


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke   
Executive Director

DATE: January 25, 1999

SUBJECT: Scallop License Limitation Program

ESTIMATED TIME  
4 HOURS

**ACTION REQUIRED**

Final action on amendment to establish a license limitation program for the scallop fishery.

**BACKGROUND**

In December 1996, the Council approved for analysis a proposal to establish a license limitation program for the Alaska scallop fishery. Amendment 4 has been proposed to establish a license limitation system for the scallop fishery to replace the Federal vessel moratorium, which is scheduled to expire in the year 2000.

At its October 1998 meeting, the Council reviewed the analysis and added two alternatives. The Council also clarified that licenses would be issued to current moratorium permit holders for those permits that were fished in qualifying years.

A revised analysis was released for public review on December 30, 1998. The alternatives and options analyzed were as follows:

- Alternative 1: No Action. The fishery would revert back to open access in the year 2000.
- Alternative 2: Vessel owners who qualify for Federal moratorium permits would receive a license (for a total of 18 licenses).
- Alternative 3: Vessel owners who qualify for State moratorium permits would receive a license (for a total of 10 licenses).
- Alternative 4: Holders of either Federal or State moratorium permits that landed scallops in 1996 or 1997 would receive a license (for a total of 10 licenses).
- Alternative 5: Holders of either Federal or State moratorium permits that landed scallops in 1996, 1997, or 1998 (through 10/9/98) would receive a license (for a total of 11 licenses).
- Alternative 6: Holders of either Federal or State moratorium permits that landed scallops in two of the three years (1996, 1997, 1998 through 10/9) would receive a license (for a total of 9 licenses).

In addition, two options, applicable to Alternatives 2-6, were analyzed.

Option 1: Area Endorsements

- A: (1) Separate endorsements for Cook Inlet and statewide areas based on recent activity.  
(2) Separate endorsements for Cook Inlet and statewide areas based on recent or historic activity.
  
- B: No area endorsement. All licenses are statewide.
  
- C: (1) No area endorsements. All licenses are statewide, but Cook Inlet vessels would be restricted to a single 6 ft dredge in all areas based on recent activity.  
(2) No area endorsements. All licenses are statewide, but Cook Inlet vessels would be restricted to a single 6 ft dredge in all areas based on recent or historic activity.

Option 2: Vessel Reconstruction and Replacement

- A. No restrictions on reconstruction or replacement.
  
- B: Maximum LOA restricted to 120% of the vessel length on January 23, 1993
  
- C: Maximum LOA restricted to 120% of the LOA of the vessel on which the permit was used in 1996 or 1997.
  
- D. No increases in vessel length allowed.

The analysis indicates that all alternatives to the status quo provide more long-term stability to this fishery and to the communities that support the fishery. The number of licenses issued under Alternatives 3-6 would be more in line with the number of full-time scallop vessels that recent harvests can support at a break-even level. The break-even level estimated in the analysis is 6 to 7 vessels, based on current exvessel prices and landings. Although the number of licences issued (9-11) would still exceed the number that could efficiently harvest the resource, most participants would have an opportunity to catch enough scallops to make normal returns on investments, without accruing excessive profits. Nevertheless, each additional vessel participating in the fishery or other additional increases in harvesting capacity impose additional costs to existing participants, including vessel owners and crew. Table 3.4.2 from the analysis (below) lists the number of vessels qualifying under each alternative and option. An Executive Summary of the analysis is attached as Item D-2(a). Comments received are under item D-2(b).

This analysis was reviewed by the Joint Council/Board of Fish Committee, which expressed a desire to eventually have one limited entry program for both Federal and State waters, noting that action by the Legislature (or CFEC possibly) may be required to complement the Council's limited entry program. The Committee continues to support a common set of qualifying rules for the scallop fishery.

At this meeting, the Council is scheduled to take final action on this amendment.

**Table 3.4.2 Vessels that would qualify for licenses under the alternatives, based on preliminary CFEC fish ticket data.**

Vessel	LOA <sup>1</sup>	Alt. 2	Alt. 3	Alt. 4	Alt. 5	Alt. 6	Areas Fished in 1996-98	# of years vessel fished 1980-98
Alaska Beauty	98	yes	yes	yes	yes	NO	Cook Inlet	3
Northern Explorer	70	yes	yes	yes	yes*	yes*	Cook Inlet; Statewide in 1998	6
Kilkenny	75	yes	NO	yes	yes	yes	Cook Inlet	4
Wayward Wind	52	yes	yes	yes	yes*	yes*	Cook Inlet w/leased vessel	4+ (see note 3)
Pursuit	101	yes	yes	yes	yes	yes	Statewide	19
Jacqueline&Joseph <sup>2</sup>	96	yes	yes	NO	yes	NO	Statewide in 1998	9
Rush	72	yes	yes	NO	NO	NO	Did not fish for scallops	7
Provider	124	yes	yes	yes	yes	yes	Statewide	10
Trade Wind	88	yes	yes	NO	NO	NO	Did not fish for scallops	4
Carolina Boy	96	yes	yes	yes	yes	yes	Statewide	6
Carolina Girl 2	96	yes	yes	yes	yes	yes	Statewide	6
Ocean Hunter	100	yes	NO	yes	yes	yes	Statewide	10
Forum Star	97	yes	NO	yes	yes	yes	Statewide	5
Mr. Big	146	yes	NO	NO	NO	NO	Did not fish for scallops	4
Lorraine Carol	88	yes	NO	NO	NO	NO	Did not fish for scallops	3
Fortune Hunter	82	yes	NO	NO	NO	NO	Permit transferred in 1998	3
Arctic Rose <sup>2</sup>	224	yes	NO	NO	NO	NO	Did not fish for scallops	2
Pheonix	104	yes	NO	NO	NO	NO	Did not fish for scallops	6
<b>TOTAL NUMBER</b>		<b>18</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>9</b>		
Option 1A (1) Statewide endorsements		15	10	6	8	7		
Option 1A (1) Cook Inlet endorsements		3	4	4	3			
Option 1A (2) Statewide endorsements		15	10	7	9	8		
Option 1A (2) Cook Inlet endorsements		4	3	4	4	3		

\* Potentially could be endorsed for both statewide and Cook Inlet areas under Option 1A.

<sup>1</sup> LOA (length overall in feet) from moratorium permit or other sources.

<sup>2</sup> Jacqueline and Joseph renamed Arctic Queen; Arctic Rose renamed Seawind.

<sup>3</sup> Wayward Wind qualified for moratorium with 4 years landings (1983, 84, 85, 87); the permit holder fished the F/V LaBrisa in 1994, and fished the permit on leased vessels (Billy D and Trina) in 1996 and 1997.

## EXECUTIVE SUMMARY

The scallop fishery off Alaska has been characterized as an overcapitalized fishery. In 1997, Amendment 2 to the Alaska Scallop fishery management plan (FMP) established a Federal vessel moratorium, which is scheduled to expire in the year 2000. In the same year, the Alaska State Legislature enacted a scallop vessel moratorium for State waters, and will expire in the year 2001.

In February 1998, the Council reviewed participation and other data from the scallop fishery and developed a problem statement and alternatives for analysis of a license limitation program to replace the existing vessel moratorium. The alternatives analyzed were as follows:

Alternative 1: No Action. Under this alternative, the scallop vessel moratorium would expire in 2000, and the fishery would revert back to open access.

Alternative 2: Vessel owners who qualify for Federal moratorium permits would receive a license. Under this alternative, a total of 18 licenses would be issued; one for each vessel.

Alternative 3: Vessel owners who qualify for State moratorium permits would receive a license. Under this alternative, a total of 10 licenses would be issued; one for each vessel.

Alternative 4: Holders of either Federal or State moratorium permits that used their moratorium permits to make legal landings of scallops in 1996 or 1997 would receive a license. The federal or state moratorium qualification period would serve as the historic qualifying period and the years 1996 and 1997 would serve as the recent qualifying period. Under this alternative, a total of 10 licenses would be issued; one for each vessel.

Alternative 5: Holders of either Federal or State moratorium permits that used their moratorium permits to make legal landings of scallops in 1996, 1997, or 1998 (through 10/9/98) would receive a license. The federal or state moratorium qualification period would serve as the historic qualifying period and the years 1996, 1997, and 1998 would serve as the recent qualifying period. Under this alternative, a total of 11 licenses would be issued; one for each vessel.

Alternative 6: Holders of either Federal or State moratorium permits that used their moratorium permits to make legal landings of scallops in two of the three years (1996, 1997, 1998 through 10/9) would receive a license. The federal or state moratorium qualification period would serve as the historic qualifying period and the years 1996, 1997 and 1998 would serve as the recent qualifying period. Under this alternative, a total of 9 licenses would be issued; one for each vessel.

In addition, two options, applicable to Alternatives 2-6, were analyzed.

### Option 1: Area Endorsements

- A: (1) Separate endorsements for Cook Inlet and statewide areas based on recent activity.  
(2) Separate endorsements for Cook Inlet and statewide areas based on recent or historic activity.
- B: No area endorsement. All licenses are statewide.
- C: (1) No area endorsements. All licenses are statewide, but Cook Inlet vessels would be restricted to a single 6 ft dredge in all areas based on recent activity.

(2) No area endorsements. All licenses are statewide, but Cook Inlet vessels would be restricted to a single 6 ft dredge in all areas based on recent or historic activity.

Option 2: Vessel Reconstruction and Replacement

- A. No restrictions on reconstruction or replacement.
- B. Maximum LOA restricted to 120% of the length of the vessel on January 23, 1993
- C. Maximum LOA restricted to 120% of the LOA of the vessel on which the permit was used in 1996 or 1997.
- D. No increases in vessel length allowed.

Analysis indicated that a total of about 6 or 7 vessels could participate full time in the Alaska statewide scallop fishery at the breakeven level. More vessels could participate if ex-vessel prices for scallop, or current annual harvest levels increased. The Cook Inlet fishery appears to be fully capitalized, and perhaps overcapitalized at the current level of effort (3-4 vessels), even if done on a part-time basis.

Alternatives and options that perpetuate overcapitalization in the scallop fishery would have negative impacts on vessel owners, crew, and fishing communities. The race for quota and bycatch would be exacerbated under Alternatives 1 and 2. Issued licenses would have monetary value, and latent licenses (issued to vessels not currently fishing) would likely be transferred to other vessels wishing to participate in the scallop fishery.

Alternatives 3-6 provide more long-term stability to this fishery and to the communities that support the fishery. The number of licenses issued would be more in line with the number of full-time scallop vessels that recent harvests can support at a breakeven level. Although the number of licenses that would be issued (9-11) would still be more than the number of vessels that could efficiently harvest the resource (4; see NPFMC 1995), most participants would have an opportunity to catch enough scallops to make normal returns on investments, without accruing excessive profits. Nevertheless, each additional vessel participating in the fishery or other additional increases in harvesting capacity impose additional costs to existing participants, including vessel owners and crew.

Scallop licenses would be issued to the current owner of the qualifying vessel (*as opposed to: a) the person who owned the qualifying vessel at the time that qualifying landings of scallops were made; b) some other person who may have purchased a qualifying vessel's "fishing rights" with respect to scallop; or, c) a person who may have sold a qualifying vessel, but contracted to retain the "fishing rights" that may result from the vessel's activities*). At the time of initial issuance, a owner will receive a formal, permanent, designation (i.e., a number or a letter, or a combination of the two). The license will be manifest by a Certificate, which will be sent to the permit holder. Once it has been initially issued, a scallop license, in its entirety (i.e., including all endorsements and limitations -- license attributes would not be severable), will not be vessel-specific and can be transferrable. Applications for transfers will be submitted on a form prepared by NMFS (RAM). If a transfer application is approved, a new permit certificate will be issued in the name of the transferee. If a transfer application is denied, the applicant(s) could appeal that determination to the Office of Administrative Appeals.

None of the alternatives are expected to have a significant impact on endangered, threatened, or candidate species, and none of the alternatives would affect takes of marine mammals. Actions taken to limit the number of scallop vessel permits will not alter the harvest of scallops.

None of the alternatives is expected to result in a "significant regulatory action" as defined in E.O. 12866.

The alternatives to the status quo would be expected to have significant economic impact on a substantial number of small entities. Alternative 2 would not have impacts because all vessels currently participating in the scallop fishery would qualify for licenses under this alternative. Alternatives 3-6 would have a significant economic impact on a substantial number of small entities because some vessels would not qualify for licenses.

None of the alternatives are likely to significantly affect the quality of the human environment, and the preparation of an environmental impact statement for the proposed action is not required by Section 102(2)(C) of the National Environmental Policy Act or its implementing regulations.

RECEIVED

JAN 26 1999

N.P.F.M.C

Max & Scott Hulse  
Eagle River, Alaska 99577  
January 20, 1999

To: Mr. Richard B Lauber, Chairman NPFM Council & AP Members,  
Re: Comments on Scallop License Limitation Program

We support alternatives and options as outlined on page 2 in either scenario #1 or #2 depending on the number of vessels which are issued permits to fish in waters outside Cook Inlet with a dredge size larger than 6 ft.

Our preference is scenario #1 - the adoption of Options 1 C (2) and 2 C and Alternative 5 ( allowing 9 vessels to fish economically outside Cook Inlet). We are the only fishermen affected by these options and their adoption is crucial to our future in the scallop fishery.

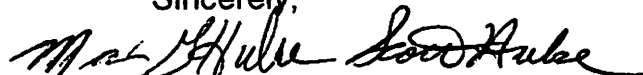
We like others were greatly affected by the Mr. Big situation. When the fishery was closed in 1995 we had to find other work for our boat. Luckily, we landed a three year contract, but this also resulted in our not being able to fish our vessel, the F/V LA BRISA (1996-1998) - - - we were able to fish our permit in '96 and '97 in Cook Inlet through leasing two different vessels, but were unable to find a vessel arrangement for waters outside Cook Inlet. However, we have historically fished in waters outside Cook Inlet with two different vessels for a combined total of 5 years, and hold a moratorium permit with endorsements - both in and outside Cook Inlet.

The equity we have built in the scallop fishery - (1980 - 1998) surely supports our right to be a future participant. Out of eleven vessel owners participating in the moratorium, our ten years in the fishery puts us second in years of involvement, along with three other permit holders.

Option 1 C (2) allows us to fish outside Cook Inlet with a dredge larger than 6 ft. Option 2 C addresses and solves our vessel length problem.

Again, we ask that you adopt Options 1 C (2) and 2 C and either Alternative 5, 4, or 6 and not penalize us because of the Mr. Big situation.

Sincerely,



Max & Scott Hulse

Please Note: Just for the record, if for some reason, you should elect to separate Cook Inlet and statewide areas we would support Option 1 A (2).

We support either one of the following scenarios based on how many permits are issued to fish in waters outside Cook Inlet with a dredge size larger than 6 ft.

Scenario #1 - Options 1 C (2) and 2 C and Alternative 5

Nine vessels would receive permits to fish economically outside Cook Inlet.  
Two vessels would be restricted to a single 6 ft dredge outside Cook Inlet.

Scenario #2 - Options 1 C (2) and 2 C and either Alternative 4 or 6. \*

Seven vessels would receive permits to fish economically outside Cook Inlet.  
Three vessels would be restricted to a single 6 ft dredge outside Cook Inlet.

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Option 1

C: (2) No area endorsements. All licenses are statewide. However, license holders who never made a legal landing of scallops from outside Cook Inlet during either the recent or historic qualifying period would be restricted to a single 6 ft dredge in all areas (e.g. restricted or unrestricted licenses).

Option 2

C: Maximum vessel length would be restricted to 120% of the LOA of the vessel which the permit was used in 1996 or 1997 on or before December 31, 1997. If a permit was used on more than one vessel in 1996 or 1997, maximum LOA would be calculated using the longest vessel.

Alternative 5: Holders of either Federal or State moratorium permits that used their moratorium permits to make legal landings of scallops in 1996, 1997, or 1998 (through 10/9/98) would receive a license. The federal or state moratorium qualification period would serve as the historic qualifying period and the years 1996, 1997, and 1998 would serve as the recent qualifying period.

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\* Alternative 6 differs from Alternative 4 in reducing the qualifying vessels who would probably fish Cook Inlet, by one vessel.



**RECEIVED**

JAN 27 1999

**N.P.F.M.C**

Michael Andrews  
Captain, FV Provider  
815 32nd St.  
Bellingham WA 98225

January 25, 1999

North Pacific Fishery Management Council  
PO Box 605 West 4th Ave. - Suite 306  
Anchorage AK 99501-225

Please disregard the letter dated January 21, 1999. This letter contains additional information pertinent to this situation. The following letter is my opinion. Opinions are derived from information from reliable people who have worked for three different scallop companys.

Dear Council:

The scallop industry is being devastated by the boards decision to allow increased participation in the fishery. As an employee of the Kodiak Fish Co. , I believe I speak for all workers when I say STOP! We are risking our lives at the only thing we know how to do, (most of us are too old to start another occupation). The owners, through no fault of their own are forced to take more of the pie in order to make their business work.

**THE FOLLOWING WAS TOLD TO ME BY A FORMER WELLS EMPLOYEE :**

The Wells Fishing Co. takes the biggest percentage. This enables them to leave their boats in Alaska. They take a large percentage of the total gross. Then the percentage that is left goes to the crew. The crew has the responsibility to pay for the electronics, freezers, insurance deductions and lobbying fees. This constitutes thousands of dollars. The crew pays forty five cents per pound to use the boats freezers. The crew pays eight thousand dollars per trip for electronics. At what point does this stop? Those old electronic machines have been paid for multiple times. At what point does the crew take the electronics that they have paid for? The crews have no say in what is being said in any meeting, their views are never heard. Freezers,electronics, insurance and lobbying fees belong to the boat and should be the boats problem.

**NOW COMES THE REST OF THE SCALLOP FLEET**

If the rest of the fleet does not take the Wells Fishing Companys attitude they will all fold. Then the Wells Fishing Co will have achived its goal to have a --MONOPLY on the whole Alaskan scallop industry. The Wells Co also has Atlantic scallop permits. This fact along with the way they have entrenched themselves in the Alaskan fishery gives the three boats an enormous resale value. The Wells Company can ask as much as twice the price they had on the boats two years ago. **THEY WILL GET THE PRICE.** This is all happening very fast. I can see myself along with eighty or so others in the unemployment line in a matter of four or five years.

## NOW COMES THE CREWS

The Wells Fishing Co has whole crews quit on them. The reason for crews quitting is the way they run their settlement and pay practices. If all other boats take up this practice we also will have whole crews quit. When this happens we will have to hire unqualified men which puts everyone in harms way. It is a very dangerous industry. Usually we hire one unqualified person each year. In a matter of four or five months I can tell if he has enough sense to do the job without getting killed or killing someone else.

## NOW COMES THE BOARD OF FISHERY

If the board had the foresight to see the problem that exists now with this industry in regard to the fact that too many boats are allowed to participate, I would like to think something would have been done earlier. The fact is it did not and nothing was done. Why the Artic Queen was allowed to re-enter the fishery after spending three years on the east coast fishing for scallops is beyond me. With that re-entry the Wells Co now has around forty percent of the available quota. Will you let him bring another boat around or buy another permit? Guess what--- **MONOPLY!!!!!!** The federal government does NOT allow any one company to corner any market, ask Bill Gates or AT&T. Nobody has the right to corner a market. The Wells Co seems to me to be scamming their way into this one, through broken promises and deception. It is one thing to deceive me and the employees for other companys, but to me deceiving the board whom I along with all other scallopers look to for help and fairness is a crime. The biggest crime will be if you people allow the Wells Fishing Company to go unchecked, and allow them to get so big that they can make it unsafe and not profitable for other companys to compete. When the other companys go bankrupt Mr WELLS will have the whole pie. Think of what will happen to the eighty or so familys that rely on this industry for a living if this all happens. The only good I see coming out of this is ONE millionaire getting richer. Please act on foresight, so hindsight won't be so ugly and familys destroyed.

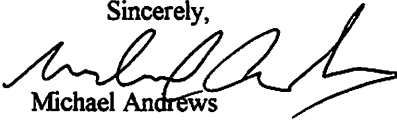
## NOW FOR MY OPINION

If the Board keeps eligibilty at 1996 and 1997, it's no secret one company will be adversely affected, the boat is the Artic Queen. The other boats will maintain a break even production rate. In 1996 and 1997 the boat was actively fishing on the east coast. In the spring of 1998 it was decided to bring it to Alaska. It could have been brought around in the summer of 1996 but the fishing was too lucrative on the east coast at that point, as it was in 1997.

If you include 1998 in the formula, you must also include at least a two year mandatory participation in the fishery to be eligible. If you do not do this, you again give the company in question the distinct possibility of becoming totaly dominant in its quest for the lions share of the quota. If all of us as multiple individual companys in the same fishery, do in fact find a surplus of scallops, then its at the Board's discretion to allow new entries into the industry. This seems to me to be the only fair way to manage an already volatile situation. My main concern is to maintain a logical income for myself and family, as well as all common workers in this industry. We as workers are the most expendable. We are all at the whim of the boat owners. There are some owners that care about the workers. Many owners want to see their workers prosper. They want to be able to continue to offer insurance and benefits. BUT, there are many owners that do not care about us. **SOME WHO DON'T CARE ABOUT ANYTHING BUT THEIR WALLETS!** Wallets are good, I have one. All I

want is FAIRNESS for myself and all other workers who actually pay for these boats to make an honest living. I would think that anyone who buys a boat would expect someone to take care of their property and make them money. If the reason that someone buys a boat is to screw people, anybody or everybody, in order to achieve their goal, then he or she should not own a boat or any other business.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Andrews", with a stylized flourish at the end.

Michael Andrews

WILLIAM NIPPES  
39 KC Drive  
Bastrop, TX 78602

RECEIVED  
JAN 25 1999  
N.P.F.M.C

January 25, 1999

N.P.F.M.C.  
Fax: (907)271-2817

Dear Council Members:

I feel compelled to write you concerning your upcoming decision on Vessel Limitations in the Alaska Scallop Fishery. I thank you for the opportunity to do so and for your consideration of my concern.

I am retired from the Alaska Detachment of Fish and Game where I worked in shellfish management for over 20 years. I worked as an observer during the early years of the scallop fishery when observers were voluntary. In more recent years I worked as **The Westward Region Shellfish Biologist**. I helped implement the State of Alaska's mandatory Observer Program for Scallop Vessels. This program is still ongoing and, hopefully, has given important data to your decision making.

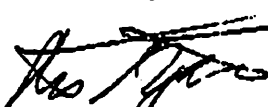
My comments are my own and not those of the Alaska Department of Fish and Game, nor any of the industry's. The timing of your request for comments was brought to my attention by a scallop vessel owner. Those of you who know me know I would not comment if I didn't feel the need and do so on my own.

In the many years of contact with scallop operators and vessel owners my opinion has changes little as to how many vessels can survive the economics of Alaska Scallop Fishing. The fewer the better. I have often told those who asked about the fishery that I felt four or fewer boats could make a living fishing scallops; any more than that would not.

In the days prior to vessel limitations, more options existed to relieve the economic shortfalls of too many boats in the scallop fishery. These options no longer exist for most vessels. This fact will lead to the destruction of the Alaska Scallop Fishery if too many boats are thrust upon it with no where else to go. As an ex-fishery manager, I know far to often the fishery resource is pounded into the ground in hopes of saving the over-capitalized "industry." The ironic things is, the industry would not exist if it were not for the resources.

I urge you to limit vessel numbers in the scallop fishery to fewer than five. One or two vessels more doesn't sound like a lot, but it is a 20-40% increase in effort which would economically destroy the industry. These economic effects could be set off by increased pressure on the resource in the short term, but this would lead to a resource collapse and ultimately the same economic disaster for Alaska's Scallop Fishing.

Sincerely,



Williams Nippes

WN/mjm

Mr. Richard Lauber  
Chairman  
North Pacific Fishery Management Council  
605 W. 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501-2252

January 27, 1999

N.P.F.M.C.

RECEIVED  
JAN 27 1999

Dear Council members and other interested parties:

As many of you know, I have been conducting analyses on the weather-vane scallop (*Patinopecten caurinus*) statewide fishery in Alaska for the past 3 years. My analysis has not included the Cook Inlet scallop bed or harvest. Therefore the following comments pertain only to the other scallop beds outside Cook Inlet.

The draft analysis of the license limitation program briefly touches on various biological parameters of weather-vane scallops. I would like to further emphasize and discuss the implication of these reference points and how they relate to the license limitation program.

1. Life History. Weather-vane scallops are the largest scallops commercially harvested in the world. They are slow growing, live to be at least 28 years old and have a rather thin shell compared to other large commercially harvested scallop species in the world. Although, direct fishing mortality investigations have not been conducted, Kruse's estimate of  $M = .13$  may be an underestimated figure given that during the harvesting process, dredges damage shells and "sliding" of the unclogged scallops may occur. Other basic life history information on weather-vane scallops is conspicuously absent.

2. Historic exploitation of the scallop resource: Review of logbook data by statistical area from 1969 to the present suggests that many of the large beds have consistently been exploited since the beginning of the fishery. Many beds once fished in the early years of the fishery are now contained within sensitive crab habitat areas where scallop dredging is prohibited. Other smaller beds appear to have either highly variable recruitment or very slow growth and cannot sustain annual harvest. These smaller beds are usually fished heavily once every 5-7 years.

3. Undiscovered scallop resources: While the pattern of harvest has continued to expand geographically from its historic beginning in the Kodiak and Seward area, the only new large bed with consistent high production is the Berling Sea bed. Without exception, all areas within the EEZ have been explored for new beds either by scallop vessels themselves or through research surveys. Review of trawl survey data from ADP&G, IPHC and NMFS from 1960 to 1997 suggest commercial aggregations are present only where harvest is currently taking place. From time to time anomalous settlement may occur within a small bay or an isolated area; however, these are rare events and their contribution to the total harvest is small and insignificant.

4. Size of the resource: Current total harvest levels are unlikely to increase unless recruitment is more successful than the historic pattern or crab bycatch caps are increased in the Berling Sea or crab habitat areas are opened to scallop harvest.

Given the information presented, a severe precautionary approach should be applied to this resource. The scallop biomass is extremely limited and fully utilized. Any actions taken by the Council to reduce the number of vessels participating in the fishery and limit the number of vessels permitted to fish in statewide waters will ease the economic pressure on this resource.

Sincerely,

Teresa A. Turk

# KODIAK FISH COMPANY

104 Center Street, Suite 205, Kodiak, AK 99615  
907-486-3309 Fax 907-486-3676

2977 Fox Road, Ferndale, WA 98248  
360-366-9131 Fax 360-366-9132  
email: teressa@kodiakfishco.com

January 21, 1999

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

RECEIVED

JAN 27 1999

N.P.F.M.C

Re: EA/RIR for Amendment 4 to the Scallop FMP (License Limitation)

Dear Mr. Lauber:

We will have more extensive comments on this proposal prepared for the Council meeting next week, but would like the attached included with your packets to supplement data included in the analysis. The document, on page five lists six items required by Magnuson-Stevens when developing a limited access system for a fishery. I wish to add pertinent facts that may help concerning Item D. the capability of fishing vessels used in the fishery to engage in other fisheries. In addition, on page 36, is a summary of how the analysis meets Section 303(b)(8) of the Magnuson-Stevens Act. I believe the following information will also add to the information already in the analysis.

As the ownership of moratorium permits in the North Pacific and federal fishery licenses in the North Eastern Region of National Marine Fisheries Service is public information, I researched the ownership for each area for several of the vessels included under various alternatives of the scallop license limitation proposal. This is what I found:

From NMFS, Alaska Region, RAM Division – the following vessels hold current federal groundfish/crab moratorium permits:

Ocean Hunter  
Alaska Beauty  
Kilkenny  
Forum Star

From NMFS, Northeast Region – these are permits held by the Arctic Queen, the Carolina Boy and the Carolina Girl 2 in the Northeast Region.

**Arctic Queen – Multispecies – Category J.** Permits scallop limited entry vessels to retain 300 lbs of regulated species daily. **Scallop – Category 2.** A full-time permit to fish in the scallop fishery. **Squid, mackerel, butterfish – Category 3.** Permits per trip – 2500 lbs of loligo squid and 2500 lbs of butterfish; 5,000 lbs of illex squid and no limit on mackerel.

**Carolina Boy and Carolina Girl 2 – Fluke – Category 1.** A commercial moratorium permit to fish for summer flounder. **Scallop – Category 2.** A full-time permit to fish in the scallop fishery. **Lobster – Category 1.** A commercial lobster permit for vessels using trawl gear. **Surf Clam – Category 1 –** A permit for a vessel to fish for surf clams (ITQ for the clams must also be in possession). **Ocean Quahogs – Category 6.** A permit for a vessel to fish for ocean quahogs (ITQ for the quahogs must also be in possession.)

On page 27 of the analysis, information is available provided by various sources as to vessel costs, scallop values and break even landings. This information is provided to address Item C. the economics of the fishery. Attached is an offering list for the week of 10/5/98 for scallops for sale by Pocasset Seafoods. Included on this list is an offering for Alaskan scallops – chem (chemical) free priced fob Boston. These are scallops from Wells Scallop Company according to our scallop broker, Nova Fisheries of Seattle. The prices quoted are \$6.45 to \$6.55 / lb for block frozen, 5 lb blocks, in a 50 lb case fob Boston. To get back to an ex vessel price fob Alaska, freight, insurance, brokerage costs – at

● Page 2

January 27, 1999

least - must be subtracted from the listed prices. If further processing or packaging is done, those costs must also be deducted.

Finally, also attached is a table listing landings and value of the Sea Scallop fishery for the East Coast for the years 1980 through 1997. This may also add information on both the economics of the fishery and on the capability of fishing vessels used in the fishery to engage in other fisheries. You might note that the 1997 landings of that fishery are approximately the same as the total of all Alaskan scallop landings for the fourteen years from 1985 through 1998.

I hope this information will be helpful to the Council in selecting alternatives for the scallop license limitation proposal before you for final action.

Sincerely,



TERESSA KANDIANIS  
Kodiak Fish Company

From: Heath, T. AIR CULLEN  
 NOV 20 '98 01:22PM NOVA FISHERIES

P. 3/3

# POCASSET SEAFOODS, INC.

"THE SCALLOP EXPERTS"

TELEPHONE: 401-232-2300 FAX: 401-231-8430

TO: SEAFOOD PURCHASING

FROM: DAVID FATTORE

OFFERING FOR THE WEEK OF 10/6/98

FROZEN - SCALLOPS - FROZEN		
<b>CRYSTAL SUPREME BRAND PROCESSED SEA SCALLOPS</b>		
BLOCK 10/5#	COUNT	IQF 6/5#
\$5.55 BOS	U/10	\$5.55 BOS/LA
\$5.45 BOS/LA/MIA	10/20	\$5.45 BOS/LA/MIA
\$5.35 BOS/LA/MIA	20/30	\$5.35 BOS/LA/MIA
\$4.45 BOS/LA/MIA	30/40	\$4.45 BOS/LA/MIA
	40/50	
	PIECES	
<b>SEA TREASURE BRAND PROCESSED BAY SCALLOPS</b>		
	COUNT	IQF 6/5#
	40/60	\$3.85 BOS
	60/80	\$3.75 BOS
	80/100	\$3.80 BOS
	60/120	
	100/120	
	120/150	\$3.35 BOS
<b>CANADA - CHEM FREE</b>		
BLOCK 10/5#	COUNT	IQF 6/5#
	U/10	
\$7.45 BOS	10/20	\$7.55 BOS
\$7.35 BOS	20/30	\$7.45 BOS
\$7.25 BOS	30/40	\$7.35 BOS
\$7.15 BOS	40/50	\$7.25 BOS
\$7.05 BOS	40/60	
\$6.85 BOS	50/80	
	60/80	
\$2.75 BOS	PIECES	
<b>CHINA - CHEM FREE</b>		
BLOCK 6/2 KG	COUNT	IQF 6/5#
	20/40	
	40/60	\$6.75 BOS/FLA
	60/80	\$5.95 BOS/FLA
	80/100	\$4.85 BOS
	80/120	
	100/120	\$4.85 BOS
	120/150	\$4.75 BOS
	150/200	\$4.85 BOS
	200/300	\$4.55 BOS
<b>MEXICAN - CHEM FREE</b>		
BLOCK 10/5#	COUNT	IQF 6/5#
	U/10	
\$4.85 BOS	40/60	\$4.85 BOS/LA
	60/80	\$4.75 BOS
<b>PHILIPPINE - CHEM FREE</b>		
BLOCK 10/5#	COUNT	IQF 6/5#
	40/60	\$5.15 BOS
	60/80	
	80/120	
<b>RUSSIA - CHEM FREE</b>		
BLOCK 6/5KG (KURILE ISLAND)	COUNT	IQF 6/5# (BARRENT SEA)
\$6.30 BOS	20/30	\$6.05 BOS
\$6.20 BOS	30/40	\$5.85 BOS
\$8.20 BOS	40/50	
<b>JAPAN - PROCESSED</b>		
	COUNT	IQF 6/5#
	10/20	\$4.90 LA
	20/30	\$4.90 LA
	30/40	\$4.70 LA
<b>ARGENTINA - CHEM FREE</b>		
BLOCK 3/15#	COUNT	IQF 6/5#
	80/100	
	80/120	\$4.45 BOS
	120/150	
	150/200	\$4.25 BOS
	200/300	
	PIECES	\$1.95 BOS
<b>ARGENTINA SCALLOP MEDALLIONS UNGRADED - IQF 6/5#</b>		
	10/30 CT	\$2.75 BOS
<b>ALASKAN - CHEM FREE</b>		
BLOCK 10/5#	COUNT	IQF 6/5#
\$8.55 BOS	10/20	
\$6.45 BOS	20/30	
\$6.45 BOS	30/40	
<b>ICELAND - CHEM FREE</b>		
BLOCK 10/5#	COUNT	IQF 6/5#
	20/30	
	30/40	\$8.05 BOS
	40/60	\$5.75 BOS
	60/80	
<b>JAPAN - CHEM FREE</b>		
	COUNT	IQF
	10/20	\$6.50 BOS
	20/30	\$6.45 BOS
	30/40	\$6.35 BOS
<b>CHILE - CHEM FREE</b>		
BLOCK 10/5#	COUNT	IQF 6/5#
	10/20	
	20/30	\$6.20 LA
	30/40	\$6.00 LA
	40/60	\$5.30 LA
	60/80	
	80/100	

WELL



LANDINGS

Page 1 of 1

## Landings Query Results

### You Asked For the Following:

- Year : From: 1980 To: 1997
- Species : SCALLOP, SEA
- State : Atlantic And Gulf
- Gear Type : Dredge Scallop, Sea

Year	Species	Gear	Metric Tons	Pounds	\$
1980	SCALLOP, SEA	Dredge Scallop, Sea	12,437.7	27,420,099	105,807,291
1981	SCALLOP, SEA	Dredge Scallop, Sea	11,597.2	25,567,163	104,275,340
1982	SCALLOP, SEA	Dredge Scallop, Sea	8,881.8	19,580,900	73,229,522
1983	SCALLOP, SEA	Dredge Scallop, Sea	8,561.0	18,873,484	106,179,086
1984	SCALLOP, SEA	Dredge Scallop, Sea	7,483.6	16,498,381	91,224,911
1985	SCALLOP, SEA	Dredge Scallop, Sea	6,595.3	14,539,900	70,137,902
1986	SCALLOP, SEA	Dredge Scallop, Sea	8,221.8	18,125,769	90,124,692
1987	SCALLOP, SEA	Dredge Scallop, Sea	12,815.7	28,253,465	119,653,063
1988	SCALLOP, SEA	Dredge Scallop, Sea	12,721.4	28,045,588	119,130,060
1989	SCALLOP, SEA	Dredge Scallop, Sea	14,355.2	31,647,537	125,181,043
1990	SCALLOP, SEA	Dredge Scallop, Sea	16,891.3	37,238,592	144,534,059
1991	SCALLOP, SEA	Dredge Scallop, Sea	16,158.2	35,622,400	145,063,380
1992	SCALLOP, SEA	Dredge Scallop, Sea	13,576.5	29,930,677	147,588,839
1993	SCALLOP, SEA	Dredge Scallop, Sea	6,847.2	15,095,354	92,016,859
1994	SCALLOP, SEA	Dredge Scallop, Sea	6,831.6	15,061,005	77,407,179
1995	SCALLOP, SEA	Dredge Scallop, Sea	7,029.8	15,497,788	81,253,110
1996	SCALLOP, SEA	Dredge Scallop, Sea	7,208.8	15,892,449	91,005,568
1997	SCALLOP, SEA	Dredge Scallop, Sea	5,495.6	12,115,526	80,509,689
GRAND TOTALS:	-		183,709.6	405,006,077	1,864,321,593

21,000,000.00 AVG OVER  
last 8 years.



**UNITED STATES DEPARTMENT OF COMMERCE**  
**National Oceanic and Atmospheric Administration**  
**NATIONAL MARINE FISHERIES SERVICE**  
**FINANCIAL SERVICES BRANCH**  
 One Blackburn Drive  
 Gloucester, MA 01930

February 4, 1999

Mr. William Wells Jr.  
 Wells Scallop Company  
 P O Box 600  
 Seaford, VA 23696-0600

Re: Arctic Queen

Dear Mr. Wells:

I am writing to express my concern that the continuance of Arctic Queen's Alaskan sea scallop permit is in question. As you are aware the 1997 refinancing of the vessel's acquisition and reconstruction cost was predicated on the vessel's ability to participate in the Alaskan sea scallop fishery. We considered the economic viability of the project dependent on the vessel possessing and retaining both a limited access Federal scallop permit as well as a State of Alaska scallop permit.

As you are aware NMFS originally financed the construction of the Arctic Queen, formerly the Jacqueline & Joseph, in 1979. During the vessel's twenty-year history it operated initially on the East Coast, but fished for scallops of Oregon and Washington in the early 1980's. The vessel went back to the East Coast to scallop for several years, but in the late 1980's returned to the West Coast scallop fisheries, principally the Alaskan scallop fishery. In fact, of the current cohort of vessels in the Alaskan scallop fishery, the Arctic Queen is one of the earliest participants and has a longer tenure than most others. Except for the period of time when the vessel was being reconstructed in 1996 and 1997, the vast majority of its recent history has been as a full participant in the Alaskan sea scallop fishery. I trust that you are prepared to provide whatever documentation is required to evidence the Arctic Queen's lengthy history as an Alaskan scalloper.



Leo Erwin  
Chief, NE Financial Services



Sincerely,

I would appreciate your keeping me apprised of this issue,  
as it is central to the economic viability of the vessel  
and its ability to service its mortgage debt.

For the record my name is Mark Kandianis, owner of the **F/V Provider**.

I would like to thank the council for the enormous time and effort spent on this issue. I know that the cost and time spent has been overwhelming in comparison to the size of the fishery. We now find ourselves at crossroads in this fishery. For me, this road started in 1980-year full time every year on till the present. I have seen many things happen in fishery since I began. The one thing that I constantly reflect on is that the fishery will not support but a few dedicated full time participants. This was also explained to me early on by the managers of the fishery at Fish and Game. (Ref letter from Bill Nippes and researcher Teresa Turk). In 1989 I realized that the fishery would not be encompassed by the proposed Alaskan Federal groundfish moratorium. In 1990 myself and others began petitioning the Alaska board of Fish and Game and soon found out there was no state provisions to limit the number of vessels. Then in 1991 we started urging the council to look at the fishery as to avoid overcapitalization looming on the horizon. I guess we were naive to think that this process would take a few years instead of nine. Our worst fears of overcapitalization came true in spades. We all know what has transpired with the pushing forward of one control date after another, then the Mr. Big incident that soon followed. There is now no doubt that the fishery is overcapitalized. People have lost homes, lost their boats, etc. to accommodate speculative excess capital. Prior to 1994 our days at sea were **250 + days**, since 1994 we now are at approximately **100 days**. I am embarrassed to say how much money I have personally lost with this vessel in the past four years, though we have been one of the top producers. Today's vote will be telling as to whether we can continue to participate in the fishery. Our bank informed us last month they will no longer extend credit to such losses. I have had talks with my crew about helping out. But even with a number settlement changes' being considered it does not look good. We had hopes that by urging fish and game to manage the fishery more closely we hopefully could avoid the boom and bust cycles of the past. My wife and I are proud of that accomplishment. Yet at this point I don't know if we will survive long enough to appreciate any benefit. Attrition has been taking place in the fishery since 1994 and it is now knocking at our door. There are always winners and losers in such a lengthy process and I do not envy the task before you today.

For all the above concerns we ask the council to consider **Alternative 6**  
It would represent those vessels that are truly the most dependent on the fishery and take into account the **economic viability** of those participants, which respectfully seems to have been lost in this process.

**On the Option 1**

We would like you to consider. **Option 1C1**

This would allow those vessels that qualified in Cook Inlet additional sources of income though restricting them to their **recent** qualifying gear of six ft.

**On Option 2**

Please consider **Option B**

WILLIAM NIPPES  
39 KC Drive  
Bastrop, TX 78602

RECEIVED  
JAN 25 1999  
N.P.F.M.C

January 25, 1999

N.P.F.M.C.  
Fax: (903)271-2817

Dear Council Members:

I feel compelled to write you concerning your upcoming decision on Vessel Limitations in the Alaska Scallop Fishery. I thank you for the opportunity to do so and for your consideration of my concern.

I am retired from the Alaska Detachment of Fish and Game where I worked in shellfish management for over 20 years. I worked as an observer during the early years of the scallop fishery when observers were voluntary. In more recent years I worked as The Westward Region Shellfish Biologist. I helped implement the State of Alaska's mandatory Observer Program for Scallop Vessels. This program is still ongoing and, hopefully, has given important data to your decision making.

My comments are my own and not those of the Alaska Department of Fish and Game, nor any of the industry's. The timing of your request for comments was brought to my attention by a scallop vessel owner. Those of you who know me know I would not comment if I didn't feel the need and do so on my own.

In the many years of contact with scallop operators and vessel owners my opinion has changes little as to how many vessels can survive the economics of Alaska Scallop Fishing. The fewer the better. I have often told those who asked about the fishery that I felt four or fewer boats could make a living fishing scallops; any more than that would not.

In the days prior to vessel limitations, more options existed to relieve the economic shortfalls of too many boats in the scallop fishery. These options no longer exist for most vessels. This fact will lead to the destruction of the Alaska Scallop Fishery if too many boats are thrust upon it with no where else to go. As an ex-fishery manager, I know far to often the fishery resource is pounded into the ground in hopes of saving the over-capitalized "industry." The ironic things is, the industry would not exist if it were not for the resources.

I urge you to limit vessel numbers in the scallop fishery to fewer than five. One or two vessels more doesn't sound like a lot, but it is a 20-40% increase in effort which would economically destroy the industry. These economic effects could be set off by increased pressure on the resource in the short term, but this would lead to a resource collapse and ultimately the same economic disaster for Alaska's Scallop Fishing.

Sincerely,

  
Williams Nippes

N/mjm

Mr. Richard Lauber  
 Chairman  
 North Pacific Fishery Management Council  
 605 W. 4<sup>th</sup> Avenue, Suite 306  
 Anchorage, AK 99501-2252

RECEIVED  
 JAN 27 1999

N.P.F.M.C

January 27, 1999

Dear Council members and other interested parties:

As many of you know, I have been conducting analyses on the weathervane scallop (Patinopecten caurinus) statewide fishery in Alaska for the past 3 years. My analysis has not included the Cook Inlet scallop bed or harvest. Therefore the following comments pertain only to the other scallop beds outside Cook Inlet.

The draft analysis of the license limitation program briefly touches on various biological parameters of weathervane scallops. I would like to further emphasize and discuss the implication of these reference points and how they relate to the license limitation program.

1. Life History: Weathervane scallops are the largest scallops commercially harvested in the world. They are slow growing, live to be at least 28 years old and have a rather thin shell compared to other large commercially harvested scallop species in the world. Although, direct fishing mortality investigations have not been conducted, Kruse's estimate of  $M=13$  may be an underestimated figure given that during the harvesting process, dredges damage shells and "silting" of the uncaught scallops may occur. Other basic life history information on weathervane scallops is conspicuously absent.
2. Historic exploitation of the scallop resource: Review of logbook data by statistical area from 1969 to the present suggests that many of the large beds have consistently been exploited since the beginning of the fishery. Many beds once fished in the early years of the fishery are now contained within sensitive crab habitat areas where scallop dredging is prohibited. Other smaller beds appear to have either highly variable recruitment or very slow growth and cannot sustain annual harvest. These smaller beds are usually fished heavily once every 5-7 years.
3. Undiscovered scallop resources: While the pattern of harvest has continued to expand geographically from its historic beginning in the Kodiak and Seward area, the only new large bed with consistent high production is the Bering Sea bed. Without exception, all areas within the EEZ have been explored for new beds either by scallop vessels themselves or through research surveys. Review of trawl survey data from ADF&G, IPHC and NMFS from 1960 to 1997 suggest commercial aggregations are present only where harvest is currently taking place. From time to time anomalous settlement may occur within a small bay or an isolated area; however, these are rare events and their contribution to the total harvest is small and insignificant.
4. Size of the resource: Current total harvest levels are unlikely to increase unless recruitment is more successful than the historic pattern or crab bycatch caps are increased in the Bering Sea or crab habitat areas are opened to scallop harvest.

Given the information presented, a severe precautionary approach should be applied to this resource. The scallop biomass is extremely limited and fully utilized. Any actions taken by the Council to reduce the number of vessels participating in the fishery and limit the number of vessels permitted to fish in statewide waters will ease the economic pressure on this resource.

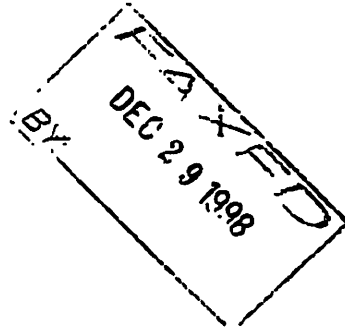
Sincerely,

  
 Teresa A. Turk

**Number of Vessels supported by price per lbs. Using council data**

**750,000 lbs. average last 3 years excluding Cook Inlet**

price \$/lb	number of boats
<b>\$ 5.00</b>	<b>4.57</b>
<b>\$ 5.50</b>	<b>4.97</b>
<b>\$ 6.00</b>	<b>5.54</b>
<b>\$ 6.50</b>	<b>5.9</b>
<b>\$ 7.00</b>	<b>6.3</b>



December 29, 1998

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

Dear Council Members:

Re: Outlook on Market for Alaska Scallops

As we head into 1999, it is evident that the market for large scallops is continuing to deteriorate due to the economic crisis in Asia and a slowing U.S. economy. In addition, because of lack of demand in Asia, Japan is flooding our market with scallops at prices substantially below Alaskan product. It is not likely that this situation will change for the next several years.

The ex-vessel prices have now fallen from an all time high of an average price per pound of \$ 6.50 lb in 1997 to \$ 6.25 lb in 1998. In order to sell Alaska Scallops in 1999, we anticipate that prices may decline further to an average of \$ 5.75-6.00 lb. The Japanese resource is massive in comparison with the Alaska fishery and we have lost nearly all of our retail grocery business which is very price competitive. It is taking us much longer to sell our inventory in the limited market we have left.

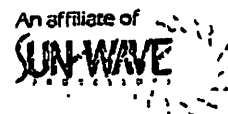
Kindly consider this information at your upcoming meetings. The difficult economic situation suggests that the fishery will support fewer vessels than in past years.

Yours Truly,

  
Blair Culter

NOVA Fisheries, Inc.  
5309 Shilshole Avenue Northwest  
Seattle, Washington 98107 USA

TELEPHONE 206.7812000  
FAX 206.7819011





**Hasegawa Seafoods, Inc.**

(KABUSHIKIGAISHA HASEGAWA SHOKUJIN)

604 Aza-Tokoro, Tokoro-cho  
Tokoro-gun, Hokkaido 093-0209  
Japan

TEL: 81-152-54-2331  
FAX: 81-152-54-3662

Sep. 1, 1998

Mr. Blair Culter, NOVA  
Shilshole Av. NW, #280  
Seattle WA, 98107 U. S. A.

Dear Mr. Culter,

Thank you for your interest in our products. We will complete our HACCP plan during this week through Surefish in Seattle. Mr. Ewance visited our plant on the 24th and 25th of August. Therefore he basically knows about our plant and product.

We are pleased to give an estimation of the export price for the IQF frozen scallop meat as follows:

	Size	Price	Qty
IQF frozen scallop meat	20/30	US\$5.85/Lb	1400 c/e (±5%)
Packing	: 30 pound carton box		
Quoting Terms:	C&F Seattle		
Payment	: By irrevocable L/C in US\$ at sight in our favor		
Shipment	: Within 30 days after receipt of the L/C		
Our Bank	: Hokkaido Bank, Abashiri branch		
Validity	: 15 days from this date		

We hope you will be satisfied with our offer and looking forward to receiving your confirmed order for the same, in the meanwhile, we remain

Sincerely yours,

  
Koji Hasegawa

# KODIAK FISH COMPANY

104 Center Street, Suite 205, Kodiak, AK 99615  
907-486-3309 Fax 907-486-3676

2977 Fox Road, Ferndale, WA 98248  
360-366-9131 Fax 360-366-9132  
email: [teressa@kodiakfishco.com](mailto:teressa@kodiakfishco.com)

January 21, 1999

Mr. Rick Lauber  
Chairman, North Pacific Fisheries Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

Amendment 4 – License Limitation Final Action – Scallop FMP

Dear Mr. Lauber:

## SUMMARY OF COMMENTS DETAILED BELOW

We support Alternative 6 which treats holders of either Federal or State moratorium permits as having historic participation and for recent participation requires a landing in two out of the three years of 1996, 1997 and 1998.

We support Option 1 C (1) and Option 2 D and suggest wording as follows:

**Area Endorsements.** No area endorsements. All licenses are statewide, but vessel licenses are endorsed for maximum legal gear if that gear was used during the recent qualifying period. Other vessels would be restricted to the maximum legal gear approved for use in the Cook Inlet area.

**Vessel Reconstruction and Replacement.** Maximum LOA restricted to 120% of the LOA of the vessel on which the permit was used in the recent qualifying period.

## DISCUSSION

**QUALIFYING PERIOD.** Discussions during Council deliberations about the qualifying period for the moratorium revolved around the same issues being raised for license limitation final action and by the same participant. At the time of that action, four vessels that had never made a landing prior to July of 1993 were permitted to enter the fishery at the same level as those who were wholly dependent on the fishery and had been participants for as long as 18 years. The owner of two of those four vessels has purchased another vessel involved in the Alaskan scallop fishery, returned it to the East Coast in the spring of 1995 and spent, according to public comment from his company and the shipyard, the ensuing two years upgrading the vessel to suit it for work in Alaska – with a year long break spent fishing in the East Coast sea scallop fishery.

In 1993, the claim was made that installation of freezers to suit those vessels for use in Alaska had put those two boats "in the pipeline". A similar argument is being made today. The use of freezers is not necessary in the Alaskan scallop fishery. Only in recent years have Alaskan sea scallop vessels developed capacity to freeze at sea. Further, it is not illegal or limited in any way for vessels in the Atlantic sea scallop fishery to operate with freezing equipment. There are a number of vessels operating in that manner there today though the exact number is not known as National Marine Fisheries Service in the Northeast Region does not even track that capability. Recently, a knowledgeable industry member advised he personally knew of about a dozen vessels freezing scallops at sea at the present time on the East Coast.

## AREA ENDORSEMENTS and VESSEL RECONSTRUCTION AND REPLACEMENT.

These two options should be in sync – that is, a decision that the recent qualifying period serves as the reference point for area endorsement (or gear restriction as we are proposing) should mean that the recent qualifying period also serves as the reference point for vessel reconstruction and replacement. We prefer that both options use the recent qualifying period for the measure against which vessel length is increased and the type of gear used is applied. The historic qualifying period dates back to 1982 and has little

relevance to the vessel currently available to a participant nor does it readily relate to the level of dependence a participant currently has on this fishery.

**AREA ENDORSEMENTS.** As this process has developed, we supported allowing those vessels that fished in Cook Inlet to come outside of Cook Inlet and participate in the Statewide scallop fishery assuming that those vessels were similar to the ones that fished Cook Inlet in earlier years. They wanted this in order to have a longer window of opportunity to fish scallops since the Cook Inlet quota is so small. Given the historic type and size of vessel that fished Cook Inlet, we did not believe that their presence in other areas would significantly increase the capitalization of the fishery...and would give them a little longer season. However, now we have learned that the vessels fishing in recent years in Cook Inlet are vessels similar to those that fish outside as opposed to the 40 foot vessels the fishery has historically supported. This new contingency of vessels wishes to essentially be licensed in the same manner as the full time scallop vessels. This is not acceptable to us and does not comply with Magnuson-Stevens Act standards requiring: that economics of the fishery must be considered; that the capability of the fishing vessels used in the fishery to engage in other fisheries must be considered; and that historical fishing practices in, and dependence on, the fishery must be considered.

Public testimony would have you believe that fishing with Cook Inlet gear (a single six foot dredge) in the Statewide fishery, would not be economically feasible due to the observer coverage requirement. However, the same observer coverage requirements are currently in effect for all scallop fisheries - including Cook Inlet. The reason these vessels do not now carry observers there is that the Department has exercised its regulatory discretion to exempt certain vessels from the observer requirements. The regulation reads, "When taking scallops in a fishery with a guideline harvest range established by regulation, a vessel must carry an onboard observer ...unless the department, in its discretion, determines that carrying an onboard observer will not serve the purposes of the onboard observer program." Exemptions have been granted for vessels fishing in Cook Inlet but have also been granted for smaller vessels in other areas of the State.

**VESSEL RECONSTRUCTION AND REPLACEMENT.** Options 2 B and 2 C both deal with balancing further overcapitalization in this fishery while addressing the desire of participants with vessels that fish or work in other arenas of business to be able to make changes to their vessels that make them better suited for that other work. What is best for the fishery is option 2 D that would permit no increase in vessel length; however, owners of vessels that do something besides scallop made a compelling argument at earlier Council meetings for a limited ability to increase length. In recognition of this legitimate concern, we would support Option 2C as it limits the scope of any increases and is synchronized with the use of the recent qualifying period for Option 1.

You have heard public testimony regarding the difficulties encountered by one participant in using his current vessel in the scallop fishery. Use of the historic qualifying period would give the participant a maximum length shorter than his current vessel making him unable to use it. Use of the recent qualifying period would resolve his dilemma.

**SUMMARY:**

Dependence should be looked at in reference to commitment to the fishery as well as the number of years in which only a token landing may have occurred. Token landings over a time series are still token landings. Commitment is measured by the pounds landed annually relative to the overall fishery and relative to the value of other fisheries or businesses in which the vessel works. The level of effort reflects the dedication of the vessel to this fishery and the merit of the claim by the owner in regard to dependence on the Alaskan scallop fishery. Examination of the other licenses held by vessels under consideration also supplies evidence of dependence on the fishery. Vessels making a token landing in Cook Inlet are not frozen in time in Cook Inlet but can participate Statewide with gear authorized for use in Cook Inlet. Gear restrictions are essential to prevent speculation on permits that reward token landings with a windfall profit and would perhaps permanently impair the ability of those vessels that are 100% dependent on this fishery to survive.

February 3, 1999

The matter of excessive shares has been broached in the document and should be a matter of some importance in considering alternatives. Alternative 6 would hold the shares owned by one entity at a lower level while still permitting the other entities in the fishery enough of a share of the catch to be competitive...thus reducing the likelihood that further consolidation of ownership will occur. Endorsing Alternative 5 will place about 40% of the capacity of the fleet with one owner, and will make the competitiveness of the remaining vessels less likely. This is why we believe Alternative 6 is the best choice for license limitation for this fishery.

Sincerely,

MARK AND TERESSA KANDIANIS

Preferred : Alternative 6

One concern is that one cook Inlet vessel made one token landing in one year 98 from a purchased latent permit that along with landings from cook inlet 96 and 97 could be combined to one license for both cook inlet and the large boat state wide fishery. This one(landing)-year qualifier could add approximately 17% capacity to the offshore fishery. It may be the difference between breakeven or less for the remaining fleet. I do not believe this was the original intent of the Alternative 6.

This vessel is for sale and could separate the license for sale to a much larger boat.

Under option 1 C 1 the minimum this vessel would receive is a license for Cook Inlet and statewide with a 6 ft dredge which it traditionally used.

Max and Scott Hulse  
F/V Wayward Wind, F/V Shaylen Nicholas  
Present vessel - F/V LA BRISA

We qualify under all the alternatives being considered, but the adoption of the adoption of Option 1C (2) and 2 C are crucial to our scallop future and are recommend for adoption by the Advisory Panel.

Option 1 C (2): No area endorsements. All licenses are statewide, but vessel licenses are endorsed for maximum legal gear if that gear was used during the recent or historic qualifying period. Other vessels would be restricted to the maximum legal gear approved for use in the Cook Inlet area.

Option 2 C Maximum vessel length would be restricted to 120% of the LOA of the vessel on which the permit was used in 1996 or 1997 on or before December 31, 1997. If a permit was used on more than one vessel in 1996 or 1997, maximum LOA would be calculated using the longest vessel.

Option 1 C (2) - allows us to fish outside Cook Inlet with a dredge larger than 6 ft.  
Option 2 C - addresses and solves our vessel length problem.

---

Possible rewording of Option 2 C:

Maximum vessel length would be restricted to the LOA of the vessel on which the permit was used in 1996 or 1997 on or before December 31, 1997.

- If a permit was used on more than one vessel in 1996 or 1997, maximum LOA would not exceed the length of the longest vessel.

(1998 would need to be included if alternative 5 is adopted.)

Results:

- (1.) No vessels would be allowed any increase in length over their present vessel's length.
- (2.) The F/V LA BRISA's length would not have to be cut off.

**VESSELS' HISTORY OF INVOLVEMENT IN THE ALASKA SCALLOP FISHERY  
(Moratorium Permit Holders)**

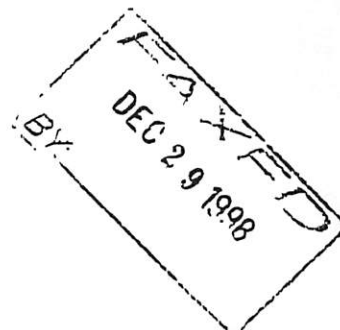
<u>VESSELS</u>	<u>TOTAL YEARS OF INVOLVEMENT</u>	<u>YRS OUTSIDE COOK INLET</u>	<u>MOR LICENSE</u>	<u>DREDGE RESTRICTION</u>
1. PURSUIT	19 yr - 1980 - 1998	19 YRS	STATEWIDE	UNRESTRICTED
2. OCEAN HUNTER	10 yr - 1980 - 1981 1983 - 1986, '93, '94, '97, '98	10 YRS	STATEWIDE	UNRESTRICTED
3. PROVIDER	10 yr - 1989 - 1998	10 YRS	STATEWIDE	UNRESTRICTED
4. LA BRISA WAYWARD WIND SHAYLEN NICHOLAS	10 yr - 1982 - 1988 1994, '96, '97	5 YRS	STATEWIDE/ COOK INLET	UNRESTRICTED
5. CAROLINA BOY	6 yr - 1993 - 1998	6 YRS	STATEWIDE	UNRESTRICTED
6. CAROLINA GIRL	6 yr - 1993 - 1998	6 YRS	STATEWIDE	UNRESTRICTED
7. FORUM STAR *	5 yr - 1990, '93, '94, 1997, 1998	5 YRS	STATEWIDE	UNRESTRICTED
8. NO. EXPLORER **	5 yr - 1993, '94, '96 1997, 1998	1 YR	COOK INLET STATEWIDE	RESTRICTED/ UNRESTRICTED
9. ARCTIC QUEEN *** (JACQUELINE JOSEPH)	????	2 YRS	STATEWIDE	UNRESTRICTED
<hr/>				
10. KILKENNY	4 yr - 1993, '94, '96, '97	NONE	COOK INLET	RESTRICTED
11. ALASKA BEAUTY	3 yr - 1993, '94, '96	NONE	COOK INLET	RESTRICTED

Alternative 5 - Options 1C(2) + 2C  
Alternative 6 - Options 1C(2) + 2C

\* Due to the American Fisheries Act which establishes limitations on vessels in the pollock fisheries, the Forum Star's harvest of scallops will be limited to its traditional harvest levels, thus the Forum Star will not be able to fish scallops on a full time basis.

\*\* The owner of the Northern Explorer did not qualify for an original moratorium permit to fish outside Cook Inlet, but purchased a permit from the owner of the F/V Fortune Hunter in 1997 and fished that permit in statewide waters for only 1 year, 1998.

\*\*\* The Arctic Queen was purchased by the Wells Fish Company, owners of the Carolina Boy and Girl, and they fished the vessel in Alaska waters for two years, 1995 and 1998. (The Arctic Queen was formerly fished in statewide waters through efforts of the previous owner.)



December 29, 1998

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

Dear Council Members:

Re: Outlook on Market for Alaska Scallops

As we head into 1999, it is evident that the market for large scallops is continuing to deteriorate due to the economic crisis in Asia and a slowing U.S. economy. In addition, because of lack of demand in Asia, Japan is flooding our market with scallops at prices substantially below Alaskan product. It is not likely that this situation will change for the next several years.

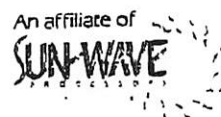
The ex-vessel prices have now fallen from an all time high of an average price per pound of \$ 6.50 lb in 1997 to \$ 6.25 lb in 1998. In order to sell Alaska Scallops in 1999, we anticipate that prices may decline further to an average of \$ 5.75-6.00 lb. The Japanese resource is massive in comparison with the Alaska fishery and we have lost nearly all of our retail grocery business which is very price competitive. It is taking us much longer to sell our inventory in the limited market we have left.

Kindly consider this information at your upcoming meetings. The difficult economic situation suggests that the fishery will support fewer vessels than in past years.

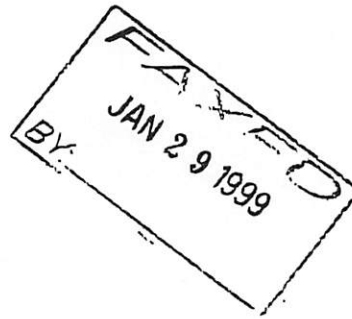
Yours Truly,

  
Blair Culter

NOVA Fisheries, Inc.  
5309 Shilshole Avenue Northwest  
Seattle, Washington 98107 USA  
TELEPHONE 206.781.2000  
FAX 206.781.9011







January 29, 1999

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

Dear Council Members:  
Re: Scallop license limitation

For consideration at your meeting next week, this is to advise that Nova Fisheries feels that it would not be reasonable to use 1998 as a basis for qualifying for a scallop license. We have had a strong working relationship with the different scallop boats over ten years and helped several of them to develop a consistent and high quality scallop. The selection of any alternative that favors speculative or token efforts in the fishery will only further erode the ability of those longtime participants to survive.

We support Alternative 4 and believe that options being considered that would allow minimal participants to have the same type of license as the full time professional boats should not be approved. The fishery is overcapitalized with the current level of effort - those with no other options for other fisheries will find their share reduced to a level that will bankrupt them. To create this scenario in order to allow those with speculative and, in some cases, token landings to gain a windfall flies in the face of what "rationalization" is supposed to achieve.

Thank you for the opportunity to comment.

Yours Truly,

Blair Culter

NOVA Fisheries, Inc.  
5309 Shilshole Avenue Northwest  
Seattle, Washington 98107 USA  
TELEPHONE 206.781.2000  
FAX 206.781.9011

An affiliate of



**Hasegawa Seafoods, Inc.****(KABUSHIKIGAISHA HASEGAWA SHOKUHIN)**

604 Aza-Tokoro, Tokoro-cho  
 Tokoro-gun, Hokkaido 093-0209  
 Japan

TEL: 81-152-54-2331  
 FAX: 81-152-54-3662

Sep. 1, 1998

Mr. Blair Culter, NOVA  
 Shilshole Av. NW, #280  
 Seattle WA, 98107 U. S. A.

Dear Mr. Culter,

Thank you for your interest in our products. We will complete our HACCP plan during this week through Surefish in Seattle. Mr. Evance visited our plant on the 24th and 25th of August. Therefore he basically knows about our plant and product.

We are pleased to give an estimation of the export price for the IQF frozen scallop meat as follows;

	Size	Price	Q'ty
IQF frozen scallop meat	20/30	US\$5.85/Lb	1400 c/± (±5%)
Packing	: 30 pound carton box		
Quoting Terms	: C&F Seattle		
Payment	: By irrevocable L/C in US\$ at sight in our favor		
Shipment	: Within 30 days after receipt of the L/C		
Our Bank	: Hokkaido Bank, Abashiri branch		
Validity	: 15 days from this date		

We hope you will be satisfied with our offer and looking forward to receiving your confirmed order for the same. In the meanwhile, we remain

Sincerely yours,

  
 Kaji Hasegawa

Dw



22 January 1999

RECEIVED  
 JAN 22 1999  
 N.P.F.M.C

Richard B. Lauber, Chairman  
 North Pacific Fishery Management Council  
 605 West 4th Ave., Suite 306  
 Anchorage, AK 99501-2252

Dear Chairman Lauber and Council Members:

As you are aware the license limitation plan for weathervane scallops is coming before you in February for final action. A key decision will focus on the qualifying criteria. As I have explained in prior testimony, the *F/V Arctic Queen*, a vessel with one of the longest histories in the Alaska fishery, could be excluded unless recent participation includes landings for 1998. In October 1998, I described the chain of events where the *F/V Arctic Queen* went to the shipyard in 1996 for a much needed overhaul. Several council members requested further details on what occurred. I hope the attached timeline of events from 1995-1998 will assist in making your decision.

As a staff analysis has shown, including 1998, which is the most recent participation, will result in the addition of one more boat, the *F/V Arctic Queen* (formerly Jacqueline & Joseph). The only years from 1985-1999 we did not scallop in Alaska were 1996 and 1997. We did everything by the book. We qualified for and received a federal and state moratorium permit. We obeyed all upgrading requirements and made an 18-year old vessel, that was not as well maintained as the *F/V Carolina Girl II* and *F/V Carolina Boy*, safer and better.

As you can see, we did not complete the work until late June 1997. If we only allowed a week for a shakedown cruise and made the transit to Seward in record time (42 days), we could have begun fishing the third week in August 1997. The *F/V Carolina Girl II*'s last landing was September 10, 1997, and the *F/V Carolina Boy*'s last landing was August 11, 1997. We could have made a nominal landing, and would have, if we had known we needed to. The Council and BOF did not discuss the license limitation program until ten months later.

***F/V Arctic Queen  
Management Action***

**1985 - 1995 > Scalloping in Alaska**

**May 16 - June 12, 1995 > Vessel returns to east coast and enters boat yard for haulout and installation of wheel and nozzle.**

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**April 1998 > Vessel transits to Seward, Alaska, arriving June 1998.**

**July 1998 > Arctic Queen begins scallop season.**

**January 1993 > Council sets a control date.**

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**August 1996 > Council reopens fishery.**

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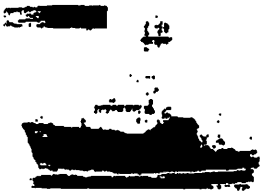
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**July 1998 > BOF and Council meet to discuss Limited Entry Plan.**

**October 1998 > Council meets for initial review and testimony regarding license limitation.**

**February 1999 > Council meets for final action on license limitation.**

DW



# DUCKWORTH STEEL BOATS, INC.

NEW BOATS 75' TO 130' • REPAIRS AND CONVERSIONS

1051 ISLAND AVENUE • TARPON SPRINGS, FL 34689 • (813) 934-2550 (813) 937-7252 Home (613) 845-3348

January 22, 1999

Mr. Richard Lauber, Chairman  
North Pacific Fisheries Management Council  
605 W. 4th Ave., Suite 606  
Anchorage, AK 99501-2252

RECEIVED  
JAN 22 1999  
N.P.F.M.C

Dear Chairman Lauber and Council Members:

I am writing this letter on behalf of Bill Wells, Jr., owner of the F/V Arctic Queen. He has told me the vessel may be excluded from the Alaska scallop fishery due to a lack of participation in 1996 or 1997.

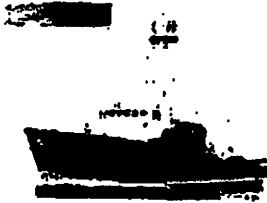
The F/V Arctic Queen was brought to the yard in early September 1996. Work began on September 15, with the goal of an early March completion. The scope of the work included the following:

1. Complete haulout (sandblast, repaint with 4 coats of Devco).
2. Installation of a new wheel and nozzle.
3. Reinsulation of freezer hold.
4. Building and installation of a completely new wheelhouse.
5. Installation of equipment for holding freezer and plate freezer (Complete conversion from ice.)
6. Installation of all new gallows and attachment to hull bottom.
7. Installation of main trawl winches.
8. Installation of all new rigging, mast, booms, and outriggers.
9. All associated hydraulic pumps, lines, and valves required.
10. Installation of 2 - 60 kw generators and building of electrical Panels to match.

Due to several problems at the yard and due to the need to conform to stringent guidelines required by the State of Alaska, we realized by the middle of January our time frame was unachievable. The owner's son, the captain, and the mate came to the yard to help, and we began working ten hour days, seven days per week, until completion in late June 1997.

Post-It™ brand fax transmittal memo 7671 # of pages 2

TO	Richard Lauber	From	Dr. Duckworth
Co.	Chairman - North	Co.	Duckworth Steel Boats
Org.	Pacific Management Council	Phone #	(727) 734-2550
		Fax #	(727) 937-7252



---

# DUCKWORTH STEEL BOATS, INC.

---

NEW BOATS 75' TO 130' • REPAIRS AND CONVERSIONS

1051 ISLAND AVENUE • TARPON SPRINGS, FL 34689 • (813) 934-2550 (813) 937-7252 Home (813) 845-3348

Mr. Wells explained to me the deadline and how important it was for this boat to make the summer opening in Alaska in 1997. We did our best, but doing this much work on an older boat was more time consuming than building a new boat from the keel up.

We are a small yard with twelve employees, and we had a tuna boat we were completing at the same time the F/V Arctic Queen was here. We built the F/V Carolina Girl II and rebuilt the F/V Carolina Boy and the F/V Arctic Queen for Mr. Wells. He demands top quality work and the best equipment because these boats work in Alaska and because that's the way he wants his boats built. This is the reason he came to us because that is the only kind of work we do. Please do not penalize Mr. Wells for our failing to complete the job on time.

Sincerely,

Junior Duckworth  
Owner

I am the owner of the scallop vessel "Northern Explorer". I am one of the Cook Inlet vessels currently fishing in Cook Inlet. I apologize for not being present but the bitter cold weather up here has restricted my travel. Mr. Fuglvog has agreed to read this and I thank him very much for his time and assistance.

I support option 1A(1) the Area Endorsements. This option follows the past and current thinking of the Council and allows vessels that have recently participated in the fishery and shown their commitment to continue fishing. During the past five years the Council has kept Cook Inlet a separate area. I feel that this should be continued. It is unique, it has a separate quota, separate gear regulations, and was originally set up for small vessel fishing. The Council has been correct to keep it separate and I feel it should remain so.

I also support Option 2B. This option follows the history of the Council in allowing a maximum of 120% of the original length of the vessel. This Option has been in effect for the past five years and no one has disputed it. I see no reason to change it. This Option will also keep the Cook Inlet area a small boat fishery.

I have a situation that I need the Council to clarify. Since I am not a full time scallop fisherman, I need to own a boat that can be used in more than one fishery. In order to be more efficient and keep costs down, I am planning to sell the "Northern Explorer" and purchase a different type of vessel. I still intend on fishing scallops in Cook Inlet, but I require a more versatile type of vessel. According to the License Limitation Program dated 30 Dec. 1998, on page 30, the last paragraph, states "Permits under SLLP will be initially issued only to the owner of the qualifying vessel at the time of application." If I sell my vessel during this time, I will lose the license.

The time required for NMFS to write the SLLP, send it to Washington DC, and the Secretary Of State signs off on it could be from 6 months to 2 years. That would be a real financial burden on me to have to sit on the vessel for that length of time. I would like to keep the fishing history with me. As you recall the scallop permits were given to the owners not the vessels.

What I would like to propose is for the AP/ Council to amend the wording from "at time of application" to say "at time of this Council action". This will set the date of ownership to during this meeting. This change will not effect the total number of vessels or permits, it does not effect the qualifying periods, it only moves the date of the application period. It keeps the licenses with the known owners.

I have talked with Dave Witherell and Gretchen Harrington at NOAA General Consul concerning this problem. They indicated to me that they see no problem with this minor change.

Thank you for your time.

Sincerely,



William Kopplin  
President



# LATE COMMENT

RECEIVED

JAN 29 1999

N.P.F.M.C

January 29, 1999

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

Dear Council Members:  
Re: Scallop license limitation

For consideration at your meeting next week, this is to advise that Nova Fisheries feels that it would not be reasonable to use 1998 as a basis for qualifying for a scallop license. We have had a strong working relationship with the different scallop boats over ten years and helped several of them to develop a consistent and high quality scallop. The selection of any alternative that favors speculative or token efforts in the fishery will only further erode the ability of those longtime participants to survive.

We support Alternative 4 and believe that options being considered that would allow minimal participants to have the same type of license as the full time professional boats should not be approved. The fishery is overcapitalized with the current level of effort - those with no other options for other fisheries will find their share reduced to a level that will bankrupt them. To create this scenario in order to allow those with speculative and, in some cases, token landings to gain a windfall flies in the face of what "rationalization" is supposed to achieve.

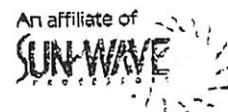
Thank you for the opportunity to comment.

Yours Truly,

  
Blair Culter

NOVA Fisheries, Inc.  
5309 Shilshole Avenue Northwest  
Seattle, Washington 98107 USA

TELEPHONE 206.781.2000  
FAX 206.781.9011

An affiliate of  






## OCEANIC RESEARCH SERVICES, INC.

P.O. BOX 192  
ESTER, AK. 99725

PHONE: 907/479-5426  
FAX: 907/479-5425

TO: MR. CLARENCE PAUTZKE

FROM: WILLIAMKOPPLIN

DATE: 29 January, 1999

NO. OF PAGES: ONE

RECEIVED

JAN 29 1999

N.P.F.M.C

Dear Mr. Pautzke,

I was talking with Robin Samuelsen today and recommended that I send this FAX to you. As you know, I sent a letter to Chairman Lauber concerning the up coming scallop program. At the end of the letter I pointed out a problem that I foresee happening to me about the possibility of selling the vessel "Northern Explorer" and not being able to retain the fishing history. From talking with Dave Witherall and Gretchen Harrington at NOAA General Council it appears that this situation can be easily amended. I also talked with Chairman Lauber today and he agreed that a motion should be made to define "recent" mean "at the time of this Council action".

The reason I am relating this to you, is due to the present cold weather that is up here in the Interior where I live. The prediction is for -65F this weekend, they typically will close the airport due to ice fog, when it gets that cold. I have a reservation and intend to be present at the meetings, but I may not be able to get out when I want to. Mr. Samuelsen said it would be good for me to let you know of my situation and to see if there is anything I can do in case I am unable to attend. Do you know if I might be able to testify by phone? I realize it is an unusual request. If there is something I could do please let me know.

Thank you for your time and assistance.

Sincerely,



William Kopplin  
President

# OCEANIC RESEARCH SERVICES, INC.

Box 192  
Anchorage, Alaska 99725  
John Kopplin, President

Voice: (907) 479-5426  
Fax: (907) 479-5425  
Owner of R/V Annika Marie

RECEIVED

21 January, 1999

JAN 28 1999

NPF.M.C

COMMENT

Richard Lauber  
NPFMC  
Suite 306  
605 West 4th Ave.  
Anchorage, Ak. 99501

Dear Chairman Lauber,

I am the owner of the scallop vessel "Northern Explorer". I am one of the Cook Inlet vessels currently fishing in Cook Inlet. I am writing to you concerning the up coming Council meeting where a final decision will be made on scallop licensing.

I support option 1A(1) the Area Endorsements. This option follows the past and current thinking of the Council and allows vessels that have recently participated in the fishery and shown their commitment to continue fishing. During the past five years the Council has kept Cook Inlet a separate area. I feel that this should be continued. It is separate and unique, it has a separate quota, separate gear regulations, and was originally set up for small vessel fishing. The Council has been correct to keep it separate and I feel it should remain so.

Option 1 A(1) also requires that only recent participants be eligible to obtain a license. I feel this is fair and equitable as stipulated in the Magnuson-Stevens Act.

I also support Option 2B. This option follows the history of the Council in allowing a maximum of 120% of the original length of the vessel. This Option has been in effect for the past five years and no one has disputed it. I see no reason to change it. This Option will also keep the Cook Inlet area a small boat fishery.

I have a situation that I need the Council to clarify. Since I am not a full time scallop fisherman, I need to own a boat that can be used in more than one fishery. In order to be more efficient and keep costs down, I am planning to sell my vessel and purchase a different type of vessel. I still plan on fishing scallops part time in Cook Inlet, but I require a more versatile type of vessel. According to the License Limitation Program dated 30 Dec. 1998, on page 2, the 4th paragraph, it states "Scallop licenses would be issued to the current owner of the qualifying vessel...." What is the definition of "recent"? If I sell my vessel before the Council action takes place, will I lose my fishing rights?

I have gone through this whole process for the previous five years and now I find out there is a good chance I may lose my chance to fish. I am appealing to you as a fisherman and a small businessman for assistance. You understand the small fisherman and have helped us in the past. I really appreciate what you have done for the small boat owners. I feel the definition of "current" should be the owner at the time of this up coming meeting or as of 1 Jan. 1999. I ask you to adopt this definition.

Sincerely

A handwritten signature in cursive script that reads "William Kopplin". The signature is written in black ink and is positioned to the right of the typed name.

William Kopplin  
President



RECEIVED  
JAN 29 1999

**LATE COMMENT**

22 January 1999

Richard B. Lauber, Chairman  
North Pacific Fishery Management Council  
605 West 4th Ave., Suite 306  
Anchorage, AK 99501-2252

Dear Chairman Lauber and Council Members:

As you are aware the license limitation plan for weathervane scallops is coming before you in February for final action. A key decision will focus on the qualifying criteria. As I have explained in prior testimony, the *F/V Arctic Queen*, a vessel with one of the longest histories in the Alaska fishery, could be excluded unless recent participation includes landings for 1998. In October 1998, I described the chain of events where the *F/V Arctic Queen* went to the shipyard in 1996 for a much needed overhaul. Several council members requested further details on what occurred. I hope the attached timeline of events from 1995-1998 will assist in making your decision.

As a staff analysis has shown, including 1998, which is the most recent participation, will result in the addition of one more boat, the *F/V Arctic Queen* (formerly Jacqueline & Joseph). The only years from 1985-1999 we did not scallop in Alaska were 1996 and 1997. We did everything by the book. We qualified for and received a federal and state moratorium permit. We obeyed all upgrading requirements and made an 18-year old vessel, that was not as well maintained as the *F/V Carolina Girl II* and *F/V Carolina Boy*, safer and better.

As you can see, we did not complete the work until late June 1997. If we only allowed a week for a shakedown cruise and made the transit to Seward in record time (42 days), we could have begun fishing the third week in August 1997. The *F/V Carolina Girl II*'s last landing was September 10, 1997, and the *F/V Carolina Boy*'s last landing was August 11, 1997. We could have made a nominal landing, and would have, if we had known we needed to. The Council and BOF did not discuss the license limitation program until ten months later.

Please support Alt 4 with the qualifying years of 1996, 1997, or 1998. It is critical for the survival of my business that the *F/V Arctic Queen* remain in the fishery. I will be attending the February 1999 council meeting so I can answer any questions that you might have.

Sincerely,

A handwritten signature in cursive script that reads "William S. Wells III".

William S. Wells, III  
*F/V Arctic Queen*

WSW/sb

***F/V Arctic Queen  
Management Action***

**1985 - 1995 > Scalloping in Alaska**

**May 16 - June 12, 1995 > Vessel returns to east coast and enters boat yard for haulout and installation of wheel and nozzle.**

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