

MEMORANDUM

TO: Council and Board Members

FROM: David Witherell
Fishery Biologist

DATE: January 27, 1998

SUBJECT: Scallop Management

ACTION REQUIRED

- (a) Status Report on Amendment 3.
- (a) License Limitation and moratorium.

BACKGROUND

- (a) Amendment 3

In December 1997, the Council approved Amendment 3 to the Scallop FMP. Since 1996, the scallop fishery off Alaska has been managed under a State-Federal management regime. This regime is cumbersome in that each State regulation and management action must be duplicated by a parallel Federal action. Amendments to Magnuson-Stevens Act enabled the Council to delegate to the State the authority to manage some or all aspects of the scallop fishery in Federal waters off Alaska.

Amendment 3 will delegate to the State authority to manage all aspects of the scallop fishery in Federal waters off Alaska except limited access (moratorium, licenses, etc.). Under this Amendment, limited access management will remain a Federal responsibility under the FMP, and will require an FMP amendment to change. All other Federal scallop regulations will be repealed and the authority to manage all other aspects of the scallop fishery will be delegated to the State.

At this meeting, we hope to have an indication whether the State accepts management of this fishery.

- (b) Limited Entry

In December 1996, the Council tasked staff to begin analysis of a license limitation system to replace the Federal vessel moratorium, which is scheduled to expire in the year 2000. Since that time, the Alaska State Legislature approved a statute establishing a scallop vessel moratorium, which is more restrictive than the Federal moratorium (10 vessels versus 18). Given other priorities and linkage of this action with Amendment 3, work has yet to be initiated. At the time Amendment 3 was adopted, the Council requested that a discussion of a license limitation for the scallop fishery be put on the February agenda.

To assist in these discussions, Council staff together with NMFS, CFEC, and ADF&G staff have provided additional information on vessel participation, landings, and price. (see attachment). The adjacent table shows vessel participation in recent scallop fisheries before and after the federal moratorium (effective July 1997).

Additionally, a preliminary January 27, 1998 breakeven analysis was prepared to assist the Council in developing reasonable alternatives for a license limitation system for the scallop fishery. The breakeven analysis indicates that given annual landings of about 750,000 pounds and an exvessel price of \$6.50/lb, approximately 6 vessels could participate in the statewide scallop fishery (outside Cook Inlet) at a breakeven level.

Vessels making legal landings of scallops in Alaska, 1994-1997, based on preliminary CFEC fish ticket data.

Area and Vessel	Moratorium qualified	1994	1995	1996	1997
Cook Inlet					
Alaska Beauty	F,S	X		X	
Northern Explorer	F,S	X		X	X
Kilkenny	F	X		X	X
La Brisa/Wayward	F,S	X			
Willin (state waters)	no	X			
Billy D	no			X	
Trina	no				X ¹
Outside Cook Inlet					
Pursuit	F,S	X	X	X	X
Jacqueline & Joseph ²	F,S	X	X		
Rush	F,S	X	X		
Provider	F,S	X	X	X	X
Trade Wind	F,S	X	X		
Carolina Boy	F,S	X	X	X	X
Carolina Girl 2	F,S	X	X	X	X
Northern Explorer	S		X		
Ocean Hunter	F	X			X
Forum Star	F	X			X
Captain Joe	no	X			
Mister Big	F	X			
Lorraine Carol	F	X	X		
Fortune Hunter	F	X	X		
Arctic Rose	F				Did not fish for scallops in these years
Phoenix	F				Did not fish for scallops in these years
Wayward Wind	F				(PERMIT USED ON OTHER VESSELS)

¹The Trina fished the Wayward Wind federal moratorium permit.
²Jacqueline and Joseph renamed Arctic Queen.

Based on previous Council deliberations, the following alternatives and options for a license limitation system are put forth for discussion purposes:

- Alternative 1: Status quo. The scallop vessel moratorium would expire in 2000. [open access].
- Alternative 2: All vessels that qualified for the Federal moratorium would receive a license. [18 vessels].
- Alternative 3: Only vessels that qualified for the State moratorium would receive a license. [10 vessels].
- Alternative 4: Only vessels that qualified for the Federal moratorium that made legal landings in 1996 or 1997 would receive a license. [9 or 10 vessels, the difference being how the Council will handle one moratorium permit holder that leased non-qualified vessels].

OPTION 1 (applicable to alternatives 2-4): Retain separate licenses for Cook Inlet and statewide areas. [e.g., for alternative 4, this option would result in 3 or 4 licenses for Cook Inlet and 6 permits for outside of Cook Inlet]

OPTION 2 (applicable to alternatives 2-4): Retain or further restrict moratorium limits on reconstruction, replacement, and transfers.

Analysis of license limitation for the scallop fishery could be ready for initial review in September.

Scallops

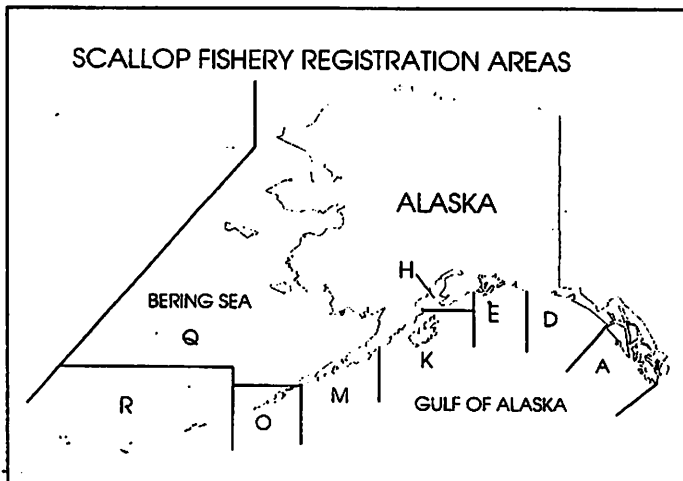
Biology: Weathervane scallops (*Patinopectin caurinus*) are distributed from Point Reyes, California, to the Pribilof Islands, Alaska. The highest known densities in Alaska have been found to occur in the Bering Sea, off Kodiak Island, and along the eastern gulf coast from Cape Spencer to Cape St. Elias. Weathervane scallops are found from intertidal waters to depths of 300 m, but abundance tends to be greatest between depths of 40-130 m on beds of mud, clay, sand, and gravel. Sexes are separate and mature male and female scallops are distinguishable based on gonad color. Although spawning time varies with latitude and depth, weathervane scallops in Alaska spawn in May to July depending on location. Eggs and spermatozoa are released into the water, where the eggs become fertilized. After a few days, eggs hatch, and larvae rise into the water column and drift with ocean currents. Larvae are pelagic and drift for about one month until metamorphosis to the juvenile stage when they settle to the bottom. Weathervane scallops begin to mature by age 3 at about 7.6 cm (3 inches) in shell height (SH), and virtually all scallops are mature by age 4. Growth, maximum size, and size at maturity vary significantly within and between beds and geographic areas. Weathervane scallops are long-lived; individuals may live 28 years old or more. The natural mortality rate is thought to be about 15% annually ($M = 0.16$). Scallops are likely prey to various fish and invertebrates during the early part of their life cycle. Flounders are known to prey on juvenile weathervane scallops, and scastars may also be important predators.

Several other species of scallop found in the EEZ off Alaska have commercial potential. These scallops grow to smaller sizes than weathervanes, and thus have not been extensively exploited in Alaska. Pink scallops, *Chlamys rubida*, range from California to the Pribilof Islands. Pink scallops are found in deep waters (to 200 m) in areas with soft bottom, whereas spiny scallop occur in shallower (to 150 m) areas characterized by hard bottom and strong currents. Pink scallops mature at age 2, and spawn in the winter (January-March). Maximum age for this species is 6 years. Spiny scallops, *Chlamys hastata*, are found in coastal regions from California to the Gulf of Alaska. Spiny scallops grow to slightly larger sizes (75 mm) than pink scallops (60 mm). Spiny scallops also mature at age 2 (35 mm) and spawn in the autumn (August-October). Rock scallops, *Crassadoma gigantea*, range from Mexico to Unalaska Island. Rock scallops are found in relatively shallower water (0-80 m) with strong currents. Apparently, distribution of these animals is discontinuous, and the abundance in most areas is low. These scallops attach themselves to rocks, attain a large size (to 250 mm), and exhibit fast growth rates. Rock scallops are thought to spawn during two distinct periods, one in the autumn (October -January), and one in the spring-summer (March-August).

Management: The weathervane scallop resource consists of multiple, discrete, self sustaining populations that are managed as separate stock units. Scallop stocks in Alaska have been managed under a federal fishery management plan (FMP) since July 26, 1995, which established a 1 year interim closure of federal waters to scallop fishing to prevent uncontrolled fishing. Amendment 1, which allowed scallop fishing under a federal management regime, was approved July 10, 1996 and fishing resumed on August 1. Amendment 1 provided for fishery management through permits, registration areas and districts, seasons, closed waters, gear restrictions, efficiency limits, crab bycatch limits, scallop catch limits, inseason adjustments, and observer monitoring. Most of these regulations were developed by the State prior to 1995. Dredge size is limited to a

A summary of management measures established under amendments to the federal scallop FMP.

Amendment	Date	Action
1	July 1996	Allowed fishing after a 1 year closure of Federal waters.
2	July 1997	Established a federal scallop vessel moratorium.
3	Dec 1997	If approved, would defer all management (except limited access) to State.
4	1999?	Would establish a permanent limited access system.



maximum width of 15 feet, and only 2 dredges may be used at any one time. In the Kamishak District of Cook Inlet, only 1 dredge with a 6' maximum width is allowed. Dredges are required to have rings with a 4" minimum inside diameter. To reduce incentives to harvest small scallops, crew size on scallop vessels is limited to 12 persons and all scallops must be manually shucked. Dredging is prohibited in areas designated as crab habitat protection areas, similar to the groundfish FMPs. In June 1995, the Council adopted a 3-year vessel moratorium to restrict new entry into the scallop fishery while a more comprehensive plan was being developed. The moratorium approved as Amendment 2, effective August 1, 1997. To qualify under the proposed moratorium, a vessel must have made at least one landing in 1991, 1992, or 1993, or must have participated for at least 4

years between 1980 and 1993. The moratorium also limits reconstruction and replacement of vessels to a 20% maximum increase in original qualifying length overall.

Weathervane scallop registration areas, seasons, GHL's (pounds, shucked), and crab bycatch limits established for the 1996 scallop fishery, by area.

<u>Area</u>	<u>GHL</u> <u>(pounds)</u>	<u>Fishing</u> <u>Season</u>	<u>Crab Bycatch Limits</u>		
			<u>king</u> <u>crab</u>	<u>Tanner</u> <u>crab</u>	<u>Snow</u> <u>crab</u>
A - Southeast	0 - 27,000	Jan 10 - Dec 31	n/a	n/a	n/a
D - Yakutat	0 - 195,000	Jan 10 - Dec 31	n/a	n/a	n/a
E - Eastern PWS	0 - 50,000	Jan 10 - Dec 31	n/a	500	n/a
Western PWS	combined	Jan 10 - Dec 31	n/a	130	n/a
H - Cook Inlet (Kamishak)	0 - 28,000	Aug 15 - Oct 31	60	29,000	n/a
Cook Inlet (Outer area)	combined	Jan 1 - Dec 31	98	2,170	n/a
K - Kodiak (Shelikof)	0 - 400,000	July 1 - Feb 15	22	16,100	n/a
Kodiak (Northeast)	combined	July 1 - Feb 15	66	130,000	n/a
M - AK Peninsula	0 - 200,000	July 1 - Feb 15	435	22,000	n/a
O - Dutch Harbor	0 - 170,000	July 1 - Feb 15	10	10,700	n/a
Q - Bering Sea	0 - 600,000	July 1 - Feb 15	500	257,000	275,000
R - Adak	0 - 75,000	July 1 - Feb 15	50	10,000	n/a

Fishery: In 1996, a total of 9 vessels participated in the scallop fishery statewide. Scallop vessels average 90-110 ft long. Scallops are harvested using dredges of standard design. Weathervane scallops are processed at sea by manual shucking, with only the meats (adductor muscles) retained. Scallops harvested in Cook Inlet are bagged and iced, whereas scallops harvested from other areas are generally block frozen at sea. The fishery has occurred almost exclusively in the EEZ in recent years, but some fishing in State waters occurs off Yakutat, Dutch Harbor, and Adak.

Catch History: Since 1967, when the first landings were made, fishing effort and total scallop harvest (weight of shucked meats) have varied annually. Total commercial harvest of weathervane scallops has fluctuated from a high of 157 landings totaling 1,850,187 pounds of shucked meats by 19 vessels in 1969 to no landings in 1978. Prices and demand for scallop have remained high since fishery inception. Prior to 1990, about two-thirds of the scallop harvest has been taken off Kodiak Island and about one-third has come from the Yakutat area; other areas had made minor contributions to overall landings. Harvests in 1990 and 1991 were the highest on record since the early 1970's. The 1992 scallop harvest was even higher at 1,810,788 pounds. The increased harvests in the 1990's occurred with new exploitation in the Bering Sea. The reduced 1995 catch was due to implementation of an interim closure in the EEZ from 2/23/96 to 8/1/96.

The 1996 and 1997 fishery can be summarized as follows:

<u>AREA</u>	<u>1996</u>	<u>1997</u>
Cook Inlet		
No. of vessels	4*	3
Landings (lbs)	28,228	20,336
Outside		
No. of vessels	4	6
Landings (lbs)	704,196	765,707

*one additional vessel fished in state waters only.

Landings and effort in the Alaska weathervane scallop fishery, 1980 - 1997.

<u>Year</u>	<u># of</u> <u>Vessels</u>	<u>Landings</u> <u>(pounds)</u>	<u>Price</u> <u>(\$/lb)</u>
1980	8	633,000	4.32
1981	18	924,000	4.05
1982	13	914,000	3.77
1983	6	194,000	4.88
1984	10	390,000	4.47
1985	8	648,000	3.12
1986	9	683,000	3.66
1987	4	583,000	3.38
1988	4	341,000	3.49
1989	7	526,000	3.68
1990	9	1,489,000	3.37
1991	7	1,191,000	3.76
1992	7	1,811,000	3.88
1993	15	1,429,000	5.00
1994	16	1,235,000	6.00
1995	10	283,000	n/a
1996	9	732,424	6.38
1997	9	786,043	6.50

A Breakeven Analysis for Alaska Scallop Fishery

prepared by David Witherell, NPFMC staff

Introduction

A breakeven analysis for an individual fishing vessel provides an estimate of the scallop harvest necessary to cover annual operating (variable) and fixed costs. Information about the operating and fixed costs for vessels in the scallop fleet has not been readily available, but owners of seven vessels volunteered cost data for their operations as part of their public testimony to the Council in 1994 (see table below). These vessels represent the approximate average size of all vessels participating in the 1993 statewide fishery.

Annual operating costs (crew shares, fuel, food, etc.) for all vessels were estimated to be about 59 percent of the gross revenues and fish taxes about 3 to 4 percent of gross revenues. Fixed costs, however, are likely to vary considerably from one vessel to the next, depending primarily on the amount of repair and supplies required, and mortgage and insurance costs.

Available cost data for the scallop fleet, 1993.

Vessel length	Operating Costs	Fish Taxes	Fixed Costs	Exvessel price / lb	Breakeven income	Breakeven landings
114	61%	3.85%	\$ 507,310	\$ 4.76	\$ 1,443,272	303,208
97	56%	3.85%	\$ 276,191	\$ 4.76	\$ 696,573	146,339
88	57%	3.30%	\$ 285,300	\$ 6.60	\$ 718,640	108,885
88	57%	3.30%	\$ 285,300	\$ 6.60	\$ 718,640	108,885
98	60%	1.25%	\$ 278,424	\$ 6.14	\$ 704,761	114,782
96	60%	n/a	\$ 214,850	\$ 6.65	\$ 742,125	111,597
96	60%	n/a	\$ 207,250	\$ 6.65	\$ 745,625	112,124
Ave.	59%	-	\$ 293,518	\$ 6.02	\$ 824,234	143,689

The number of vessels that will break even in the fishery depends on two primary factors, which are the exvessel price paid for scallops and the total landings. Industry sources have indicated that price may vary from vessel to vessel depending on processing methods, area of harvest, and market arrangements. Exvessel prices received in 1993 ranged from \$4.76 to \$6.65 per pound (average = \$6.02) of shucked meat. These prices were higher than the historically paid for Alaskan scallops, but generally lower than observed in 1996 and 1997 fisheries.

Based on the above information, it was estimated that about nine vessels would be able to operate at the breakeven level, assuming total landings of 1.3 million pounds at \$6.02 per pound. The breakeven calculation was as follows: # vessels = landings*price/\$824,234. Fewer vessels would break even if quotas (landings) or price was reduced. Alternatively, more vessels would break even if quotas or price increased. For example, if future exvessel prices were in the order of \$8.00 per pound or more, several more vessels could operate at a breakeven level assuming total landings and costs remained constant.

As it turns out, recent landings have been lower than previously projected. Statewide landings (not including Cook Inlet) averaged **735,000 pounds** during 1996-97. Average price during the same period was approximately **\$ 6.50 /lb**. Based on this more recent information, I estimate that about 6 vessels could participate in the Alaska statewide scallop fishery (not including Cook Inlet) at a breakeven level. As shown in the adjacent table, 800,000 pounds landed at \$6.50/lb would result in 6.3 vessels breaking even. As previously stated, more vessels could break even if price or landings increased.

Number of vessels that could breakeven under various combinations of average price and total landings of scallops in the Alaska statewide scallop fishery.

Price (\$)	Landings (lbs)			
	600,000	800,000	1,000,000	1,200,000
5.00	3.6	4.9	6.1	7.3
5.50	4.0	5.3	6.7	8.0
6.00	4.4	5.8	7.3	8.7
6.50	4.7	6.3	7.9	9.5
7.00	5.1	6.8	8.5	10.2
7.50	5.5	7.3	9.1	10.9
8.00	5.8	7.8	9.7	11.6

Landings and effort in the Alaska weathervane scallop fishery, 1980 - 1996.

<i>Year</i>	<i>Number of Vessels</i>	<i>Landings (lb shucked meats)</i>	<i>Price (\$/lb)</i>
1980	8	633,000	4.32
1981	18	924,000	4.05
1982	13	914,000	3.77
1983	6	194,000	4.88
1984	10	390,000	4.47
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1991	7	1,191,000	3.76
1992	7	1,811,000	3.88
1993	15	1,429,000	5.00
1994	16	1,235,000	6.00
1995	10	283,000	n/a
1996	9	728,424	6.38

Source: Alaska Department of Fish and Game.

Comparison of Federal and State scallop vessel moratorium programs.

	<i>Federal Moratorium</i>	<i>State Moratorium</i>
<i>Moratorium period</i>	July 1, 1997 - June 30, 2000	July 1, 1997 - June 30, 2001
<i>Qualifying Criteria</i>	A vessel must have made a legal landing of scallops from any waters off Alaska during 1991, 1992, or 1993, or during at least 4 separate years from 1980 through 1990.	<u>Statewide</u> : A vessel must have landed at least 1,000 lbs of scallops from statewide waters during 1995 or 1996, and during each of at least 4 years between 1984 and 1996 inclusive. <u>Cook Inlet</u> : A vessel must have landed at least 1,000 lbs of scallops from Cook Inlet during 1994 or 1996, and during each of at least 3 years between 1984 and 1996 inclusive.
<i>Area endorsements</i>	Separate endorsements are needed for Area H (Cook Inlet) and statewide waters outside Area H. Once a vessel meets the qualifying criteria for a moratorium permit, a single legal landing of scallops from an area during the qualifying period is required to receive an endorsement for that area.	Separate permits are required for Area H (Cook Inlet) and statewide waters outside Area H. A vessel must meet the qualifying criteria in each area to receive a permit for that area.
<i>Vessel reconstruction</i>	Vessels may be reconstructed or lengthened, however length may not exceed a maximum length overall (LOA) of 1.2 times the length of the vessel on January 23, 1993. This maximum LOA will be listed on all moratorium permits.	No limits on vessel lengthening or reconstruction.
<i>Vessel replacement</i>	A permit holder may use a moratorium permit on any vessel that does not exceed maximum LOA listed on the permit	A vessel owner may transfer a moratorium permit to another vessel that does not exceed the LOA or horsepower rating of the originally permitted vessel.
<i>Permit transfers</i>	Moratorium permits may be transferred to any person and used on any vessel not exceeding the maximum LOA listed on the permit.	Except as provided for under vessel replacement, permits may not be transferred to a new owner except through sale of the permitted vessel.
<i>Qualifying recipient</i>	In the case of multiple owners of a single vessel, the moratorium permit will be issued to the most recent owner of the vessel who made a qualifying landing during the moratorium period such that each vessel generates only one permit.	Permits are issued to the current owner of a qualifying vessel. However, a vessel owner who does not own a vessel that qualifies for a moratorium permit may receive a moratorium permit if he owned two or more vessels whose combined participation in the scallop fishery would satisfy qualifying criteria. In such a case, the moratorium permit would be issued to the last vessel that made qualifying landings.
<i>Fees</i>	none	Annual fee of \$1000 per permit.

Scallop vessels qualifying for moratorium permits under the Federal and State Vessel Moratorium Programs (preliminary)¹.

<i>Vessel Name</i>	<i>Federal Moratorium</i>		<i>State Moratorium</i>	
	<i>Statewide</i>	<i>Cook Inlet</i>	<i>Statewide</i>	<i>Cook Inlet</i>
ALASKA BEAUTY		Y	Y	Y
ARCTIC QUEEN (Formerly the JACQUELINE & JOSEPH)	Y		Y	
SEAWIND (formerly the ARCTIC ROSE)	Y			
CAROLINA BOY	Y		Y	
CAROLINA GIRL II	Y		Y	
FORTUNE HUNTER	Y			
FORUM STAR	Y			
KILKENNY		Y		
LA BRISA ²			Y	Y
LORRAINE CAROL	Y			
MISTER. BIG	Y			
NORTHERN EXPLORER		Y	Y	Y
OCEAN HUNTER	Y			
PHOENIX	Y			
PROVIDER	Y		Y	
PURSUIT	Y		Y	
RUSH	Y		Y	
TRADE WIND	Y		Y	
MIRANDA ROSE (Formerly named WAYWARD WIND) ²	Y	Y		

¹This list should be considered preliminary. Eligibility was determined using the State's fish ticket files according to the eligibility criteria established for each moratorium program. Additional vessels could be eligible if it is determined through adjudicatory hearings that the fish ticket records do not accurately represent a vessel's participation history in the scallop fishery.

²The owner of the LA BRISA also owned the MIRANDA ROSE. Both vessels participated in the scallop fishery. Under the State moratorium program, the combined participation of both vessels qualifies the last vessel fished, the LA BRISA, for a State moratorium permit. Under the Federal moratorium program, the MIRANDA ROSE qualifies for a moratorium permit but not the LA BRISA which entered the scallop fishery after the end of the qualifying period for the Federal moratorium. As a result, the vessel owner is eligible for one moratorium permit under either moratorium program.

**State of Alaska Scallop Vessel Moratorium
Vessel Qualification Summary**

prepared by
Sue Shirley, CFEC

Outside of Cook Inlet vessels:

Vessel Name	Vessel ADF&G #	Qualifying Years	Number of Qualifying Years
1. Alaska Beauty	22011	(Qualified based on Cook Inlet eligibility)	
2. Pursuit	40312	84-96	13
3. Arctic Queen (was the Jacqueline & Joseph)	41235	90-95	6
4. Rush	57670	89-95	7
5. Provider	58200	89-96	8
6. Trade Wind	62968	92-95	4
7. Carolina Boy	64110	93-96	4
8. Carolina Girl 2	64111	93-96	4
9. Northern Explorer	64572	(Qualified based on Cook Inlet eligibility)	
10. La Brisa	60773	(Qualified based on Cook Inlet eligibility)	

Cook Inlet vessels:

Vessel Name	Vessel ADF&G #	Qualifying Years	Number of Qualifying Years
1. Alaska Beauty	22011	93-94,96	3
2. Northern Explorer	64572	93-94,96	3
3. La Brisa	60773	94	1 *
		84,85,87	3 *

* Combined participation of F/V La Brisa (1994) and F/V Miranda Rose (formerly F/V Wayward Wind, 1984-85 & 1987) qualified vessel owner for a Cook Inlet moratorium permit.

APPENDIX A: State of Alaska Scallop Vessel Moratorium

HB0141
SCS CSHB 141 (RES)
SENATE CS FOR CS FOR HOUSE BILL NO. 141 (RES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - FIRST SESSION
BY THE SENATE RESOURCES COMMITTEE
Offered: 5/8/97
Referred: Rules
Sponsor(s): REPRESENTATIVE AUSTERMAN

**A BILL
FOR AN ACT ENTITLED**

"An Act relating to a vessel permit moratorium for the Alaska weathervane scallop fishery; relating to management of the scallop fisheries; and providing for an effective date."

BE IT ENACTED BY THE STATE OF ALASKA:

* Section 1. LEGISLATIVE FINDINGS AND INTENT. (a) The legislature finds that

- (1) the scallop fishing fleet in Alaska is overcapitalized;
- (2) fishing effort in the Alaska weathervane scallop fishery has reached levels that may threaten the sustained yield management of the fishery;
- (3) weathervane scallops are long-lived animals with few natural predators; these attributes are common to species that are the most susceptible to overfishing;
- (4) the status of many Alaska weathervane scallop stocks is largely unknown, and the stocks are susceptible to localized depletion and general overfishing;
- (5) scallop fisheries around the world have collapsed after relatively short periods of intense fishing;
- (6) scallop dredges may adversely affect important bottom-dwelling species, such as king crab and Tanner crab, and without careful management may threaten the conservation of these other fishery resources;
- (7) the conventional limited entry and moratorium system under AS 16.43 cannot adequately protect the economic health and stability of the Alaska weathervane scallop fishery or adequately promote the sustained yield management of the Alaska weathervane scallop fishery;

(8) the United States Department of Commerce has taken action to restrict access to the Alaska weathervane scallop fishery in the waters of the United States exclusive economic zone adjacent to Alaska;

(9) state management of the entire Alaska weathervane scallop fishery will provide a uniform and comprehensive management regime for the fishery, protect the economic health and stability of the fishery, and promote sustained yield management of the fishery;

(10) establishment of a moratorium on the issuance of vessel permits to new vessels seeking to enter the Alaska weathervane scallop fishery promotes the purposes of art. VIII, sec. 15, Constitution of the State of Alaska, and AS 16.43 while providing an opportunity to study and evaluate the feasibility of a permanent vessel permit limited entry system for the Alaska weathervane scallop fishery.

(b) It is the intent of the legislature that the Board of Fisheries maintain 100 percent observer coverage for all vessels engaged in the Alaska weathervane scallop fishery.

* Sec. 2. AS 16.05 is amended by adding a new section to article 5 to read:

Sec. 16.05.735. Management of offshore fisheries. The state may assume management of the scallop fisheries in offshore water adjacent to the state in the absence of a federal fishery management plan for scallops or in the event that a federal fishery management plan for scallops delegates authority to the state to manage scallop fisheries in the United States exclusive economic zone.

* Sec. 3. AS 16.43 is amended by adding a new section to read:

Sec. 16.43.906. Vessel permits for weathervane scallop fishery. (a) The commission shall issue annual vessel permits for commercial fishing vessels used in the weathervane scallop fishery. The commission shall issue vessel permits to the vessel upon application by the vessel owner. The commission shall issue separate vessel permits for each registration area. The weathervane scallop fishery registration areas are the statewide Alaska weathervane scallop fishery registration area and the area H weathervane scallop fishery registration area.

(b) A vessel permit is a use privilege authorizing the vessel to take weathervane scallops in the registration area for which the vessel permit is issued. The use privilege conveyed by a vessel permit may be modified or revoked by the legislature without compensation.

(c) On or after July 1, 1997, a commercial fishing vessel may not be used to take weathervane scallops in a registration area unless a vessel permit for that registration area has been issued under this section for the vessel.

(d) The commission may not issue a vessel permit under this section to a commercial fishing vessel for the statewide Alaska weathervane scallop fishery

registration area for the period from June 30, 1997, through June 30, 2001, inclusive, unless

(1) the vessel has landed at least 1,000 pounds of weathervane scallops that were legally taken in the statewide Alaska weathervane scallop fishery registration area

(A) during calendar year 1995 or 1996; and

(B) during each of at least four calendar years between 1984 and 1996, inclusive; or

(2) the vessel qualifies for a vessel permit for the area H weathervane scallop fishery registration area under (e) of this section.

(e) The commission may not issue a vessel permit under this section to a commercial fishing vessel for the area H weathervane scallop fishery registration area for the period from July 1, 1997, through June 30, 2001, inclusive, unless the vessel has landed at least 1,000 pounds of weathervane scallops that were legally taken in the area H weathervane scallop fishery registration area

(1) during calendar year 1994 or 1996; and

(2) during each of at least three calendar years between 1984 and 1996, inclusive.

(f) Notwithstanding (d) and (e) of this section, a vessel owner who does not own a commercial fishing vessel that qualifies for a vessel permit for a scallop fishery registration area may receive a vessel permit for that registration area if the vessel owner owned two or more commercial fishing vessels whose combined participation in the scallop fishery for that registration area would satisfy the requirements for a vessel permit for that registration area under this section. The commission shall issue a vessel permit under this subsection to the last commercial fishing vessel that the vessel owner owned to satisfy the requirements for the vessel permit for the registration area if the vessel owner still owned that commercial fishing vessel on July 1, 1997. (g) Notwithstanding (d) - (f) of this section, the commission shall reissue a vessel permit upon request of a person who is the owner of a vessel for which a vessel permit has been issued under this section to another vessel owned by the person if the vessel to which the vessel permit is to be reissued does not have an overall length or horsepower rating exceeding the length or horsepower rating of the vessel for which the vessel permit was initially issued. The vessel from which the vessel permit was transferred may no longer be used in the fishery for which the vessel permit was issued unless another vessel permit is reissued to the vessel. This subsection does not authorize the issuance of more vessel permits than are authorized under (d) - (f) of this section.

(h) Use of a vessel in a weathervane scallop fishery on or after July 1, 1997, may not be used to establish eligibility for a vessel permit for a weathervane scallop fishery that may be issued after June 30, 2001.

(i) Subsections (d) - (h) of this section may be superseded by regulations adopted by the commission under subsequent legislation enacted by the legislature authorizing

(1) a permanent vessel permit limited entry system for the weathervane scallop fishery; or

(2) termination of the temporary moratorium on issuance of new vessel permits established by this subsection.

(j) An application for a vessel permit under this section must contain the name of each permit holder authorized to operate the vessel in the weathervane scallop fishery and other information the commission may require to implement this section. The owner of a vessel for which a vessel permit is issued shall notify the commission in writing of a change in the permit holders who are authorized to operate the vessel in the weathervane scallop fishery. In this subsection, "permit holder" means a person who holds an entry permit or interim-use permit issued under this chapter for the weathervane scallop fishery.

(k) If a commercial fishing vessel that qualifies for a vessel permit under this section or that is issued a vessel permit under this section is sunk, destroyed, or damaged to the extent that the vessel is inoperable for a weathervane scallop fishing season, the commission may, upon the request of the owner of the vessel, reissue the vessel permit for that fishing season to another commercial fishing vessel with an overall length and horsepower rating that does not exceed the overall length and horsepower rating of the vessel that was sunk, destroyed, or damaged.

(l) The fee for the annual vessel permit is \$1,000. A vessel permit is valid for the calendar year that is inscribed on the license.

(m) The commission shall, in cooperation with the Department of Fish and Game, conduct investigations to determine whether an alternative form of nontransferable vessel or limited entry permit system or other management program is appropriate for weathervane scallop fisheries in the state.

(n) The commission may adopt regulations that the commission considers necessary to implement this section.

(o) In this section,

(1) "area H weathervane scallop fishery registration area" means the marine waters of Cook Inlet north of the latitude of Cape Douglas (58 degrees 52 minutes North latitude) and west of the longitude of Cape Fairfield (148 degrees 50 minutes West longitude);

(2) "landed" includes catching or catching and processing of weathervane scallops taken in state waters or the adjacent United States exclusive economic zone for sale as evidenced by a Department of Fish and Game fish ticket;

(3) "statewide Alaska weathervane scallop fishery registration area" means the marine waters of the state and the adjacent United States exclusive economic zone, outside of the area H weathervane scallop fishery registration area.

* Sec. 4. AS 16.43.911 (c) is amended to read:

(c) Notwithstanding AS 16.05.815 and AS 16.43.975 , the commission may release to the owner of a vessel information on the vessel's history of harvests in a [THE KOREAN HAIR CRAB] fishery that is necessary to apply for a vessel permit under AS 16.43.901 - 16.43.906.

* Sec. 5. Section 5, ch. 126, SLA 1996, is amended to read:

Sec. 5. AS 16.43.901 [AND 16.43.911], added by sec. 3 of this Act, is [ARE] repealed July 1, 2000.

* Sec. 6. AS 16.43.906 , added by sec. 3 of this Act, and AS 16.43.911 are repealed July 1, 2001.

* Sec. 7. This Act takes effect immediately under AS 01.10.070 (c).

1997 SCALLOP SEASONS

<u>AREA</u>	<u>SEASON DATES</u>	<u>COMMENTS</u>
PWS (Area E)	January 10 - January 19, 1997 (waters east of 146° W. long.)	State water
PWS (Area E)	January 10 - January 24, 1997 (waters east of 146° W. long.)	Federal water
Yakutat (Area D)	January 10 - February 18, 1997	State water
Yakutat (Area D)	January 10 - February 20, 1997	Federal water
Yakutat (District 16)	January 10 - February 23, 1997	Federal and State water
Cook Inlet (Area H Kamishak District)	August 15 - August 26, 1997	State water
Cook Inlet (Area H Kamishak District)	August 15 - August 29, 1997	Federal water
Kodiak (Area K) (Shellikof District)	July 1 - August 10, 1997	Federal and State water
Kodiak (Area K) (Northeast District)	July 1 - November 19, 1997	State water
Kodiak (Area K) (Northeast District)	July 1 - December 2, 1997	Federal water
Kodiak (Area K) (Semidi District)	July 1 -	} Remains open as of 1-21-98
Alaska Peninsula (Area M)	July 1 -	
Bering Sea (Area Q)	July 1 - August 11, 1997	State water
Bering Sea (Area Q)	July 1 - August 13, 1997	Federal water
Dutch Harbor (Area O)	July 1 - August 25, 1997	State water
Dutch Harbor (Area O)	July 1 - August 28, 1997	Federal water
Adak (Area R)	July 1 -	} Remains open as of 1-21-98

1996 SCALLOP SEASONS

<u>AREA</u>	<u>SEASON DATES</u>	<u>COMMENTS</u>
Yakutat (Area D)	January 10 - January 25, 1996 (6 PM)	State water fishery
Yakutat (District 16)	January 10 - January 20, 1996 (9 AM)	State water fishery
<p>The final rule implementing Amendment 1 to the Fishery Management Plan was filed on July 18, 1996 and published in the Federal Register on July 23, 1996. It became effective August 1, 1996. Scallop fishing in the state waters of the Westward Region was scheduled to open on July 1, 1996. The fishery was delayed until August 1, 1996 when both federal and state waters opened simultaneously, at 12:00 noon.</p>		
Yakutat (Area D)	August 1 - September 4, 1996 (12 noon)	Federal water fishery
Yakutat (District 16)	August 1 - November 29, 1996 (12 noon)	Federal water fishery
PWS (Area E)	Closed for the 1996 season	Federal and State water
Cook Inlet (Area H) Kamishak District)	August 15 - August 27, 1996 (8 AM)	Federal and State water
Kodiak (Area K) (Shelikof District)	August 1 - October 18, 1996 (12 noon)	State water
Kodiak (Area K) (Shelikof District)	August 1 - October 31, 1996 (12 noon)	Federal water
Kodiak (Area K) (Northeast District)	August 1, 1996 - February 15, 1997	Federal and State water
Kodiak (Area K) (Semidi District)	August 1, 1996 - February 15, 1997	Federal and State water
Alaska Peninsula (Area M)	August 1 - October 31, 1996 (12 noon)	Federal and State water
Bering Sea (Area Q)	August 1, 1996 - February 15, 1997	Federal and State water
Dutch Harbor (Area O)	August 1, 1996 - February 15, 1997	Federal and State water
Adak (Area R)	August 1, 1996 - February 15, 1997	Federal and State water

1995 SCALLOP SEASONS

<u>AREA</u>	<u>SEASON DATES</u>	<u>COMMENTS</u>
PWS	January 10 - January 26 (6 PM)	Federal and State waters
Yakutat (Area D)	January 10 - February 2 (11:59:59 PM)	Federal and State waters
Yakutat (Dist. 16)	January 10 - February 13 (12 noon)	Federal and State waters
Yakutat (Area D)	Reopened February 13 (12 noon) to February 14 (12 noon)	Federal and State waters

Federal waters were closed to scallop fishing by emergency rule on February 23, 1995. The Emergency rule was then extended for an additional 90 days through August 28, 1995. The North Pacific Management Council submitted a proposed FMP which closed the scallop fishery in federal waters for one year until August 28, 1996.

Cook Inlet (Area H) (Kamishak District)	August 15, 1995 - October 31, 1995	State water fishery
Dutch Harbor (Area O)	July 1, 1995 - February 15, 1996	State water fishery
Adak (Area R)	July 1, 1995 - February 15, 1996	State water fishery
Kodiak (Area K)	Closed for the 1995/1996 season	Federal and State waters
Alaska Peninsula (Area M)	Closed for the 1995/1996 season	Federal and State waters
Bering Sea (Area Q)	Closed for the 1995/1996 season	Federal and State waters