

# North Pacific Fishery Management Council

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## NEWSLETTER

5/5/95

### Council Completes April Meeting

During their week-long meeting April 19-24, the Council approved several analyses for public review, including those for the reauthorization of inshore-offshore allocations and pollock CDQs, and the groundfish and crab license limitation programs. In addition, comments are being sought on a regulatory amendment which would require electronic reporting equipment on groundfish processing vessels and onshore groundfish processors. The Council also took final action on a plan amendment to control the amount of chinook salmon taken as bycatch in the Bering Sea/Aleutian Islands trawl fisheries and instructed staff to begin analysis of management measures for the scallop fisheries in the EEZ. Details of these actions and others are found in this newsletter. The Council did not have time in April to consider the following issues: halibut charterboat, grid sorting, bycatch and discard reduction, and Bering Sea and Aleutians midwater trawl apportionments of pollock.

The Council and Advisory Panel will meet next in June at the Grand Aleutian Hotel in Dutch Harbor, Alaska. The Advisory Panel will begin on Sunday, June 11, and the Council will begin on Tuesday, June 13. **The Scientific and Statistical Committee will not meet in Dutch Harbor. The SSC will meet June 8-9, 1995 at the Holiday Inn in Anchorage.**

Meeting attendees should be aware that office and copying facilities will be limited at the Dutch Harbor meeting. Anyone wishing to submit written comments at that meeting should plan to bring at least 50 copies for distribution to Council and Advisory Panel members; more if they wish public distribution. Council staff will not be able to provide copying for the public at this meeting.

### Advisory Panel Elections

John Bruce and Beth Stewart were re-elected as Chair and Vice Chair respectively. John Bruce is the Executive Director of the Deep Sea Fishermen's Union of the Pacific in Seattle, Washington and has been a member of the AP since 1991. Beth Stewart is the director of the Aleutian East Borough and is located in Juneau, Alaska. She has been a member of the AP since 1991.

### Council Appoints New Advisory Panel Member

Ragnar Alstrom was appointed by the Council to replace Harold Sparck who resigned just weeks prior to the April meeting. Ragnar resides in

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Alakanuk, a western Alaskan village, and is the vice president of the Yukon Fisheries Development Corporation and the general manager of the Alakanuk Native Corporation. Since 1972, Ragnar has fished for a variety of species including salmon, herring, halibut, Pacific cod and king crab. He has participated as a representative for Alakanuk at both the State Board of Fisheries and North Pacific Fishery Management Council meetings.

### Western Alaskans Lose Valuable Fisheries Advocate and Friend

Harold Sparck, an Advisory Panel member since January 1989, died April 28 of cancer. Harold's commitment to the AP was evident by his preparedness for each meeting in addition to an excellent attendance record. Although his primary concern was on policies affecting western Alaska, Harold was involved in all issues brought before the AP and was committed to protecting the fishery resources for future generations. As a western Alaskan, Harold's work helped define the fishery and subsistence policies of the Yukon-Kuskokwim Delta. Harold championed many causes on their behalf including the community development quotas (CDQs). In the early '90s, he fought for new plans that would vest Bering Sea villages with catch shares of pollock, halibut and sablefish. Harold helped put together a strategy that won the support of the trawl fleet and eventually spawned the community development quota (CDQ) program. In recent years, Harold helped manage the Coastal Villages Fishing Cooperative which is one of the CDQ groups. He helped found the Bering Sea Fishermen's Association which helps western Alaskans develop fisheries.

### Electronic Reporting

The Council approved a draft analysis of a regulatory amendment to Implement Hardware Requirements for Electronic Reporting for public review at their April 1995 meeting. To be effective January 1, 1996, final action must be taken in June 1995. The objective of this regulatory amendment is to require all groundfish processors to obtain electronic communication equipment to facilitate electronic reporting of fisheries data by observers to reduce the time and expense of collecting and sending fishery information on a real-time basis. Currently, most industry reports are submitted by FAX, and all logbooks are kept on paper. Electronic communication of reports would greatly improve efficiency and reduce costs associated with report submission and processing. The draft analysis may be obtained by calling the Council office.

The alternatives are:

Alternative 1: Status quo. Maintain the current methods and equipment for transmission of data from processors.

Alternative 2: Require all processor vessels that process groundfish to have satellite communication equipment and the necessary hardware and software for electronic transmission of observer data. Require all shoreside processors that process groundfish to have the necessary computer hardware and software to send data electronically via a modem.

Staff contact is Jane DiCosimo.

### Cook Inlet Lease Sale 149

The Council approved sending comments to the Minerals Management Service (MMS) on their draft Environmental Impact Statement for Cook Inlet Lease Sale 149. The proposed sale would offer 402 blocks (approximately 2 million acres) of the Cook Inlet Planning Area for leasing. These blocks are located in waters

from 3-25 miles offshore and 30-650 feet deep. MMS estimates that if commercially recoverable oil resources are discovered and produced as a result of Sale 149, this amount would most likely range from 100 to 300 million barrels.

The Council indicated that many commercial and recreational finfish and shellfish fisheries occur in the waters of Cook Inlet affected by the sale. The sale area also has special significance as habitat for migratory salmon, spawning herring, numerous shellfish species, sea birds, and marine mammals including Steller sea lions and beluga whales. While the exploratory phase of the sale is likely to pose only minor risks of adverse impacts, full development of any discovered oil resources is likely to present substantial risks to marine organisms, particularly in the transportation phase.

The Council recognizes that the lease sale area has been significantly reduced with the removal of Shelikof Straits. Of the six alternatives analyzed in the DEIS, the Council recognizes the merits in the protection zones characterized by alternatives IV-VII. Each of the protection zones has merits in addressing particular resources. The Council recommends including an additional alternative which includes all the protection zones included in Alternatives IV. Wildlife Deferral, V. Coastal Fisheries Deferral, and VI. Pollock-Spawning Area Deferral. The Council acknowledged that Alternative VII would effectively prohibit all leasing. Staff contact is Jane DiCosimo.

### Scallop Management

In February, the NMFS implemented an emergency rule to close Federal waters (the EEZ) off Alaska to scallop fishing. The action was taken in response to unanticipated fishing for scallops in the EEZ by vessels fishing outside the jurisdiction of Alaska state regulations governing the scallop fishery. The emergency closure was necessary to prevent localized overfishing of scallop stocks.

To prevent a regulatory hiatus after the emergency rule expires on August 28, the Council adopted a fishery management plan (FMP) that closes Federal waters off Alaska to scallop fishing for up to one year. The intent of the FMP is to prevent overfishing of scallop stocks during the period of time that an alternative fishery management plan is being developed that would allow a controlled harvest of scallops. The FMP specifies a long-term optimum yield (OY) for the scallop fishery in the EEZ as a numerical range of 0 - 1.1 million pounds of shucked scallop meats. Under the interim FMP, OY is set at zero.

The Council directed staff to prepare an analysis of management measures that would allow a regulated scallop fishery to occur in the EEZ as soon as possible. Management measures to be analyzed are those previously adopted by the Council (including a vessel moratorium) and those measures currently regulated by the State. The Council also requested that Bering Sea red king crab bycatch caps be further analyzed. Options are 500 or 3,000 red king crabs set as a fixed cap or a floating cap based on crab abundance. Final action on the amendment or revised FMP is scheduled for June 1995. An analysis will be released for public review prior to the meeting; please call the office if you wish to receive a copy. Staff contact is David Witherell.

### Crab Bycatch

In January, the Council requested member Dr. David Fluharty to chair a committee composed of members of the BSAI groundfish and crab plan teams to develop a rebuilding plan for the Bering Sea crab stocks. The teams met jointly on March 21-22 in Seattle. The goal of the meeting was to synthesize available information on sources and magnitude of crab mortality and ecosystem relationships and to identify alternative strategies the Council might use to enhance the survival of crab stocks and thus promote rebuilding. Minutes of the meeting are available from the Council office. In June, the Council will receive the committee report and review an analysis of a trawl closure in Bristol Bay to protect red king crabs. Staff contact is David Witherell.

## Chinook Salmon Bycatch

The Council took final action on a plan amendment to control the amount of chinook salmon taken as bycatch in BSAI trawl fisheries. Specifically, the alternative adopted would close a 9-block area in the BSAI to all trawling when 48,000 chinook salmon were taken as bycatch. The 9-block area is shown in the adjacent figure. A closure will remain in effect from the time the trigger is reached until April 16, when the areas would reopen to trawling for the remainder of the year. If approved, chinook salmon bycatch management measures will be in place for the 1996 season. Staff contact is David Witherell.

The Council also received a report from the Salmon Research Foundation regarding membership, salmon bycatch enumeration and estimation, and stock identification. The purpose of this non-profit corporation is to use income generated from salmon bycatch assessment payments to develop a salmon bycatch avoidance program for the BSAI trawl fisheries, and to fund research on stock origin of salmon taken as bycatch. A full report is available from the Council office.

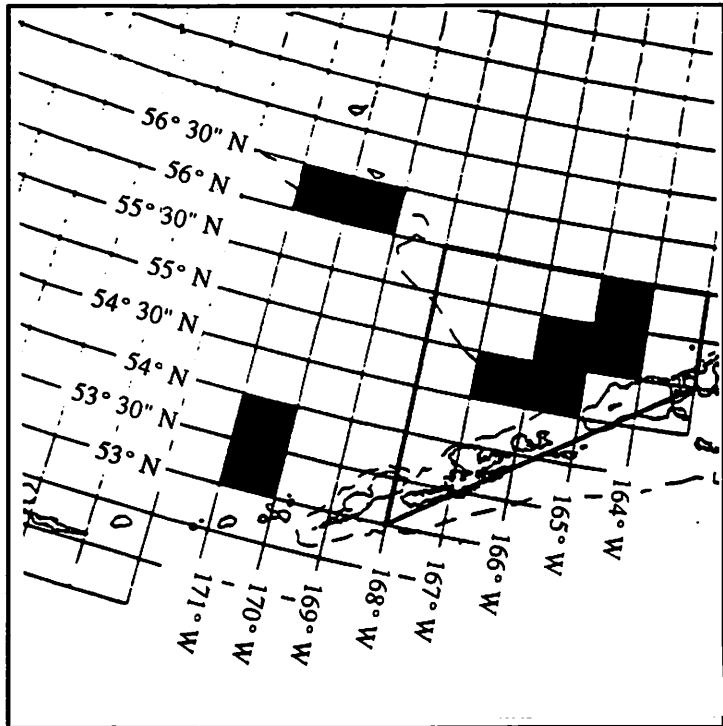


Figure 1. 9-block closure area in BSAI identified with high chinook salmon bycatch.

## Council Releases Draft Analysis for the Reauthorization of Inshore-Offshore Amendments

The Council reviewed a draft analysis for the Reauthorization of Inshore-Offshore Allocations in Amendment 23 to the Gulf of Alaska FMP and Amendment 18 to the Bering Sea and Aleutian Islands FMP, and released the document for public comment. The current inshore-offshore allocations with the pollock community development quota program (CDQ) currently are slated to sunset on December 31, 1995. Reauthorization of inshore-offshore would extend the allocation for an additional three years, through 1998. The Council intends to take final action on the reauthorization at its June meeting in Dutch Harbor. Staff contact for this issue is Marcus Hartley.

The draft analysis will be available from the Council office beginning May 8, 1995, and may be requested by contacting Linda Roberts at (907) 271-2809. Public comments will be included in each Council member's meeting book if received in writing at the Council office before 5:00 p.m. on June 8, 1995. Comments received later will be a part of the public record, but may not be distributed to Council members. If you are planning to submit written testimony at the Dutch Harbor meeting regarding inshore-offshore, please bring 50 copies for distribution. We will be unable to provide copying facilities in Dutch Harbor.

## Observer Program

At this meeting, the Council discussed implementation issues regarding the North Pacific Fisheries Research Plan including aspects of the solicitation process for selection of observer contractors. The Research (Observer) Plan was scheduled to take full effect in 1996 when observer coverage would be applied under the terms of that plan, with all vessels and processors paying a fee percentage instead of direct payments to contractors, and observer deployment being determined by NMFS. The Request for Proposals had an original deadline of May 1 for potential contractors to submit bids; the Council is recommending to NMFS that the deadline be extended until after the Council's June meeting to allow the Observer Oversight Committee (OOC) to review some of these issues, with possible adjustments to that RFP.

Issues identified for review include insurance requirements for observer contractors, number of contractors to be used in 1996 and beyond, emergency replacement of observers, point of hire of observers, transfers of observers among vessels, prioritization of observer deployments, duration of the contracts, and possible supplemental observer coverage programs. The Council also requested an independent review of statistical data collection methodologies, either by its Scientific and Statistical Committee (SSC) or a group identified by the SSC. The delay in the solicitation process will postpone full implementation of the Research Plan until mid-1996 or 1997; therefore, the Council requested NMFS to initiate rulemaking to ensure that existing observer requirements and coverage in the fisheries do not lapse.

The OOC is tentatively scheduled to meet at the Alaska Fisheries Science Center in Seattle on May 30-June 2, and provide a report to the Council on these issues. As part of the annual fee setting process under the Research Plan, the OOC will also be reviewing agency budgets, observer cost projections, fish prices, and proposed coverages for 1996, and recommend a fee percentage to be applied to the 1996 fisheries. The first two days of the meeting would be devoted to issues regarding the RFP process and the next two days devoted to the annual specifications process. Resolution of the agenda and meeting dates for the OOC is pending given NMFS review of ramifications of the Council's recommendation to delay full implementation of the Research Plan.

The Council also discussed the issue of additional observer coverages in the crab fisheries being recommended by the Alaska Board of Fish. The recommendations are for 100% coverage on catcher vessels in the Adak red king crab and Dutch Harbor brown king crab fisheries. For 1995, the Council requested NMFS to initiate a regulatory amendment which would allow for those vessels to credit their direct payments towards their current fee percentage payments in order to avoid "double payment." As with other operations, this would remain in place until such time that the Plan comes fully on line which could now be in mid-1996 or 1997. Beyond that time, these additional coverages may be funded within the Plan fee. Once the plan is fully implemented, the Council will determine overall coverage levels for all groundfish and crab fisheries on an annual basis. Staff contact is Chris Oliver.

### Summary of June Agenda Items

The following issues **will** be on the June agenda:

- Inshore-Offshore
- License Limitation
- Research Plan
- Management Reports
- Sablefish/Halibut IFQs
- Scallop Management (Amd. 1)
- Halibut Discard Rates
- Crab Bycatch (Initial Review)
- Electronic Reporting

The following issues **will not** be on the June agenda:

- Harvest Priority/Full Utilization
- Moratorium
- BSAI Pollock Midwater trawl apportionment
- Grid Sorting
- Magnuson Act

## Halibut/Sablefish IFQs

The Council received a report from the Restricted Access Management (RAM) Division on the status of the halibut and sablefish IFQ fisheries. A total of 7,510 halibut and 2,380 sablefish quota share permits have been issued. As of April 19, 1995, the RAM Division processed over 400 QS and IFQ transfers. There has been a net gain for Alaska residents of 686,000 units of sablefish IFQ (from 19 transfers to Alaskans vs. 7 transfers from Alaskans to non-Alaskans) and 1,130,600 units of halibut QS (from 43 transfers to Alaskans vs 27 transfers from Alaskans to non-Alaskans). RAM has approved the issuance of over 450 Transfer Eligibility Certificates to IFQ crew members. Of those, 77 have received QS by transfer.

Landings of IFQ halibut and sablefish must be made by Registered Buyers and recorded using electronic transaction terminals and printers. RAM has issued 674 Registered Buyer Permits and nearly 300 electronic terminals have been distributed to buyers, CDQ groups, and harbor masters. In the halibut IFQ fishery, 422 landings totaling 1,582,642 lb and 4% of the total IFQ had occurred by April 19. For sablefish, 275 IFQ landings totaling 5,4453,005 lb and 12% of the total IFQ had occurred.

RAM also reported that they received 11,220 phone calls totaling 748 hours of staff time from November through February. The Region assigned additional staff to RAM to handle the tremendous influx of calls from the public. Updates on the division's reports on transfers and landings will be placed on the NMFS Computer Bulletin Board on a weekly basis.

The Industry IFQ Implementation Team did not present recommendations from their April meeting to the Council due to time constraints from other business. However, Council staff will be preparing an analysis of possible changes to the IFQ programs recommended by NMFS and the Team for the June 1995 Council meeting. In June, the Council also will be conducting an initial review of an early opening for the Aleutian Islands sablefish fishery and distribution of halibut TAC allocations for IPHC Areas 4A-4D. Staff contact is Jane DiCosimo.

## Documents Available for Public Review

**Electronic Reporting.** The draft EA/RIR for a regulatory amendment To Implement Hardware Requirements for Electronic Reporting is now available from the Council office. See page 2 for more details. Deadline for comments is June 7, 1995 at 5:00 p.m.

**Scallop Management.** The analysis of management measures to regulate the scallop fishery will be released for public review on May 30. The deadline for comments is June 7, 1995 at 5:00 p.m. See page 3 for more details.

**Crab Bycatch.** The Crab Rebuilding Committee met March 21-22 and the minutes from that meeting are available from the Council office.

**Salmon Research Foundation.** The report presented to the Council at the April meeting covering the topics of membership, salmon bycatch enumeration and estimation and stock identification is available upon request from the Council office.

**Inshore-Offshore.** The draft analysis for the Reauthorization of Inshore-Offshore Allocations in Amendment 23 to the Gulf of Alaska FMP and Amendment 18 to the Bering Sea and Aleutian Islands FMP will be released for public comment on Monday, May 8, 1995. The deadline for comments is Thursday, June 8, 1995 at 5:00 p.m.

**Groundfish and Crab License Limitation Program.** The final analysis of the preferred suite of alternatives will not be available until early June, therefore, the Council expresses its desire that the public use the detailed discussion in the following attachment for comment, as well as previous iterations of the EA/RIR and Supplementals on the subject. See page 7 for more details. The deadline for comment is Thursday, June 8, 1995 at 5:00 p.m.

**NOTE:** Any written comments for the June 13-18 Council meeting in Dutch Harbor must be received at the Council office by Wednesday, June 7, 1995 at 5:00 p.m. to be included in the Council meeting materials. [The deadline for Inshore-Offshore and License Limitation is Thursday, June 8, 1995 at 5:00 p.m.]

## Preferred License Limitation Alternatives Chosen for Groundfish and Crab

The Council and the Advisory Panel spent considerable time in April on license limitation for the groundfish and crab fisheries off Alaska, and identified preferred suites of alternatives. While the Council did not make a final decision on the License Limitation Programs, as was originally scheduled, they were able to narrow the list of options considerably, and have indicated their intent to bring the issue to a final vote at their June meeting in Dutch Harbor.

For the Groundfish License Limitation Program, the Council has settled upon a system which would issue licenses in the form of area endorsements. The area endorsements would allow licensed vessels to participate in directed fishing for groundfish in that area. Vessels which do not hold an endorsement for an area would not be allowed to participate in directed groundfish fisheries, but would continue to be allowed to land bycatch amounts. Endorsements would be issued for the following areas: Bering Sea, Aleutian Islands, Western Gulf, Central Gulf (including West Yakutat), and the Eastern Gulf defined as East Yakutat and Southeast Outside.

To qualify for a license, the vessel must have fished during both of two qualifying periods — a general qualifying period from January 1, 1988-June 27, 1992, and an endorsement qualifying period. The Council has not made a final decision on the endorsement qualifying period, however, it has narrowed its choices to one of two options: January 1, 1988-December 31, 1994 or January 1, 1992-December 31, 1994.

The Council also indicated its intent to examine multi-leveled qualifying requirements for vessels of different lengths. Vessels longer than 60' (or alternatively, vessels longer than 125') could face more rigorous qualifying requirements than smaller vessels. This is consistent with the Council's desire to limit the overall licensed capacity, and its belief that larger vessels represent significantly more capacity than smaller vessels.

The Council was unable to narrow its preferred suite of alternatives for the Crab License Limitation Program to the same degree as for groundfish, although progress was made, particularly with "license designations," "qualifying periods" and "landings requirements." The primary focus of Council discussion was on a general license with area specific endorsements for species. However, the Council has indicated that it may still choose a more broadly defined license system. One alternative would combine endorsements for all Tanner crab species by management area; the other would create a general crab license, good for all species and areas. Also included in the Council's preferred list of alternatives are dual qualifying periods similar to those found in the Groundfish License Limitation Program, and provisions for licensing Norton Sound skippers.

More details and discussion of the Groundfish License Limitation Program and Crab License Limitation Program alternatives chosen by the Council may be found in Attachment 1. Final analysis of the preferred suite of alternatives will not be available until early June, therefore, the Council expresses its desire that the public use the detailed discussion in the attachment for comment, as well as previous iterations of the EA/RIR and Supplementals on the subject. Copies of the new analysis will be mailed to all persons who have received previous License Limitation documents. Copies of the past and future License Limitation EA/RIRs and Supplementals are available by contacting the Council office.

If you would like to comment to the Council on the alternatives, please submit them to the Council office prior to 5:00 p.m., June 8, 1995. All comments received by that time will be included in each Council member's meeting documents. Comments received later will be part of the Council record but may not be distributed to the Council members. If you are attending the Council meeting in Dutch Harbor and are planning to submit written testimony at that time, please bring 50 copies for distribution. We will be *unable* to provide copying facilities in Dutch Harbor.

In a related action, the Council's general vessel moratorium, which was last revised in December 1994, has been forwarded to the Secretary of Commerce for review. If approved, it would be in place in January 1996. Staff contacts for these issues are Darrell Brannan or Marcus Hartley.

**Preferred Alternatives For Groundfish and Crab License Limitation Programs**

This attachment consists of four parts:

- 1) Groundfish License Limitation Program: Preferred Alternatives.
- 2) Explanatory Notes for the Groundfish License Limitation Program.
- 3) Crab License Limitation Program: Preferred Alternatives.
- 4) Explanatory Notes for the Crab License Limitation Program.



## GROUNDFISH LICENSE LIMITATION PROGRAM: PREFERRED ALTERNATIVES

### Components Affecting Initial Assignment<sup>+</sup>

#### License Classes (Only 1 option remains)

1,000,000 A single class of licenses.

#### Nature of Licenses (Only 1 option remains)

300,000\* Non-severable area endorsements for the following management areas: AI, BS, WG, CG+WY, EY+SO. The endorsement would be contained under one of the following General License Umbrellas: GOA, BSAI, or GOA/BSAI

#### License Recipients (Only 1 option remains)

10,000 Current owners.

#### License Designation (Choose 1 of 2 options)

5,000 Catcher vessels & catcher processors and vessel length (<60, 60-124, 125+).

9,000\* Same as 5,000 above, adding a gear designation to all Eastern Gulf (EY + SO) endorsements allowing the use of legal fixed gear only, regardless of the gear used to qualify for the endorsement.

#### Qualifying Period (QP) (Choose 1 of 2 options)

900\* For General Licenses, the QP is Jan. 1, 1988 - June 27, 1992, with the additional provision that any vessel which "crossed over" to groundfish from crab under the provisions of the proposed moratorium would also qualify for a General License. For vessels under 60', the general QP is extended through Dec. 31, 1994 for groundfish pot or jig gear — recipients must choose one area if qualified for multiple areas. For Area Endorsements, the QP is Jan. 1, 1992 - Dec. 31, 1994.

A00\* For General Licenses, the QP is Jan. 1, 1988 - June 27, 1992, with the additional provision that any vessel which "crossed over" to groundfish from crab under the provisions of the proposed moratorium would also qualify for a General License. For vessels under 60', the general QP is extended through Dec. 31, 1994 for groundfish pot or jig gear — recipients must choose one area if qualified for multiple areas. For Area Endorsements, the QP is Jan. 1, 1988 - Dec. 31, 1994.

#### Landings Requirements for General License (Only 1 option remains)

60 One landing in the General QP, or qualified "moratorium cross-over" vessels.

#### Landings Requirements for Endorsement (Choose 1 of 6 options)

1 One landing in an area during the Endorsement QP.

2 Two landings in an area during the Endorsement QP.

4 Four landings in an area during the Endorsement QP.

9\* For the BSAI and for vessels < 60' (or 125') in the GOA, one landing in an area during the Endorsement QP. For vessels ≥ 125' (or 60') in the GOA, one landing in each calendar year in an area during the Endorsement QP. This option is relevant only to QP 900.

A\* For the BSAI and for vessels < 60' (or 125') in the GOA, two landings in an area during the Endorsement QP. For vessels ≥ 125' (or 60') in the GOA, one landing in each calendar year in an area during the Endorsement QP. This option is relevant only to QP 900.

B\* For the BSAI and for vessels < 60' (or 125') in the GOA, four landings in an area during the Endorsement QP. For vessels ≥ 125' (or 60') in the GOA, one landing in each calendar year in an area during the Endorsement QP. This option is relevant only to QP 900.

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<sup>+</sup>The numbers to the left of each element fit into the larger numbering scheme outlined in earlier analyses. These have been modified slightly from the draft motion from the April meeting.

\*Starred elements represent new or modified options.

## **Components and Alternative Elements Affecting the Ownership, Use, and Transfer of Licenses**

### **Who May Purchase Licenses (Only 1 option remains)**

- 1 Licenses could be transferred only to "persons" defined as those eligible to document a fishery vessel under chapter 121, Title 46 U.S.C.

### **Vessel/License Linkages (Only 1 option remains)**

- 2 Licenses may be transferred without a vessel, i.e., licenses may be applied to vessels other than the one to which the license initially was issued, subject to license designations, and the "20% rule" contained in the moratorium.

### **Options Regarding the Separability of Species and/or Area Designations (Only 1 option remains)**

- 1 Area designations are not separable, and shall remain as a single license with those initial designations.

### **Vessel Replacement and Upgrades (Choose 1 of 2 options)**

- 3 Vessel may be replaced or upgraded within the bounds of the vessel length designations and the 20% Rule defined in the moratorium proposed rule.
- 4\* Catcher-Vessels would be allowed to upgrade to enable a limited amount of processing at sea. The limit would be set at one level within the range from 5 mt to 18 mt (round weight) per day.

### **Vessel Designation Limits (Only 1 option remains)**

- 1\* A vessel which qualifies for multiple designations (i.e., both as a CV and as a CP or as both inshore and offshore) under the use restriction component will be able to participate under any designation for which it qualifies. Vessel designations will be based on activities during most recent year of participation, through 1994.

### **License Ownership Caps (Choose 1 of 2 options)**

- 1 No limit on the number of licenses or endorsements which may be owned by a "person."
- 2\* No more than 5 general licenses per person with grandfather provisions.

### **Buy-back/Retirement Program (Only 1 option remains)**

- 1 No Buy-back/Retirement Program.

### **Two-Tiered Skipper License Program (Only 1 option remains)**

- 1\* Do not implement a Two-Tiered Skipper License Program. The Council recommends that this program should be deleted from the license limitation package at this time. Future analysis of a license limitation program for skippers, based on the amended program outlined by SEA, will be set on its own time line.

### **Community Development Quotas (Choose 1 of 5 options)**

- 1 No CDQ allocations
- 2 3% of any or all BSAI groundfish TACs for CDQs patterned after current program w/o sunset provision.
- 3 7.5% of any or all BSAI groundfish TACs for CDQs patterned after current program w/o sunset provision.
- 4 10% of any or all BSAI groundfish TACs for CDQs patterned after current program w/o sunset provision.
- 5 15% of any or all BSAI groundfish TACs for CDQs patterned after current program w/o sunset provision.

### **Community Development Licenses (Only 1 option remains)**

- 1 No Community Development Licenses.

### **Other Provisions (Choose any or all 8 options)**

- 1 Licenses represent a use privilege. The Council may convert the license program to an IFQ program or otherwise alter or rescind the program without compensation to license holders.
- 2 Severe penalties may be invoked for failure to comply with conditions of the license.

- 3 Licenses may be suspended or revoked for multiple violations. (The Council recommends NMFS Enforcement consult with the Coalition for Stability in Marine Financing to address their concerns over license revocation.)
- 4 Implement a Skipper Reporting System which requires groundfish license holders to report skipper names, address, and service records to NMFS.
- 5 An analysis of the impact of various rent collection levels and mechanisms, and enforcement and program implementation costs is required.
- 6 Vessels which qualified for the NPFMC license limitation program that have been lost or destroyed are still eligible to receive earned licenses and endorsements.
- 7 Vessels targeting non-groundfish species (salmon, crab, etc.) that are currently allowed to land incidentally taken groundfish without a groundfish permit, will be allowed to continue to land bycatch amounts. Additionally, vessels participating in the Sablefish and Halibut IFQ program would continue to be able to land bycatch amounts of groundfish as specified in regulations governing that program.
- 8 Vessels not otherwise qualified for the license program would be exempt but limited to the use of jig gear per the following provisions:
  - a maximum of 5 jigging machines per vessel,
  - a maximum of 1 line per jigging machine, and
  - a maximum of 15 hooks per line.

**Sunset Provisions (Choose 1 of 2 options)**

- 1 No sunset.
- 2 Sunset 3 years after the effective date of the license program.

## EXPLANATORY NOTES FOR THE GROUNDFISH LICENSE LIMITATION PROGRAM

- The Groundfish License Limitation Program would limit the number of vessels which could participate in directed fisheries for groundfish in federally managed water off the coast of Alaska. Non-licensed vessels would be allowed to continue to land bycatch amounts of groundfish from federal waters. The Groundfish License Limitation Program would not apply to state waters, however groundfish landings made in State waters would count toward license requirements in the program. Excluded from the program would be sablefish, which are managed under a separate IFQ program, and “Demersal Shelf Rockfish” species, which are co-managed by the State of Alaska in the Eastern Gulf. Directed halibut fisheries managed under the IFQ program will also be outside of the Groundfish License Limitation Program.
- The numbers to the left of each element correspond to the larger numbering system developed in the previous analyses of the Groundfish License Limitation Program. For example, in the “Nature of Licenses” component the Council chose option 300,000 (after slight modification) from a larger list of alternatives ranging from 100,000 through 900,000 and on into A00,000 and B00,000. The complete list of elements and options, including the preferred alternatives will be published in the additional analysis, which will be available prior to the June Council meeting. If you would like to receive the full listing of elements and options for the Groundfish License Limitation Program prior to that time please contact the Council office.
- Some elements of the Council’s “Preferred Alternative List” are new, having been crafted by the Council at their April Council meeting. Additionally, some elements have been modified. All new or modified elements are noted with a star (\*).
- In June, the Council is planning to adopt a single preferred alternative. In doing so, they will choose one element from each of the components (Bolded Heading) affecting the initial assignment from page 2. For four of the seven components, the Council has narrowed the options to a single choice. It may be safe to assume they will be included in any eventual program the Council may choose. The three components in which there remain multiple options are License Designations, Qualifying Period, and Landings Requirements. There are a total of 24 unique combinations of these three components.
- The numbering system to the left of each element is an aid to the identification of options. Each unique configuration will have a unique identifying number, much like a person’s telephone number. These identifiers are created by adding together the numbers of each of the preferred elements. Since there are seven components each unique configuration will have seven digits. Since four of these have been narrowed to a single choice we can conclude that the Council’s preferred alternative will most likely look something like the following: 1,31?,?6?, where the “?” represent elements in which a choice is needed. Thus, the preferred alternative is very likely to be a single class of non-severable licenses issued to current vessel owners for the following sub-areas: AI, BS, WG, CG+WY, EY+SO. General License Umbrellas for the GOA only, BSAI only, or GOA and BSAI would be issued for all vessels which made a landing during Jan. 1, 1988 - June 27, 1992, with the additional provision that any vessel which “crossed over” to groundfish from crab under the provisions of the proposed moratorium would also qualify for a General License. For vessels under 60', the General License qualifying period is extended through December 31, 1994 for groundfish pot or jig gear — recipients must choose one sub-area endorsement if qualified for multiple areas.

An example of a complete configuration would be the following: 1,315,96A. This configuration would issue a single class of non-severable licenses to current vessel owners for the following sub-areas: AI, BS, WG, CG+WY, EY+SO. General License Umbrellas for the GOA only, BSAI only, or GOA and BSAI would be issued for all vessels which made a landing in during Jan. 1, 1988 - June 27, 1992, with the additional provision that any vessel which “crossed over” to groundfish from crab, under the provisions of the proposed moratorium, would also qualify for a General License. For vessels under 60', the General License qualifying period is extended through December 31, 1994 for groundfish pot or jig gear —

recipients must choose one sub-area endorsement if qualified for multiple areas. To receive an "Area Endorsement" the vessel must qualify for a General License. A single landing between January 1, 1992 and December 31, 1994 will result in an "Area Endorsement" for all vessels participating in the BS or AI, and all vessels < 60' participating in the GOA. In order for vessels ≥ 60' (or optionally 125') to receive a GOA area endorsement (WG, CG+WY, EY+SO), the vessel must have made at least one landing in an area in each calendar year of the endorsement qualifying period (1992, 1993, and 1994).

The table below lists the possible configurations under the Council's list of preferred alternatives. If the Council chooses to go forward with a single preferred alternative in June, it will most likely be one of these shown below.

1,315,961	1,315,969	1,319,961	1,319,969	1,315,A61	1,319,A61
1,315,962	1,315,96A	1,319,962	1,319,96A	1,315,A62	1,319,A62
1,315,964	1,315,96B	1,319,964	1,319,96B	1,315,A64	1,319,A64

- Notes on individual components affecting initial assignment of licenses.

#### License Classes

1,000,000 This option is included to differentiate the option of a single type of license from another proposal (option 2,000,000), whereby two types of permits (transferable and non-transferable) would be issued.

#### Nature of Licenses

300,000 This option has been slightly modified from its original form; West Yakutat has been moved from a sub-area of the Eastern Gulf and placed under the Central Gulf. Under this option, endorsements would allow the holder to participate in directed fisheries for groundfish in the endorsed area. Vessels which did not possess an endorsement would not be able to participate in directed groundfish fisheries in the area, but would be allowed to land bycatch amounts of groundfish as defined by standards which will most likely resemble the current directed fishing standards.

If a vessel owner receives multiple endorsements (i.e., endorsements for more than one area resulting from a single vessel's participation), they will be non-severable when transferred. This means that the entire endorsement package issued to the owner of any given vessel must be treated as a single entity.

General Licenses will be issued for the GOA, the BSAI, or as a combination GOA/BSAI. The concept of General Licenses, sometimes referred to as umbrellas, takes on meaning when there are "multiple qualifying periods," as is the case under the Council's preferred alternatives. The umbrella concept is also relevant when the endorsements are severable, but since the Council has expressed its intent that endorsements will be non-severable, that part of the General License Umbrella's utility is diminished.

The Council has indicated that a General License will be issued to all vessels which made landings in the General Qualifying Period (GQP). (The GQP is designed to be almost identical to the moratorium qualifying period, from January 1, 1988 to June 27, 1992.) A vessel which made a groundfish landing in the GOA during the GQP will receive a GOA umbrella and is eligible to receive area endorsements for the GOA. A vessel which made groundfish landings in the BSAI during the GQP will receive a BSAI umbrella, and will be eligible to receive area endorsements for the BSAI. Vessels which made landings in both the GOA and the BSAI in the GQP will receive GOA/BSAI

umbrellas and will be eligible to receive area endorsements from both the BSAI and the GOA. Vessels which receive a BSAI only General License will not be eligible to receive area endorsements in the GOA. Similarly vessels receiving GOA only General Licenses will not be eligible to receive area endorsements for the BSAI.

### License Recipients

10,000 The Council has chosen to issue licenses only to the current owners of qualifying vessels. They have dropped options which would issue licenses to persons who owned the qualifying vessel at the time qualifying landings were made, and which would issue licenses to the permits holder of the vessel at the time qualifying landings were made.

### License Designations

5,000 This option designates vessels which receive licenses as either catcher vessels or catcher-processor vessels. The options also designates the license into one of three vessel length classes: 0'-59', 60'-124', 125' and above. Designations will be based on the length and activities of the vessel in its last year of participation within the endorsement qualifying period. These designations dictate the type and length of vessel upon which the licenses may be used. A catcher processor (operating as a processor) may not use a license designated for use by catcher vessels. A 65' vessel may not use a license designated for use on a 0'-59' vessel. The Council has not indicated its intent regarding the use of licenses designated for use on larger vessels by small vessels. That is, it may be the Council's intent to allow a 58' vessel to use a license designated for use by vessels 60'-124'. The converse (larger vessels using small vessel permits) is clearly not the Council's intent, since the very purpose of these designations is to prevent increases in capacity after the licenses are issued.

In related provisions under "Components and Alternative Elements Affecting the Ownership, Use and Transfer of Licenses," the Council expressed its intent that licensed vessels may increase their length within the bounds of the 20% Rule defined in the Moratorium. The 20% Rule allows length increases up to 20% of the original qualifying length of the vessel for vessels up to 104', and length increases to 125' for vessels between 104' and 124'. Vessels longer than  $\geq$  125' may not increase in length under the 20% rule. The 20% Rule also allows moratorium permits and future groundfish licenses to be transferred to vessels meeting the length increase restrictions. The vessel classes defined in the Groundfish License Limitation Program combined with the 20% rule means that there is a *defacto* length increase limit at 60' for all vessel between 50' and 59'.

Additionally, the Council indicated some interest in allowing vessels designated as "catcher vessels" to add limited processing equipment (to be set at a level between 5 mt and 18 mt in round weight equivalents), which would allow them to increase their utilization of species for which there are few shore-based markets.

9,000 This is a new "designation" option which would eliminate trawling in the Eastern Gulf license area. All vessels which receive an area license for the Eastern Gulf would be issued a fixed gear only use designation in addition to the vessel length and vessel type designations. The fixed gear only designation would be affixed to all EG area endorsements regardless of the type of gear used in qualifying for the endorsement.

### Qualifying Period

900 This is a new Qualifying Period (QP) option which requires a vessel to have participated in General Qualifying Period (GQP) as well as an Endorsement Qualifying Period (EQP). The GQP requires that a vessel participated in a groundfish fishery between January 1, 1988 and June 27, 1992. The GQP adds five months to the Council's Moratorium qualifying period of January 1, 1988 - February 9, 1992, in order to be consistent with the Council's June 24, 1992 "Control Date Notice to the Public" that new participants may not be eligible for future participation in the groundfish fisheries.

The GQP also allows vessels which were Moratorium qualified for crab but not groundfish, but which have "crossed over" to groundfish after June 27, 1992 but before December 31, 1994 as provided by the proposed moratorium to be qualified for a general license. As discussed earlier, vessels will receive GOA, BSAI or GOA/BSAI general licenses depending on the vessels participation locations in the GQP.

Also included in the new QP option is a provision to extend the GQP for vessels using jig or pot gear which are less than 60' to December 31, 1994. Vessels which would receive a GQP under this extension will be limited to either a GOA General License or a BSAI General License. If a vessel qualified under this provision in both the GOA and the BSAI, they would not be eligible to receive a GOA/BSAI General License and would have to choose one or the other umbrella. The Council may also further restrict recipients of permits under the extended GQP for pot and jig gear to choose a single area endorsement, if they qualify for multiple endorsements. Further, the Council may choose to put "gear designations" on these licenses, restricting them to the use of pot and/or jig gear.

The EQP is set between January 1, 1992 and December 31, 1994. As noted in the discussion of option 300,000, vessels will be eligible for WG, CG, or EG area endorsement if they received a GOA or GOA/BSAI General License. Vessels will be eligible for a BS or AL area endorsement if they received a BSAI or GOA/BSAI General License. If a vessel participated only in GOA fisheries in the GQP, but fished exclusively in the BSAI in the EQP, it is possible that the vessel would not receive any area endorsements.

A00 This QP option is also new and also includes the same General Qualification Period and an Endorsement Qualification Period. It differs from option 900 in that the EQP is from January 1, 1988 through December 31, 1994 which includes the entire GQP. Unlike the dual qualification period in option 900, this option does not have the potential to reduce the number of general licenses or endorsements issued below the number participating in the GQP. On the contrary, the extended EQP will add flexibility to the licensed vessels by allowing them to fish in any area in which they have made a landing in the last seven years.

#### **Landings Requirements for General License**

60 This new option is very similar to the original option "10" requiring only a single groundfish landing during the General Qualifying. The only difference is that the Council has indicated that all "cross-overs" as allowed in the Moratorium would also receive a General License. Since the Moratorium encompasses both crab as well as groundfish, it is possible that every Moratorium qualified crab vessels which had not crossed over as of December 31, 1994, could receive an "empty" General License for groundfish. The "empty General License" would not have any attached endorsements because of the lack of participation in the EQP. An "empty General License" would not have any value if the Council continues with "non-severable" endorsements. If, in the future, endorsements were allowed to be severed from General Licenses and transferred to other vessels which held General Licenses, then the "empty General License" could have some value and could lead to an increased number of participating vessels.

#### **Landings Requirements for Endorsements**

1, 2, 4 These three options set the number of landings necessary to qualify for an area endorsement at one, two, or four landings within an area during either of the two preferred Endorsement Qualifying Periods. As in the case of landings requirements for General Licenses, a landing is defined as a legal landing of any amount of any groundfish species under the management auspices of the NPFMC and NMFS, with the exception of sablefish which is managed under a separate IFQ program, and "Demersal Shelf Rockfish" species which are managed by the State of Alaska in the Eastern Gulf. All other landings of "groundfish" species as defined in the Fishery Management Plans for the GOA and the BSAI will be included in the Groundfish License Limitation Program.

Because of mixed reporting requirements, different types of vessels will have different standards for "a legal landing." For vessels delivering to shore based processors, and motherships or floaters operating inside state waters, a legal landing is denoted by any fish ticket which includes a record of a groundfish species as outlined above, whether or not that groundfish was landed in a "directed groundfish fishery." For vessels operating in federal waters as catcher-processors, a legal landing will be defined as "Weekly Report" submitted to NMFS which includes any groundfish species, with the exception of demersal shelf rockfish landed in the Eastern Gulf, or IFQ sablefish. For vessels delivering to motherships operating in federal waters, a legal landing will include either voluntarily submitted fish tickets indicating delivery of groundfish, or a report of a delivery submitted by an authorized NMFS observer onboard the mothership.

- 9, A, B These three options apply only to Endorsement Qualifying Period 900 (January 1, 1992-December 31, 1994), and are identical to options 1, 2, and 4 for all vessels in the BSAI and for vessels less than 60' in the GOA (i.e., one, two or four landings in an area during the EQP would be required for an area license). For vessels  $\geq 125'$  (or optionally  $\geq 60'$ ), an area endorsement would be issued only if the vessel made a landing in the area in each calendar year in the EQP, i.e., at least one groundfish landing in 1992, one groundfish landing in 1993, and one groundfish landing in 1994. In considering these multiple-level qualifying requirements, the Council has stated that it does not wish to issue licenses to large vessels which may have fished a given area on speculation that would result in a license.
- Notes on individual components affecting the ownership use and transfer of licenses. The Council chose several preferred options regarding the ownership, use and transfer of licenses. These preferred options are for the most part self-explanatory, but will be discussed below within the context of the entire suite of alternatives for each component.

**Who May Purchase Licenses.** The Council dropped further discussions of increasing the U.S. ownership requirements to 75% for purchase of licenses, choosing instead to remain consistent with current regulations regarding the ownership of fishing vessels under Chapter 121, Title 46 U.S.C.

**Vessel License Linkages.** The Council has stated its preference to allow licenses to be applied to vessels other than the one to which the license was initially issued, and has dropped further discussion requiring the vessel be transferred with the license.

**Options Regarding the Separability of Species and/or Area Designations.** As discussed earlier, the Council intends that vessels receiving multiple area endorsements will not be able to separate them from the vessel's General License for purposes of transfer to or use on other vessels. This will further constrain increases in capacity, which could occur were endorsements separable.

**Vessel Replacement and Upgrades and Vessel Designation Limits.** As mentioned in discussion of the License Designation component, vessels will be allowed to upgrade as per the upgrade allowance in the Council's Moratorium. This will allow length increases within the 20% Rule modified such that vessels  $< 60'$  remain within the 0'-60' length class. This means that vessels between 50' and 59' feet will not be allowed a full 20% length increase if they wish to remain in the 0'-60' vessel class. The Council also indicated its intent to allow vessels which qualify both as a catcher vessel and a catcher processor to be able to operate as both. Further, the Council added for consideration an option which would allow catcher vessels, which previously had not operated as catcher processors, to add some limited amount of freezing capacity. The amount would be set at a level which would allow catcher vessel to process from 5 mt to 18 mt per day in round weight.

**License Ownership Caps and Vessel License Use Caps.** The Council has dropped further discussion of limiting the number of licenses or endorsements which may be used on a vessel, indicating that allowing



persons to "stack" multiple licenses and endorsements on a single vessel will further their goal of reducing the amount of fishing capacity and capital in the industry. On the other hand, the Council has stated its concern that, left unconstrained, there may be vessels which would try to buy licenses in an attempt to reduce competition. To that end, the Council is still considering an overall cap of five general licenses per person, with "grandfather" provisions to those persons who would be issued more than that number.

Options regarding **Buy-back/Retirement Programs** for groundfish licenses are no longer being actively considered by the Council. The Council has also chosen to drop options for a **Two-Tiered Skipper License Program**, although the Council has expressed interest in pursuing a parallel system which would limit the number of skippers allowed to operate in the groundfish and crab fisheries.

The Council is maintaining five options regarding **Community Development Quotas**, including a "no CDQ allocation" option. If further CDQs are enacted, they would set aside up to 15% of all BSAI groundfish for use by western Alaskan communities. The Council clarified its intent that CDQs would only be applied to BSAI TACs and not to the GOA. The Council also dropped further consideration of **Community Development Licenses**.

The Council reiterated its intent that the Groundfish License Limitation Program include the six **Other Provisions** as specified in earlier proposals. These provisions state that (1) the Council may convert the Groundfish License Limitation Program into an IFQ program at some point in the future, (2) that severe penalties and (3) revocations may follow violations of the license program regulations, (4) that a skipper reporting program be implemented, (5) that rent collection programs be analyzed, and (6) that owners of lost or destroyed vessels would be eligible to receive any earned licenses and endorsements.

The Council added two new provisions to this section. Provision 7 clarifies the Council's intent that the Groundfish License Limitation Program allow vessels targeting such species as salmon, crab, sablefish, and halibut to land bycatch amounts of groundfish. Provision 8, which is included at this time for consideration only, would allow all non-qualified vessels to participate in directed fishing for groundfish but only with jig gear, such that no more than 5 jigging machines are used with no more than one line per jig machine and no more than 15 hooks per line.

**Sunset Provision** options were incorporated which would include (1) no sunset of the program, or (2) sunset the Groundfish License Limitation Program three years after the effective date of the license program. In either case, the Council made it clear that the Groundfish License Limitation Program was not their "final" step in the Comprehensive Rationalization Program. The Council also felt that a "blanket sunset" of the License Limitation Program may not be appropriate for all groundfish fisheries at this time. The Council's debate also questioned whether a sunset provision would "keep the Council's feet to the fire," or whether it would simply result in another "rollover analysis" such as happened with the Inshore-Offshore Amendment in three years time.

## CRAB LICENSE LIMITATION PROGRAM

### Components Affecting Initial Assignment<sup>+</sup>

#### License Classes (Only 1 options remains)

100,000 A single class of licenses.

#### Nature of Licenses (Choose 1 of 3 options)

10,000 Single license for all species and areas.

30,000\* General Licenses and endorsements for each species / area combination.

40,000\* General Licenses and endorsements for each species / area combination, except all Tanner crab (*C. bairdi*, *C. opilio*, etc.) will be treated as a single species.

#### License Recipients (Choose 1 of 2 options)

1,000 Current owners.

3,000\* Current owners, except for Norton Sound Red King Crab summer fishery persons eligible to receive may include the following:

- a) individuals who held State of Alaska Permit for the Norton Sound Red and Blue King Crab summer fishery and who made at least one landing; or
- b) vessel owners in instances where a vessel was corporate owned, but operated by a skipper who was a temporary contract employee; or
- c) individuals who purchased a State of Alaska Permit for the Norton Sound Red and Blue King Crab summer fishery, and who purchased pots for the summer fishery, but had no landings. In this case, the endorsement will be an "interim permit" which will expire if and when it is not used in any year fishing is allowed.

#### License Designation (Only 1 option remains)

400 Catcher vessels & catcher processors and vessel length (<60, 60-124, 125+).

#### Qualifying Period (Choose 1 of 2 options)

60\* A General License Qualifying Period (GQP) of 1/1/88 - 6/27/92, with the additional provision that any vessel which "crossed over" to crab from groundfish under the proposed moratorium would also qualify for a General License. Vessels meeting these requirements would receive endorsements based on landings in the primary Endorsement Qualifying Period (EQP) of 1/1/92 - 12/31/94. Additional endorsement periods between 6/29/80 - 6/25/83 for will be used for Dutch Harbor Red King Crab, and 6/29/85 - 6/25/1988 for Pribilof Blue King Crab. To receive endorsements for either of the latter two species, a vessel must also have made a landing in any federally managed crab fishery during the primary EQP above, as well as in the GQP. Participants in the Norton Sound Red and Blue King Crab fisheries, and Pribilof Red King Crab fisheries will be exempt from the requirements of the GQP, and must have made landings between 1/1/93 - 12/31/94.

If option 10,000 is chosen, then a single license for all species and areas will be given to those vessels that made qualifying landings in the both the GQP (1/1/88 - 6/27/92) and in the EQP (1/1/92 - 12/31/94), with the exception of Norton Sound Red and Blue King Crab summer fishery and Pribilof Red King Crab fisheries. Vessels participating in these fisheries will be exempt from requirements of the GQP, and must have made landings between 1/1/93 - 12/31/94.

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<sup>+</sup>The numbers to the left of each element fit into the larger numbering scheme outlined in earlier analyses. These have been modified slightly from the draft motion from the Council worked during the April meeting.

\*Starred element represent "new options" or modified options.

70\* A General License Qualifying Period (GQP) of 1/1/88 - 6/27/92, with the additional provision that any vessel which “crossed over” to crab from groundfish under the proposed moratorium would also qualify for a General License. Vessels meeting these requirements would receive endorsements based on landings in the primary Endorsement Qualifying Period (EQP) of 6/28/89 - 6/27/92. Additional endorsement periods between 6/29/80 - 6/25/83 will be used for Dutch Harbor Red King Crab, and 6/29/85 - 6/25/1988 for Pribilof Blue King Crab. To receive endorsements for either of the latter two species, a vessel must also have made a landing in any federally managed crab fishery during the primary EQP above, as well as in the GQP. A single endorsement qualifying period between 1/1/93 - 12/31/94 will be in effect for Norton Sound Red and Blue King Crab fisheries, and for Pribilof Red King Crab. Participants in these last three fisheries will be exempt from the requirements of the GQP.

If option 10,000 is chosen, then a single license for all species and areas will be given to those vessels that made qualifying landings in the both the GQP (1/1/88 - 6/27/92) and in the EQP (6/28/89 - 6/27/92), with the exception of Norton Sound Red and Blue King Crab and Pribilof Red King Crab fisheries. Vessels participating in these fisheries will be exempt from requirements of the GQP, and must have made landings between 1/1/93 - 12/31/94.

**Landings Requirements for Endorsements (Only 1 option remains)**

4\* One landing for red and blue king crab and three landings for brown king crab, *C. opilio*, and *C. bairdi* during the Endorsement Qualifying Period.” If option 10,000 is chosen, use three landings of any species in the EQP. To receive an endorsement vessels must have qualified in the GQP, i.e., the vessel must have been moratorium qualified for crab or “crossed-over” to crab from groundfish prior to 12/31/94.

**Components Affecting the Ownership, Use, and Transfer of Licenses**

**Who May Purchase Licenses (Only 1 option remains)**

1 Licenses could be transferred only to “persons” defined as those eligible to document a fishery vessel under chapter 121, Title 46 U.S.C.

**Vessel/License Linkages (Only 1 option remains)**

2 Licenses may be transferred without a vessel, i.e., licenses may be applied to vessels other than the one to which the license initially was issued. License transfers are subject to the 20% Rule defined in the moratorium and the vessel class designations selected.

**Options Regarding the Separability of Species and/or Area Designations (Choose 1 of 2 options)**

1 Species/area endorsements are not separable, and shall remain as a single “block” or “package.”  
 3 Species/area endorsements shall be regarded as separable with the requirement that the new owner also own a general crab license before use.

**Vessel Replacement and Upgrades (Only 1 option remains)**

3 Vessels may be replaced or upgraded within the bounds of the vessel length designations and the 20% Rule defined in the moratorium proposed rule.

**License Ownership Caps (Choose 1 of 2 options)**

1 No limit on the number of licenses or endorsements which may be owned by a “person.”  
 2 No more than five general licenses per person, with grandfather provisions to those persons who exceed this limit in the initial allocation.

**Vessel Designation Limits (Only 1 option remains)**

- 1\* A vessel which qualifies for multiple designations (i.e., both as a CV and as a CP) under the use restriction component will be able to participate under any designation for which it qualifies. Vessel designation will be based on activities during most recent year of participation, through 1994.

**Two-Tiered Skipper License Program (Only 1 option remains)**

- 1\* Do not implement a Two-Tiered Skipper License Program. The Council recommends that this program should be deleted from the license limitation package at this time. Future analysis of a license limitation program for skippers, based on the amended program outlined by SEA, will be set on its own time line. The Council would prefer that this time line parallel license limitation.

**Community Development Quotas (Choose 1 of 5 options)**

- 1 No CDQ allocations
- 2 3% of any or all GHGs for CDQs patterned after current program w/o sunset provision.
- 3 7.5% of any or all GHGs for CDQs patterned after current program w/o sunset provision.
- 4 10% of any or all GHGs for CDQs patterned after current program w/o sunset provision.
- 5 15% of any or all GHGs for CDQs patterned after current program w/o sunset provision.

**Other Provisions (Choose none, any or all of 7 options)**

- 1 Licenses represent a use privilege. The Council may convert the license program to an IFQ program or otherwise alter or rescind the program without compensation to license holders.
- 2 Severe penalties may be invoked for failure to comply with conditions of the license.
- 3 Licenses may be suspended or revoked for multiple violations. (The Council recommends NMFS Enforcement consult with the Coalition for Stability in Marine Financing to address their concerns over license revocation.)
- 4 Implement a Skipper Reporting System which requires groundfish license holders to report skipper names, address, and service records to NMFS.
- 5 An analysis of the impact of various rent collection levels and mechanisms, and enforcement and program implementation costs is required.
- 6 No future super-exclusive areas will be proposed.
- 7 Vessels which qualified for the NPFMC license limitation program that have been lost or destroyed are still eligible to receive earned licenses and endorsements.

**Sunset Provisions (Choose 1 of 2 options)**

- 1 No sunset.
- 2 Sunset 3 years after final approval and implementation (the effective date) of the license program.

## EXPLANATORY NOTES FOR THE CRAB LICENSE LIMITATION PROGRAM

- The Crab License Limitation Program would limit the number of vessels which could participate in crab fisheries in federally managed waters off the Bering Sea and Aleutian Islands. The Crab License Limitation Program would not apply to state waters, however landings in BSAI crab fisheries made inside state waters would count toward license requirements in the program. All crab fisheries in the Gulf of Alaska would be excluded from the program.
- The preferred alternatives for the Crab License Limitation Program are configured similarly to the Groundfish License Limitation Program. There are two sets of components: (1) "Components Affecting Initial Allocation," and (2) "Components Affecting the Ownership, Use and Transfer of Licenses." With the former combining options from each component (indicated by bolded headings) create a complete configuration for initial allocation. Each different combination has the potential to result in a different number of licenses issued. The latter set of components does directly affect the initial assignment of licenses and therefore may be considered independently.
- The numbers to the left of "components affecting initial assignment" are part of the numbering system used in previous analyses and supplemental documents. Adding these numbers together forms a "shorthand" identifier for a unique combination or license configuration, much the same way a 7-digit combination of numbers results in a phone number which corresponds to a single phone. For example, **141,464** identifies a unique crab license system. The text version of this particular configuration is shown below with the bolded number showing the different components.

A single class of licenses (**100,000**) would be issued consisting of General Licenses and species/area endorsements. Endorsements would be issued for each of the following: (a) Red King Crab, (b) Blue King Crab, (c) Brown King Crab, and (d) Tanner Crab (**40,000**). Endorsement would also be specific to ADFG defined management areas for each species. Licenses and endorsements would be issued to the current owner of qualifying vessels (**3,000**), and would be designated by vessel length class and whether it was for use by catcher vessels or by catcher processors (**400**). To qualify for a general license, which is necessary to receive any endorsements, a vessel must have made a landing in a BSAI crab fishery between January 1, 1988 and June 27, 1992, or "crossed over" into crab from groundfish under guidelines established in the proposed moratorium. Vessels meeting these requirements would receive endorsements based on landings in the primary Endorsement Qualifying Period (EQP) of 1/1/92 - 12/31/94. An additional endorsement period will be used for Dutch Harbor Red King Crab (6/29/80 - 6/25/83) and for Pribilof Blue King Crab (6/29/85 - 6/25/1988). To receive endorsements for either of the latter two species, a vessel must also have made a landing in any federally managed crab fishery during the primary EQP above, as well as in the GQP. Participants in the Norton Sound Red and Blue King Crab summer fishery, and Pribilof Red King Crab fishery will be exempt from the requirements of the GQP (**70**). For Red and Blue King Crab, one landing in the EQP from a management area will result in an endorsement; for Brown King Crab, and Tanner Crab three landings from a management area will be required (**4**).

The table below lists the possible configurations under the Council's list of preferred alternatives. If the Council chooses to go forward with a single preferred alternative configuration in June, it will most likely be one of these 12 configurations.

111,464	113,464	131,464	133,464	141,464	143,464
111,474	113,474	131,474	133,474	141,464	143,474

- The “components affecting ownership, use and transfer of licenses” do not directly interact with each other and therefore we do not apply the same kind of numbering system for these options.
- Notes on individual components affecting initial assignment of licenses.

### License Classes

100,000 This option is included to differentiate the option of a single type of license from another proposal (option 200,000), whereby two types of permits (transferable and non-transferable) would be issued.

### Nature of Licenses

10,000 This option would issue a single license allowing the holder to participate in all federally managed BSAI crab fisheries, regardless of the specific fisheries in which the vessel may have previously participated. While this option could allow more vessels to fish any given species than have previously participated, it is very simple to implement and administer. If the Council chooses this option, special provisions may be needed for the Norton Sound Red and Blue King Crab and for the Pribilof Red King Crab fishery.

30,000\* This option would issue a general crab license to each vessel and multiple endorsements for specific species and management areas, depending on participation in the Endorsement Qualifying Period. This would allow the Council to more tightly define participation under the license program, but will be more cumbersome to implement and administer. This option has been slightly modified from earlier iterations by reducing the species/area combinations as follows:

- A single Norton Sound Red and Blue King Crab endorsement would be issued rather than two separate endorsements (one for Red and one for Blue). This endorsement would only apply to the summer fishery as the winter fishery through the ice is not managed under the federal Crab FMP.
- Endorsements for *C. Opilio* and *C. Bairdi* Tanner crab would only be issued for the Bering Sea management area. There are no directed fisheries for Tanner crab in the Aleutians and all landings of Tanner crab have been as bycatch in the king crab fisheries.

The table below lists the different endorsements under this option.

Dutch Harbor Red King Crab	Adak Red King Crab	Pribilof Blue King Crab	Adak Brown King Crab
Bristol Bay Red King Crab	St. Matthew Blue King Crab	Dutch Harbor Brown King Crab	Bering Sea <i>C. Opilio</i> Tanner Crab
Pribilof Red King Crab	Norton Sound Red & Blue King Crab	Bering Sea Brown King Crab	Bering Sea <i>C. Bairdi</i> Tanner Crab

40,000\* This option very similar to the previous option, except that a single endorsement for all Tanner crab species for the Bering Sea management area would be issued.

### License Recipients

1,000 The Council has chosen to issue licenses only to the current owners of qualifying vessels. They have dropped options which would issue licenses to persons who owned the qualifying vessel at the time qualifying landings were made, and which would issue licenses to the permits holder of the vessel at the time qualifying landings were made.

3,000\* This is a new alternative in that it contains provisions for issuing licenses to certain permit holders in the Norton Sound King Crab fisheries, otherwise it is no different than the previous option. Any combination of the three additional recipient provisions for Norton Sound may be chosen by the Council. The additional provisions apply only to the summer fishery and specify persons who may be eligible to receive endorsements. Under these provisions, Norton Sound Red and Blue King Crab endorsements may be issued to the following persons:

- a) individuals who held State of Alaska Permit for the Norton Sound Red and Blue King Crab summer fishery and who made at least one landing; or
- b) vessel owners in instances where a vessel was corporate owned, but operated by a skipper who was a temporary contract employee; or
- c) individuals who purchased a State of Alaska Permit for the Norton Sound Red and Blue King Crab summer fishery, and who purchased pots for the summer fishery, but had no landings. In this case, the endorsement will be an "interim permit" which will expire if and when it is not used in any year fishing is allowed.

### License Designations

400 The Council's preferred option designates vessels which receive licenses as either catcher vessels or catcher-processor vessels. Licenses will also be designated as one of three vessel length classes: 0'-59', 60'-124', 125' and above. Designations will be based on the length and activities of the vessel in its last year of participation within the endorsement qualifying period. These designations dictate the type and length of vessel upon which the licenses may be used. A catcher processor (operating as a processor) may not use a license designated for use by catcher vessels. A 65' vessel may not use a license designated for use on a 0'-59' vessel. The Council has not indicated its intent regarding the use of licenses designated for use on larger vessels by small vessels. That is, it may be the Council's intent to allow a 58' vessel to use a license designated for use by vessels 60'-124'. The converse (larger vessels using small vessel permits) is clearly not the Council's intent, since the very purpose of these designations is to prevent increases in capacity after the licenses are issued.

In related provisions under "Components and Alternative Elements Affecting the Ownership, Use and Transfer of Licenses," the Council expressed its intent that licensed vessels may increase their length within the bounds of the 20% Rule defined in the Moratorium. The 20% Rule allows length increases up to 20% of the original qualifying length of the vessel for vessels up to 104', and length increases to 125' for vessels between 104' and 124'. Vessels longer than  $\geq 125'$  may not increase in length under the 20% rule. The 20% Rule also allows moratorium permits and future groundfish licenses to be transferred to vessels meeting the length increase restrictions. The vessel classes defined in the Groundfish License Limitation Program combined with the 20% rule means that there is a *de facto* length increase limit at 60' for all vessel between 50' and 59'.

Under the Groundfish License Limitation Program, the Council indicated some interest in allowing vessels designated as "catcher vessels" to add limited processing equipment (to be set at a level between 5 mt and 18 mt in round weight equivalents), which would allow them to increase their utilization of species for which there are few shore-based markets. This provision was not discussed for the Crab License Limitation Program.

### Qualifying Period

60\* The effect of this newly developed qualifying period option is to require that vessels meet the qualification requirements of the proposed Moratorium or to have "crossed-over" into crab from groundfish within the Moratorium "cross-over" provisions by December 31, 1994, in order to receive a general license for crab. There are two exception to this: (1) vessels which entered the crab fisheries between February 10, 1992 and June 27, 1992 would also receive a general license, and (2) vessels in the Norton Sound Red and Blue King Crab summer fishery and vessels in the Pribilof Red

King Crab fishery will be exempt from general license requirements, but must have fished in those fisheries between January 1, 1993 and December 31, 1994.

Vessels receiving a general license (or exempt vessels), will receive endorsements if they meet requirements in various endorsement qualifying periods. The different endorsement qualifying periods for Dutch Harbor Red King Crab and Pribilof Blue King Crab are included because these fisheries have not been prosecuted in recent years. If and when fishing on these stocks resume, vessels which had previously fished those stocks and which are currently involved in BSAI crab fisheries will be granted endorsements. The exemptions from the general qualifying period for the Norton Sound Red & Blue King Crab fishery and for the Pribilof Red King Crab fishery are included because these fisheries were not in existence during that time period. The table below clarifies the endorsement qualifying period for the different crab fisheries in the Crab License Limitation Program.

The Endorsement Qualifying Period for the eight fisheries below is January 1, 1992 - December 31, 1994			
Bristol Bay Red King Crab	Bering Sea Brown King Crab	Adak Brown King Crab	Bering Sea <i>C. Opilio</i> Tanner Crab
Adak Red King Crab	St. Matthew Blue King Crab	Dutch Harbor Brown King Crab	Bering Sea <i>C. Bairdi</i> Tanner Crab
The Endorsement Qualifying Period for the two fisheries below is January 1, 1993 - December 31, 1994. Endorsements for these fisheries will be exempt from the requirements of the General Qualifying Period			
Pribilof Red King Crab		Norton Sound Red & Blue King Crab	
Endorsements for the fisheries below will be issued if vessels meet <b>all three</b> of the following requirements: (1) Made a least one BSAI crab landing during the General Qualifying Period. (2) Made at least one BSAI crab landing in the Endorsement Qualifying Period 1/1/92 - 12/31/1994 (3) Made at least one landing during the species specific qualifying period shown in the cells below.			
6/29/80 - 6/25/83 for Dutch Harbor Red King Crab		6/29/85 - 6/25/89 for Pribilof Blue King Crab	

In the event that the Council chooses a single license good for all BSAI crab fisheries (option 10,000), qualifying vessels will have to have made a landing in the General Qualifying Period and in the primary Endorsement Qualifying Period (1/1/92-12/31/94). Vessels fishing between January 1, 1993 and December 31, 1994 for Pribilof Red King Crab and Norton Sound Red and Blue King Crab will receive endorsements regardless of their participation during the General Qualifying Period.

70\* This option is also new and is identical to the previous option except that the primary Endorsement Qualifying Period is 6/28/89 - 6/27/92 rather than 1/1/92 - 12/31/94.

In the event that the Council chooses a single license good for all BSAI crab fisheries (option 10,000), qualifying vessels will have to have made a landing in the General Qualifying Period and in the primary Endorsement Qualifying Period (6/28/89 - 6/27/92). Vessels fishing between January 1, 1993 and December 31, 1994 for Pribilof Red King Crab and Norton Sound Red and Blue King Crab will receive endorsements regardless of their participation during the General Qualifying Period.

#### Landings Requirements for Endorsements

4\* This option is very much the same as option 2 in earlier iterations of the Crab License Limitation Program. We have assigned it a new option number because of the way the way it changes if a single license for all crab fisheries (option 10,000) is chosen. If applied to option 30,000 or to option 40,000, one landing during the Endorsement Qualifying Period in any of the species/areas defined in



the table above will result in an endorsement, with the exception of all brown king crab fisheries and all Tanner crab fisheries, in which three landings in the Endorsement Qualifying Period will be required. If option 10,000 is chosen, then three landings of any crab in the BSAI during the primary endorsement period will be required.

- Notes regarding the components affecting the ownership, use and transfer of licenses. The Council chose several preferred options regarding the ownership, use and transfer of licenses. These preferred options are for the most part self-explanatory and were discussed in Part 2 of this attachment. In this section, we will only discuss components and options that differed from those chosen in the Groundfish License Limitation Program.

**Options Regarding the Separability of Species and/or Area Designations.** The Council is still open to the possibility of separable species/area endorsements for the Crab License Limitation Program. Two options remain:

- 1 Species/area endorsements are not separable, and shall remain as a single "block" or "package."
- 3 Species/area endorsements shall be regarded as separable with the requirement that the owner also own a general crab license before use.

Non-separable endorsements (option 1) mean that once the general license and endorsements are issued, they must be treated as a "package," and may not be divided up and used on multiple vessels. Separable endorsements mean that once issued, individual endorsements may be severed from the original package and transferred to other persons for use on other vessels, as long a general license is assigned to the vessel upon which it will be used. Separable endorsements add flexibility to the fleet and allow vessel owners to tailor their operations. On the other hand, separable endorsements also have the potential to add to the existing capacity operating at any given time.

As an example of the separability issue, assume a person who owns two vessels receives a general license with two Red King Crab endorsements, one for Bristol Bay and one for Adak for vessel A, and a general license and an Adak Brown King Crab endorsement for vessel B. Further assume that both Red King crab fisheries are open concurrently, while the Brown King Crab fishery is closed. If endorsements are non-separable, the vessel owner would only be able to fish vessel A and would have to choose one of the two Red King Crab fisheries. His other vessel would be idle. If endorsements are separable, he could transfer his Adak Red King Crab endorsement to vessel B, and participate in both fisheries simultaneously.

**Vessel Replacement and Upgrades.** Only one option remains for the Crab License Limitation Program, where in the Groundfish License Limitation Program there were two options. For crab, the option allows upgrades within the bounds of the 20% rule defined in the moratorium. Coupled with the vessel size classes, this means that vessels between 50' and 59' feet will not be allowed a full 20% length increase if they wish to remain in the 0'-59' vessel class. Unlike the Groundfish License Limitation Program, the Council did not discuss the possibility of allowing limited processing upgrades for catcher vessels.

**Other Provisions** Six of the eight "other provisions" under the Groundfish License Limitation Program are included as options for the Crab License Limitation Program. These provisions, numbered as they are found in the Crab License Limitation Program, state that (1) the Council may convert the Crab License Limitation Program into an IFQ program at some point in the future, (2) that severe penalties and (3) revocations may follow violations of the license program regulations, (4) that a skipper reporting program be implemented, (5) that rent collection programs be analyzed, and (7) that owners of lost or destroyed vessels would be eligible to receive any earned licenses and endorsements. Provision 6 of the Crab program is unique and avers that the Council will not implement additional super-exclusive crab fisheries in the future. Provisions in the Groundfish License Limitation Program allowing bycatch and exempting all non-qualified vessels providing they use only jig gear, are not applicable to the Crab License Limitation Program.