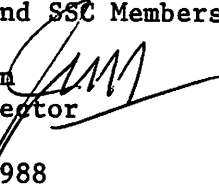


M E M O R A N D U M

TO: Council, AP and SSC Members

FROM: Jim H. Branson 
Executive Director

DATE: January 15, 1988

SUBJECT: Sablefish Management

ACTION REQUIRED

- (a) Review draft report on access limitation alternatives and approve for use in public workshops.
- (b) Review and approve proposed schedule for further work on sablefish management.

BACKGROUND

- (a) Attached is the staff report on license limitation and ITQ options for the sablefish fishery. If the Council approves, the report will be used in the sablefish management workshops.
- (b) As related to the Council December, John Harville has been retained to lead public workshops on sablefish effort management. These workshops will be held in Seattle, Petersburg, Sitka, Homer and Kodiak in February and March and will follow the general outline that appears below.

Outline for Sablefish Management Workshops

Day 1: Afternoon General Session.

- I. NPFMC Welcome and Definition of Purposes
- II. Overview
 - A. Status of Sablefish fishery
 - 1. Trends in effort, harvests, season length, etc.
 - 2. Industry call for effort management
 - 3. Relevant results of Dittman survey
 - 4. Other??
 - B. Alternative mechanisms for effort management
(contrasting summary only)

III. Detailed Description of Alternative Effort Management Schemes

- A. License Limitation
 - 1. How it has worked
 - 2. How it could be applied to the sablefish fishery
 - 3. Problems to be considered
 - a. initial entitlement criteria
 - b. mechanisms for determining entitlements
 - c. application to vessels or fishermen?
 - d. transferability
 - e. other??
 - 4. Questions for clarification/further explanation

- B. Individual Transferable Quotas (ITQs)
 - 1. How applied in New Zealand, Australia, etc.
 - 2. How it could be applied to the sablefish fishery
 - 3. Problems to be considered:
 - a. initial allocation of shares
 - b. mechanisms for determining entitlements
 - c. alternatives for management--governmental, private sector, mechanisms for lease, sale, etc.
 - d. other?
 - 4. Questions for clarification/further explanation

IV. Summary and Outline of Plans for 2nd Day

(Overnight opportunity for reading material, further study of alternatives, small group discussions, preparation for 2nd day.)

Day 2: Morning Discussion Groups - (15-25 persons).

- V. Group of the Whole: Overview of Procedures & Timetable

- VI. Discussion Groups in Session, each with a Moderator and Recorder, following prepared outlines of questions and discussion topics.

Lunch break, during which Moderators and Recorders meet to develop a synthesis of separate discussions.

Day 2: Afternoon General Summary Session.

- VII. Reports of Recorders, emphasis on
 - A. Areas of agreement/consensus
 - B. Areas of non-agreement, with rationale for positions

VIII. Discussion of Report Results

- A. Agreement on consensus areas;
- B. Clarification of alternative positions in areas of non-agreement;
- C. Sense of the meeting, re: three alternatives:
 - 1. no action (status quo)
 - 2. preference for license limitation (type specified)
 - 3. preference for ITQ system (characteristics specified)

The proposed schedule for Council consideration of management alternatives in the sablefish longline fishery is as follows:

February-March 1988	Workshops in Seattle, Petersburg, Sitka, Homer and Kodiak.
April 11-15, 1988	Council reviews report from workshops and selects a set of management options for further analysis and public review.
June 20-24, 1988	Council reviews report on selected options and adopts preferred management method.
June 25-July 31, 1988	Plan teams and Council staff prepare further analysis on preferred management method. Analysis released for public review. Analysis of impacts on individual fishermen may be prepared by Alaska CFEC and mailed to fishermen.
September 26-30, 1988	Council takes final action and FMP amendment process, if necessary, begins.

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License Limitation and Individual Transferable Quotas
for the
Alaska Longline Sablefish Fishery

Ron Miller
Dick Tremaine
Discussion Paper 88-1
North Pacific Fishery Management Council
January 1988

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INTRODUCTION

By adopting its Statement of Commitment at the September 23-25, 1987 Council meeting, the North Pacific Fishery Management Council committed to developing strategies for license limitation and individual transferable quotas in the sablefish longline fishery. The Council intends final implementation of the selected management strategy for the 1989 season.

Since September, Council staff has developed basic structures for sample license limitation and individual transferable quota systems. The full analysis of any limited access system requires the ability to accurately anticipate individual and group decisions. It is also necessary to collate and analyze data concerning the numbers of boats and fishermen involved, pounds and value of the landings, cost of vessel operations, etc. While many of the data requirements are achievable it is not possible to determine, in anything but qualitative terms, what the behavior of boat owners, fishermen and processors will be. Not only does this hinder the analysis of a limited access system, it precludes a quantitative analysis. With this caveat in mind, general descriptions follow of the sablefish longline fishery and potential license limitation and share quota systems.

This paper should be read in conjunction with North Pacific Fishery Management Council discussion paper 87-1, "Limited Access in Alaskan Fisheries: Some Options."

The number of vessels landing sablefish in the Alaska EEZ longline fishery from 1975 through 1987 is shown in Table 1. Figure 1 depicts the number of active vessels relative to the duration of the season for much of the same period. Not all vessels permitted to fish with longlines in the Alaska EEZ do so for sablefish. The potential active fleet size, based on federal permits, from 1981 through 1987 is presented by length, tonnage, and state of residence in Table 2. The vessels from 1986 and 1987 are shown by harvester and harvester/processor in the same categories in Table 3.

SABLEFISH LICENSE LIMITATION

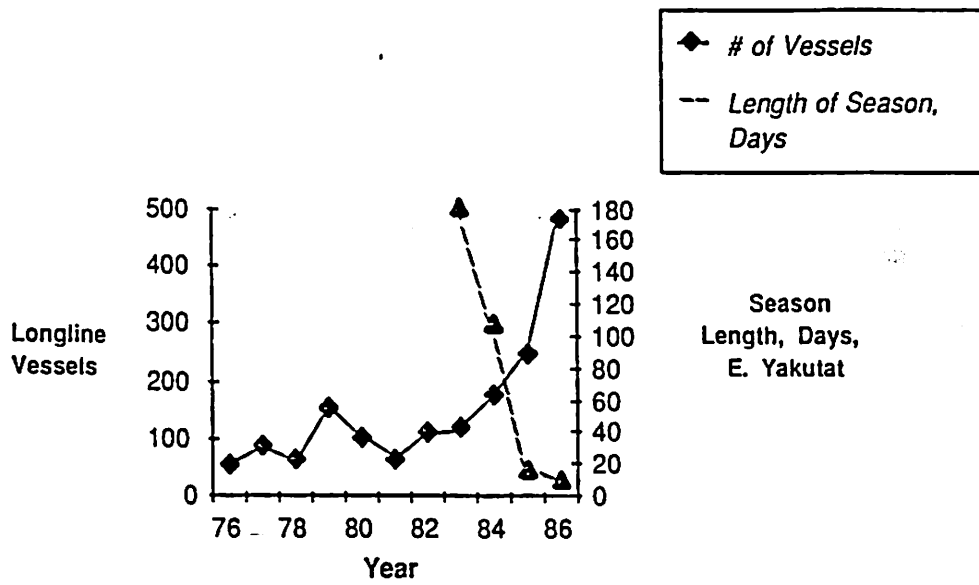
This section reviews fundamental considerations that would be before the Council should it choose to limit access in the sablefish longline fishery through license limitation. Subsequent to the initial decision to limit entry, the issues that must be decided relate to the number of permits, permit recipients and permit conditions. In the summary of this section, three possible permit systems are discussed.

Number of Permits

Once the decision has been made to implement license limitation in the sablefish longline fishery in the Alaska EEZ the next step would be to decide the number of permits for issuance. Other actions, such as determining eligibility criteria will, in large part, be ancillary to establishing the maximum number for licenses.

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FIGURE 1 : Gulf of Alaska Sablefish Fishery



Source: Dr. J. Harville

Table 1

Number of sablefish longline vessels participating
in the Alaska EEZ, 1975-1987.

Year	Number of Vessels
1975	67
1976	59
1977	84
1978	61
1979	152
1980	96
1981	61
1982	104
1983	112
1984	170
1985	227
1986	445
1987*	628

Note: 1987 data is preliminary.

Source: Commercial Fisheries Entry Commission, State of Alaska.

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Table 2

Number of federal longline permits issued by vessel length, vessel tonnage, residence, and year, Alaska EEZ Total, 1981-1987.

		Year						
		81	82	83	84	85	86	87
Length	0-60 ft.	125	136	218	599	780	846	1,234
	60-85 ft.	19	25	41	76	87	109	144
	86-110 ft.	3	6	8	16	20	32	46
	111-135 ft.	1	2	2	4	4	4	8
	136-160 ft.	0	0	1	1	1	0	1
	161-200 ft.	0	0	0	0	0	0	0
	201 + ft.	0	0	0	0	0	0	0
	ALL	148	169	270	696	892	991	1,433
Tonnage	0-5 tons	18	21	29	196	238	190	243
	6-15 tons	40	43	78	191	256	294	413
	16-30 tons	52	56	85	160	200	250	393
	31-70 tons	30	38	60	106	140	181	263
	71-130 tons	7	9	12	27	39	52	78
	131 + tons	1	2	6	16	19	24	43
	ALL	148	169	270	696	892	991	1,433
Residence	Alaska	110	120	199	574	756	830	1,176
	Washington	33	42	60	103	115	124	208
	Oregon	3	3	6	10	12	29	39
	Other	2	4	5	9	9	8	10
	ALL	148	169	270	696	892	991	1,433

Source: Based on data from Federal Registration File, National Marine Fisheries Service, Alaska Region.

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Table 3

Number of federal longline permits issued by vessel length, vessel tonnage, residence, year, and vessel purpose, Alaska EEZ Total, 1986-1987.

		1986		1987	
		Harv. Only	Harv/ Proc.	Harv. Only	Harv/ Proc.
Length	0-60 ft.	672	174	1,078	156
	60-85 ft.	86	23	111	33
	86-110 ft.	25	7	34	12
	111-135 ft.	2	2	2	6
	136-160 ft.	0	0	0	1
	161-200 ft.	0	0	0	0
	201 + ft.	0	0	0	0
	ALL	785	206	1,225	208
Tonnage	0-5 tons	157	33	218	25
	6-15 tons	232	62	353	60
	16-30 tons	198	52	348	45
	31-70 tons	140	41	223	40
	71-130 tons	42	10	62	16
	131 + tons	16	8	21	22
	ALL	785	206	1,225	208
Residence	Alaska	667	163	1,014	162
	Washington	86	38	167	41
	Oregon	25	4	35	4
	Other	7	1	9	1
	ALL	785	206	1,225	208

Note: Harvester/processors include heading and gutting, filleting, and freezing.

Source: Based on data from Federal Registration File, National Marine Fisheries Service, Alaska Region.

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There are two approaches that could be taken to this issue: freezing harvest effort at a level tied to a specific point in time, or determining the optimum number of units of gear for the fishery and then issuing only that number of licenses. The former method includes all current participants and could reduce the potential opposition to implementation. The latter system excludes participants and would face more opposition than the former, but may also provide a method of rationalizing the fishery. To freeze the fleet or number of participants at a specific size such as the number of vessels or fishermen that fished in 1987 or before the September 26, 1985 cut-off date, the Council need only implement a moratorium that would prohibit the commercial harvest and sale of longline caught sablefish by a vessel, or person, unless that vessel, or person, had lawfully harvested and sold sablefish in the Alaska EEZ during 1987 or before the cut-off date. This would be a relatively simple method of permit issuance, but would do nothing to address problems in the fishery such as contracting seasons.

If the decision were to issue permits to all vessels with sablefish longline landings from the Alaska EEZ between January 1, 1987 and December 31, 1987, 628^{1/2} permits could be issued. If the Council wished to issue permits to fishermen with recorded participation before the September 26, 1985 cut-off date, at least 599^{2/7} permits could be issued. These examples are discussed further in the summary.

In implementing license limitation the Council may choose as a goal the extension of the season over a longer period of time than the 1985 or the 1987 seasons. The Council may also wish to provide opportunities for those who remain in the fishery after license limitation to realize maximum benefits from the harvest and sale of sablefish. Such decisions would, necessarily, require the Council to determine the optimum harvest level and issue the number of permits reflective of that level. In such an instance, the number of permits would probably be below the current number of licenses and would require exclusion of some fishermen. Stricter eligibility criteria would be required than for a simple moratorium.

Eligibility could be based upon such criteria as the number of years in the fishery, investment in the fishery, economic dependence on the fishery, participation in other fisheries, and social or cultural dependence on the fishery. These criteria may be considered alone or in any combination.

Data is provided below to give the Council some indication of the possible size of the sablefish longline fleet should licenses be issued based upon consideration of the number of years in the fishery. Assuming the Council used September 26, 1985 as the cut-off date for participation credit, Table 4 reflects the number of fishermen and Table 5 the number of vessels eligible for permits if the Council based eligibility solely on participation during specific years over the period 1975-1985.

Table 4

ALASKA EEZ LONGLINE SABLEFISH FISHERY
1975-1985
NUMBER OF UNIQUE PARTICIPANTS BY TIME PERIOD

<u>Time Period</u>	<u>Number of Participants*</u>
1985	246
1984 through 1985	322
1983 through 1985	361
1982 through 1985	396
1981 through 1985	411
1980 through 1985	444
1979 through 1985	516
1978 through 1985	529
1977 through 1985	561
1976 through 1985	581
1975 through 1985	599

Source: Commercial Fisheries Entry Commission

*The number of fishermen with at least one legal landing in the fishery during the relevant time period.

Table 5

ALASKA EEZ LONGLINE SABLEFISH FISHERY
NUMBER OF UNIQUE VESSELS BY TIME PERIOD*
1975-1985

<u>Time Period</u>	<u>Number of Vessels*</u>
1985	227
1984 through 1985	302
1983 through 1985	341
1982 through 1985	378
1981 through 1985	397
1980 through 1985	431
1979 through 1985	505
1978 through 1985	516
1977 through 1985	549
1976 through 1985	573
1975 through 1985	590

Source: Commercial Fisheries Entry Commission

*The number of vessels with at least one legal landing in the fishery during the relevant time period.

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Another method of reducing effort to an optimum level may be to initially issue permits to all those with a history of participation in the fishery, establish an optimum number of permits for the fishery, and institute a buy-back program that would reduce the number of permits to the optimum level. Buy back could be funded by the government or the fleet. It is unlikely that federal funds would be available for fleet reduction in the foreseeable future.

Administrative Appeals

In determining eligibility criteria for license limitation, or any other form of access controls, consideration must be given to the matter of administrative appeals. Neither the Council nor NOAA has budgetary, or personnel resources, to conduct a large number of administrative appeals by those excluded under a sablefish access limitation scheme.

In recognition of these fiscal limits, the Council's proposed halibut moratorium in 1983 contained no appeals provision. The reason for this was that eligibility for inclusion under the moratorium was based upon "legislative" facts rather than "adjudicative" facts. Trial-type hearings are not required when the dispute concerns only legislative facts. Eligibility for participation during the halibut moratorium was based on the legal harvest and commercial sale of halibut, and the legal reporting of the sale, at any time between January 1, 1978 and December 31, 1982. The only question to be decided regarding a particular applicant was whether that person fished during the five-year base period. If they legally harvested and sold halibut and reported the sale during the period in question they were included under the moratorium; if they did not, they were excluded. Nothing would have been accomplished by conducting an administrative hearing for someone with no documented history of legal harvest and sale during the relevant period. Legal harvest and sale, and reporting the sale were legislative facts supported by official records.

Examples of adjudicative facts included as eligibility criteria in a limited entry system may be found in the first salmon and herring fisheries the State of Alaska placed under limitation. That system allowed applicants to claim participation credit if they had been prevented from fishing by "unavoidable circumstances" or circumstances beyond their control. An unavoidable circumstance is an adjudicative fact, a question of "who, what, when, how and why" relating to a specific fisherman. Claims of unavoidable circumstances gave rise to a substantial portion of the administrative hearings the Alaska Commercial Fishery Entry Commission has held since 1974. Often the only evidence offered in support of an unavoidable circumstance, or any adjudicative fact, is oral testimony.

Permit Recipients

Integral to establishing the appropriate harvest level under a license limitation system is deciding whether that level should reflect a certain number of fishermen or vessels. Issuing permits to longline fishermen with recorded sablefish landings in their own name would be easier administratively than permitting vessels since the landing records for individual fishermen are more complete than those for vessels and vessels may have sunk or otherwise been removed from the fishery; however, issuing to individual fishermen may

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actually result in an expansion in the number of units of gear since multiple fishermen may have recorded landings on the same vessel during the eligibility period. A comparison of Tables 4 and 5 demonstrates this point.

Issuing licenses to fishermen may also seem to disenfranchise vessel owners who leased their vessels on a share basis, or hired skippers to operate the vessels. Issuing a permit to the skipper in those instances could be viewed as rewarding the employee of the owner while the owner bore the greater financial risk.

Permitting vessels may be difficult if a boat has sunk or been scrapped. There may also be problems in the case of multiple vessels owned by the same owner, be it an individual, partnership or corporation. Section 301(a)(4) of the MFCMA states in part, "If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be . . . (C) carried out in such a manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges." (emphasis added) No definition is provided in the Act for "excessive share" but a limit on multiple license ownership must be considered by the Council before implementing license limitation.

There is precedent for issuing limited entry licenses to vessels under the MFCMA. The mid-Atlantic surf clam fishery was placed under license limitation in 1977 with permits issued to the vessel. See 50 CFR §652.4(b)(1).

Permit Conditions

A. Transferability. In many discussions of access limitation, objections are raised to the possibility that fishermen initially issued limited licenses are recipients of government-created wealth if the permits are freely transferable. It is often proposed that permits should be nontransferable and should be returned to the issuing authority for subsequent reissue should the permit holder die or retire from the fishery. The issue of transferability requires a balancing of equity and administrative considerations. Should fishermen be rewarded for the number of years they have spent in the fishery much in the same manner as homesteaders are rewarded with transferable title after proving up their claim? Would a fisherman who wished to retire from the fishery be able to receive fair market value for his vessel if he were not able to sell a permit in conjunction with the vessel? Should the marketplace decide who replaces a fisherman in the fishery or should it be a government agency?

A system with freely transferable permits would be easier to administer than one with nontransferable permits. With the marketplace deciding who receives a freely transferable permit after initial issuance, the management agency need only oversee the transfer to ensure official records of ownership are properly maintained and the MFCMA's mandate against ownership of an excessive share of fishing privileges is met. Should permits be nontransferable and revert back to the issuing agency, for subsequent reissue, the agency would be required to maintain an application review and permit issuing process for the entire life of the program.

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B. Vessel Size-Specific Licenses. Because a license limitation system alone may not prevent expansion in overall harvest capacity, some consideration may be given to issuing licenses that are vessel size-specific.

Such a system may slow down the growth in effort after access limitation, but would not prevent overcapitalization in gear or other vessel improvements. If the permits were freely transferrable, the management authority would also be required to inspect the transferee vessel to ensure compliance with the size restrictions. A similar review and inspection process is required of NMFS by the mid-Atlantic surf clam limitation program for permits transferred from vessels which involuntarily leave the fishery.

C. Area-specific Licenses. Another method of addressing the expansion of effort subsequent to license limitation would be to issue area-specific licenses. As an example, those that fished only in the eastern Gulf of Alaska would be issued licenses for that area and could not fish in other areas unless they acquired the appropriate licenses. The cost of expanding an individual harvest effort into other areas could be substantial since separate licenses would have to be purchased for each intended target area.

A vessel size specific system was proposed by the Fishing Vessel Owners' Association (FVOA) and supported by other fishing groups. This system is discussed in the summary.

Pros/Cons of License Limitation

License limitation systems, generally, may be the most acceptable form of access limitation to the industry because it is similar to the present system of management in most fisheries in this country, i.e., the licensing of fishermen and/or vessels. It is also a known entity in this region because of limitation programs in Alaska and Washington State. Enforcement of a permit system is relatively straightforward. The "tracking system" necessary for a share system would not be required for permits.

License limitation in conjunction with inefficiency regulations, i.e., gear and vessel restrictions, may slow down overcapitalization but would not prevent an expansion of harvest capacity at the individual level. Consequently, a fishery under license limitation would still be subject to the "race for fish" common to open fisheries.

Fixing the fleet size or the number of participants at current levels avoids the immediate social and political problems of fleet reduction. Including all current participants in a license participation program reduces the number of opponents that could lobby against the program's implementation, but would do nothing to halt the contraction of season or to rationalize product flow to markets. Subsequent fleet reductions may be beneficial but would require funding by the government or the industry.

An example of a sablefish fishery under license limitation that is still experiencing contracting seasons is the British Columbia sablefish fishery. That fishery was placed under license limitation in 1979 when 48 transferable licenses were issued. The following table reflects the fishery profile over the latest five year period for which participation data is available.

Table 6

BRITISH COLUMBIA SABLEFISH FISHERY
1982-1986

<u>Year</u>	<u>Season Length (days)</u>	<u>Active Vessels</u>	<u>TAC (mt)</u>	<u>Catch (mt)</u>
1982	203	22	3,500	4,027
1983	149	23	3,500	4,402
1984	181	20	3,500	4,009
1985	98	28	4,000	4,180
1986	64	39	4,000	4,460

Source: Canada Department of Fisheries and Oceans.

SUMMARY

EXAMPLE 1. Transferable licenses issued to vessels with participation in 1987 - 628 permits could be issued.

Eligibility. A vessel is eligible for a permit to harvest sablefish with hook and line gear in the EEZ off Alaska if that vessel lawfully harvested and sold sablefish from those waters between January 1, 1987 and December 31, 1987. Permits will be issued by the Alaska Regional Director, NMFS (Regional Director) upon the receipt of a completed application submitted by the owner of an eligible vessel during the specified application period.

Permit Conditions. A permit to harvest sablefish with hook and line gear in the EEZ off Alaska may be transferred between vessels provided the owner of the transferee vessel does not already own such a permit. Permit transfers are to be completed through the office of the Regional Director on forms provided for that purpose.

Appeals. Any applicant denied a permit or a transfer by the Regional Director may appeal in writing to the Assistant Administrator for Fisheries, NOAA, for a review of the denial. The decision of the Assistant Administrator will be the final decision of the Department of Commerce.

EXAMPLE 2. Transferable permits issued to fishermen with participation at any time between 1975 and the September 26, 1985 cut-off date - 599 permits could be issued.

Eligibility. An individual is eligible for a permit to harvest sablefish with hook and line gear in the EEZ off Alaska if that person lawfully harvested and sold sablefish from those waters any time between January 1, 1975 and September 26, 1985. Permits will be issued by the Alaska Regional Director, NMFS (Regional Director) upon receipt of a completed application submitted by an eligible individual within the specified application period.

Permit Conditions. A permit to harvest sablefish with hook and line gear in the EEZ off Alaska may be transferred between individuals provided the proposed transferee does not already own such a permit. Permit transfers are to be completed through the office of the Regional Director on forms provided for that purpose.

After the date of implementation of the permit program, a permit holder must be on board each vessel engaged in the harvest and sale of sablefish with hook and line gear in the Alaska EEZ.

Appeals. Any applicant denied a permit or a transfer by the Regional Director may appeal in writing to the Assistant Administrator for Fisheries, NOAA, for a review of the denial. The decision of the Assistant Administrator will be the final decision of the Department of Commerce.

EXAMPLE 3 - FVOA Proposal. The basic components of the FVOA proposal are:

1. Two-year nontransferable permits issued to those with participation in the fishery for the first time in 1987.
2. Transferable permits issued to longline vessels with a record of a minimum number of pounds of sablefish landed in 1985 or 1986. (FVOA did not specify the minimum poundage.)
3. The transferable permits are classified as follows:

Class A Licenses - Vessels less than 20 gross registered tons (grt).
Class B Licenses - Vessels at least 20 grt but less than 35 grt.
Class C Licenses - Vessels at least 35 grt but less than 70 grt.
Class D Licenses - Vessels 70 grt and over.
4. After implementation, two "A Licenses" could be used to introduce a "B" class vessel into the fishery in lieu of a "B" license, two "B Licenses" would qualify a "C" class vessel and two "C" licenses could qualify a "D" class vessel.

Under FVOA's proposal 341^{3/} two-year nontransferable licenses could be issued. The proposal does not specify a minimum tonnage, but the number of unique vessels with a record of participation at some time in the fishery during the period 1985-86 is 504. The numbers of vessels by individual category eligible for transferable permits appear below:

Table 7
ALASKA EEZ LONGLINE FISHERIES
NUMBER OF VESSELS, BY GROSS TONNAGE, WITH LANDINGS IN 1985 OR 1986

<u>Vessel Gross Tons Category</u>	<u>Number of Vessels</u>
Unspecified gross tons	51
01 to 19 gross tons	87
20 to 34 gross tons	105
35 to 69 gross tons	153
70 or more gross tons	<u>108</u>
Total	504

Source: Commercial Fisheries Entry Commission

Assuming, for the sake of example only, the landing threshold was 1,000 lbs. in 1985 or 1986, the following number of permits could be issued:

Table 8
ALASKA EEZ LONGLINE FISHERIES
NUMBER OF VESSELS, BY GROSS TONNAGE,
WITH LANDINGS OF 1,000 POUNDS OR MORE IN 1985 OR 1986

<u>Vessel Gross Tons Category</u>	<u>Number of Vessels</u>
Unspecified gross tons	45
01 to 19 gross tons	71
20 to 34 gross tons	95
35 to 69 gross tons	145
70 or more gross tons	<u>102</u>
Total	458

Source: Commercial Fisheries Entry Commission

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The 1,000 lb. minimum landing requirement in 1985 or 1986 would reduce the number of eligible vessels by 46 (504-458). The number would be further reduced by requiring minimum landings in both 1985 and 1986. Two examples follow:

Table 9

ALASKA EEZ LONGLINE FISHERIES
NUMBER OF VESSELS, BY GROSS TONNAGE,
WITH LANDINGS OF 1,000 POUNDS OR MORE IN 1985 AND 1986

<u>Vessel Gross Tons</u> <u>Category</u>	<u>Number of Vessels</u>
Unspecified gross tons	9
01 to 19 gross tons	18
20 to 34 gross tons	35
35 to 69 gross tons	60
70 or more gross tons	<u>33</u>
Total	155

Source: Commercial Fisheries Entry Commission

Table 10

ALASKA EEZ LONGLINE FISHERIES
NUMBER OF VESSELS, BY GROSS TONNAGE, WITH LANDINGS
OF 5,000 POUNDS OR MORE IN BOTH 1985 AND 1986

<u>Vessel Gross Tons</u> <u>Category</u>	<u>Number of Vessels</u>
Unspecified gross tons	5
01 to 19 gross tons	9
20 to 34 gross tons	26
35 to 69 gross tons	57
70 or more gross tons	<u>32</u>
Total	129

Source: Commercial Fisheries Entry Commission

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SABLEFISH SHARE QUOTAS

Share quota systems are used by several nations including EAs (enterprise allocations) in the eastern Canadian groundfish fishery, vessel quotas in the Icelandic demersal fishery, and ITQs (individual transferable quotas) in the New Zealand groundfish and Australian tuna fisheries. These systems have minimized or eliminated the "race for fish" associated with open access fisheries but have not solved all of the management problems of the fisheries. The systems may promote highgrading and discard of the bycatch and each one has other, system specific problems.

Any share quota system chosen for the sablefish longline fishery would share many similar impacts. This section deals with these impacts while plan specific impacts will be discussed with each example. Due to the data constraints and the uncertainty involved, as noted earlier, it is not possible to quantify these changes.

General Benefits and Costs

A share quota system for longlined sablefish would be expected to have the following advantages over the present system of open access (status quo): stop the race for fish with its associated problems of gear loss, fish wastage, short openings, pressure to fish in adverse weather conditions, and processing bottlenecks; increased data reporting; reduced enforcement costs in some areas such as at-sea enforcement; and allow for innovative technological advances without putting pressure on the stocks. It would generally have the following disadvantages over the present system of open access: administrative costs would increase an unknown amount; some enforcement costs dockside and record checking would increase; and highgrading of catch would waste fish.

The overall effect of a share quota system would be to decrease the effort, specifically the number of boats and fishermen, involved in longlining for sablefish over time (holding the TAC constant). This would free capital and labor resources to be used elsewhere in the economy. Another effect would be the reduced local spending by these surplus units for goods and services now purchased.

As these extra resources of capital and labor were redistributed in the economy the marginal cost of producing longline caught sablefish would decrease. Under normal circumstances, such a reduction in marginal costs would result in increased entry. However, since entry would be restricted to fishermen able to acquire quota, the level of new entry would be less in this case. Instead, the profits of individual operations would increase. As these profits increased, the individual fishermen would make decisions concerning whether or not they wished to catch more sablefish (acquire more quota), fish for other species (acquire more gear), invest in other business enterprises, or have more leisure time (spend more money on secondary services).

The effect of the redistribution of the capital and labor referred to above would be felt in the communities and ports which service and supply the fishing vessels. The decreased expenditures on sablefish fishing might be offset by increased spending on other fisheries. To the extent that this is not the case, the expenditures would be spent elsewhere in the economy in different business ventures. Likewise, the labor force would be dispersed.

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Since many of the fishermen are from populous areas such as the greater Seattle area they would have a larger job market to enter than would those living in remote towns. It is expected that the effect of an increase in the available labor supply would be small (provided that there was equilibrium between the areas in terms of the number of people who cease fishing).

Such a system would enable processors to reduce the rush now experienced during the limited fishing season. Since the fish could be caught at almost any time during the year the processors would probably not be required to hire extra workers or work existing workers overtime. These reductions in labor would reduce the processing costs and free investments for elsewhere. Processing workers might work the same number of hours but receive less wages (reduced overtime) or, more likely, work less overtime hours but be more productive during periods which are currently slow. The result would be less wages for workers and a small potential decrease in their number but more stable employment for those working.

The main market for sablefish is Japan, estimated by some in the industry to be about 90% of the Alaska harvest. Analysis of the Japanese market (Jacobson, 1982)^{4/} indicated that the price of sablefish was more responsive to Japanese consumer income and the price of substitute fish (certain salmon species) rather than the amount of sablefish on the market. Prices paid to U.S. processors and harvesters are directly dependent on what Japanese wholesalers offer. In the past few years the change in the Yen-dollar exchange rate has contributed to the documented increase in prices paid to U.S. processors and harvesters.

In Japan, sablefish are most often eaten in the fall and early winter. The market is for frozen fish rather than fresh. Therefore, the sablefish are frozen after harvest and stored in either the U.S. or Japan until the retail market is ready.

In recent years, exvessel and wholesale prices in the U.S. decreased during the fishing season only to increase again after the season ended and the actual size of the harvest was known. Part of this price fluctuation could be attributed to both uncertainty on the part of Japanese wholesalers as to the source and condition of their supplies and to uncertainty on the part of U.S. processors concerning marketing opportunities after the season ended.

The year round availability of sablefish under a share quota system would allow the processors to improve marketing arrangements with Japanese wholesalers. Instead of a flood of fish on the market in the early summer, product flow could be prearranged for a time most profitable for processors. These arrangements would take into account the change in quality of the fish throughout the year, marginal processing costs, frozen storage costs, anticipated demand, currency fluctuations, and other factors. While it is not possible to estimate the change in export revenues and profits it is probable that they will be positive.

All vessels which longline for sablefish are capable of fishing for other species. Those boats designed specifically for longlining have fewer alternatives available than do boats designed to handle multiple gear. The distribution of the fleet between these categories is unknown. Due to the current expansion of the fishing industry in the EEZ off Alaska, it is

probable that most if not all displaced fishermen and boats could find employment in the fishing industry. Longlining only boats could fish for halibut (a fishery that may not provide a suitable alternative due to the extremely short seasons) or Pacific cod. Boats designed for multiple gear could fish for groundfish, crab, or salmon although the small size of some boats may be limiting.

Small communities that supply the fishing fleet, process sablefish, and where sablefish longliners live would potentially be the most affected by share quotas. To the extent that the fishermen and boats displaced by a share quota system could find other work and still live or purchase supplies in the same area the monetary change would be measured as the difference in cash flow generated between sablefish longlining and the alternative employment. There would also be a social change to the participants and community which could leave them better or worse off. It would be possible for communities to assist in reducing any local displacement caused by a share quota system by encouraging shares to be purchased or transferred locally rather than outside the community.

Large communities potentially affected by such a system would be primarily the Anchorage and Seattle areas. The increased supply of labor in either of these areas would be negligible considering the size of their work forces. The effect of a reduction in the number of active boats that would be retired from fishing is unknown but not expected to be great based on only a sablefish longline share quota system.

Regardless of the particular share system chosen in sablefish longlining, certain enforcement and wastage concerns may still exist. One of the major concerns is highgrading or the discarding of lesser valued fish. Sablefish bring three different market prices depending on their size (3-4 lbs, 4-5 lbs, and 5-7 lbs). With a share system the fishermen would have an incentive to land only the larger sablefish and thereby maximize their revenues. This would be moderated only if it became cost effective to land small fish or if market prices changed. One way to lessen this effect might be to require landings to be composed of certain size percentages with stiff penalties or fines if they exceeded certain bounds, although this is a factor which varies by area and season. Another method might be to issue shares for different sized fish although this would be cumbersome to track and enforce and would encourage wastage when only one or two size quotas are filled. A share quota system with the shares denominated in value of landings might also reduce wastage since the size category would become unimportant in terms of what was landed.

Should a share quota system be implemented a new list of violations and penalties would need to be formulated. Since the shares represent harvest rights, it might be possible for some of the penalties to involve seizure or forfeiture of these rights. The Icelandic government has found it efficient to revoke a share right for sufficient quota violations (Arnason, 1986).⁵

In order to track the landings and harvest rights of a share system it would probably be necessary to track fish from the harvesting vessel through processing to the wholesale market. In New Zealand a three tiered reporting system is used with harvesters, fish buyers, and processors all filling out forms and sending copies to the government. Such a system might be desirable

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with a sablefish share quota system. Sablefish are primarily an export species thereby simplifying the tracking of fish through the processing sector. In New Zealand, auditors are a primary facet of enforcement, a radical change from present practices in the U.S. If a similar system were to be implemented here, new regulations concerning the government's ability to track fish sales and product flow would be needed.

If shares are nonleaseable or nontransferable or if the share owner must be present on the boat the enforcement effort may be greater than if this were not the case because shares and permits will have to be matched to fishermen. In general, the greater the latitude given to fishermen in terms of business decisions the less the enforcement burden will be.

If quota shares were given only to boat owners or operators or if the share holder were required to be on the harvesting vessel the structure of the processing industry may experience more rapid change toward longline catcher/processors. If the share holder were not required to be on the vessel and processors were allowed to purchase or lease quota, then they could attempt to ensure their own source of supply.

The charge to the Council in its governing legislation and subsequent requirements^{6/} is to consider the impact of regulations as they apply to society. This perspective mandates that all communities and resources of the U.S. be considered when analyzing costs and benefits of management measures, although considerations of local effects are important to the Council.

Based on this perspective, any redirection of expenditures and employment from sablefish longlining to other sectors would be considered a transfer. Costs or negative impacts would consist of the idling of usable boats and machinery, increases in unemployment, reductions in social well-being, and/or reductions in efficiency. Likewise, positive impacts would consist of increases in efficiency, social well-being, export profit, and/or stability throughout society.

A major problem with share quota systems is the granting of windfall profits with the allocation of shares. This has been more fully discussed in previous Council documents. Who receives the shares determines not only who receives the windfall but also which group(s) has the most control over the direction of the development of the fishery. Changes in equity can occur depending on the system chosen and the method of allocation of shares. The implications of the criteria used to allocate shares discussed in the license limitation section on administrative appeals would apply equally to share quotas.

Examples

In order to demonstrate how a share quota system would operate and its effect on the fishery it is necessary to structure a system from the myriad choices available. Eight share quota systems have been proposed by the public during the 1987 public comment period (Table 11). None of these were fully developed with regards to the number of choices necessary to design a system. Based on these public recommendations two different examples are given below. In addition, five examples are given to demonstrate the versatility of share quota systems. The first is based on the ITQ system in New Zealand, the second

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Table 11

1987 Public Proposals for Sablefish Management as They Apply to Share Quotas

Measure	Recommendation Number						
	1	2	3	4	5	6	7
Recipients	unk	unk	unk	fisherman	fisherman	owner	fisherman
Type	unk	unk	unk	share or %	100 lb	unk	unk
Limits	unk	unk	unk	unk	2% of quota	2% of quota	unk
Extent	unk	unk	unk	unk	each area	unk	unk
Date	1987	1987	recent years	past participation	recent years	1986	unk
Lottery	participants	participants	participants	participants	participants	participants	participants
Criteria	vessel share system	participation, pounds or production	largely on participation	participation	best 2 of 3 years	1986 participation	5 or 10 year base period
Transferable	unk	yes	yes	unk	unk	unk	unk
Exchange	unk	unk	unk	unk	unk	unk	unk
Restrictions	unk	1986 & earlier, permanent; 1987 temporary	US citizens only	not to vessel	Holder on board	unk	unk
Leasable	unk	unk	unk	unk	unk	unk	unk
Administration	unk	unk	unk	unk	unk	unk	unk

Note: Only 8 public proposals relating to share quota management of sablefish were received by the Council during the 1987 comment period. One proposal was only general.

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on the vessel quota system in Iceland, the third is designed to show certain versatilities of the system, the fourth demonstrates a system allowing the status quo and a share system to coexist, and the fifth provides a combination of a license limitation and share quota system. All percentages and numbers used in these five examples are arbitrary and for purposes of example only. It should also be remembered that these later five are for demonstration purposes only and that other possible systems merit examination as well.

The consequences of a share quota system can only be speculative since it is not possible to accurately anticipate the actions of each individual. However, it is probable that when such a system was first implemented no one, especially those receiving no shares or shares for less than they had previously utilized, would feel that they had an adequate amount of harvest guaranteed. While this would be initially disconcerting it would lead to arrangements between fishermen, boat owners, and processors to ensure adequate supplies for each. Of course, fishermen must have access to shares to land fish. If shares were readily transferable, some might initially sell shares or lease them. By the end of the year all of the sablefish would have been caught and processed but probably by fewer boats and fishermen.

The working relationships set up during the first year would probably continue to be based on existing industry agreements and would probably change as currently happens. Fishermen would probably no longer be able to get into the fishery just by owning or leasing a boat and gear and going fishing. If shares were transferable, they would also have to arrange to lease quota for some mutually agreed price or purchase quota outright. Leasing quota would require a marginal cost like fuel while purchasing quota would require capital investment similar to buying gear. If shares were not transferable, new entrants' options would be fewer and would probably consist of working for someone else rather than owning and/or captaining their own boat.

The absolute number of eligible entities for initial allocations are unknown at this time. The data required to determine these numbers and the allocations each entity would receive are confidential and stored in State of Alaska files. Negotiations are currently underway to obtain access to these files. At such time as they are available a more thorough analysis can be conducted of any system proposed.

Any limited access system adopted by the Council will require an agency for administration to determine eligibility, litigation, tracking of permit and landing data, any permit transfers which are allowed, and other related matters. The State of Alaska uses the Commercial Fisheries Entry Commission for this purpose. The Commission employs 30-40 people with an annual budget that fluctuates from \$1.5-2 million to administer 40 fisheries with a total of 12,754 permanent permits.

The range of choices needed to be made when designing a share quota system are listed below. Many of the decision points have a range of options which leads to an enormous number of possible variations.

Share quota options:

- Units
 - Recipients
 - Vessel owner
 - Individual fisherman
 - Types of share quota
 - Percentage (%) of TAC
 - Fixed weight
 - Ownership limits
 - Unlimited
 - Set maximum ownership (% or weight)
- Geographical extent
 - Entire management area
 - By sub-area
- Initial Allocation
 - Cut-off date
 - September 26, 1985
 - Other
- Lottery
 - Open to all
 - Only past participants
 - Combination
- Performance Criteria
 - Years in fishery
 - Landings
 - Investment
 - Income dependency
 - Other
- Transferability
 - Nontransferable
 - Transferable
 - Private exchange
 - Government exchange
 - Combination
- Restrictions (purchase, lease, etc.)
- Administration of quota exchange
 - NPFMC
 - NMFS
 - Contract
- Enforcement concerns

EXAMPLE 1.

The first example is proposal 5 from Table 11. It is a share quota system with the shares distributed to fishermen based on two of three recent years participation. The shares would be denominated in 100 lb lots, be distinct for each fishing area, and individual holdings could not exceed 2% of the quota for any area. In addition, the holder of quota would be required to be on board the boat when landings are made.

The proposal does not stipulate whether or not the fishermen must have been permit holders or only crew. Issuing shares to all fishermen who participated would require an administrative review of each permit to verify its

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authenticity. It would also require that criteria (i.e. number of years, number of trips, pounds assisted in landing, etc.) would have to be determined.

The shares would be denominated in actual poundage so measures would have to be taken, on a yearly basis, to adjust the outstanding number of shares for each increase or decrease in the overall and area TACs. The method of this adjustment is not specified in the proposal. It is not mentioned whether or not the shares would be transferable or leasable. If they were not, enforcement costs would be increased more than if they were. The administrating authority would also have to determine a policy for reissuing shares unless market transactions were anticipated.

EXAMPLE 2.

The second proposal to be examined is proposal 6 from Table 11. It is a share quota system with the shares distributed to boat owners based on participation in 1986. A limit of 2% of the quota would apply to all share holders.

It would be possible to cross reference State of Alaska and Coast Guard files to determine the owner of each boat which landed sablefish by longline in 1986. Many of the owners would be partnerships or corporations although that would probably not cause any difficulty under this system. When accessing the files it would be possible to determine if any owner landed more than 2% of the quota in 1986.

This proposal leaves many important points undecided. The criteria to be used for allocation of shares, other than participation, is unclear. Similarly the questions of transferability, leasability, type of share (pounds or percentage), and management areas are not addressed.

EXAMPLE 3.

One possible system is that which has the least controls and allows the greatest degree of latitude for business decisions. Shares would be given to owners of boats based on two years landing records between 1984 and 1987. The shares would be issued in pounds and would be freely tradeable and leaseable with an overall limit placed at a level which would preclude market manipulation (perhaps 15% of the TAC). No formal arrangement would be made for adjustment of quota with changing TAC so the industry would have to make its own adjustments.

Records would have to be kept by all share holders and submitted to NMFS within one month of landing. It would be up to the industry and quota holders themselves to arrange sales and leases of shares and to report them to NMFS. All share holders would have to report each year on the total amount of quota they controlled (owned or leased) during the year, who landed their quota, when, and where.

Since there are greater concentrations of share control allowed in this example than in others described, there would probably be fewer boats fishing. Since the market would eventually shrink it would become more difficult for new entrants to obtain quota. However, the system would also allow cooperatives and community organizations to acquire quota in order to assist local fishermen.

EXAMPLE 4.

Another system which would grant initial allocations to only one class of entrants would be one where the shares, denominated in pounds, were given to boat owners. The initial allocation would be based on the best one of three previous years landings. The shares would be issued to the boat owners on a yearly basis although the quantity of shares would remain the same each year. The shares would be leasable but not saleable. Enforcement would be increased and new regulations issued to ensure compliance and to permanently remove quota allocations from serious offenders.

The shares would be issued to boat owners each year in the same quantity. The owners would then have the option of fishing all of their quota, leasing it to others, leasing more to fish themselves, or letting it sit idle. All owners would be required to have their own boat fish a nominal amount of the quota or forfeit future allocations. If a partnership or corporation which owned shares lost over 50% of its original membership their quota would not be reissued in subsequent years.

The issuance of new shares would be done by NMFS if the TAC increased. New shares would be issued to a random selection of boats fishing in the previous year with a limited number of shares to each. If it was necessary to reduce the quota, shares would be reduced proportionally unless the industry could reduce the overall number itself.

EXAMPLE 5.

Share quota systems are can be modified to fit different circumstances. Example 5 is designed to demonstrate how the initial granting of shares could be more equitable in terms of who receives an initial windfall profit and how the windfall could be lessened. This example is based on shares denominated in a percentage of the total TAC initially distributed to fishermen (fishing permit holders) and boat owners. An overall ownership or harvesting limit of 2% of the total TAC is allowed with the shares being freely transferable and leasable. Initial allocations would be based on the best two of five years performance in the fishery. Eligible entities must have operated before 1987 and the five years performance would be 1982 through 1986. Allocations would be reissued every seven years based on the best of the three years previous landings.

The initial allocation would be assigned to each industry group such that each pound landed counted two times. The shares would then become transferable so that they were not attached to any one industry group. After seven years the shares would all be recalled and reissued in the same manner to the initial two groups and also to previous share holders. The fact that shares would be reissued would allow for new entrants to acquire their own shares, provide for detailed data reporting in at least three of the years, and reduce the sale (as opposed to lease) price of quota.

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EXAMPLE 6.

The use of a share quota system does not preclude the existence of an open access fishery for the same species. Example 6 is designed to show how both could coexist in the same fishery. The system would be based on an optional share quota system which allows the fishing boat owner to choose, on a yearly basis, to be included or to fish in the open access portion of the fishery. The shares would be issued based on historical landings and be in a percentage of the TAC. Those boats included in the share quota portion would be able to lease quota on a yearly basis. There would be no restrictions on boat replacement or on entry into the open access fishery although boats could only fish in one or the other. The ownership of the shares would be nontransferable and return to the government when the owner retired from the fishery. All shares would be leased privately with all holders reporting landings and leases to NMFS.

Initially, and yearly thereafter, all boat owners in the open access fishery would be notified of their potential share holdings as a percentage of TAC. Those who chose the share quota option would receive that same percentage each year while those in the open access portion would be reevaluated each year. There would be free movement between the systems. When the open access fishery contained only 10% of the quota allocated to the longline fishery no new shares would be issued. As shares were retired new shares would be issued on the basis of the most senior, valid application on file.

This system would not restrict entry to the fishery and would allow a new generation to enter with no additional cost. Since the permits would be nontransferable, there would be no granting of instant wealth by the government. Share holders could, however, earn yearly income from leasing most of their shares. Since an open access fishery would still exist there would continue to be seasons and other restrictions on those participating in it. Those holding permits would be allowed to catch sablefish throughout the year (barring closures for biological reasons) and schedule their fishing themselves.

EXAMPLE 7.

Another example of a possible share quota system is a "competitive" one. Under this example the fleet would be frozen at a particular level, either the number of boats or participants, and individual shares would be issued based on percentages caught by boats during a the past three years. Annually, the TAC would be divided into halves, the first half of the TAC would go into a common "pool" from which any share holder could harvest. After the common "pool" was harvested, the share holders would begin harvesting their individual allocations.

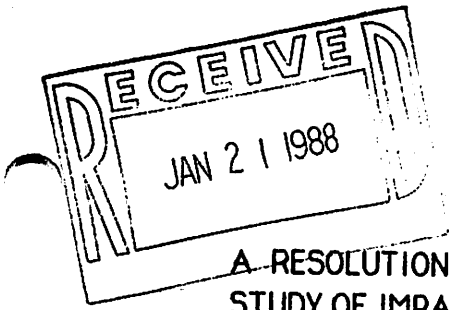
The shares would be transferable with a limit set on total control by one share holder. One entitlement would include access to the common "pool" and individual shares. These entitlements could be split with one transferee receiving the access to the common "pool" and another the shares. All allocation transfers would be conducted privately and reported to NMFS.

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This type of system could preserve the competitive element of the fishery that is important to fishermen. In addition, it could provide for rational product flow to market and reduce the opportunities for capital stuffing.

FOOTNOTES:

1. Preliminary figure.
2. Based upon CFEC catch data for the period 1975-1985. Individual catch records in the fishery before 1975 may be unreliable. If the decision were made to issue permits to longline vessels with sablefish landings before the cut-off date, 590 such permits could be issued.
3. Preliminary figure.
4. R.P. Jacobson. 1982. A bio-economic analysis of the Gulf of Alaska Sablefish Fishery. Masters Thesis. University of Washington. 77 p.
5. R. Arnason. 1986. In Management of Icelandic Demersal Fisheries. N. Mollett [ed]. Fishery Access Control Programs Worldwide. Alaska Sea Grant Report No. 86-4, pp. 83-101.
6. MFCMA, 1976; E.O. 12291, 1981.



CITY OF SKAGWAY, ALASKA
RESOLUTION 88-1R

A RESOLUTION OPPOSING FEDERAL LIMITED ENTRY IN FISHERIES WITHOUT STUDY OF IMPACT ON FISHING FLEET.

WHEREAS: the North Pacific Fisheries Management Council appears to be moving toward a policy favoring management of halibut, sablefish, and other fisheries through federal limited entry in the form of license limitation or quota shares, and

WHEREAS: a limited entry system historically has been shown to concentrate the production of a fishery into fewer and fewer hands, often to concerns not locally based, and eventually inhibits entry into the fishery by the small independent local fishermen, and

WHEREAS: the health of many Alaskan coastal communities economies depend on small local businesses providing economic and logistic support to the local independent fishing fleet, and

WHEREAS: the implementation of federal limited entry will remove the influence of the State of Alaska, coastal communities, and local fishermen in decisions regarding the management of halibut, sablefish, and groundfish resources.

NOW, THEREFORE, BE IT RESOLVED that the City of Skagway is opposed to any form of federal limited entry in the halibut, sablefish, groundfish or any other fisheries without careful in-depth study of the direct and indirect socio-economic impacts on Alaska coastal communities to determine the scope of any legislation on the entire fishing fleet, and

FURTHERMORE, BE IT RESOLVED that the City of Skagway supports study of other management options before any final decision is made to implement limited entry.

PASSED AND APPROVED THIS 7TH DAY OF JANUARY, 1988.



Skip Elliott, Mayor

ATTEST:



Lorene S. Gordon, City Clerk

BE IT FURTHER RESOLVED that Resolution 88-1R shall be
communicated to the following:

President Reagan
James C. Miller III, Director OMB
Senator Ted Stevens
Senator Frank H. Murkowski
Representative Donald E. Young
Governor Steve Cowper
NPFMC Chairman J. Campbell
Alaska Legislature
Secretary of Commerce C. William Verity
City of Kodiak
All Alaskan Coastal Communities

WHEREAS, the halibut, sablefish, and groundfish resources are currently in a healthy and stable condition and are therefore capable of providing significant economic benefit to Alaska coastal communities; and

WHEREAS, in the halibut, sablefish, and groundfish fisheries traditional conservation methods have proven effective in protecting the fisheries resource, without the need for limited access; and

WHEREAS, federal government intervention in farming, timber, and mining had led to the demise of the small independent operator and the removal of industry from small communities; and

WHEREAS, the restriction, retardation, or exclusion of fishermen to develop resources that abound in the Bering Sea would have an adverse economic effect on this community which has seen a substantial reduction in fisheries from time to time; and

WHEREAS, a limited access system greatly hinders diversification, which is an economic necessity for survival of independent fishermen; and

WHEREAS, the Alaska fisheries industry is one of the two largest private sector employers in the State, and as such, too vital to the people and the economy to risk all the inherent dangers and inequities of such an irreversible, unnecessary management plan as a limited entry; and

WHEREAS, the results of the North Pacific Fishery Coalition Survey conducted in September 1987 which received input from hundreds of fishermen indicated that most did not think there was sufficient time to study the direct and indirect socioeconomic impacts of limited entry before the 1988 season and two-thirds of the respondents thought in-depth studies that analyze limited entry should be completed before making any decision; and

WHEREAS, the trend of federal management as evidenced by federal government policy statements is moving away from supporting small independent business; and

WHEREAS, the North Pacific Fisheries Management Council (NPFMC) seems to be determined to manage the halibut, sablefish, and other fisheries through federal limited entry in the form of license limitation or quota shares, and

WHEREAS, the implementation of federal limited entry will remove the influence of the State of Alaska, coastal maritime communities, and local fishermen in decisions regarding the management of halibut, sablefish, and groundfish, resources,

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Saint Paul, Alaska that we hereby and herewith express our extreme opposition to any form of federal limited entry in the halibut or flounder, sablefish, groundfish or any other fishery without due care and caution, professional and in depth study of the direct or indirect economic or social impacts upon Alaska's maritime and seacoast communities, to determine the effects of such regulation of the entire Alaskan fishing fleet and this segment of the Alaska economy; and

BE IT FURTHER RESOLVED that the Mayor and Council supports and encourages the study of other management options, and that the results of such study be provided to interested and concerned parties well in advance of any decisions taken toward enactment of limited entry permitting in Alaska; and,

BE IT STILL FURTHER RESOLVED that this Resolution be communicated to North Pacific Fisheries Management Council and its Advisory Board with the request that it be read at the next meetings of each body and thence spread upon the pages of the proceedings of each body, and thence to the following public officials, and personalities.

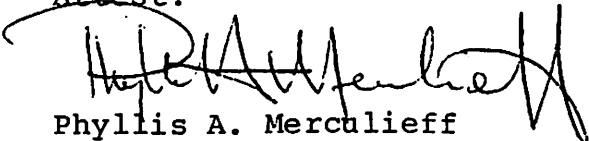
President Ronald Reagan
Senator Ted Stevens
Senator Frank Murkowski
Representative Don Young
James C. Miller III, Director OMB
Secretary of Commerce C. William Verity
Steve Cowper, Governor of Alaska
Alaska Legislature
J. Anthony Smith, Commissioner DCED
North Pacific Fisheries Management Council
All Alaska Coastal Communities

RESOLVED AND DONE at Saint Paul, Alaska, this 11th day of January, 1988 by the Council of the City of Saint Paul in public Session assembled by unanimous vote.



Andrey Mandregan, Jr.
Mayor

Attest:


Phyllis A. Mercurieff
City Clerk