


MEMORANDUM

TO: Council, SSC, and AP Members

FROM: Clarence Pautzke
Executive Director 

DATE: April 19, 1990

SUBJECT: Sablefish Fixed Gear Management

ACTION REQUIRED

1. Review of rockfish IFQ workshops.
2. Council review of sablefish supplemental analysis and proposed regulations for public review. Discussion of the appeals process, administration, and NMFS capability and schedules to implement the new system if approved in June.

BACKGROUND

Rockfish Workshops

This winter the Pacific States Marine Fishery Commission hosted workshops throughout Southeast Alaska concerning IFQ management of demersal shelf rockfish. These workshops have been held in conjunction with the State of Alaska and focus on both state and federally managed rockfish. A report on the meetings will be presented by John Harville.

Sablefish Management

In January the Council was scheduled for final action on sablefish management. Though a final decision was not made, the Council did spend much of the meeting formulating a specific IFQ preferred alternative [item C-6(a)]. A new analysis of the IFQ preferred option and open access was prepared and mailed to the Council last week. When approved by Council, the document will be sent out for public review. The Council is scheduled to take final action on sablefish management at its June meeting.

Various issues have been raised in further analysis of the IFQ alternative or in developing the appeals and administrative sections. These are summarized in item C-6(b) and will need Council attention.

An assistance program for disadvantaged fishing communities, item C-6(c), was drafted at the January meeting. This program is included in the sablefish management alternative in concept only. You may wish to discuss the program and finalize it for public review.

A draft implementation schedule is in item C-6(d). It's predicated on a final decision being made in June.

Elements of a Sablefish Fixed Gear IFQ Management System

This outline presents the proposed individual fishing quota system (IFQ) for sablefish hook-and-line and pot fishing. The **grayed** areas represent options under consideration. This is the preferred alternative to the status quo as decided by the Council at its January 1990 meeting. A final decision on the alternative to be chosen, including the status quo, is scheduled for the Council meeting the week of June 25, 1990 in Anchorage.

I. SCOPE OF PROGRAM

- A. **Sablefish**
- B. **Longline and pot vessels**

II. THE WHO, WHAT, WHEN, WHERE, AND HOW OF IFQS

- A. **What** - Each IFQ would be a **percentage of the total allowable catch (TAC)** for each management area. These percentages would be defined as "units" which could be subdivided into smaller units. The **amount of weight assigned to each unit would vary yearly as the TAC varied from year to year.**
- B. **Where** - **All six management areas in the Gulf of Alaska, Bering Sea, and Aleutian Islands: Southeast Outside/East Yakutat, West Yakutat, Central Gulf, Western Gulf, Bering Sea, Aleutian Islands.**
- C. **When** - **IFQs would be issued yearly to those who owned them. Initial allocations would be made for the 1991 fishing year.**
- D. **Who** - The person who owned or, possibly, was a lease holder of a vessel that made sablefish longline or pot landings.
 - 1. **"Person"** - 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 owned and controlled by a majority of U.S. citizens), and any Federal, State, or local government or any entity of any such government.
 - 2. **Initial allocations to could go to one of three groups. The terms "bareboat contract" and "qualified lease" need to be defined.**
 - i. **Vessel owner(s) only**
 - ii. **Vessel owner(s) except when a qualified lease exists:**
 - a. **The person leasing a vessel (bareboat contract). The lease holder would receive full credit for trips with a qualified lease.**
 - b. **The owner and lease holder would split credit for trips with a qualified lease. The split is not yet specified.**
- E. **How initial allocations will be made**
 - 1. **An owner or lease holder must have made longline or pot landings of sablefish in at least one of the years 1984 through 1989.**
 - 2. **Initial allocations would be based on the recorded landings (fish tickets) of all vessels each person owned. The total of each person's six year landings, by area, would be divided by the total six year landings in the area. This would be the person's percentage of that area TAC.**

3. More recent participation will be given greater credit using a weighting factor of 3%. Landings will be adjusted upward incrementally by 3% from 1984 to 1989. (Though the 3% increment is the preferred option, 1% and 10% adjustments are being analyzed.) The adjustments at 3% are:
 - i. 1984 landings * 100%.
 - ii. 1985 landings * 103%.
 - iii. 1986 landings * 106%.
 - iv. 1987 landings * 109%.
 - v. 1988 landings * 112%.
 - vi. 1989 landings * 115%.
4. IFQs might be denoted by vessel size class.
 - i. Each person would receive IFQs for the size class of their most recent sablefish landings. The size classes are:
 - a. Less than 50' length over all.
 - b. 50' to 100' length over all.
 - c. Over 100' length over all.
 - ii. There would not be vessel size classes.
- F. Hook-and-line or pot caught sablefish could not be landed without IFQs. There would be no open access portion to the sablefish fixed gear fishery.
- G. IFQs would not be valid for trawl caught sablefish from any area nor for pot caught sablefish from the Gulf of Alaska.

III. TRANSFERABILITY

- A. All IFQs would be saleable and leasable, however, leasing of IFQs would not be allowed during the first 2 years of the program.
- B. All IFQ transfers would have to be approved by NMFS based on findings of eligibility criteria prior to fishing.
- C. Persons must control IFQs for amount to be caught before a trip begins.
- D. IFQs are management area specific and may not be transferred between areas.
- E. IFQs are vessel size specific (if vessel sizes are used) and may not be transferred between vessel size categories.
- F. A limit of 3% of the combined area TACs would exist on the amount of IFQs one person could own or control.
- G. Any person, as defined above, may control IFQs. Proof of citizenship or majority ownership and control may be required.

IV. DURATION OF IFQ HARVEST PRIVILEGES

- A. No specified ending date. Harvesting privileges may be subject to periodic change, including revocation, in accordance with appropriate management procedures as defined in the Magnuson Act. (The privileges are good for an indefinite period of time.)
- B. The harvesting privileges may remain in effect in perpetuity.
- C. Harvesting privileges may remain in effect for a specified period of time, for example 5 or 10 years.

V. COASTAL COMMUNITIES - The issue of allocations to economically disadvantaged coastal communities is being considered by the Council in concept.

- A. Communities must be on the coastline, unlikely to be able to attract other economic activity, and not previously have developed sufficient harvesting or processing capacity due to a lack of sufficient funds.

- B. A fishery development plan for each community must be developed including arrangements to: use U.S. harvesters and processors, provide local employment, contribute to local economic fishery development, and provide sufficient funding.
- C. The Governor, in consultation with the Council, would develop recommendations to the Secretary of Commerce.
- D. The Secretary may approve the recommendations provided the community meets the criteria and the State of Alaska assures sufficient funding is available.
- E. No community may be designated for more than 10 years.
- F. No more than 4% of the combined area fixed gear TACs could be used for this purpose. The maximum percentages would vary by area: Aleutian Islands, Bering Sea, and Western Gulf of Alaska - 10%; Central Gulf - 5%; Eastern Gulf - 1%.
- G. The set aside for community development would be subtracted from the fixed gear TAC before calculation of IFQ poundages.

VI. ADMINISTRATION

- A. **NMFS Alaska regional office would administer the IFQs** although the function could be contracted to the State of Alaska.
- B. Settlement of appeals disputes during the allocation process.
 - 1. The basis of **judgement for use in appeals will be fact**. That is, unsubstantiated testimony will not be considered. Lease holders would have to come to the Appeals Board with certified records and agreement of the owner of record of the vessel. If such agreement cannot be reached, judicial proceedings outside of the Appeals Board would be required. Appeals could be brought forth based on **four criteria**:
 - a. **Errors in fish ticket information.**
 - b. **Documented lease holder qualification.**
 - c. **Total vessel loss due to burning, sinking, or shipwreck.** Adjustments might be made to the landings for the year the occurrence happened.
 - d. **Those persons who can document that they were prepared to begin longlining for sablefish on April 1, 1989 but were unable to due to the Exxon oilspill.** This does not include those who were not almost fully prepared for longlining at the time of the spill.
 - 2. Initial appeals would be heard by an **Appeals Board composed of government employees rather than industry members..** Subsequent appeals would go to NMFS Alaska Regional Director followed by appeals to the Secretary of Commerce and then the court system.

The following items will be discussed by the Council but NMFS will deal with the specifics.

- C. **Enforcement**
 - 1. **Nature of harvest right.** - This must be defined (property, lease, harvest, etc) including its use as collateral and the ability of the government to censure the right.
 - 2. **Establishing a system to accurately account for catch including reporting, observer, and monitoring systems.**
 - 3. **Adequate enforcement procedures need to be established.** A new system might require new methods of enforcement including enforcement agents which have accountant type duties.
 - 4. **New regulations would be required.**
 - 5. **New penalties for violations would be required.**

Several Issues That Warrant Council Discussion and Guidance to Staff

1. **Initial Allocation.** State of Alaska and NMFS confidentiality restrictions allow disclosure of landings information to permit holders only. Alaska fish tickets are recorded and held under the permit number of the person landing the fish. Often this person is not the vessel owner. Landings made by permit holders other than the vessel owner may not be disclosed to anyone, including the vessel owner, without the permit holder's permission. The Council staff has estimated that 75% of owners of vessels were the only permit holder to have made landings on their vessel. An estimated 12% of the owners landed sablefish some of the time under their own permit with other landings on their vessel recorded under other fishermen's permits. The remaining 13% of the vessel owners never landed sablefish on their own vessel. This is discussed on page 3-1 of the RIR.

Two types of initial allocation procedures would be necessary to accommodate these owner/permit holder configurations:

- 1.1 If the owner was the only permit holder to make landings, NMFS could inform the vessel owner of the quota shares he would be allocated.
- 1.2 If the vessel owner is not the only permit holder, or was never the permit holder making landings, then the owner could collect disclosure waivers from permit holders, and/or submit all landings records he could obtain. NMFS could then issue initial quota shares based on the records available to the vessel owner.

NMFS has suggested an alternative method of allocating quota shares, whereby all vessel owners submit their landings history. Allocations will be based only on these submitted landings records regardless of additional information contained in NMFS files unless the submitted request exceeded those recorded by NMFS. Some acceptable range of difference might be allowed between the request made by vessel owners and the records available to NMFS.

2. **Citizenship of initial applicants.** There may have been legal landings during the qualifying period made by persons or corporations which are no longer U.S. citizens, due, for example, to changes in definitions of "persons" in the Anti-Reflagging Act of 1987. The definition of "person" used in this amendment includes a majority of ownership and control by U.S. citizens. The Council's current IFQ alternative will grant initial allocations of quota share to these persons or corporations, but will not allow them to purchase additional quota shares. NMFS has suggested that no initial allocations be made to persons or corporations which are not now U.S. citizens. This is discussed on page 3-3 of the RIR.
3. **Appeals.** In order to avoid a lengthy and difficult appeals process, the Council and NMFS staff suggest very specific language for appeals criteria. This is discussed on page 3-4 of the RIR.
 - 3.1 It is the opinion of the combined staffs, that there is no concise way to define losses due to the Exxon Valdez oil spill nor for losses due to total destruction of the vessel.

If compensation were given for either of these situations it would involve subjective judgement on the part of the appeals board and could lead to further legal complications. It is therefore recommended that the Council consider changing the IFQ qualifying period to read "any five of the six years from 1984-89", as an alternative. This change would allow those effected fishermen to choose their best five years for the purposes of computing quota shares and thus eliminating all "hardship" appeals.

- 3.2 It is recommended that the Council adopt language defining bareboat charters. A definition is needed to help determine if formal charter agreements between both parties are required as proof of contract. Possibly, all vessel owners might be required to disclose, under penalty of revocation of harvest rights, any bareboat charter made while they owned the vessel. Also, the Council should address whether any contract, transferring harvest rights between signed parties, be considered as legitimate claim to a vessel's landings history.
4. **IFQs may not be issued until TACs have been published.** Currently final TACs are recommended at the December meeting and published in the Federal Register in January or February. It is expected that NMFS cannot issue IFQs for a given year until the TACs are published in the Federal Register. This means that actual allocations of sablefish to fishermen may not occur until February or March. If sufficient IFQs are required before a trip can be started, then longline caught sablefish will effectively be a PSC until IFQs are issued. This is discussed on page 3-7 of the RIR. The Council may wish to address this problem by:
 - 4.1 Prevent retention of sablefish until IFQs are issued following publication of TACs.
 - 4.2 Allowing fishermen to land sablefish before publication of the TACs and not enforce the IFQ possession requirement until March 1, at which time all previous landings would also be covered by IFQs.
 - 4.3 Change the fishing year for sablefish to March 1. This change would require a transitional regulation. For example, either having the 1991 season extend into 1992 or close the first two months of 1992.
 - 4.4 Establish preliminary TACs and issue a percentage of that TAC as a preliminary IFQ. A fisherman's IFQ would then be augmented once the final TACs are published. Note that the Council is considering a provision for preliminary TACs in the current amendment cycle.
5. **Vessel size classes.** The IFQ alternative defines three vessel classes within which quota shares may be transferred. These classes are: (1) small, vessels < 50 feet length overall, (2) medium, vessels ≥ 50 ft. and ≤ 100 feet length overall, and (3) large, vessels > 100 feet length overall. There has been some concern that these vessel classes may not explicitly address the Council's desire to maintain the configuration of the fishery. Secondly, the largest class in the current alternative would receive so few quota shares, that a directed fishery could not likely be supported in most areas. This is further discussed in section 2.2.3.4 beginning on page 29 of the RIR.

- 5.1 If the Council wishes to have a separate vessel class for processors, then the current alternative may not be a sufficient constraint, as there are several processors less than 100 feet in length overall. Similarly, there are several catcher boats in the large vessel class. It may be more appropriate to define classes based on vessel type, i.e, catcher boats versus freezer longliners, or a combination, such as small catcher boats, large catcher boats, and freezer longliners.
 - 5.2 Another alternative would be to drop the largest class altogether. This would result in two classes: (1) small, < 50 feet (or some other breakoff), and (2) large, ≥ 50 feet. Two classes would not guarantee shoreside deliveries from the middle sized vessels. However, it would allow all vessels a chance for a directed fishery in each area.
6. **Two year prohibition on leasing.** Prohibiting the leasing of quota shares in the first two years may not allow the entire TAC to be taken. Many fishermen will reach a point at the end of the year where their remaining IFQs, though perhaps not substantial, would be insufficient for the fisherman to profit from an additional trip. Additionally, many inactive recipients of quota shares may not have sold their allocations. Further, the prohibition on leasing may not be enforceable. For example, selling quota shares with a buy back option after one year would be legal.
 - 6.1 One alternative approach addresses the "year ending" problem, by allowing active fishermen to lease their remaining shares once they have used some percentage, say 90%, of their quota.
 - 6.2 The prohibition on leasing may in fact be a strong incentive for inactive fishermen to sell their initial allocation of quota shares. Further incentives to sell inactive quota quickly may be desirable, such as a "use it or loose it" provision for owner who did not participate at all in the first two years, or an annual reduction in quota shares of, say 10%, if the owner did not participate in a given year.
7. **Three percent (3%) ownership cap.** The Council's intent for the cap is to limit control of the fishery by a small group of persons. However, it may be very difficult to meet this intent with a simple ownership cap. This is because ownership does not necessarily translate to control. For example, each member of a family of four could own up to 3% but the family operating as a single unit would control 12% of the TAC. Other similar approaches could easily evade the ownership cap. Further, there may be some questions as to the legality of an ownership cap. Another approach could be to limit the IFQs used by a single boat. This was the approach used in economic profit model in Appendix I.
8. **Sufficient IFQs for all fish landed on a trip must be available prior to the start of that trip.** This requirement is designed to prevent speculative fishing. Given, however, the uncertainties in longline fishing, fishermen are never certain how much fish will be taken in a set. Requiring sufficient IFQs to cover all landings prior to the start of the trip will encourage discard and highgrading. Adding to this problem is the prohibition on leasing which will prevent fishermen from acquiring small amounts of IFQs to make an additional trip profitable.
 - 8.1 Allowing overages of, for example, 1% of landings on a given trip would help to eliminate this problem, while still discouraging speculative fishing. Requiring overages

to be reconciled within a given time period, perhaps under penalty of revocation, would make this alternative more palatable.

9. **Council guidance concerning halibut bycatch, monitoring, and penalties.** NMFS will develop and implement necessary monitoring and enforcement systems if an IFQ system is approved. Different systems are possible and each could have different effects on the fishery and fishermen's flexibility. The Council may wish to comment on the trend they wish NMFS to follow when designing these systems.
 - 9.1 **Possibility of a race for halibut PSC.** The implementation of an IFQ system will allow fishermen to land sablefish throughout the year. However, if halibut bycatch is perceived as a limiting factor to the longline fishery a race for fish might still persist. There are several methods the Council might wish to deal with this potential race:
 - 9.1.1 The implementation of an IFQ system for halibut at the same time as one for sablefish would remove the imposition of a halibut PSC cap for hook-and-line gear. The current Council schedule allows for this if final Council action on halibut is not postponed past January and both systems become effective March 1, 1992.
 - 9.1.2 The halibut PSC cap could be increased by reducing the halibut available for the directed fishery and/or a strong incentive program could be used to reduce halibut bycatch rates.
 - 9.2 **Timeliness of landings reporting.** The current fish ticket system provides data to NMFS within several weeks. Efforts are currently underway to improve reporting speed. Without knowing how many IFQs are outstanding at any one time, NMFS enforcement would only be able to document the quantity of fish on a vessel or at a dock and do all other enforcement work after the fact. Illegal landings would be determined weeks or months later. The only method to obtain real time landings and IFQ data is through an electronic reporting system. Several electronic systems have been explored and it appears that they offer real advantages at relatively low cost. Enforcement may also wish to require processors to purchase only legal fish and therefore processors would demand the real time tracking possible with electronic systems.
 - 9.3 **Penalties for IFQ violations.** Since IFQs will entail a special harvest privilege, violations of the regulations might be considered particularly abhorrent. The Council may wish to suggest types of penalties that it believes are deserving such as temporary or permanent revocation of IFQs.

**Assistance for Economically Disadvantaged Fishing
Communities Under the Sablefish Management Plan**
(As approved in concept by the Council for further review)

In order to ensure that longline fishing vessels associated with eligible communities in Alaska, as designated, have reasonable access to and opportunity to develop substantial commercial fisheries under the authority of the Council, the Secretary may approve community development quotas in accordance with the following provisions.

1. The Governor of Alaska is authorized to recommend to the Secretary that a community within Alaska be designated as an eligible economically disadvantaged fishing community. To be eligible, a community must meet all of the following conditions:
 - (a) be located on the coastline at a site accessible to commercial fishing vessels and the sablefish fishing grounds;
 - (b) be unlikely to be able to attract and develop economic activity other than commercial fishing that would provide a substantial source of employment;
 - (c) have culturally and traditionally engaged in and depended upon fishing in the waters off its coast;
 - (d) have not previously developed harvesting or processing capability sufficient to support substantial participation in the commercial groundfish fisheries because of a lack of sufficient funds for investment in harvesting or processing equipment; and
 - (e) have developed a fishery development plan approved by the Governor that includes arrangement to: (1) acquire or contract with U.S. fishing vessels and U.S. processing plants for the development of commercial sablefish fishing based primarily in the community or region; (2) provide employment of persons in the community and otherwise contribute to the economic development and improvement of the community as a whole; and (3) provide sufficient financing to implement the plan successfully.
2. The Governor shall develop such recommendations in consultation with the North Pacific Fishery Management Council.
3. The Governor shall forward any such recommendations to the Secretary, following consultation with the Council. Upon receipt of such recommendations, the Secretary may designate a community as an eligible economically disadvantaged fishing community if:
 - (a) the community meets the criteria set forth in (1) above; and
 - (b) the Secretary finds that the State has reasonable assurances that sufficient financing and other arrangements will be available to implement the plan successfully.
4. Not more than a total of 4% of the fixed gear total allowable catch of sablefish each year, determined on a management area basis, may be utilized in aggregate by designated eligible economically disadvantaged communities. No community may be designated as an eligible economically disadvantaged community for more than 10 consecutive or nonconsecutive years.

Options for apportionment of Area IFQ to communities:

Bering Sea	10% of Area TAC
Aleutian Islands	10% of Area TAC
Western Gulf	10% of Area TAC
Central Gulf	5% of Area TAC
West Yakutat	1% of Area TAC
E. Yak./S.E. Outside	1% of Area TAC

Sablefish Implementation Schedule

1990

June 29 Final Council decision
July 31 Package forwarded for Secretarial review
November 5 Secretarial decision
December 18 End of APA cooling off period

1991

January Begin 120-day application period
 Begin developing administrative and monitoring systems
May End application period
August End 90-day notification period
November End 90-day appeals period

1992

January or
February Federal Register notice of TACs



PACIFIC STATES MARINE FISHERIES COMMISSION

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EXECUTIVE DIRECTOR
GUY N. THORNBURGH

April 12, 1990

INDIVIDUAL FISHING QUOTAS AS AN ACCESS MANAGEMENT ALTERNATIVE

FOR THE DEMERSAL SHELF ROCKFISH LONGLINE FISHERY OF S.E. ALASKA

(a report on fisherman workshops to assess interests and preferences)

Project purpose and procedure: Under federal Interjurisdictional Fishery Act funding, and in conjunction with staff members of the Alaska Department of Fish and Game and the Commercial Fisheries Entry Commission, the Pacific States Marine Fisheries Commission has carried forward the second year of fisherman workshops, to determine fishing industry preferences for improved management of the S.E. Alaska demersal shelf rockfish longline fishery. The first year workshops recommended significant regulatory changes (subsequently adopted by the Board of Fisheries) for reduced harvest guidelines, weekly trip limits, split fishing seasons, mandatory logbooks, and management by five regulatory areas. Workshop participants also recommended further exploration of some form of individual share quota system for controlling access to the fishery as a measure to maintain an economically viable fishery for the individuals involved.

The 1989-90 project has concentrated on this final recommendation. Fisherman and processor representatives from S.E. Alaska ports met for planning purposes in Juneau (June, 1989), and five port-area follow-up workshops were held on dates requested by local Fisheries Advisory Committees: in Pelican (Nov.3-4), Petersburg (Nov.6-7); Sitka (Nov.9-10); Ketchikan (Dec.4-5) and Craig (Feb.6-7).

These day-and-a-half local workshops addressed three primary objectives:

- 1) to develop a clear understanding among local participants of the purposes of an IFQ system; alternative measures which can be incorporated to accomplish management goals; and administrative and management requirements to make an IFQ system effective;
- 2) to learn local preferences among these alternatives; and
- 3) to determine local preferences and recommended next steps for future management--IFQs, status quo, or some other alternative.

Port Workshop preferences for future management regimes.

Petersburg, Ketchikan, and Craig: nearly all of the 39 fishermen and processors at these three workshops endorsed continuing efforts to develop an IFQ system for controlling access to the S.E. Alaska demersal shelf rockfish longline fishery.

Pelican fishermen preferred status quo for this fishery, even though some favored IFQs for other longline fisheries. Because Pelican has no local fresh fish market access, Pelican fishermen have no documented catch history as basis for IFQ qualification.

Sitka: This workshop was unproductive in achieving goals met in the other four. Local opposition to the concept, approach, and workshop leadership was organized in advance, and most of the approximately twenty fishermen attending the introductory session walked out before the planned discussions could take place. The workshop roster indicates twelve of those attending wished their strong opposition to be recorded against IFQs for the rockfish fishery. Individual comments indicated resistance to any further regulation of the longline fishery so long as trawlers have unregulated and unknown impacts on rockfish stocks; also a preference for status quo to assess the longer-term impacts of the 1990 regulatory changes.

Petersburg, Ketchikan, and Craig conclusions favoring an IFQ system.

Most participants at these three workshops believe that an IFQ system would permit individual fishermen to benefit economically by conferring an ability to choose time, place, and amount of gear to fish over an extended harvest period, taking into account personal convenience, maximum efficiency of harvest operations, weather conditions, preferred market options, etc. They believe this rationalization of choice would reduce gear losses and attendant wastage of fish. Based on experiences elsewhere, they believe reductions in fleet size would occur as marginal operators sell their quotas to more efficient fishermen. Their specific recommendations would appear to create an IFQ system with the following general characteristics:

1. keep the fishery under the control of working fishermen;
2. prevent unreasonable concentration of control in any single individual (through a cap on allowable IFQ holdings);
3. permit easy transfer of IFQs by sale, but with leasing more restricted; perhaps only to hardship cases;
4. apply IFQs to the rockfish complex as a whole, throughout Southeast Alaska as a unit (but still retain sub-area stock management through annual TAC limits);
5. allow legal landing of nominal inadvertent end-of-season overage beyond IFQ allowance, but with profit from overage transferred to the state for management uses in this fishery;
6. allocate initial IFQ levels based on the average of documented landings in recent years;
7. express IFQs as a percentage of the total allowable harvest; establish share units small enough for low-cost purchase;
8. accumulate catch data via fish tickets and buyer reports transmitted on a timely basis, using significantly enhanced electronic procedures and techniques;
9. consider a nominal (2-3%) landing tax to finance operations;
10. use private market resources to facilitate IFQ sales.

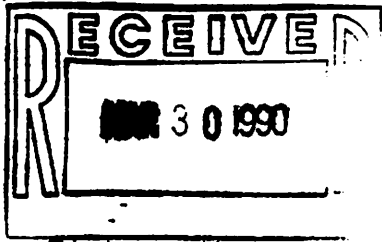
Rockfish IFQ proposal differences from Sablefish IFQ plan.

The Council may find certain of the preferred alternatives of the Petersburg, Ketchikan and Craig workshops useful to on-going considerations of IFQs for sablefish and other longline fisheries. To some extent, these differences reflect the character of the Southeast Alaska rockfish longlining fleet, which is mostly owner-operated, fishes relatively local waters, and necessarily delivers on a short-time basis (less than four days) to satisfy requirements of the fresh-fish market. Some differences also reflect the degree to which the workshops, with only the IFQ system design to review and evaluate, could concentrate on the need for most cost-effective implementation processes.

Rockfish workshop participants preferred the following IFQ provisions, different from those in the sablefish plan (parenthetical notes indicate apparent reasons):

- * assignment of IFQ's to fishermen, and requirement that the permit holder be aboard when fishing and off-loading operations take place (to keep fishery firmly under the control of working fishermen; avoid absentee ownership);
- * ready sale of IFQs, but severe restriction on leasing to hardship circumstances only (to prevent circumvention by leasing of the fisherman ownership emphasis; also to reduce administrative complications at end of season);
- * allow nominal (e.g., 5%) inadvertent end-of-season IFQ overage, but with profits going to the state for management purposes (recognizing difficulty in hitting IFQ limits precisely; also to avoid administrative complications of other adjustment processes; and to remove economic incentives to cheat);
- * use the existing fish ticket system for IFQ accounting, with processors licensed, and required to forward landings data promptly by electronic means, and with fish ticket management modified through appropriate programs for data accumulation, cross-checking, etc. (recognizing the need for any new system to be reasonably cost-effective, without major overburden of new funding, new administrative mechanisms, etc.

prepared for the Pacific States Marine Fisheries Commission by
John P. Harville, Rockfish Workshop Coordinator



SITKA, AK
March 27, 1990

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

Dear Council Members,

The Sitka Fish & Game Advisory Committee voted unanimously, (15-0), to send a letter to you requesting no action on rockfish Individual Fishing Quota's, (IFQ's), until another workshop can be held in Sitka. This is to give more time to search for other avenues of management for this fishery. At the last workshop held in Sitka fishermen were 100% opposed to IFQ's for rockfish.

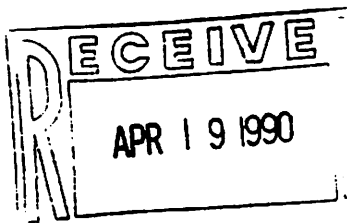
Fishermen in Sitka are upset at the writeup of the meeting in Sitka. It seems that the workshop staff looks at strong opposition to the proposed IFQ's as an unproductive workshop. It appeared to Sitka participants that the purpose of the workshops was to promote the IFQ management scheme. The council needs to know that there is significant, well thought out opposition to this management scheme for rockfish.

The advisory committee is requesting another workshop on rockfish in Sitka to look at several alternatives for conserving the resource and managing the fishery. We strongly request your support in delaying action on any IFQ proposal for rockfish until at least 1991. Please respond as this issue is of great concern to Sitka fishermen.

Sincerely,

Eric W. Jordan, Chairman
Sitka Fish & Game Advisory Committee

*Eric Jordan
103 Tibbison Place
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AGENDA C-6
APRIL 1990
SUPPLEMENTAL

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION
PO BOX 88
ST. PAUL ISLAND, ALASKA 99660
APRIL 18, 1990

Clarence Pautzke, Executive Director
North Pacific Fishery Management Council
605 West Fourth Avenue
Anchorage, Alaska 99501

Dear Mr. Pautzke,

These are the comments and recommendations of the Central Bering Sea Fishermen's Association on the proposed IFQ management regime for blackcod.

Please recall that in April, 1989, CBSFA proposed the Council allocate not less than 5% of Bering Sea groundfish TAC to vessels, facilities and entities based on the Pribilof Islands. This proposal has received no review or analysis, nor any regulatory review. Instead, we find a "conceptual program allocating to "Coastal Communities" 4% of BSAI and GOA fixed gear TAC, and a qualified program of fisheries entry to be split among eligible communities. For the Pribilofs, this is unacceptable.

It has been stated on occasion that the proposed IFQ system for sablefish will become a model for limiting access to other fisheries. We oppose an IFQ system which bars new entrants like ourselves to any fishery, especially in fisheries for which there is ample resources in the proximity of the Pribilof Islands. Our request for an allocation did not extend to the salmon fisheries, nor did we seek herring for our islands. Our communities were promised under the Fur Seal Act Amendments of 1983 the opportunity to develop fisheries based economies. These economies were to be based on Bering Sea resources. Major government investments and major investments from our own resources have been directed to accomplishing this objective. What we must have is access to those resources.

We do not hold anyone in particular responsible for an overcapitalized fishery. It is unfair and in contradiction to federal promises made to Pribilovians that we must stand by and watch resources around the Pribilof Islands disappear because our progress in developing fisheries capabilities has not kept up with other developments in the fishery at large. Our request for an allocation was made in recognition of this fact, and was meant to provide a means to assure our own rational development, at a pace that our communities can handle.

On St. Paul Island, which now has completed breakwater facilities, we have been successful in obtaining onshore investments in processing capacity. St. George Island may be a

year or so behind St. Paul. Now, even in its first year of limited operations, former joint venture vessels fishing for the community processing plant will be halted soon in fishing efforts due to bycatch closures brought on by an outside fleet fishing largely to the east of the Pribilofs, leaving nothing available for use in a local economy. While we are supportive of strict bycatch measures and clean fishing for purposes of conservation and preservation of longline and crab fisheries, the impact on our communities from large outside fishing vessels is obvious. We believe that a fair solution to the bycatch problem could be achieved by area preregistrations, and apportionment of bycatch limits to each vessel. This would encourage clean fishing, and those who are unable to do so would and should be required to cease fishing.

Our investments are just as substantial as those who own large factory vessels and claim a right to resource harvest by virtue of their investment. The fact that our investments have been made onshore, and that we choose sustained economic use of the resource, as opposed to a mass harvest derby approach, is based on the need for a year round long term economy for our islands. Our economies will not survive a management system that encourages short term exploitation and wasteful fishing and utilization practices.

The fact that early closures and shorter fishing seasons will negatively impact investments made on the Pribilofs, is exactly why we requested a separate allocation for Pribilof communities in the first place, as a means of obtaining the sustained access to the resources we must have for the economic development promised by the Fur Seal Act. To date, the NPFMC has not seriously considered our April, 1989 allocation proposal. To my knowledge it is not even writing about our proposal in its ongoing EIS effort on the broader allocation debate scheduled for discussion later this year. We would like to know why.

Aside from our own long term economic needs for resources to feed island based economies, the impacts of major factory trawl fisheries is coming into focus in a conservation light as well. We have a need on our islands for fishery resources that extends beyond 1995. Where will all the large vessels move after Bering Sea resources are depleted? Trading off long term management of renewable resources for short term profits is not in the best interests of serious fishermen, and certainly not in Pribilof long term interests. The situation developing in the Bering Sea is not unlike that in the Gulf of Alaska (Kodiak) as far as our islands are concerned. Perhaps we also should go to quarterly allocations of TAC in the Bering Sea. The Council should not wait until an emergency situation occurs before it takes action.


Concepts of coastal community quotas, or disadvantaged communities appear to us as hard to define and confusing concepts because they tend to isolate a part of the fishery resource and make it something entirely different and distinguishable from the

main debate over the resource, which all agree must be managed as a whole. These efforts tend to blur the real issue, which is finding some means of allocating use of a Bering Sea resource that has too many claimants, and preserving it over the long term. Our view is that, if anyone has a valid claim, we have one. That is why we seek a Pribilof allocation for our communities, or an onshore zone that ties resources to our communities in a similiarly effective manner.

Things are happening quickly in the Bering Sea fishery. We have strained our resources to stay abreast of Council activities in hopes that solutions will be found, which include in them our concerns for resource access by Pribilof communities. We formally request the NPFMC to review and take action on our proposal, or at least advise us why no action can be taken.

As always your cooperation is appreciated. We understand that staff resources are strained to the limit, and that you must deal with complex issues between every meeting. We, nevertheless, must know where we stand for the purpose of planning our future. Thank you for any assistance you can give us.

Sincerely,


Perfenia Pletnikoff, Jr.
President, CBSFA

COUNCIL ANNETTE ISLANDS RESERVE

TED A. LITTLEFIELD, SR., MAYOR
BEVERLY J. GUTHRIE, SECRETARY
GERALD M. MCINTYRE, TREASURER

ESTABLISHED 1887

METLAKATLA INDIAN COMMUNITY
P.O. BOX 8
METLAKATLA, ALASKA 99926
(907) 886-4411

April 17, 1990

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

RE: Sablefish-IFQs for 1991

Dear Mr Pautzke:

The Metlakatla Indian Community has reviewed your Sablefish IFQs regulations that are under consideration for implementation for 1991.

One regulation being considered is the allocation to economically disadvantaged coastal communities for sablefish fishery. The Metlakatla Indian Community supports this concept and would, for the record, request the North Pacific Fishery Management Council to set aside quotas to coastal communities that are economically disadvantaged.

The Metlakatla Indian Community is a coastal community with an economic base depended upon the fisheries available within Alaskan waters. Once a fishery becomes controlled by limited entry and quotas, we, as other Native communities find that permits and licenses are held by other than resident Alaskans as the cost to purchase licenses and IFQ's are prohibited due to financial costs of the licenses and permits once they are limited.

We thank the North Pacific Fishery Management Council for taking the time to enter the comments of the Metlaktla Indian Community in the sablefish IFQ alternative now under consideration at your meeting beginning April 23 at the Anchorage Hilton Hotel.

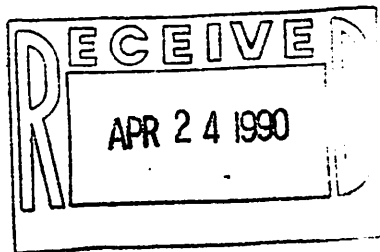
Sincerely,

METLAKATLA INDIAN COMMUNITY


Ted A. Littlefield, Sr., Mayor

TAL/ewg

RECEIVED
APR 20 1990



Anton T. Bowers
Box 1445
Sitka, Alaska 99835
April 18, 1990

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

Re: Sablefish Management

Gentlemen:

The Council is to be commended for covering such a vast uncharted area as the detailed management of sablefish in Alaskan waters at their January meeting. However, as is the case with most prototypes, the proposed management system is still flawed and some items may take years to fine tune.

The greatest and possibly the fatal flaw is that the proposed management system has no iron-clad method of insuring that the quota shares remain in the control of US citizens. A corporation which owns ifqs may have 100% of its stock held by US citizens, but if its source of capital is foreign it will, in fact, be controlled by those foreign sources. The whole raison d'etre of the MFCMA is to put the control and profits of US fisheries in the hands of US citizens. Unless you include stringent requirements concerning the ownership of these ifqs and enforce them, American sablefish will again end up controlled by the Japanese. The proposed definition of person is not adequate.

Another flaw, related to the above but perhaps not fatal, is the proposed leaseability of the ifqs after two years. If this is allowed, the ifqs will eventually end up in the hands of processors (probably Japanese owned processors) which will then lease the ifqs to the actual fishermen who will be required to deliver to the ifq owner with no way to negotiate the price. It will be a "company store setup and certainly not to the fisherman's benefit.

I suppose the idea of a portion of the ifqs being set aside for coastal communities is commendable in its generosity. But by the time the Council got around to discussing this item at its January meeting it was late Friday. The week had been long, the hour was late and the chairman had vowed to not run over into Saturday. When Mr. Mitchell led the discussion on this subject none of the other council members seemed to have the energy to delve very deeply into the issue. Mr. Mitchell continually referred to "a couple hundred tons" being set aside for coastal communities in his presentation. When he found no resistance to that, he embellished it with percentages of the TAC of each statistical area which, when broken down, would have amounted to about 1450 metric tons in 1989. You are proposing a cap of 4% of the total TAC which would have still amounted to 1050 metric tons in 1989.

Now this is a significant amount of the TAC for sablefish and deserves a lot more examination than was given it at the January meeting. For example: specifically which coastal communities are we talking about, is this for all coastal communities or just "disadvantaged" ones, what is the definition of disadvantaged, How do you arrive at the suggested TAC percentages, etc.

The fact is that none of the mainland Alaska villages above the Alaskan Peninsula is within 200 open Bering Sea miles of the sablefish grounds and most are over 300 miles. Sablefish is not a traditional fishery for any of these people and none of them have boats big enough to safely travel these distances and properly care for the fish. I can only think of 12 villages in the Aleutians, the Pribilofs, and on the south side of the Alaskan Peninsula west of Kodiak which are close enough to the grounds to fish sablefish with the same kind of boats presently being used to fish halibut from the Pribilofs and Atka and most of these towns are definitely not "disadvantaged."

So my suggestion is that the council table this idea for the moment but leave machinery in place so it can be inserted at a future time after facts and figures are known to properly examine it. Personally, I think the Council should not cloud the subject of sablefish management with porkbarrel welfare schemes like this but rather encourage creative funding for a separate agency to acquire ifqs and possibly a boat for qualifying communities to use. Then if they like the fishery they can use the money made while exploring it with the borrowed boat and ifqs to obtain their own. The separate agency could be state, regional native corporations, private or a combination thereof. the NPFMC is a management council - not a welfare agency.

There is one point in this management proposal which sticks in my craw and that is the breakdown for size classes. In deciding this one should consider the overall picture.

There is an existing observer program which requires full time observers on boats over 125 feet LOA and 30% observation on 60 to 125 feet. As presently proposed, boats 50 to 60 feet LOA while not required to have observers will receive ifqs which can be transferred to vessels up to 100 feet. I think the same size classifications should be used on both the observer program and ifq transfers. However, I think the classifications should break at 56 feet and 100 feet. I choose 56 (or perhaps 55) feet because:

- 1) The modern Alaska Limit seine boat is within a millimeter of 58 feet long with a beam of 20 to 24 feet and deep draft. It was designed to be short and spacious. It is relative stable, has a long afterdeck and makes a good longline platform. It sleeps six to eight people comfortably and carries enough fuel for long trips. In comparison the Alaskan seiner built before the 58 foot rule is somewhat shorter than 58 feet, has a much

narrower beam, i.e. probably of wood construction and its living quarters are cramped. The newer limit seiners have more hold capacity and living space than many 60-70 foot boats and should be included with the medium size boats for observer and ifq transferring considerations. On the other hand the older (and smaller) seine boats should be included with the small boat fleet for both observer and ifq transfers. By putting the classification break at 56 feet the newer and bigger seiners will be above the break while older seine boats will be below it.

2) Using the IFQ percentages from Table A of the C-5 supplemental from the January Council meeting and the fixed gear sablefish quotas for the various areas in 1989 I find that:

- boats under 50 feet would have 31% of the quota
- boats 50-60 feet 21%
- boats 60-100 feet 39%
- boats over 100 feet 9%

Breaking down the 21% for the 50-60 foot boats I am estimating that boats ~~over~~ 56-60 feet would get 14 % and boats 50-56 feet would get 7 %. This then would give:

- boats under 56 feet 38% of the quota
- boats 56-100 feet 53%
- boats over 100 feet 9%.

Thus insuring an ample ifq pool (53%) in the medium size boat range all the while keeping a viable small boat fleet. Keeping the longline boats at their traditional size of under 100 feet will also help retard the overcapitalization which has plagued the trawler fleet.

Newer Alaska Limit Seinners are designed to get around the 58 foot rule and for the council to also allow them to fish without observers is to further their history of thumbing their noses at regulations that the rest of us live by. These boats in particular are the ones you should be targeting your observers on.

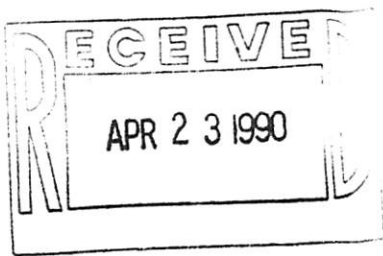
method

The Council must adopt a management ^{method} now and since ifqs are the only management system under consideration then that's the one it's got to be. Fishing effort in the sablefish fishery is growing like a cancer out of control. Radical surgery is indicated. If you don't hurry up and do it you are going to lose your sablefish patient just like you let your halibut patient die. 28 people died in alaskan fisheries last year, 39 died in 1988 and 33 in 1987. A substantial number of these died in longline fisheries where, in order to fish at all, they found themselves in weather they would ^{have} opted out of had they any choice of when they fished. Those deaths are a direct result of the North Pacific Management Council's failure to properly manage these fisheries. It is something you have the opportunity to correct. It should be corrected now.

Sincerely yours,

Anton Bowers

Anton Bowers



AGENDA C-6/D-3(a)
APRIL 1990
SUPPLEMENTAL

NORTH PACIFIC

NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL

DEAR PEOPLE,

BYCATCH

The worlds greatest concentration of halibut lies off the east side of Kodiak Island. 1990 will be the largest bycatch year ever. American, Danish, Norwegian, Japanese Factory trawlers will be responsible for the largest bycatch in history. To prevent the collapse of the halibut fishery enact a CLOSURE TO HARD ON BOTTOM DRAGGING IN AREAS OF HALIBUT ABUNDANCE. There is already an inshore closure.. This closure should remain until a plan can be worked out to reduce bycatch 90%. About 50% of my income is from halibut fishing I am tired of the greed mongers destroying the resource will we contemplate our option. Hey its been 13 years since the Magnuson act, things are getting worse.

SHARE QUOTA

I have been fishing in federal waters for 20 years. I fought for the 200 mile limit in the early 70's (It was Russian factory trawlers then) I have been mostly crewing and running other peoples boats. I finally saved enough to have a boat built next year. I have a wife and three children to support. Living on an island in the north pacific our options are limited. we do not have a company like Boeing to take care of us. I cannot afford to retire in Halibut Cove with Clem and Jim. I do not have the capital of a Reverend Moon so I would be locked out.

SHARE OF WHAT QUOTA: If current bycatch trends continue by factory longliners and trawlers there will not be enough quota for directed halibut and black cod fishing. Stop wasting precious time on a share quota plan that is doomed anyway.

SINCERELY YOURS,

Operator F/V MIRANDA ROSE