1992, the maximum LOA is the LOA on the date reconstruction was completed, provided the owner files an application for transfer and the Regional Administrator certifies that maximum LOA and approves the transfer based on information concerning the LOA of the reconstructed vessel submitted under paragraph (c)(8)(iv) of this section.

(10) Appeal

50 CFR 679.A.4  
Updated November 16, 1999

(i) Determination. The Chief, RAM Division, will issue an initial administrative determination to each applicant who is denied a moratorium permit by that official. An initial administrative determination may be appealed by the applicant in accordance with § 679.43. The initial administrative determination will be the final agency action if a written appeal is not received by the Regional Administrator, within the period specified at § 679.43.

(ii) Permit denial. An initial administrative determination that denies an application for a moratorium permit must authorize the affected vessel to catch and retain moratorium crab or moratorium groundfish species with the type of fishing gear specified on the application. The authorization expires on the effective date of the final agency action relating to the application.

(iii) Final action. An administrative determination denying approval of the transfer of a moratorium qualification and/or denying the issuance of a moratorium permit based on that moratorium qualification is the final agency action for purposes of judicial review.

(d) IFQ

(1) General. In addition to the permit and licensing requirements prescribed in the annual management measures published in the Federal Register pursuant to § 300.62 of chapter III of this title and in the permit requirements of this section, all fishing vessels that harvest IFQ halibut or IFQ sablefish must have on board:

(i) IFQ permit. A copy of an IFQ permit that specifies the IFQ regulatory area and vessel category in which IFQ halibut or IFQ sablefish may be harvested by the IFQ permit holder and a copy of the most recent accompanying statement specifying the amount of each species that may be harvested during the current IFQ fishing season; and

(ii) IFQ card. An original IFQ card issued by the Regional Administrator.

(2) Registered buyer permit. Any person who receives IFQ halibut or IFQ sablefish from the person(s) that harvested the fish must possess a registered buyer permit, except under conditions of paragraph (d)(2)(i), (ii), or (iii) of this section. A registered buyer permit also is required of any person

WAHL FISHERIES LLC  
 100 PORT DOCK ROAD  
 REEDSPORT, OR 97467  
 PH: 541-271-5720 FAX 541-271-4349

FISH TICKET HISTORY

ADFG VESSEL #06699, 1988-1994, F/V MASSACRE BAY

YEAR	TICKET	CFEC	PROC	GEAR	DATE	SPECIES	NUMBER	POUNDS
87	345894	B61B14384W	F0043	61	9-04	110		3282
87	346037	B61B14384W	F0043	61	10-03	110		2543
89	320215	T91K27665C	F0210	91	1-25	931	3333	9449
89	320215	T91K27665C	F0210	91	1-25	931	3333	9449
89	320215	T91K27665C	F0210	91	1-25	931	3333	9449
89	320484	T91K27665C	F0210	91	2-05	931	886	2393
89	320484	T91K27665C	F0210	91	2-05	931	886	2393
89	501805	K91T34947L	F0141	91	10-07	921	3314	20556
90	320458	T91K38362C	F0043	91	2-04	931	9750	26812
90	320458	T91K38362C	F0043	91	2-04	931	1625	4469
90	320458	T91K38362C	F0043	91	2-04	931	1625	4469
90	320459	T91K38362C	F0043	91	2-21	931	600	1446
90	520177	K91T24034E	F1263	91	11-13	921	5919	42201
90	502788	T91Q24039A	F0043	91	12-05	931	937	2343
91	325210	T91K304790	F0043	9	2-04	931	1574	4250
91	325210	T91K304790	F0043	9	2-04	931	1574	4250
91	325210	T91K304790	F0043	9	2-04	931	1574	4250
91	504179	K91T204830	F1451	91	11-09	921	8170	50081
91	504179	K91T204830	F1451	91	11-09	921	1442	8838
92	504885	K91T204830	F0141	91	11-08	921	4237	28599
92	505131	T91Q20256P	F1589	91	11-21	931	12001	29402
92	505500	T91Q20256P	F0142	91	12-02	931	2680	6031
92	505569	T91Q20256P	F1452	91	12-09	931	1075	2419

ADFG VESSEL #70135, 1997, F/V SHUYAK

97	29982			91	10-2	110		6332
97	29984			91	10-09	110		4327

ADFG VESSEL #70030, 1998, 1999, F/V VIXEN

98	016573	T91Q205831	F1093	91	3-21	932	22640	31696
98	031508	M91B36930P	F1456	91	4-07	110		20001
98	031518	M91B36930P	F1456	91	4-10	110		15273
98	031524	M91B36930P	F1456	91	4-13	110		54009
98	001768	M91B36930P	F0939	91	4-16	110		99998
98	031733	M91B36930P	F1456	91	4-18	110		14343
98	001705	M91B36930P	F0939	91	4-23	110		105020



98	001721	M91B36930P	F0939	91	4-26	110	66845
98	001741	M91B36930P	F0939	91	4-30	110	4641
98	001738	M91B36930P	F0939	91	4-30	110	34694
98	001747	M91B36930P	F0939	91	5-04	110	31131
98	005254	M91B36930P	F0939	91	5-06	110	59435
98	005266	M91B36930P	F0939	91	5-13	110	42563
98	U208859		SUNRISE LONGLINE		8-25	TUNA	66836
98	000026	K91T30327R	F0939	91	11-9	921 VI	54298
99	0001127	T91Q205831I	F0944	91	1-21	932	30972
99	001569	T-91Q205831	F1456	91	2-03	932	92872
99	011427	T91Q205831	F1927	91	2-09	932	49299
99	006680	T91Q205831	F0945	91	2-15	932	54981
99	001604	T91Q205831		91	3-02	932	102584
99	001334	T91Q205831		91	3-14	932	72184
99	004937	T91Q205831		91	3-25	932	66415
99	031818	M91B32682R	F0939	91	4-15	110	187791
99	031829	M91B32682R	F0939	91	4-18	110	104731
99	027252	M91B32682R	F1180	91	5-04	110	29855
99	031847	M91B32682R	F0939	91	5-05	110	6271
99	027255	M91B32682R	F1180	91	5-09	110	47955
99	027260	M91B32682R	F1180	91	5-13	110	35367
99	027263	M91B32682R	F1180	91	5-18	110	50747
99	027270	M91B32682R	F1180	91	5-24	110	66400
99	027277	M91B32682R	F1180	91	5-30	110	121732
99	031917	M91B32682R	F0939	91	6-03	110	61272
99	031921	M91B32682R	F0939	91	6-06	110	39725
99	016808	K91T35721R	F0947	91	10-23	921	25435

C-5

To: North Pacific Fisheries Management Council  
From: Kurt Vedoy, owner/operator C/P Blue Fin  
Date: December 12, 1999  
Re: BSAI Pacific Cod Fixed Gear Split / Gear Endorsements

**Background**

- We have made a substantial investment in the Pacific cod fishery and endured a brutal learning curve in developing markets for our product.
- Over the past five years, approximately half our ex-vessel revenues have been from the pot gear fishery for Pacific cod and we are significantly dependent on the BSAI cod fishery
- In 1992 my brother and I made a decision to fish Pacific cod with pots even though we had access to other options including trawling and longline. In 1994 we converted the vessel to catch and process - by splitting and salting.
- This year we invested in a value added processing facility to produce dry salted cod.

**Issues**

- There is a **significant difference in the financial investment** between the pot gear catcher-processors and just catcher vessels. These investments include items such as processing equipment and vessel modification to comply with various governmental regulations for processing vessels.
- There are fundamental differences between the catcher vessels and the catcher processor vessels in terms of their fishing operations.
- As with freezer longliners, **pot gear catcher-processors need time on the grounds to be successful.**
- All other gear types targeting Pacific cod are allocated between catcher / processors and catcher vessels.
- Over the past four years, approximately 50% of our ex-vessel revenue has been from the Pacific cod fishery - *even though* we fully fished the red king and opilio seasons before directing our efforts to cod fish.
- As others have provided testimony to the council, we too, are offended by the low qualifying limits proposed. Based on my experience and catch history, a vessel would need only to have fished one month or less to qualify - even under the most stringent proposed requirements.
- As a vessel owner and long term participant as a catcher / processor in the pot gear fishery for Pacific cod, I will be **severely and negatively impacted** by an increase pot catcher vessels as a result of the American Fisheries Act and the decline in crab fishing opportunities.
- **Therefore, to protect the long term participants in the pot gear fishery, I recommend the council approve: 1) stringent catch requirements to protect those vessel owners that have made a long term commitment to the Pot gear fishery and 2) split the pot gear allocation, based on historical catch data, between the catcher / processors and catcher vessels.**

**ALASKA CRAB COALITION**

3901 Leary Way N.W. Ste. 6

Seattle, Washington 98107

206 547 7560

206 547 0130 Fax

Email: [acc-crabak@msn.com](mailto:acc-crabak@msn.com)

*Didn't testify -  
NOT HANDLED OUT*

December 6, 1999

Rick Lauber  
Chairman  
NPFMC  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Alaska 99501-2252

RE: AGENDA ITEM C-5, PACIFIC COD LLP ENDORSEMENTS, OPPOSITION  
COMMENT ON PROPOSAL FOR SEPARATE ALLOCATION TO POT  
CATCHER/PROCESSORS

Dear Rick:

The ACC is aware that some of the pot catcher processors are proposing a set-aside of a portion of the BSAI pot gear Pacific cod allocation. The ACC Board recently reviewed this issue and they wish to file a comment in opposition to such an allocation. The rationale for their recommendation is noted below.

- Preliminary analysis of the NMFS LLP data base of Bering Sea pot vessels (based on the Bering Sea Crab LLP qualified vessels) indicates there will be fewer groundfish qualified catcher vessels and catcher processors for the pot cod fishery than is estimated in the NPFMC September 8, 1999 Discussion Paper, BSAI Fixed Gear Pacific Cod Fisheries. Although the preliminary estimate indicates 203 vessels made landings between 1992 and 1998, (Discussion Paper at p. 3) and may be qualified in the Groundfish LLP, this is not the case. It is likely that over 65 of these vessels are not LLP qualified, as they did not make landings until after June 17, 1995. The data base may also contain numerous trawl vessels that will be affected by the gear endorsement amendment that will go into effect in 2001.
- It is likely that the share of the pot catcher processor sector of the cod harvest is inflated by effort that will be eliminated by the Alternative 9 Crab LLP amendment and/or the proposed new landing requirement for cod. In addition, there are at least five pot cod catcher procesors that have shifted over to the freezer longliner sector, however, they could be eligible to fish in both fixed gear sectors.
- In conclusion, the ACC wishes to recommend that the NPFMC should not take steps to further rationalize only one sector of the cod industry, but instead should move ahead uniformly to rationalize all the major gear sectors at the same time. The

NPMC is encouraged to help facilitate the formation of catch history based co-ops for the major gear sectors involved in the BSAI directed cod fishery.

Sincerely,

A handwritten signature in cursive script that reads "Arni Thomson".

Arni Thomson  
Executive Director

## Separating Pot Cod CP's from Catcher Vessels

Our concern about splitting the fixed gear allocation always has been that the longline cod fishery will get stabilized, and the pot cod fishery will be de-stabilized.

We in the pot fleet fought the battle to keep the fixed gear fishery together as one, until the entire fishery could be rationalized. We lost that battle, and it is highly probable that the "serious" pot cod boats will ultimately end up with less quota than what they have been catching all along. At this point, it appears that the "serious" few longline boats will end up with about the same percentage of quota as they have been catching.

It would be a travesty now, to further de-stabilize the pot cod catcher boats by issuing a quota to a few CP's. We believe that pollock style co-ops which take catch history into account, would be a better vehicle to address these types of concerns.

We lost the battle on the first split, and we have no choice but to live with the consequences. Please don't further compound our problem.

Gene E. Tom

Arni Thomson C.P.C.

Kevin L. Valdestad

Mary L. Painter

Walter Christensen

Ron Briggs

Mike Spokas

Jeffrey R. Stephan

Lance Farr

Arni Thomson

Kevin Kaldestad

Gary Painter

Walter Christensen

Ron Briggs

Mike Spokas

Jeff Stephan

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Ronald A. Parker  
Sa To  
Ronald A. Parker  
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\_\_\_\_\_  
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CL LOWENBERG  
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Ronald A. Parker / Katrina - Em  
Steve Toomey  
Flu Exito  
Alec Fran Ballas  
Ocean Ballas  
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**Fixed Gear Year 2000 Cod Allocation**

12/9/99

The undersigned approve the AP's motion for the fixed gear year 2000 cod allocation.

Signature

Name Printed

Michael Spokas F/V Vixen

Michael Spokas / Vixen

Gary Painter

Gary Painter / Trailblazer

Ron Briggs

Ron Briggs - Trailblazer

CL Lowenberg

CL Lowenberg / Arctic Lady

Gary P. Meyer

PVOA PROWLER  
OCEAN PROWLER  
BORIN PROWLER

Ronald A. Painter

Ronald A. Painter

F/V Katrina Em MARIA Painter

F/V Katrina Em MARIA Painter

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