

Agenda Item I-4
October 1979

MEMORANDUM

To: Council, SSC, and AP

From: Jim H. Branson, Executive Director 

Date: September 26, 1979

Subject: A request for a proposal (RFP) to provide information which will indicate whether access to the halibut fishery in Alaska should be limited.

ACTION REQUIRED:

Approval to announce a formal request for proposals (RFP).

The approval must include a ceiling for funding.

BACKGROUND INFORMATION:

Earlier this year the Council appointed a special working group to study different limited entry problems in fisheries in which the Council may become involved. This group discussed the halibut fishery and has recommended two courses of action.

1. The Council should develop a request for proposal (RFP) for a study of limited access as applied to the U.S. halibut fishery to analyze the probable effects on the resource, the fishermen, the industry and supporting social structures of various actions including maintaining the status quo by allowing unlimited entry, and
2. Begin a legal evaluation of how the U.S. can institute limited access in the halibut fishery if it is decided that it is desirable.

The working group also suggested that an analysis of existing limited entry access systems in general and the summaries of any critiques available on those systems would be helpful. Mr. Bruce Hart of the Alaska Department of Fish and Game, Extended Jurisdiction staff, has therefore submitted draft language to us for an RFP for a study to provide information to indicate whether access to the halibut fishery in Alaska should be limited.

We have circulated this draft to the halibut commission for comments they may have had on its scope and content. They approved the draft language

with no changes. The Scientific and Statistical Committee and the Advisory Panel will review the draft at this meeting as will the Finance Committee. A time table for the release of the RFP, the evaluation of proposals, and time schedule for the study should be approved at this time also.

Attached is a draft of the pertinent parts of the proposed RFP.

MIH

STATEMENT OF WORK

Purpose

The purpose of this study is to provide information which will indicate whether access to the halibut fishery in Alaska should be limited. It is not necessary that this study recommend a course of action.

Work elements

1) An analysis of the extent to which excess harvesting capacity exists within the halibut fleet.

In performing this analysis, it will be necessary to estimate the physical capacity of the fleet now participating in the halibut fishery and compare this figure against the optimum yield from the fishery in a peak year. The estimate of existing physical capacity must reflect the degree of participation that can be reasonably expected from individual vessels in the fleet. It would not be adequate to assume that all vessels now participating in the fishery would automatically fish halibut year-round if they were not restricted by regulations or poor abundance.

It will also be necessary to estimate the minimum number of vessels which would be able to harvest the entire optimum yield in a peak year, assuming these vessels fished halibut year round.

2) An analysis of the economic characteristics of vessels now participating in the halibut fishery.

This analysis will ultimately provide an estimate of the average rate of return on investment and labor for various subgroups of vessels now participating in the halibut fishery. The initial step in this analysis will be to define appropriate subgroups of vessels based on differences in vessel size and participation in other fisheries. The second step will be to estimate the

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gross income that a prototype vessel in each subgroup can expect to receive from the halibut fishery and other fisheries in which it is likely to participate. The third step will be to estimate operating costs and capital investments for such a prototype vessel. The final step will be to calculate the expected rate of return.

3) A survey of industry's position regarding limited entry.

This survey shall cover the harvesting, processing and marketing segments of the halibut fishery. It will be necessary to contact all major organizations in each sector and request a position statement. In many cases, these positions will probably be qualified according to the type of limited entry system that is to be implemented. Such qualifications shall be included in the summary report of this survey.

4) An analysis of the inter-relationship between limited entry and the current management strategy for the halibut fishery.

This analysis will require a summary of the current strategy used to manage the halibut fishery and the effect that this strategy has had on fleet composition and fleet performance. It will then be necessary to project the course that the current management strategy is likely to follow if limited entry is not imposed and the effect that this will have on fleet composition and fleet performance. It will also be necessary to project the course that the current management strategy would follow if limited entry is imposed and the effect that this would have on fleet composition and fleet performance. This analysis should help to determine whether limited entry is a necessary management tool for proper resource conservation and the degree to which limited entry would act to enhance the effectiveness of the current management strategy.

5) An analysis of the spillover effects on other fisheries if limited entry is imposed on the halibut fishery.

Participation in the halibut fishery has been affected by the limited entry systems that were imposed on the salmon fisheries in Alaska. Similarly, a limited entry system imposed on the halibut fishery will likely have an effect on participation in other fisheries. This analysis should lead to conclusions which anticipate these spillover effects.