

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke
Executive Director



DATE: January 11, 1990

SUBJECT: Sablefish Management

ACTION REQUIRED

Final Council consideration of limited access alternatives for the longline and pot fisheries.

BACKGROUND

The Council has before it the final decision on whether to limit access to the sablefish fixed gear fishery or in other ways move away from the current open access fishery. The decision culminates two years of intensive refinement of alternative systems and their analysis, and about eight years of discussion and other action on sablefish limited access since the subject was first raised for the Gulf in 1982-83 during the days of the halibut moratorium.

Three alternatives to open access have been analyzed for this meeting's final decision: license limitation, individual fishing quotas, and annual fishing allotments. These systems, each with their many optional configurations, have been out for public review since November 16, 1989. The comment period closes January 15 so there may be additional written comments at meeting time. There have been five hearings and seminars to inform the public in November and December: in Petersburg, Sitka, Kodiak, Anchorage, and Seattle. The comments are summarized under this tab and the full comments are in the supplemental files.

Descriptions of each system and related materials are separated by individual tab as follows:

C-5(a) Annual Fishing Allotments

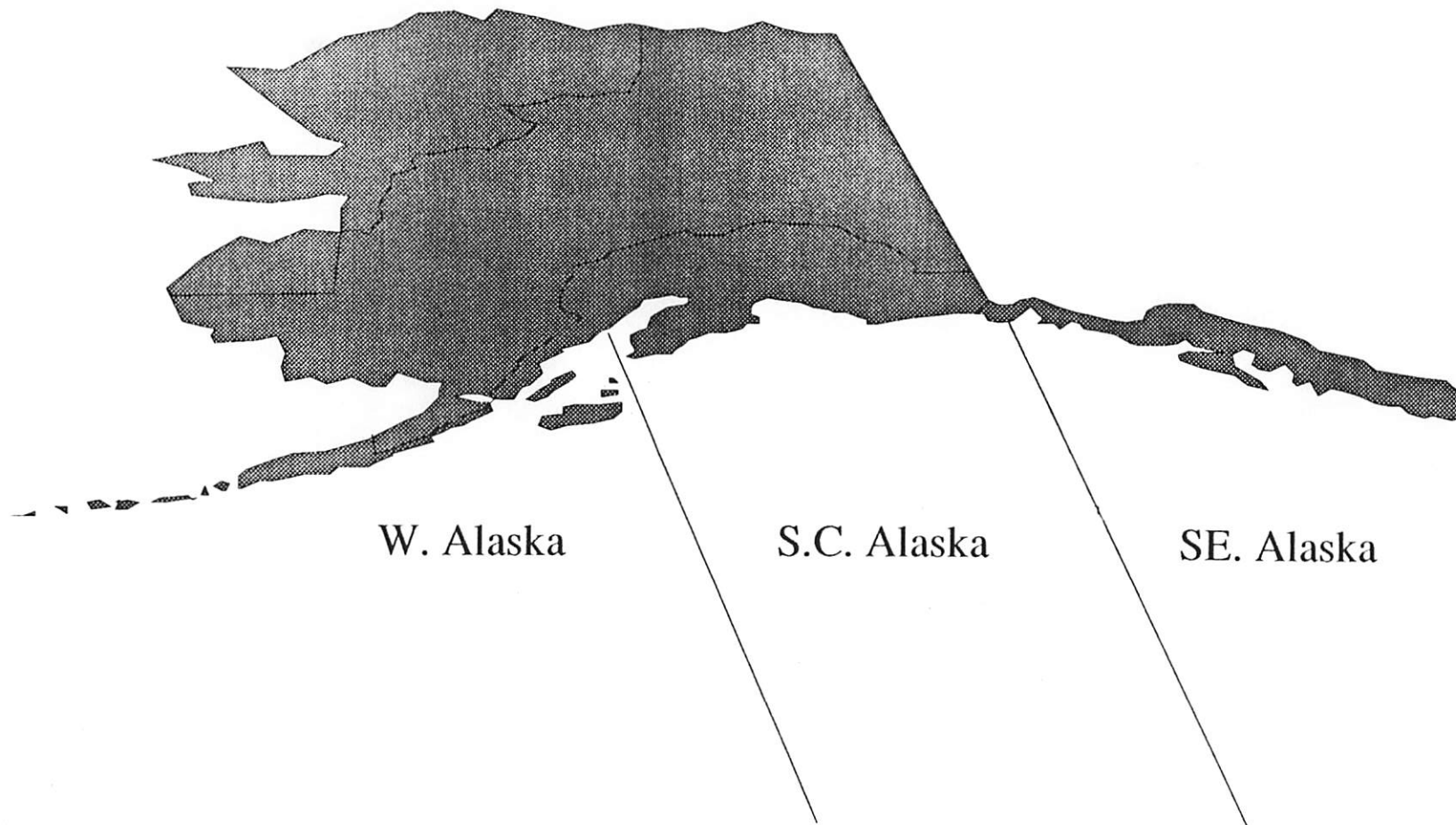
C-5(b) Individual Fishing Quotas

C-5(c) License Limitation

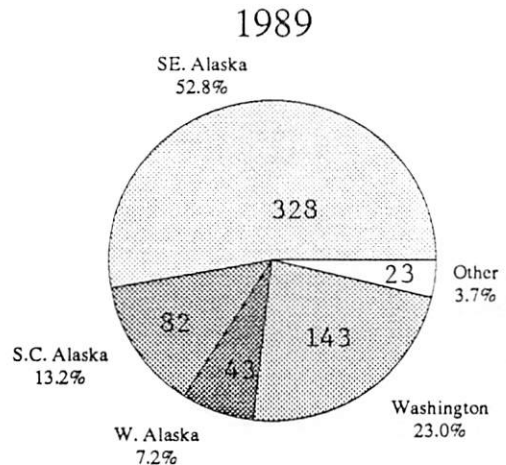
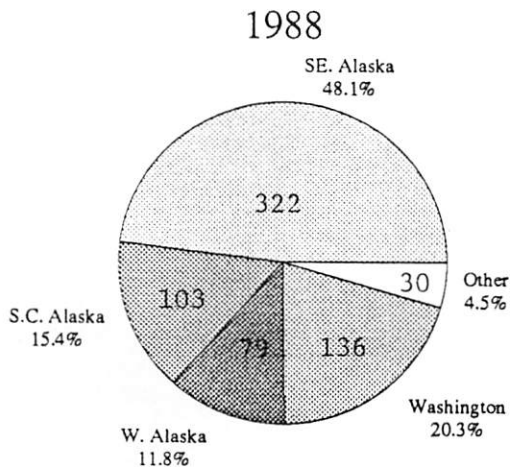
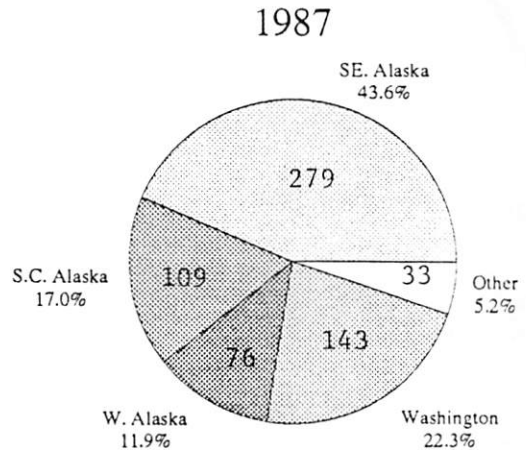
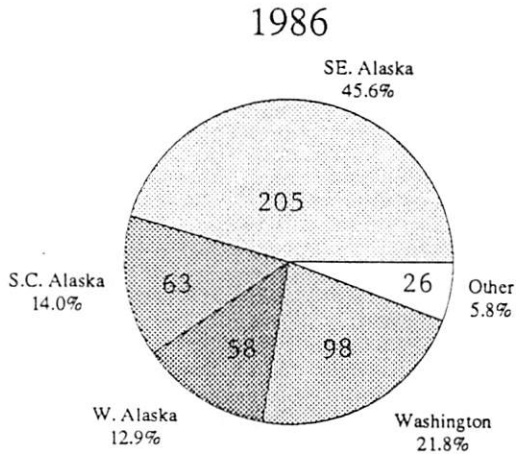
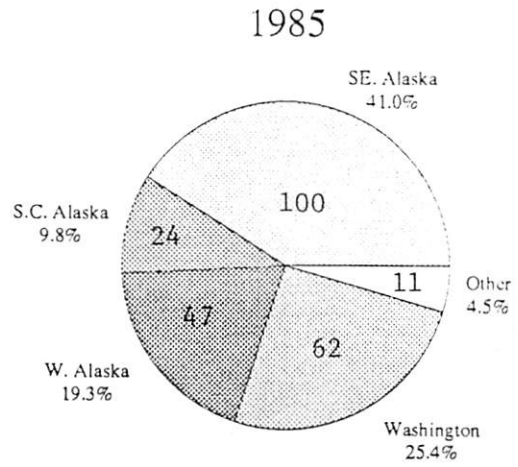
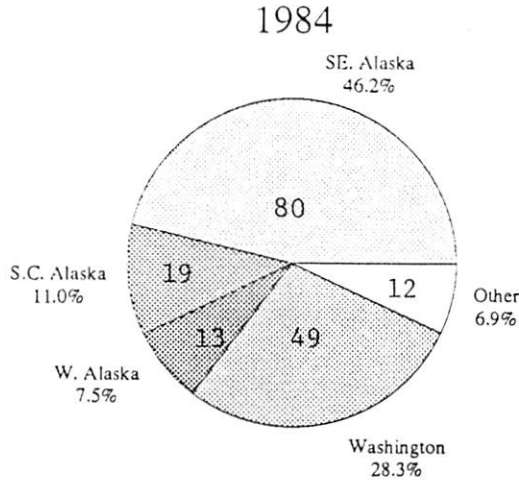
To help with this extremely complex and difficult decision, there will first be a staff presentation followed by a legal overview, then an expert panel will be convened for what I'm hoping will be a far-ranging discussion of the alternatives as they may apply to the sablefish fishery. Next are the reports of the AP and SSC, and then public testimony. By then it should be mid-afternoon and time for Council decisions.

If the Council chooses an alternative other than status quo and tightly configures the optimal system at this meeting, the Council and NMFS staffs probably will need to complete a more focused analysis, write the proposed regulations, and bring them back for one last check off in April before submission to Secretarial Review. This may be the most prudent way to ensure that the record is sufficiently complete for our recommendations to pass Secretarial review and any court challenges. Jon Pollard will advise more on this matter.

**Regional Demarcations Of Vessel Owners Residing In Alaska,
As Used In The Sablefish Limited Access Analysis**

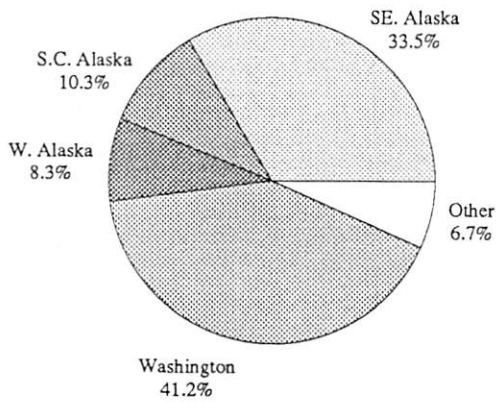


Owners By Region: 1984-1989

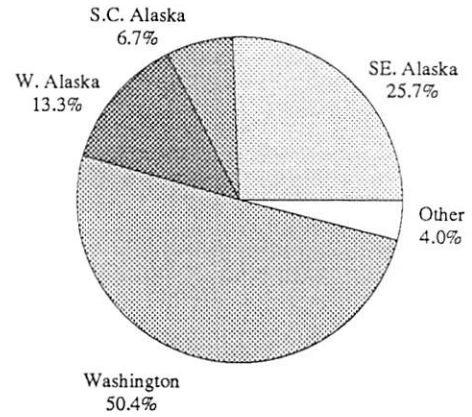


Landings By Region: 1984-1989

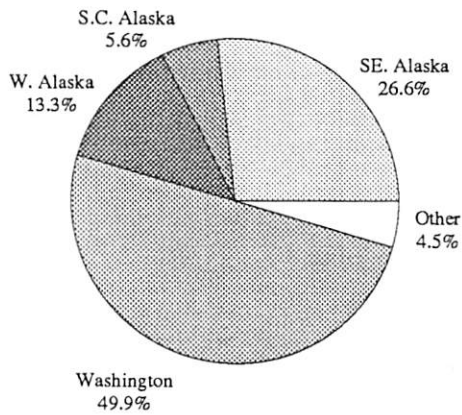
1984



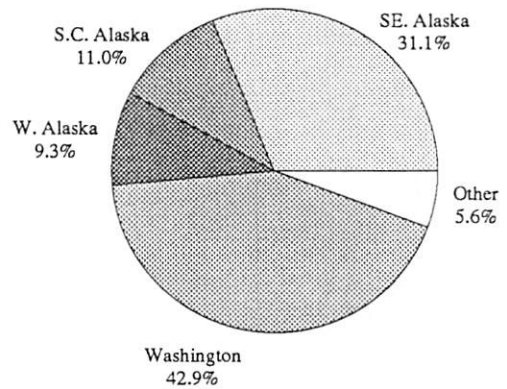
1985



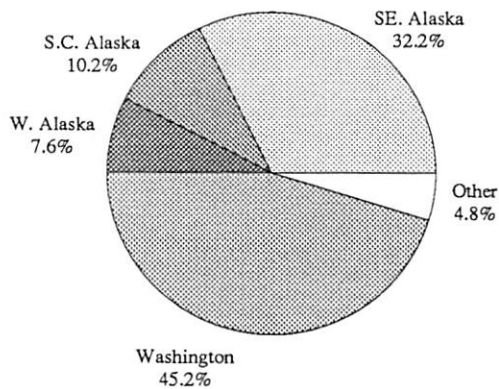
1986



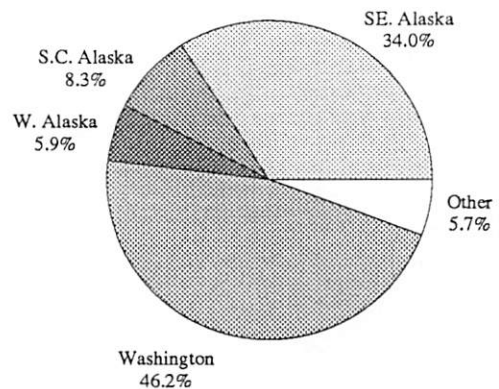
1987



1988



1989



Sablefish Public Hearings Summary

Five public hearings were held in conjunction with sablefish workshops during November and December, 1989. At each hearing, testimony concerning sablefish alternate management systems was received by one Council member, who had been appointed by Chairman Collinsworth. Between 25 and 40 members of the public attended each meeting except for Anchorage where seven people attended. Summaries of the testimony received at the meetings is attached. The hearings and workshops (Council members in attendance noted) were in Kodiak (Dyson), Petersburg (Hegge), Sitka (Hegge), Anchorage (Mitchell), and Seattle (Alverson).

At each meeting, members of the public suggested that it would have been beneficial to have had more Council members in attendance. The public had hoped that a larger Council representation might have gained a broader understanding of the opinions of industry members they do not normally have contact with.

When commenting on licenses or IFQs, many of those testifying felt some limit should be placed on total ownership or that leasing should not be allowed. Many felt that foreign and/or corporate interests would buy up the harvest privileges and dictate terms to fishermen and vessel owners. Many of those concerned stated that such control would be exacerbated by leasing, which would legalize central ownership of the privileges. Many felt little comfort in the stipulation that only vessel owners or, possibly, certain fishermen could control the privileges. Instead they referred to shell companies whose true ownership would be extremely difficult to trace.

Kodiak
Sablefish Alternative Management Hearing
November 20, 1989

Jack Hill - Status quo is acceptable. Something should be done, management tools exist, but limited access should not be used and the issue should be put to rest. Choosing limited access in the sablefish fishery will lead to limited access in the halibut fishery. The number of vessels in the sablefish fishery decreased in 1989 due to \$15 million less in revenues. The newsletter is biased since it references a survey that is two years old.

Lou Dockerman - Categorically against all forms of limited access. Fleet size will adjust itself due to prices. A reduction in the fleet can be expected in 1990 due to less product on the market. Main problem is factory/tractlers in the Gulf. CPUEs have declined drastically recently due to their bycatch by factory/tractlers. For instance, the Bering I made a 3 week trip, landed 270,000 lb of product (mostly redfish), and discarded 600,000 lbs of sablefish.

Blake Conner - The factory/tractlers are the problem. This year, on only sablefish trip, found 1/4 to 1/8 of usual abundance. Began sablefish longlining in 1984 due to limited access discussions. Will probably go crabbing in 1990 since there is no money to be made in sablefish longlining.

Pete Kendrick - Not in favor of limited access. Shore plant delivery needs priority and sooner or later the Council will have to set separate seasons for longliners and factory/tractlers on the edge. A number of the limited access proposals set up a number of problems, they could kill the patient. The administrative cost is way underestimated, state salmon appeals are still going on. Under IFQs, a businessman would fish in the fastest manner and then move to the next fishery.

Ray Campbell - In favor of status quo. The Council is basing its action on surveys sent to those who will benefit, not to crewmen, the people who will be hurt the most. The Council still has 20 management tools that could be used under status quo management.

Oliver Holm - Open access is the best system. The newsletter contains a number of errors, including the Kodiak survey and the fact that the fishery was never year round in our part of the Gulf. The primary gear conflict in the Gulf is with factory/tractlers, longline crowding causes some gear loss but it is workable. Ghost fishing can be dealt with and waste should be compared to other fisheries. The inflexibility of permits would hinder the Council's ability to deal with bycatch loss, something it already has the ability to deal with. The use of crucifiers would continue under limited access. Safety will always be a concern regardless of the management system. Nothing in these alternatives would help local communities, it is already possible to do that as is done with halibut. Increased enforcement, especially at sea, will be needed under all three alternatives. People frozen out of the fishery would have a big incentive to cheat. IFQs favor corporate ownership since they could both catch and market the fish. This would lead to a decrease in the number of permit holders and less money sticking around. There are currently lots of serious conservation problems such as removals not being documented. Limited access discussions divert Council attention from these pressing issues. Allotments would compress the derby to only a few days. Not enough attention is paid to future entrants. They would have less money to put into their boat after paying for IFQs or licenses. Crew size would be lessened with IFQs. This would be a serious disruption. The crew share would decrease and, in this manner, they would end up paying for much of the IFQs in the long run. Open access is the best system, but of the three alternatives, licenses are the least disruptive if enough licenses are issued.

Rob Wurm - Data from observers will help decide which system is the best. It seems ridiculous to bite this off with a full plate. Lots of management tools are available now but are not being used. The Council needs to address gear conflicts between user groups as there is now too much

concentration of users on the grounds. It is hard to predict how IFQs would affect other fisheries, they might reduce fishermen's ability to be above average and their versatility.

Kevin O'Leary - The status quo, with further regulations as needed, is the only choice. The key is to remain flexible between different fisheries and limited access would inhibit this ability. Limited access will force people into other fisheries. The Council can no longer manage with a single species mentality. The three alternatives do not guarantee more fish, they just favor some people over others. This will take resources away from greater needs such as gear conflicts. IFQs would lead to greater at sea enforcement problems. It is easier to monitor a vast number of vessels in a short period of time. The quota will be taken no matter how many people fish and so limited access is easier for managers, not the biomass. Every time a new mousetrap is built the problems may get worse.

John Seiver - In favor of status quo. The key to survival is the option to diversify. Split openings or platooning the fleet is acceptable. It is tough to fish with factory/tractors on the grounds.

Joe Macinsko - Open access is the best system. The conclusions of the analysis make IFQs look the best but the analysis is wrong. Gear conflicts, bycatch, etc. would increase under IFQs. This year I pulled gear when it was blowing over 60 but with IFQs the gear would have been left on the grounds. With IFQs, a bare minimum crew would be used on the boat to increase profit and therefore safety and product wholesomeness would decrease. Less people would be hired so communities would not benefit. Licenses would cut down on Alaskan participation and also on rural participation.

Ron Kellow - Prefers open access. Diversity is the key to Kodiak's success. The document is confusing over the word "enthusiasm". Does this mean competition? There has been much more competition lately. IFQs would decrease this enthusiasm. When the fleet switched from snap on to tub gear this enthusiasm changed the whole fleet. Government hull programs have stimulated onboard processing and created problems.

Jack McFarlane - Open access only. The limited access discussion began when things began looking bad years ago but does not make sense today. Throw out limited access forever. There is a constitutional question of the legitimacy of limited access. Small businessmen want the options of free enterprise and limited access is asking them to unAmericanize their business. If a fisherman chooses not to fish for a year that is a business decision, that is what free enterprise is all about. We need to manage the system we have now and observers will help. It is not up to the staff or anyone to decide how I operate. Managers should stick to managing biology.

Nick Delaney - Open access is the proper choice. After reviewing proposals I have a fear that government control would be replacing the free market system. We would be counting 100% on the government to make decisions under limited access. There is currently a failure of centralized government in eastern Europe. Now we need to do the best possible job of gathering good data, making learned decisions on the regulations, and enforcing them 100%.

Danny Grahem - Open access, status quo is the best system. The available regulations and observers can work. If it is not economically feasible to fish then people shouldn't. The government should not work with business, businesses can't run a deficit. The fishery should be managed, not economics.

Petersburg
Sablefish Alternative Management Hearing
November 27, 1989

Jim Eastwood - In favor of IFQs, they would eliminate bycatch and waste. Highgrading might be a problem but fishermen would be able to shake their catch and take them off at the roller without much damage. Fishermen would be able to take more time in fishing. Lease holders should get credit for running the vessel. There should be a limit on the percentage of IFQs any person could own. Ownership of IFQs should only be by real persons (no corporations, etc.) and those persons should be onboard the vessel.

Alan Otness - IFQs make the most sense, even though the system would, potentially, have some problems. The Council notified the industry that 1989 participation would not be counted and now 1989 participation is being used a filter. This is not supportable. Only participation from 1984 through 1988 should be used to qualify. Oil spill work in 1989 should definitely not be considered in any appeals process. That work was a business choice and those who did that instead of fish for sablefish should not receive preferential treatment. It is important to keep the integrity of the separate areas and not make IFQs Gulfwide. Also, the Central Gulf area is too large.

Anton Bowers - The license alternative with no open access portion is the most preferable. Licenses should be saleable but not leasable. There should be a lid placed on the percentage number of harvest rights, even if only real persons can own them, since corporate members could each own an amount and work in conjunction. Leasing of licenses or any harvest right should not be allowed. Foreign corporations would eventually end up owning or controlling them through processors or other corporations. Tracing ownership would be too hard. Foreign ownership would result in prices being set by processors and fishermen would be back where they were 10 years ago, at the mercy of foreign companies. If new fishermen want to get in the door, let them buy their way in, somebodies toes must be stepped on to control effort. Licenses should be specific for each of the six management areas to control effort. Otherwise, boats would be allowed to go anyplace and over capacity would continue. The annual allotment system is too complicated and too hard to enforce, allows too many new entrants, and is unmanageable. IFQs are especially vulnerable to foreign ownership due to leasing. There are lots of ways to get around the system with IFQs. There will be a blackmarket. Also, it will be very difficult to enforce and much at sea enforcement will be required for fishing in the wrong areas, etc. Cut-off dates could be on a sliding scale for different areas: 1985 for the eastern Gulf, and up to the present for the Aleutians since the 1988 TAC wasn't even taken there.

Fred File - I've never been a proponent of limited access but since the Council has said that the status quo is unacceptable then IFQs are the best choice. The sablefish resource will go to hell soon unless something is done. Must agree with the summary table in the analysis and note that there may be enforcement problems. Maybe a sunset clause which would shut off the system if it wasn't serving its purpose. This might lead to lower IFQ prices.

Bud Samuelson - IFQs are the best of the four alternatives. It is the most reasonable, easiest to enforce, and the best scheme for conservation. IFQs should be by management area.

Mike Nielson - In favor of IFQs. There is currently too much waste in the fishery. Highgrading might go on with IFQs but with the extra time to shake the waste might actually go down. Need a cap on ownership limits, maybe 2-4%. The Canadians do this with leasing. If the boat is operated by a hired skipper, the IFQs should be in his name, although there could be problems with that, too. With halibut, there is also too much waste and too much gear set.

Charles Christensen - In favor of IFQs, they would help preserve the characteristics of the fishery as we know it now. The social impact on the towns with current management is devastating. IFQs would

provide something for the next generation. The fishermen were warned of a cutoff date in 1985 and the cutoff dates proposed are too late.

Richard Carr - The system should have rights 100% owned by U.S. citizens (individuals). Perhaps a lid on the amount of rights any one person owned would be necessary.

Dale Rose - IFQs are what needs to be done. A lot of fish is lost with lost gear. IFQs are the best way to reduce such waste. Annual allotments would be a step back from what needs to be done.

Sitka
Sablefish Alternative Management Hearing
November 28, 1989

Walt Pasternak - In favor of an easy to implement license system in combination with gear (skate) limits. A license system by itself would not limit effort. The cutoff for small vessels should be 43' or 44' and all lengths should be registered keel lengths. Skate limits should be 10 conventional skates per 10 vessel feet (a 35' vessel could use 35 skates). Gear limits are enforceable and a step in the right direction. Base period should vary by area with 1985 in the eastern Gulf if possible but no later than 1986 or 87. Using 1988 in that area is a slap in the face to those who have fished there for many years. 1989 should not be used and if used, oil spill work was a voluntary decision and should not be rewarded with income and an exemption. IFQs would have a rippling effect in other fisheries and even the talk of them leads to more gear use. Cheaters would be rewarded by an IFQ system. If used, a cap of 0.3% to 0.5% of the whole total should be enough for an individual's limit.

Dennis Hicks - In favor of IFQs, it is the only alternative that addresses the problems. IFQs are one of the better alternatives for entry level people. They should be able to acquire IFQs in chunks so they could enter the fishery gradually. Deadloss might not be a problem under IFQs since there would be more time to handle fish at the roller. 1989 should not be used as a criteria for all areas. For instance, the Bering Sea did not open until October 20 and some vessels had already gone home by then. Therefore, vessels which had fished there in previous years but not in 1989 should be counted. The same with other areas. IFQs to either owner or lease holder is good and an upper limit should be specified even though there might be ways around it. An earlier cutoff to the qualifying period would be good for the eastern Gulf. Processing is moving offshore now and to restrict it is to limit people a great deal. There should be no open access portion of any system implemented. Making it a small amount would not help. Annual allotments are interesting but not a good idea. The system tries to make too many people happy and it still has the derby and derby problems. No fishery that has used IFQs has gone back to open access, that speaks highly for IFQs.

Bud Dodson - In favor of IFQs and agree totally with what Dennis Hicks said (above). Fish tickets already track landings and cheating already occurs.

Eric Jorden - In favor of allotments with some form of open access. A way needs to be provided to enter and exit the system without the overbearing cost of limited access rights. The vessel and owner should not be able to participate with both allotments and in the derby. The allotment system described in the document needs to be fixed to correct the downward spiral of allotments over time. By keeping the eligible percentage given when entering, this would occur and a formula could take into account the most recent years for new entrants. Allotments should be leasable on a yearly bases to fishermen not participating in the derby. The document is a sales program for IFQs and the term "derby fishery" slants opinion. These meetings were not adequately publicized and if people knew halibut limited access was following they would be much more interested. The response might even be different since halibut is a very different fishery. If IFQs are chosen, they shouldn't be transferable to trawl gear. The economic profits would allow trawlers to buy them up and that would not be in the best interest of longliners or the communities. IFQs should have an upper limit on ownership. The composition of the fleet needs to be preserved and harvest rights should not be allowed to migrate away from locals. The IFQ formula is flawed and should be based on the percentage caught per year instead of weight. Both IFQs and allotments would reward those who cheated and those who ran the most gear. Anti-trust legislation will not handle concentration of ownership problems. IFQs or allotments should be tied to the operator unless a clear lease agreement exists. The IFQ owner should be onboard. The cost of administration is way underestimated and the cost needs to be laid out before voting. CFEC has 25 people and a budget of \$2.5 million. There are many problems with all of these systems that we have not foreseen.

Patrick Wood - In favor of licenses with gear restrictions. Gear limitations would affect crowding on the grounds and might affect safety with less gear on the grounds. A limit should be about 30,000 hooks per vessel. If this is proposed for halibut then there needs to be more public comment.

Jay Skordahl - In favor of license limitation with gear restrictions. A cap on each vessels gear of 50 skates of 300 fathoms each would do. This gear restriction would reduce the amount of gear on the grounds and eliminate some of the problems. It is important to include the most recent participation in 1989 and the qualifying years should be 1986-89.

Dolly Garza - If IFQs are used perhaps only a percentage could be leasable. Possibly they could be based on vessel size to preserve fleet structure.

Unknown - Do not care for any of the options. More teeth should be placed in the laws to curb illegal fishing. A first offense before or after a closure should result in the person not being allowed to fish again, ever. Harvesting rights are real property and this is not good. IFQs are not regulated by vessel size but could be and a limit should be placed on the amount any entity could control. When allocated, they should go to living persons or corporations but not to estates.

James Swift - In favor of IFQs. They would allow the profit per pound to go up considerably, there would be less crew used, and there would be more time to catch sablefish. The reduction in crew size would not affect professional longliners, only transients. IFQ holders should be onboard, otherwise it would become a stockholder situation as it is now with factory/trawlers. Corporation and shareholder ownership would drive up the price of IFQs. The Council should avoid the problem in Chatham Straits by not giving rights to those who were around a long time but are not fishing now. Participation in 1989 should not be considered to reduce the number of vessels. A limit on the number of IFQs a person could own would complicate things.

Anton Bowers - IFQs become the only viable alternative although that system has a number of potential problems, especially the leasing of shares. Status quo is getting worse and worse and the only people suggesting it are those late comers who wouldn't qualify yet. IFQs should be saleable but with no leasing except maybe 10%-25% of IFQs. Otherwise, control would be bought up by a few and, even if unorganized, they would control price. Leasing would allow people with money, as opposed to experience, to end up with control. By not limiting control the Council is passing the buck. Oilspill participation should not be considered, it was a choice not a necessity. If participation is counted for qualification to own IFQs then a point system arises and that is a problem. IFQs should be valid for an indefinite period of time. The system could be reviewed yearly and changed if needed. People receiving IFQs should still be actively involved. There is no reason to give a harvest right, something they can sell, to someone who has quit. Eligibility should be based on a long range rather than just the most recent year. Persons should be 100% U.S. citizens, this was the intent of the Magnuson Act. Annual allotments would defeat the purpose of the system since it would dilute the amount of quota available for those already participating. Licenses would not change things from the way they are now. There would be a set number of boats and there would still be a derby. Other than that, licenses are better than IFQs. There should be no setasides for coastal communities, it is a can of worms. As long as the State of Alaska lends money to buy IFQs and licenses then people could borrow and enter the fishery. IFQs might even be a good investment for Native corporations to lend money to people to get in, another reason for no coastal allocations.

Anchorage
Sablefish Alternative Management Hearing
December 13, 1989

Will Tillion, North Pacific Fishing Association - In favor of IFQs since it is the only choice that addresses the problems. A limit needs to be placed on the number of IFQs any individual can control. It might be best to take the highest landing amount for any one person and call that the limit for that area.

Allen Parks - IFQs are the best alternative in the fisheries. They would work most effectively in solving the problems for sablefish and halibut. The IFQs should be split 50% between vessel owners and lease holders, 1 of the past 5 years to qualify, and IFQs should be in small units. There is a general fear of large corporations taking ownership of IFQs and gaining control of the fishery. A limit should be placed on the number of IFQs a person can own. A certain percentage of the overall TAC should be set aside for the small boat fleet, another way to ensure big corporations don't control everything. Many boats opted out of the fishery in 1989 to do oil spill cleanup and should be considered.

Steven Fogg - Supports IFQs in general except that 50% should go to permit holders (those making the landings) and 50% to vessel owners. Has been a lease holder in all but pay for five years and just bought the vessel. It does not seem reasonable to give all the rewards to an absentee owner who never actually fished sablefish.

Jim Hubbard - The status quo is preferable for the next few years in order to let the industry shake itself out. There is no reason to give harvest rights to those who would otherwise phase out in two years. Limited access might have been meaningful a few years ago but it is too late (early) now. If limited access is used, earlier participation should be weighted more. This would pick up owner/operators more than the current absentee owner fleet. The system should also give more weight to permit holders.

Scott Earsley - In favor of some combination of what has been said, above. Would be in favor of IFQs but some protection needs to be given to those who were running the operation but did not own the vessel. These people who actually fished put their life on the line and earned the money, the owner put his property on the line. The scale of the fishery is now out of control with too many boats. Limited access should have happened years ago. The current system is not good for quality from a processors viewpoint. There is no time for fishermen to take care of the fish since poundage is the most important factor. The quality of landed sablefish has gone down drastically in the last few years.

Seattle
Sablefish Alternative Management Hearing
December 19, 1989

Paul Clampitt - In favor of a license system with the license going to the present owner. The size classes should be changed to freeze current vessel sizes and allow no more than a 10' upgrade for any vessel owner. Participation in 1989 should be required since any who didn't participate then are not serious. A minimum catch of 50,000 lbs in any one year for vessels over 50' should be required (10,000 lbs for those less than 50'), the minimum landings in 1984-1988, and no license to those not qualifying (choices 1A, 2A, 3C, 4A). This would result in a fleet of about 323 serious boats qualifying.

Anton Bowers - Expects the Council to choose IFQs and so is commenting only on that alternative. The Council will probably choose IFQs for many reasons including the desire to spread out the halibut season, halibut being the key to the whole longline fishery. The system should be kept simple. The additions of an open access portion or community allocations will terribly complicate any IFQ system. These additions would cause a tremendous number of problems and not be worth it. The State or maybe Native corporations would lend money for coastal residents to enter the fishery, it would be a good investment. Do not use 1989 participation as a criteria, it would result in too many appeals. The average of the five years landings should be used rather than the best years. The qualification period could vary by area, southeast might be best if 1985 was used. Ironclad regulations are needed to ensure that U.S. citizens own the IFQS. Therefore the IFQ owner should be an individual and should be on board. There should be no leasing since it will result in foreign ownership and increase effort. Onsite enforcement will be required and it will be difficult to follow the paper trail. Unused TAC could be redistributed late in the year and at years end carried to the next year. Highgrading will not be a problem, small halibut are shaken now and sablefish are hardier.

John McHenry - In favor of a very tight, ironclad license system. The second choice is open access with platooning of the fleet or other effort limits. IFQs are good in theory but the Council has way too many options now. For all of these choices the Council needs to pick an alternative and focus its work on that one plan. The Council shouldn't expect consensus, that just won't be possible to get. If the Council doesn't just pick an alternative and work it out there will be endless debate as in the past.

Bob Smith - In favor of a restrictive license system. Vessel sizes should be in 9 or 10' increments ad infinitum. The two areas listed are a good idea. The base period should be 1984-1986, 1989 participation should be required, 50,000 lb minimum for vessels over 50' (10,000 lbs for those under), and only licenses to those who qualify (choices 1A, 2A, 3A, 4A). If this is not possible, the Council should just bag it and continue with open access management.

Eric Olsen - Agrees with the FVOA and favors a restrictive license system (choices 1A, 2A, 3C, 4A). Must reduce the amount of effort on the grounds. The allotments system would not work. Some fishermen like IFQs but no one will support them until they know how many they would receive. The options under the IFQs system are disappointing. The total catch between 1984-88 could be used or the catch from all areas could be summed. It is not clear how the Council can make so many decisions in January. There is a lack of focus now and this is a problem.

Art Hodgins - In favor of a restrictive license system, the allotment and IFQ systems are too complex or ineffective. The license system should greatly reduce effort in the Gulf to about 350 vessels (choices 1A, 2A, 3C, 4A). In the BSAI, the system should be tailored to include about 100 vessels, otherwise it would be too much of a windfall for too few. vessel sizes should be in 10' increments up to 100' or 150'.

Mark Lundsten - The longline fishery as a whole should be considered and an IFQ system that considers the fishing patterns of the fleet is the best solution. It should be designed to get the maximum benefits from the choices people make. Halibut bycatch is driving the sablefish and cod fisheries. Qualification for IFQs should be based on the catch from all areas in all 5 years added together. The IFQs could then be issued in the percentage that the person took fish from the different areas. The rules should be kept simple. The major problem with IFQs is concentration of ownership. A limit of perhaps 1% ownership by any entity is needed. These IFQs must be for longlines only in the Gulf and fixed gear only in the BSAI.

Arne Lee - Favors a license system. The system must be put in place now to stop another "gold rush" and it must be restrictive, that is the only way it will work. Landings in 1989 should be required but, since the Bering Sea not open until October, landings in any area should suffice. The other choices would be as mentioned by others (choices 1A, 2A, 3C, 4A). Vessel sizes should be by 10' increment and a measure of fishing power used when upgrading. Those upgrading must purchase a sufficient amount of fishing power to upgrade, not just two smaller licenses. Leasing, if allowed, should be limited to 2 out of 3 years. This would allow people to ease out and would maintain active participants. If IFQs chosen, a limit of 3% imposed on ownership by one person. If licenses chosen it would be possible to switch to IFQs later, if needed, but it would not be possible to switch from IFQs to licenses. Coastal communities should not be run over but they could buy into any of the systems.

Tim Martin - In favor of limiting effort and preserving a longline fishery, a restrictive license system would do this (choices 1A, 2A, 3C, 4A). Leasing is not a good idea but if chosen, it should be limited to 1 of 2 or 2 of 3 years. Licenses could be allocated based on the fisherman's dependence on sablefish catch. This was done with salmon and worked well. IFQs would result in a centralized fishery based on who has access to capital. Large vessels would buy up IFQs for bycatch in other fisheries and the price of IFQs would go up. Allotments are a can of worms, designed as a compromise, and won't work. Ghost fishing is not a problem now. The status quo is OK if the season is changed to June 1 and only head and gutted sablefish can be landed. These changes would make fishermen choose between sablefish or salmon fishing and would result in better quality and favor the more professional aspects of the fishery.

Per Odegaard - In favor of a license system to reduce effort. The system should be very restrictive and count landings in 1984-86, require 1989 landings, have a 50,000 lb minimum for large vessels and 10,000 lbs for smaller ones (choices 1A, 2A, 3A, 4A). This will reduce effort and eliminate those who are scamming for a license rather than being professional sablefish fishermen.

Stan Weikal - Would prefer license limitation with a twist. First it would be important to limit the number of vessels and reduce the fleet. An optimal number of vessels would be determined and no transfers would be allowed until the fleet reduced to this level. This would get rid of those fishermen who aren't serious. Then the licenses could have a use it or lose it provision, say 1 out of 2 years. If not used in 2 years then that person is out. Finally a closed bid allocation system would be used with defined areas and days (say 20 miles and 10 day periods). The traditional fishermen would be able to bid the most, all would have to plan their year out ahead of time, and the money generated could be used to fund observers, research, etc.

Helmut Opolka - In favor of license limitation. Never was in favor of limited access before but licenses are needed now to reduce the number of vessels. There are too many part-time longline fishermen and it is becoming increasingly difficult to be a fulltime one. The license system discussed by many before is a good one (choices 1A, 2A, 3C, 4A). Vessel size categories should be in equal increments, especially for the larger vessels. No special allowances should be made for coastal communities.

Albert Strom - In favor of licenses. The fishery has been ruined and will stay that way unless something is done. Licenses should be put in place as mentioned by most of those before (choices 1A, 2A, 3C, 4A).

John Bruce - The Deep Sea Fishermen's Union is on record as supporting limited access with some consideration given to crewmen. The alternatives now listed do not give consideration to professional, long term, sablefish fishermen. A restriction on who can buy rights, something along the lines of that used in Hawaii, is what we would like to see. Personally is in favor of license limitation.

Dan Cushing - In favor of license limitation. The licenses should go to permit holders, 1989 participation should be required, with minimum landings of 50,000 lbs for large vessels and 10,000 lbs for small vessels. The vessel size categories should be in 10' increments. Mixed feelings about an open access segment but if it allows new people to get licenses then it isn't limited access. Longterm crew members should be given a way in to the system.

Greg Beam - In favor of IFQs although an effective license system is a good second choice. Limited access needs to be put into place as soon as possible. With IFQs, effort expansion is not a problem. It costs a bit more to manage the system but the fees aren't too much. The effectiveness and loss of competition may worry some highliners. If licenses are used the number of vessels needs to be limited so 1989 participation should be required. Upward mobility of regular, experienced fishermen should be provided for. If the IFQs (or licenses) are sold then purchasers should be qualified in the fishery. The vessel size classes in the license system need to be changed. A minimum of 50,000 lbs is OK for vessels over 50' but if a smaller vessel caught that much they should be eligible for an upgrade.

Loran Hoviland - Supports some form of license limitation and initially any form or a share or IFQ system should be divided among the whole crew and vessel. The division of IFQs should be based on the settlement of the revenues by trip. Crewmen would have to document the amount they were eligible for. What ever is decided upon should be use it or lose it, say after 2-3 years. IFQs should be reviewed each year and could be upgraded based on their performance in the open access portion. This would allow a person getting a better crew and vessel to get more IFQs. Agrees with the qualification period stated before. Any IFQs not used should go back into a pool or be auctioned off.

Bruce Jackson - Need to limit access with either licenses or IFQs and deckhands should be given some consideration. No open access portion or system should be left in place. Participation in 1989 should be required and, with IFQs, an average of all 5 years should be used. A limit on the number of licenses or IFQs that one person could hold should be established and that person should be onboard the vessel.

Jim Boading - Favors licenses as per the FVOA position (choices 1A, 2A, 3C, 4A). Corporations should not be allowed to own licenses and no special rules or allocations should be made to coastal communities. Coastal residents have had an opportunity to enter the fishery. No consideration of oil spill work either, those people can purchase a license. An estimate of the optimal number of licenses should be made and the number of licenses reduced towards it, perhaps through owners deaths, etc. There may be too many licenses otherwise.

Jan Standard - Ironic that crewmen aren't being included since this is the norm elsewhere. Don't be too hasty in making a decision and do not make one unless it is iron tight. New entrants should be allowed for through the open access 10%.

January 10, 1990

To: Council Family
From: Larry Cotter
Re: Draft Limited Access System

The following is a draft limited access system for consideration and some general comments on limited access. I am not necessarily advocating this draft system, but merely circulating it as a possible alternative in the event the Council chooses to implement a system. The general comments (included at the end) outline what I perceive to be the benefits and deficiencies of the systems under consideration. The draft system is an effort to blend the best of each system. A detailed outline of how the system works and options is available, although the overview provides the essence of the program.

OVERVIEW OF DRAFT PROGRAM

This program is a non-transferable, IFQ permit system. It attempts to embody favorable elements of the license limitation, ITQ, and AFA systems. Key points of the system follow:

- **WHO CAN PARTICIPATE?** A defined number of permits are issued. No vessel can participate in the fishery without a permit. Permits do not have cash value and are transferable only as described below. *[The purpose is to limit the number of participants in the fishery, thereby beginning to address effort control.]*
- **TRANSFERABILITY:** Transferability takes place through an apprentice system which provides points to skippers and deckhands based upon participation in all longline fisheries: as permits are retired, they move to the individual with the highest number of points. An exception could be made for family operations. *[The purpose is to provide future access to a public resource based upon participation as opposed to the ability to finance a potentially huge entry fee.]*
- **INDIVIDUAL FISHING QUOTAS:** On an annual basis, individual fishing quotas are issued to each permit holder. The amount of the quota is equal to the percentage average of his last three year's harvest. The quotas are revised annually, and cannot be sold. A minimum quota will be established. *[This creates the opportunity for individuals to participate in an orderly, planned fishery, thereby addressing business considerations, bycatch waste, etc., It also further addresses effort control.]*
- **LEASING:** A permit holder may lease a total of 50% of his quota on an annual basis to other permit holders. The amount leased must be reported, is good for that year only, and does not count either for or against future year's quota determinations for either the lessee or the leaser. *[The purpose is to allow leasing so that other permit holders can increase their harvest without penalizing the lessee or rewarding the leaseholder beyond his leased opportunity to benefit from an increased quota.]*

If, however, a permit holder leases out a portion of his quota in two or more consecutive years, he will not receive harvest credit for that amount: consequently, his following year's quota will be reduced. The amount by which his quota is reduced will be divided by all permits holders in the next year's calculation for quotas. *[The purpose is to penalize a permit holder who seeks to make a business out of leasing as opposed to fishing.]*

In no case will the permit holder who serves as the leaseholder and harvests the leased quota receive credit for that harvest above his personal quota. *[The purpose is to force amortization of lease costs over one year, thereby reducing lease costs.]*

- **COMPETITIVE POOL:** A voluntary, competitive pool would be established for permit holders who wish to compete for an increase in their following year's allocation. Participants would be required to contribute a consistent percentage (or minimum poundage) from their individual quota to the pool. If there are insufficient participants to warrant a manageable fishery, the pool is cancelled for the year. If there are sufficient participants, the competitive pool fishery would open at a designated time during the season. The fishery would be a derby, limited only to those who contributed. *[The purpose is to provide an opportunity to increase quotas for those that wish while allowing those that are satisfied with their quota to harvest as they desire without being forced to participate in, or suffer the consequences of, a derby.]*

- **FAILURE TO FISH:** In the absence of justifiable, extenuating circumstances, a permit holder who fails to harvest at least x% of his quota during a fishing year for x consecutive years would lose his license. *[This is to ensure that participants remain committed to the fishery.]*

- **QUOTA FOR A NEW ENTRANT:** When a permit holder retires from the fishery or the permit otherwise becomes available, the permit will be transferred to a new entrant. There are different approaches available for determining the amount of initial quota provided the new entrant. The amount must be fair, and should not reduce the quota of other permit holders.

GENERAL COMMENTS ON LIMITED ACCESS SYSTEMS

Limited access systems are implemented for a variety of reasons, but generally have effort control as a primary focus. Many conservation and socioeconomic issues can be addressed through traditional management techniques, such as time/area closures, trip limits, defined openings, allocations, etc., unless the level of fleet effort is so great those measures won't work. Limited access systems that don't truly address effort control haven't resolved the problem.

License limitation systems limit the number of participants, but don't address effort. This is ultimately true even if licenses are based on vessel size and upgrading is prohibited: vessels can always modernize or otherwise increase their harvesting efficiency.

ITQs appear to successfully address effort control. But ITQs have their own set of problems, notably the probability of high grading, the difficulty of tracing actual harvests, control over the quotas, and enforcement. These are probably generic problems in any system.

AFA's encompass open access and freedom of choice for most fishery participants. However, the AFA concept results in a spiraling down of annual fishing allotments for those who declare, thereby forcing them into the open access component. As a result, effort is not addressed and the system fails.

It makes no sense to implement a system to control effort if the system doesn't work.

The question of public ownership and the subsequent privatization of a public resource is important. Any system which truly limits effort also privatizes the public resource, but the extent of privatization can be mitigated through the system's approach to transferability of harvest rights. Each of the systems under consideration by the Council provide for free and open transferability. Consequently, those individuals who qualify for a permit have reaped an economic windfall if they sell their permit or quota. Conversely, non-qualifying participants or new entrants have to pay a private entity for the right to harvest that public resource. Philosophically, I find it difficult to support this approach.

**COMMENTS RECEIVED ON SABLEFISH MANAGEMENT ALTERNATIVES
SINCE THE DECEMBER 1989 COUNCIL MEETING**

DATE Dec - 04 - 89

TO: MR RON HEGGE. / ? ROOM NUMBER.

FM: ERIC JORDAN.

SITKA, AK
Nov. 30, 1989

North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

Dear Council Members and Staff,

I am writing to communicate directly my comments made at the November 28, 1989 hearing on various management options for sablefish.

The Proposals

My first comment is an appreciation of the well written materials explaining the problems and alternatives. They were clear, detailed, and readable.

I have become convinced that there is no ONE solution or ONE tool to satisfy all the fishermen and fisheries in the FCZ. Whether the proposal is IPQ's, license limitations, or some new mix such as AFA's, it will not be appropriate for all the fishermen, all the fisheries, or all time. I have come to the conclusion that a great deal of time has been wasted trying to find or impose ONE solution on a great variety of fishing needs. Therefore I humbly suggest that the Council abandon this expensive, and futile quest.

The Solution

I think the Council should act immediately to limit access to the sablefish fishery and should follow suit as quickly as possible in a number of other fisheries. I believe there are already serious and growing conservation problems in the Gulf because the council is tardy in initiating access and effort limitations. Access limitation must be accompanied by effort limitation and they are not the same thing. Gear restrictions must be added to time, quota, and access control tools to effectively manage the fisheries.

I suggest a step by step solution.

1. Determine who the players are by issuing non-transferable interim fishing permits to anyone who has participated at least 2 of the last 5 years.
2. Work with the fishermen who have permits to develop both a license limitation and annual fishing allotment program.
 - a) Those who opt to participate in a competitive fishery could do so but the participants would be limited to the permit holders.

b) Those wishing to take an annual fishing allotment, similar to the council proposal, would be excluded along with their boats from participating in that years competitive fishery.

c) Any allotment not requested for harvest would be allocated to the competitive fishery. Leasing of allotment might be restricted to family members or to other permit holders choosing to participate in that years allotment fishery.

3. Initiate a variety of gear limitation, and other management measures such as biodegradable gear and fleet platooning to spread the effort out, make the fishery safer, and conserve the resource.

4. Phase in a regulated program to transfer permits and allotments. For example, a first phase of transferability might limit the transfers to immediate family members, or other permit holders.

5. Tailor permitting and allotment programs to the needs of each different fishery and perhaps to different areas within the same fishery.

Advantages.

The most important advantage is fairness. Fairness to the fishermen because they will be involved in an evolving process whereby they can make decisions and have meaningful input on course changes. Having sat through the hearing in Sitka I was most impressed by how little most of the fishermen had to say. In fact many of the fishermen attending did not testify.

One of the obvious advantages of going with this approach is cost limitation. Cost will be limited because the cost of administering the initial permitting will be cheaper than any of the other license limitation proposals because it will be simpler and since more participants will be included it should be less contentious. It will also save the cost of administering permit or quota transfers until after the cost of permitting is mostly completed.

Another advantage is resource conservation. Resource conservation nearly always benefits from a cautious approach. I am convinced for example that a headlong plunge by the council into an IFQ program allowing fishermen to have gear in the water and fish on board nearly all year would lead to greater amounts of illegal harvesting and offloading than already exist unless there was millions dedicated to better enforcement. Phasing in a permit and annual allotment system will allow management and enforcement to respond to emerging problems.

Finally, I believe by phasing in several tailor made evolving programs the Council builds in the diversity and flexibility in its access and management programs to meet a variety of needs now while being able to accomodate future as yet unanticipated challenges. One of the weaknesses of the State of Alaska's permit program is its inability to flex to the needs of distinct fisheries like the rockfish fishery in Southeast Alaska.

The Disadvantages

The biggest problem with this solution is that it has not had enough time to be carefully considered and it has no influential individual or group to champion it in the highly political decision making process of the Council. Nevertheless, since it seems to be such an obvious and practical approach and is within the bounds of the proposal since it is a compilation, I am sending it in for consideration.

Hello to all my friends.

Sincerely,


Eric W. Jordan

DEC 22 1989

P O Box 859

Homer, AK 99603

December 18, 1989

North Pacific Management Council

P O Box 103136

Anchorage, AK 99510

Dear Sirs:

I am writing to express my support for continued open access to the black cod and halibut fisheries. I have philosophical problems with limiting access to commonly owned resources such as these. I am further opposed to limiting access on a more practical basis: I purchased a forty four foot longliner in partnership with a friend this fall and, as I read the proposals, under the last three alternatives we would be excluded from fisheries that we have counted on to help pay off the vessel and earn a living. I have other fisheries, but my partner, who has fished and skippered other people's boats for over fifteen years and who will be running the Horizon, would be severely impacted.

While I realize that the fishery will have to be regulated to cut fleet efficiency I am still in strong support of Alternative One, continued open access to the black cod and halibut fisheries. I believe it to be the

fairest of the alternatives before the Council.

We intend to be fishing during the January meeting and thus unable to testify in Anchorage, so I hope this letter will be given the same weight as oral arguments.

Thank you for your efforts on behalf of our fisheries.

Sincerely,

Philip J. Brudie

DEC 28 1989

38 Allen Road
Norwalk CT 06851

December 20, 1989

North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

Sablefish Alternatives: Public Testimony

Dear Members of the Council.

I would prefer to deliver this testimony in person, but unfortunately time and money constraints dictate otherwise. I sincerely hope that these written comments convey the depth of my concern.

I recently received the Council's summary of current sablefish management alternatives. The front page status review reveals the sorry state of the sablefish industry. It seems obvious that open access can not even be considered "management." Management could not possibly condone such chaos and waste. Allowing open access to continue would simply be refusing to break with a tradition that long ago proved its hopeless inadequacy.

Intense international pressure has recently been focused on the unethical, ecologically unsustainable fishing techniques of the Asian high seas driftnet fleet. Although the driftnet fleets' capacity for environmental destruction may be unprecedented in the history of commercial fisheries, unethical waste and unsustainable harvest of North Pacific resources certainly is not. Domestic fisheries in the waters off Alaska have come to reflect a similar lack of ethics, with greed replacing conservation as a rationale for harvesting practices. The sablefish fishery, although only a small piece of the overall problem, is no exception. The over-capitalization, the gear-loss, the deadloss, and the loss of human life all now characteristic of the sablefish fishery are as indefensible as the havoc wrought by high seas driftnets. Japan recently agreed to a 1992 moratorium on high seas driftnet fishing. In January the Council has an opportunity to make an equally important decision. Although currently less subject to public scrutiny, the Council's global responsibility to manage U.S. fisheries in an ethical, efficient, and ecologically sound manner is no less grave than the Asian fleet's duty to employ only ecologically sustainable technology.

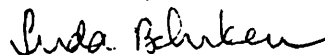
By limiting access to the sablefish fishery the Council will set a precedent that could revolutionize domestic North Pacific fisheries. An efficient multi-species management strategy with a socially and ecologically sound base could be developed. Certainly species-specific derby management regimes have become arcane. Too much is already known about species interaction and ecological complexity for such a technique to be justifiable. Perpetuation of the derby to any extent will ensure that the waste (through over-capitalization, low product quality, and high accident rates) and the potential for environmental damage (through lost gear, deadloss, and unmarketable by-catch) will continue. Licenses will not control effort, hence will do little other than create an elite body to continue the destruction. Clearly Individual Fishing Quotas are the wise and responsible choice.

I do not need to reiterate the strengths of an IFQ system. The Council's summary states them all clearly. I believe that the drawbacks outlined in the summary--i.e., high-grading and discard by non-IFQ holders--are surmountable. They also pall in comparison to the tremendous waste occurring under the current system. The potential for "corporate buy-outs" is, however, a valid concern. Since I addressed this concern in past testimony (September 9) and in an article published in the December issue of Alaska Commercial Fisherman, I will not do so here. Instead I have enclosed a copy of the article for your perusal.

I am a longline deckhand, not a vessel owner, hence have no capital investment in the sablefish fishery to protect. My concern is for the resource and for the fishermen who consider sablefish longlining an important part of their way of life. The Council is responsible to the resource, the industry, and the global community to preserve the diversity and abundance of the North Pacific ecosystem and the stability of the communities dependent on it. Implementing IFQs in the sablefish fishery is a critically important step towards ensuring that the responsibility is met.

Thank you for your time and attention.

Sincerely,



Linda Behnken

SABLEFISH: THOUGHTS ON LIMITED ACCESS

**Linda Behnken
November 1989**

1

Gale winds. Waves breaking across the deck. Hydraulics groaning, struggling to haul tangled gear. Long nights, high pressure--and may days. Every North Pacific longliner knows the scenario. April sablefish openings, September halibut openings--make-it-or-break-it derbies that take their toll on the resource and the fishermen. I wonder how long either can withstand the brutality.

This December the North Pacific Fishery Management Council will either endorse the madness or take steps to end it. As most North Pacific fishermen are aware, in December the Council will select a form of limited access for sablefish, the first species scheduled for such consideration, or will allow the status quo to prevail. The Council's decision on sablefish will set an important precedent, since halibut and all other groundfish fisheries are scheduled for similar review during the next three years. The selection of a limited access system, whether it be license limitations or individual fisheries quotas (IFQ), or the decision to do nothing (i.e., reaffirmation of the status quo) will have a profound effect on the future of all North Pacific fisheries and fishermen.

Open access has led to staggering over-capitalization and over-participation in the sablefish fishery. In Alaska's Southeast/east Yakutat area there are currently ten times more boats fighting for space on the sablefish grounds than there were in 1983 when the fishery first reached full-domestic utilization. The figures for the Central and Western Gulf are equally impressive (perhaps "depressive" would be a better word?), where full domestic utilization was reached in 1985. The Sablefish Regulatory Impact Review issued by the Council staff in 1988 states that several hundred miles of longline gear have been lost on the sablefish grounds during the past two years, causing staggering amounts of deadloss. (To illustrate: the staff estimates that in 1987, 129 metric tons of deadloss occurred in the Southeast/east Yakutat region on opening day alone.) Not surprisingly, catch rates from the Southeast to the Western grounds are now falling and quotas are being cut. Hence the season, already shortened by the heightened competition, will be further reduced. The scenario continues: shorter seasons, more pressure to fish in dangerous weather, more gear lost, more boats sunk, more people drowned. And we call this "management"?

Limited access will prevent further expansion of the fishery. However, since the original 1985 cut-off date for credit accrued toward limited access rights has been replaced by a 1988 and potentially 1989 cut-off, the number of

vessels issued access rights would be approximately the same as the number of vessels currently involved--i.e., roughly ten times more than were necessary to harvest the quota in 1985. For this reason, license limitations would change the structure of the fishery very little. The amount of effort per vessel would continue to increase, as would the dangerous derby openings. Product quality and hence market stability would continue to decline, along with the opportunity for developing a domestic market. (Our current dependence on the Japanese market leaves the fishery tremendously vulnerable to international politics; consider, for example the effect on the sablefish industry of U.S. imposed driftnet violation sanctions against Japan.) One aspect of the fishery would change dramatically under license limitations, namely the cost of entry into the fishery.

IFQ, on the other hand, would limit and distribute effort. Fishermen could allow good weather, favorable market conditions and off-seasons in other fisheries to set their sablefish season, rather than the current pre-arranged derby date. The accident rate would go down. Product quality and harvesting efficiency would replace the current emphasis on maximum production. The processing and marketing community would receive a steady supply of fresh, more carefully handled fish, hence a healthy domestic market could be developed. Incremental entry into the fishery would be possible, since IFQ could be slowly accumulated. So where is the hitch?

The hitch is in the harvesting sector's fear that IFQ will lead to corporate "buy outs" of the fishery and to the end of the owner-operated, "small" boat fleet. Since the Council is currently considering allowing corporations to own IFQ, hence encouraging absentee-ownership, this fear is certainly justified. IFQ could, in other words, lead to the end of an independent, vibrant way of life by allowing a corporate entity to gain a controlling share of the fishery, manipulate the price, and thereby eliminate the competition.

The Council intends to cap the quota percentage that an individual entity may possess, claiming that this will eliminate the possibility of a sablefish monopoly. Many fishermen, myself included, do not believe this cap will be effective. Corporate interests are well-versed in the art of developing multiple, in this case quota-holding, subsidiaries. There is, however, a way around this problem. There is also ample justification for taking measures to prevent such corporate buy-outs from occurring.

As the Sablefish Regulatory Impact Review states, one of the precepts of Alaska statehood was "that employment should be subsidized at the cost of economic efficiency. . . and that fishermen should be the direct beneficiaries of the subsidy rather than processors or other interests not directly involved in fishing efforts." For this reason all Alaskan limited entry permits currently in existence can only be held by natural persons and that person must be aboard the vessel during fishing operations. In fact, the Magnuson Fishery Conservation and Management Act specifies that the regional Councils must take into account the social, as well as economic and ecological impacts of their decisions. If the Council allows the benefits of the sablefish fishery to pass out of the hands of the harvesting sector, and thereby undermines a way of life in Alaskan coastal communities, it will have failed in the responsibilities designated to it by both the state and the nation.

Hence a system must be devised to protect those areas where longlining for sablefish supports a lifestyle and a community. I am thinking in particular of Southeast Alaska where, due the relatively close proximity of the continental shelf, the sablefish fleet is dominated by comparatively small, owner-operated vessels. This system need vary only slightly from the IFQ system currently being considered by the Council, the difference being that only a natural person could hold IFQ and that person must be present during harvesting operations (sound familiar?). Fishermen would be allowed to transfer quota on an annual basis only after harvesting at least 50% of their total quota, hence ownership would remain distributed and in the hands of the fishermen. This system would retain the flexibility and other advantages associated with IFQ but greatly reduce, if not completely eliminate the threat of absentee-ownership and corporate takeovers.

In summary, open access has lead the sablefish industry into the current mess of over-capitalization, over-exploitation, over-dependence on foreign markets, and overly high gearloss, deadloss and accident rates. License limitations would do little to change this situation. IFQ offer a flexible, more efficient long-term solution, but must be tailored to fit the specific needs of each area; if the Council fails to do such tailoring coastal communities will suffer and a way of life will be lost forever. As the December Council meeting approaches it becomes increasingly important that members of the sablefish industry seriously consider the alternatives and make known their views and values.

DEC 29 1989

Tim MARTIN
9725 Phinney Ave. N.
Seattle, Wash. 98103

Dear Council members.

I am writing to express my views concerning to pending action on sablefish limited entry. I'll attempt to keep my comments as brief as possible though such a complex issue deserves much more detailed input. I am the owner of a 67-foot longliner, the Immigrant, homeport Seattle. I am exclusively a longliner and do not fish in any other fisheries.

First I have to say that as screwed up as the status quo is, it holds within it a fair degree of potential for reform of the fishery. I don't believe this regime has been given a fair hearing in the discussion of the fishery, and as distasteful as some of these measures under status quo might be, they are far less distasteful than most of the options for limiting entry. These adjustments to the status quo also have the benefit of being simple to implement.

First, I think the Council should abandon the April 1 opening date & move it back until May 15, or even later. This would eliminate a fair amount of effort by salmon fishermen who are in the black cod fishery as part-timers. These individuals in most cases have a secure place in limited fisheries and have used the black cod fisheries as a source of additional cash, in essence at the expense of the full-time longline fleet. This is also where

most of the recent effort has come from. I understand this would receive opposition from Petersburg interests & other salmon communities but many, if not most of these fishermen have salmon, limited entry permits, herring permits, & Chatham Strait permits worth hundreds of thousands of dollars, and are only late entrants to the sablefish fisheries. The April 1 opening comes at a time when they are usually idle. A later opening would benefit full-time longliners by decreasing participation by salmon boats. It also has other advantages.

1. decrease incidental catches of halibut. Halibut migrate to shallower water as the season advances. Less mixing of stocks occurs allowing for more effective and cleaner fishing at beachhead depths.
2. Safety. 1989 was a year of unusually good weather but in 1988, April brought 2 severe storms to the grounds that sank numerous boats and caused the loss of many lives. A later opening would decrease weather risks.
3. Product Quality. Several studies have shown that sablefish quality increases rapidly during late spring. Early spring fish have a higher incidence of "jelly belly" and tend to be smaller and younger. Later openings would result in harvest of older, larger fish of better quality.
4. Less lost gear. From my own experience, heavy weather increases gear loss & wastage by having to leave gear on the grounds.

to run from weather.

The other major element to improve the fishery under status quo would be to require delivery of dressed fish only. This would improve the quality of the product greatly, + quality uniformity would really help the market. Right now with some boats delivering H&G + some round RSW, quality is very uneven. It would force some operators to pay more attention to wholesomeness. As of now many RSW boats strip old bait, some scrap fish and who knows what else into their tanks with their fish, then keep them in that soup for 4, 5 or 6 days, maybe longer. Average price would probably improve as we eliminated this garbage from the bottom of the quality scale. It may also eliminate some marginal operators who only consider their total pounds and do not want to take the time to deliver quality.

In summary, I think the status quo with these changes to be the best alternative. If these changes don't work a limited access scheme could be instituted at a later time.

Of the three other options I prefer license limitation to reduce the fleet to 300-400 boats. I think a 50,000 lb minimum for boats over 50 ft is reasonable. 1989 participation should

be required. There should also be a system to credit participation by the importance of the sablefish fishery in an operator's total income. Full time longliners should be given more participation credit than someone who is also in other fisheries.

The licenses should be gulf-wide to allow free travel and dispersal of the fleet. Any license limitation system should try to reduce the fleet and preserve the longline nature of the fishery.

I cannot express too strongly my opposition to ITQ's and allotments. Even though I would be entitled to quite a large catch based on my past landings, I feel these systems are extremely detrimental to the fishery and so complex and biased as to be unmanageable.

ITQ's would almost certainly end up in the hands of those with the deepest pockets, and completely change the nature of the fishery. Enforcement would be a nightmare. Feasibility would be a very bad thing. The fishery should be for those who participate, not for someone to have a property right to a public resource, from which they can derive benefit merely for that ownership. Eventually I believe ownership would end up being monopolized & possibly foreign owned & manipulated.

In conclusion, I strongly implore you to work within the status quo concept to change and remedy some of the problems of the fishery. I feel it is by far the best option, noting the changes I propose. I feel it hasn't received nearly enough consideration. I hope to be at the meeting in January.

Sincerely,

Tom Martin
F/V IMMIGRANT
F.U.O.A.

December 29, 1989

Clarence G. Pautzke
Executive Director
North Pacific Fishery Management Council
P. O. Box 103136
Anchorage, Alaska 99501

Re: Sablefish Management Alternatives

Dear Mr. Pautzke,

My name is Jay Skordahl. I am a Southeast Alaska longliner, and I appreciate the opportunity to address these important sablefish management issues.

As we are here debating the future of the sablefish longline fishery in the North Pacific, I think it is important for everyone concerned to realize that choosing the right sablefish management plan is going to be a compromise. Although there are many different views and concerns, we must all be flexible to protect the future of this fishery. Many very important aspects of the industry must be considered in reaching this compromise.

I have placed these management considerations in the order I feel most important:

1. Conservation of the Resource.

Everyone would agree that conservation of the resource is essential to maintain an equitable sustained-yield fishery. Of the four management alternatives proposed, both IFQs or license limitations could have positive impacts on present conservation problems. Implementing a new management plan can also create new conservation problems.

An IFQ system has the potential of over-harvesting the stocks by providing the fleet year-around access during periods of very limited enforcement coverage. (This creates the potential for black market sales and unaccountable, non-observed poundage being taken).

To ensure the success of license limitations, conservative gear restrictions must also be implemented concurrently to effectively cutdown on gear-loss, gear conflicts, by-catch loss, and excess harvesting capacity.

(continued)

Page 2.

I realize there is a possibility that continued open access could be the management plan of the future. I feel compelled to strongly urge you to impose gear restrictions in any future open access scenario. We need gear restrictions to reduce the conservation problems we all face in the industry today.

2. Socio-economic Stability Among the Fleet and Coastal Communities.

The monetary successes of fishermen obviously have impacts on the economies of both their own communities, and communities where they sell their fish. Relative success creates local jobs; in turn - vessel and household fuel and groceries are bought, children are clothed and sent to local schools, taxes are paid, or in other words. . ."the wheels of the local economy are turning". As managers of a resource that directly fuel these economies, the NPFMC has an inherent responsibility to maintain stability and encourage economic growth (whenever possible) within this infrastructure.

Relating the need for stability to the four management alternatives, I am most concerned with the proposed IFQ plan adversely effecting this economic picture. Under this plan, individuals will be allowed to harvest their own quota at their own convenience. Although some very positive aspects could occur from this system, it would also encourage freezing and processing their product at sea, and the possible landing of this product in ports other than those traditional sablefish ports being used today. This plan could essentially create a fleet of mini-processors, each marketing their own limited, but guaranteed poundage.

Most of the local shore-based processors rely on high volume seasonal fisheries. By processing high volumes of product, processors may operate on a smaller profit margin per pound and offer more competitive prices to their fishermen. Under the proposed IFQ plan we will see reduced employment among the fleet as well as shore-side processing crews. We will also see an erosion of shore-side processors ability to maintain their role as an important contributing member to the economic structure of

(continued)

Page 3.

the coastal communities. The possibilities of an IFQ system being first implemented in the sablefish fishery - then being adopted by other species' fisheries would magnify these problems for the shore-side processors and the coastal communities they support..

3. Integrity of the Sablefish Industry.

There are many positive aspects to the present day sablefish industry. We don't want to throw out or jeopardize these positives in our quest for the ultimate management plan (of which I don't think there is one).

I think it is important to point-out that most of the sablefish fishermen I know have done well the past few years. High ex-vessel prices and a healthy available stock of sablefish has also allowed local shore-side processors, their employees, local merchants as well as other community interests, to prosper. To protect and maintain the integrity of this fishery and resource, adequate management measures can be utilized within the license limitation plan to maintain these positive aspects of this industry, and curtail many of the current problems in the fishery.

4. Allocation of the Resource.

I am sure you have noticed I feel that a license limitation plan with gear restrictions is clearly the best compromise between the status quo and IFQs. As far as who would be eligible to participate under the license limitation plan, I think that anyone who has participated in the last six years should have a legitimate chance to participate in the future sablefish longline fishery. The sablefish fleet today is comprised of the very few that fished alongside the Japanese fleet prior to the Magnuson Act. The rest joining after the Americanization of the sablefish fishery. Making this a relatively new fishery. Although a few of these new entrant have been speculators, the majority have been legitimate fishermen looking for alternative means to make a living, run a business, and be responsible contributing members of the fishing community. Everyone had to start sometime, and many of the skippers of today started as crewmembers. To eliminate some of these deserving individuals, by eliminating a few speculators, is wrong.

(continued)

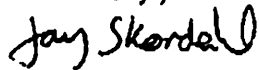
Page 4.

A simple, fair and responsible eligibility requirement for license limitation would be "anyone who landed fish in 1989 would be eligible". Anyone who landed fish in any two years from 1984 through 1988 would be eligible. This arrangement would allow all legitimate fishermen the opportunity to continue in this fishery. These permits should not be transferable. When a permit holder does not fish for two consecutive years or is found guilty of fishing violations his license will be revoked. The threat of losing your permit will encourage compliance with present and future sablefish management regulations.

A gradual reduction in permit holders will create an appropriate balance between available stocks and fleet harvesting capacity. When the situation allowed for growth in the fleet harvesting capacity, a developed system of credit could be given to crewmembers or other industry participants who would like to qualify for a permit. This system would work well in other overcapitalized fisheries such as halibut, king and tanner crab.

Thank you.

Sincerely,



Jay Skordahl
F/V TYEE

From: Philip Wiley
F/V MINE
Box 115
Sitka, Ak.

Sablefish Management COMMENTS

DEC 29 1986

North Pacific Fishery
Management Council
P.O. Box 103136
Anchorage, AK 99510

Gentleman

The Following is a List of Comments I Believe
Would Be Best for the Sablefish Fishery if
Limited Access is Implemented.

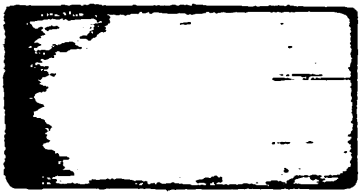
1. I Think License Limitation To a Real
Person, Not a Corporation is Best
2. ONE License Permit Per Real Person.
3. All Permits Non- Leasable.
4. A Saleable Permit Must Have a Fixed
Maximum Sale Price. (\$50,000⁰⁰ ?)
5. Gear Restrictions By Area. ONE Set
is Enough, Two is Plenty IN S.E. / E Yakutat.
Other Areas?
6. License Qualifying: I Like Table 8 Col A
Except Principle 4, There Would be a Need
For Some Non-Transferable Permits.

Page 33

7. I Don't Like IFQ, Because I Feel They Will
Do away With a Way of Life - A Fisherman.
I Also see \$20.00^{lb} pound or more. Very Good
Investment ~~price~~. for The Buyer's All Things Considered.

Sincerely

Philip R Wiley



PHONE: 424-7344

CORDOVA AK 99574

PO BOX 571

THOMAS D. BRADSHAW

RESPECTFULLY,

ONCE AGAIN I WOULD LIKE TO EXPRESS MY DEEP CONCERN REGARDING THE COUNCIL'S DECISIONS ON THE STABLE FISH MANAGEMENT. MY LIVELIHOOD IS AT STAKE AND THE ONLY MEASURE THAT WILL INSURE ANY TYPE OF STABLE ECONOMIC FUTURE FOR MYSELF AND THE INDUSTRY AS A WHOLE IS LICENSED LIMITATION. THE OTHER ALTERNATIVES ARE JUST PROLONGED AGONY OF A DYING INDUSTRY WHICH DOES NOT LOOK AT THE LONG-TERM. EVEN IF THESE OTHER ALTERNATIVES ARE PUT INTO EFFECT FIRST AT THE URGING OF LARGE OUT-OF-STATE OFF-SHORE CATCHER PROCESSORS, THE RECORD WILL SHOW A DWINDLING FISHERY WHICH IS MY DWINDLING LIVELIHOOD.

ANCHORAGE AK 99512

PO BOX 13135

01075

NOVEMBER PACIFIC FISHERY MANAGEMENT COUNCIL
 PMS BEEN COUNCIL CHAIRMAN DON W. COLLINSWORTH
 64203 BDA CORDOVA ALASKA 110 12-27 1960 AST

| | |
|-----------------------|--|
| | |
| 271-2903-271-2517/FAX | |
| | |
| | |

Telegram

AVASCOM



JAN 2

27 DEC 8 3 47

DEC 29 1989

**KODIAK LONGLINE
VESSEL OWNERS ASSOCIATION****P.O. BOX 135 • 326 CENTER AVENUE
KODIAK, ALASKA 99615
(907) 486-3781**

HALIBUT, SABLEFISH AND PACIFIC COD

December 29, 1989

Dr. Don Collinsworth, Chairman
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
P. O. Box 103136
Anchorage, Alaska 99510

RE: Sablefish Management

Dr. Collinsworth:

In the past several years members of the KLVOA have followed the sablefish limited access discussions with great interest. Our position has been and still is opposed to limited access in the groundfish fisheries.

The NPFMC has had the sablefish limited access issue on the agenda with public comment taken 15 times since 1985 and has discussed it since the late 1970's. There were three extensive surveys conducted in 1987 and since 1988 there have been three separate workshops held in five locations in Alaska and Washington.

It seems to appear that even with all the time, effort and expense which have been spent to exhaustively review this issue, that nothing has been settled. Most of those groups who were opposed to limited access still are. Some of those groups which were in favor have become opposed and some have changed their minds two or three times in the past several years.

In our review of the ten problems in the sablefish fishery, we feel that there is not an easy solution to these problems. Limiting the access, by any of the methods proposed, will have special problems not seen in the open access fishery. One primary concern is the financing of any such extensive, complicated program. We feel that the costs have been grossly underestimated and that the enforcement requirements have not been fully analyzed.

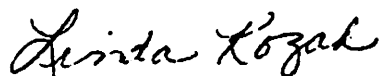
The problems which are facing the fishery at this time need the Council's full and undivided attention. Our time and energy should be focused on the comprehensive domestic observer program, data gathering, and the issues of bycatch and inshore-offshore. With recent budget difficulties and staff shortages, it is imperative that the management of the resource be given first priority.

December 29, 1989
Page Two

With a comprehensive observer and data gathering program being implemented in 1990, it is important to realize that the information gained from these programs may change our entire view of the fisheries and provide information which may make the talks of limited access unimportant.

We would urge the Council members to concentrate their efforts on managing the fishery and to stop considering the management of fishermen.

Sincerely,



Linda Kozak
Executive Director

JAN

| ACTION | ROUTE TO |
|--------|-----------------------------|
| | Exec. Dir. |
| | Gen. Sec. |
| | Adm. Serv. |
| | Ext. Aff. |
| | Fin. & Inv. |
| | Facilities |
| | Gen. Inv. |
| | Ident. & Rec. |
| | Int. Aff. |
| | Lab. & Insp. |
| | Legal Coun. |
| | Plan. & Eval. |
| | Rec. Mgmt. |
| | Tech. Serv. |
| | Training |
| | Off. of Cong. & Public Aff. |
| | Director's Sec'y |

DECEMBER 28, 1989

KODIAK LONGLINER'S ASSOCIATION
P.O. BOX 3865
KODIAK, ALASKA 99615

CHAIRMAN, DON COLLINGSWORTH
N.P.F.M.C.
P.O. BOX 103136
ANCHORAGE, AK 99510

DEAR MR. CHAIRMAN:

WE WISH TO REGISTER OUR SUPPORT FOR OPEN ACCESS MANAGEMENT OF SABLEFISH. DUE TO THE TIMING CONFLICT BETWEEN THE KODIAK TANNER CRAB SEASON AND THE COUNCIL MEETING, K.L.A. WILL NOT BE ABLE TO PARTICIPATE IN PERSON. VIRTUALLY EVERY KODIAK VESSEL LARGE ENOUGH TO PARTICIPATE IN THE SABLEFISH SEASON ALSO FISHES TANNER CRAB.

THE DRAFT S.E.I.S. FALSELY STATES THAT IFQ 'S WOULD LEAD TO INCREASED ECONOMIC STABILITY IN THE FISHERY. STOCK'S AVAILABLE FOR HARVEST WILL STILL FLUCTUATE REGARDLESS OF THE MANAGEMENT REGIME. UNLESS A MONOPLOY IS ALLOWED TO OPERATE WITH IFQ'S, MARKET PRICES WILL CONTINUE TO FLUCTUATE. THIS WILL PLACE ALL FISHERMEN WHO PURCHASE THEIR IFQ'S WITH BORROWED MONEY IN A VERY PRECARIOUS POSITION. THE ANALYSIS OF IFQ'S AND PERMITS TEND TO STOP WITH THOSE FISHERMEN WHO OBTAIN THESE HARVEST RIGHTS FOR FREE FROM THE GOVERNMENT. THIS GROSSLY OVERSTATES THE ECONOMIC BENEFITS TO THE FISHERMEN. WITHIN 20 YEARS, MOST PERMITS OR IFQ'S WOULD HAVE BEEN PURCHASED BY OTHERS. THESE PEOPLE WOULD LIKELY HAVE LESS OPPORTUNITY TO PROFIT THAN IF THE FISHERY WERE **OPEN ACCESS.**

PERMITS OR IFQ'S WILL RAISE THE CAPITALIZATION COSTS CONSIDERABLY FOR FUTURE ENTRANTS. HOW SMALL COMMUNITIES WOULD BENEFIT FROM IFQ'S OR PERMITS IS NOT DEMONSTRATED. THE HISTORY OF LIMITED ENTRY IN ALASKA AND NEW ZEALAND SHOWS FISHING OPPORTUNITY LEAVING RURAL COMMUNITIES ONCE LIMITED ENTRY OR IFQ'S ARE INSTITUTED. EASTERN CANADA IS ANOTHER EXAMPLE OF A SYSTEM THAT HAS FAILED TO BENEFIT RURAL COMMUNITIES. THE BENEFICIARIES OF ENTERPRISE ALLOCATIONS THERE ARE THE LARGE MONOPOLISTIC FISHING COMPANIES.

THE VERY SIGNIFICANT ENFORCEMENT PROBLEMS ENTAILED IN ANNUAL ALLOCATIONS OR IFQ'S ARE NOT ADEQUATELY ADDRESSED. WITH FISH ALLOWED ON BOARD YEAR ROUND, THE OPPORTUNITY TO CHEAT AND GET AWAY WITH IT ARE GREATLY MULTIPLIED. THE RATHER ARBITRARY ALLOCATIONS OF WEALTH TO A FEW FISHERMEN WILL INCREASE THE INCENTIVE TO CHEAT AS MANY FISHERMEN WILL FEEL THAT THE NEW SYSTEM DOESN'T TREAT THEM FAIRLY.

IFQ'S OR ANNUAL ALLOCATIONS REDUCE THE INCENTIVE TO HIRE A LARGE AND HIGHLY SKILLED CREW. WITH LOTS OF TIME AVAILABLE UNDER IFQ'S AN OPERATOR WOULD MAXIMIZE HIS AVAILABLE PROFIT BY REDUCING THE SIZE OF HIS CREW. THIS COULD CAUSE SAFETY PROBLEMS AND WOULD DEFINETELY REDUCE THE ECONOMIC BENEFITS OF THE FISHERY TO THE COASTAL COMMUNITIES. IFQ'S COULD BE EXPECTED TO FURTHER CONCENTRATE HARVEST RIGHTS AND REDUCE EMPLOYEMENT. CREW SHARES ARE MORE IMPORTANT TO LOCAL COMMUNITIES THAN CAPITAL SHARES BECAUSE A LARGER PERCENTAGE CIRCULATES DIRECTLY INTO THE COMMUNITIE'S ECONOMIES. A LARGE PERCENTAGE OF CAPITAL EARNINGS LEAVE A SMALL COMMUNITY WITHOUT CIRCULATING.

IT HAS ONLY BEEN 5 YEARS SINCE THE JAPANESE WERE CATCHING MOST OF ALASKA'S SABLEFISH. IN THIS SHORT PERIOD OF HISTORY, OPEN ACCESS HAS ALLOWED FULL UTILIZATION OF THIS FISHERY. YET IT MORE RECENTLY HAS REACHED AN EQUILIBRIUM.

OPEN ACCESS FLEETS GET SMALLER IF ECONOMIC CONDITIONS DICTATE. UNDER OPEN ACCESS THE NUMBER OF PARTICIPANTS IS DETERMINED BY THE LIKELYHOOD OF PROFIT IN THE FISHERY VERSUS THE OPPORTUNITY IN THE REST OF OUR ECONOMY. WITH OVER HALF THE WORLD POPULATION MOVING AWAY FROM PLANNED "PROFITABILITY" TOWARDS A FREE ECONOMY; IT IS IRONIC, THAT THE COUNCIL IS CURRENTLY CONTEMPLATING A MOVE THE OTHERWAY. I HOPE THAT THE COUNCIL WILL LOOK CLOSELY AT THE PROBLEMS OF THE LIMITED ENTRY SCHEMES AND COME TO THE CONCLUSIONS, AS WE HAVE, THAT DESPITE THE PERCEIVED PROBLEMS OF OPEN ACCESS, OPEN ACCESS IS BETTER THAN THE OTHER ALTERNATIVES.

SINCERELY,

Oliver N. Holm

OLIVER N. HOLM, PRESIDENT
KODIAK LONGLINER'S ASSOC.

JAN ?

Bill Rotecki
445 Front Street
Ketchikan, Ak 99901
1 Jan, 1990

North Pacific Fisheries Management Council
Clarence Pautzke, Executive director
POB 103136
Anchorage, AK 99510

re: Sablefish management plan

INTRODUCTION

My name is Bill Rotecki and I have been working as a deckhand in the longline fishery for 5 years. To point out the obvious this means that I will not be awarded any permit, or quota, or annual allotment if you should chose to implement any of the limited access programs. I am one of the people who you could consider a future entrant into the fishery. I will be running someone else's boat next year, and running my own boat the following year. That is, I plan to, if the fishery looks like it will be worth a damn.

When I look at what is happening right now, I do not see the wonderful open prairies that your handout describes where a man can make his mark by virtue of his hard work, intelligence, and good fortune. Instead I see a resource managed in a way that it penalizes anyone who would take better care of his fish, penalizes anyone who would exercise caution in the face of a storm, penalizes anyone who would respect the other boats in the area and give them a little room, penalizes anyone who would share new and better fishing techniques with other fishers, and does not provide the consumer with a reliable supply of quality fish. In fact, despite the continuous increased investments in expensive new technology to aid in fish care the quality continues to decline as the pace increases. Additionally, our system's increasing inefficiencies continues to erode our competitive position in the world market. These inefficiencies are due to 1) ever increasing deadloss and bycatch waste which mean that we harvest an ever smaller portion of the theoretical maximum thus making our product ever more expensive (we are getting fewer cows per acre, all other things being equal), and 2) the race for fish system predicates an ever increasing capital cost and operating costs which also translate as higher product cost.

So, I listen to testimony where people state that they are worried about newcomers getting into the fishery and how will the newcomer afford it we go limited access. I am the only one that I have heard testify who actually may be a "newcomer" to the industry, and I say I don't want the

fishery unless we go limited access. There are a million ways to leave the system open to the newcomer, varying from totally subsidized lottery drawings to free market with guaranteed loan programs to elaborate point systems to determine who gets permits when participants retire from the fishery, and I just don't see it as a problem. What I see as a problem is creating and preserving a fishery that maximizes the optimum productivity and utilization of all species, that maximizes efficiency and minimizes costs, that rewards the fisher for providing the consumer with a continuous supply of high quality fish, that allows for all sizes of boats and types of fishers to participate, that doesn't chase out the people who pioneered the fishery, and encourages and supports coastal community utilization. I know perfectly well that there will be costs born by the fisher for implementing a limited access program, but I see them as far less than the costs of continuing to propagate a system with inherent waste and inefficiencies. I'd far rather buy into something that is well managed and that has some stability than to get into a "free" fishery that is already depressing in its attitudes and has such a bleak future.

MANAGEMENT POSSIBILITIES

For reasons described above I will not waste our time with status quo.

Annual fishing allotment

While attractive at first glance I think it would be a poor choice because:

- 1) Basically it hasn't eliminated the race for fish. Actually the people in the AFA are competing with the Open Access (OA) people for their allotment. This is so because people in the OA portion can establish allotment, move into the AFA for some security, thus leaving more room in the OA for another entrant, who can establish HIS allotment, then move into the AFA, creating more entrants and consequently an ever decreasing piece of pie for each entrant, resulting in people returning to the OA to re-establish their competitive edge. The more competitive fishers may then realize that the price for security is extremely high, and see insufficient reason to return, unless they are planning to fish illegally, in which case AFA would probably be their best bet.
- 2) because of the continual unknowns on how people will respond to the choices it does not create a "stable" fishery which is necessary for justifying investment and energy
- 3) I think it is likely to result in the GREATEST number of permit holders of the 4 options. The convenience of the allotment and its expanded season will draw and hold the less competitive fishermen until there are so many that they can catch their allotment on one trip. Look at the myriads of what we might call "recreational halibut fishermen". The Open Access portion will continue to attract the most

competitive fishermen. There may be some advantage to fish like holy hell in Open Access for three years and then transfer into the AFA, so there may be a continual back and forth transferring of the more competitive fishermen depending on which system was more crowded.

4) Since allotments are reapportioned every year this will result in

a) appeals every year

b) a neverending attempt to discover new ways to manipulate the system.

5) Since entrance is free there will be less incentive for fishermen to self-enforce violations because it will not be perceived as "their" fishery.

Because so many of my comments on license limitation and fishemans quotas are mirror images I am going to combine my comments on these two alternatives

License Limitations(LL)

Fishermen's Quotas (IFQ's)

AWARDING LIMITED ACCESS

1-LL) First of all the awards of the permits will be unfair. Despite the fact that there are a number of smaller boats catching more fish per year than larger boats the smaller boats get a less valuable permit. This is a system designed to reward people for maximum investment, or luck. To use such a system does not benefit the public, the resource, or the future users of the resource. We should be designing a system which rewards people for their dedication to the fishery, and ability to fish. The best way to accomplish that is to award permits on the basis of historical catch and continued participation.

1-IFQ) Awards based on catch and participation. This is the most flexible system. Awards could be brokem down to a very small scale. The fairest of all awards.

BOAT LENGTH CATEGORIES

2-LL) The breakdown of the boat class is arbitrary. If I have a boat of 100 feet in length and you have a boat of 101 feet in length, you will be receiving a permit of significantly greater value which may be unrelated to your fishing experience, history of production, and even monetary investment in the fishery.

2-IFQ) This nightmare becomes irrelevant with IFQ's.

ADDITIONAL CONSEQUENCES OF SIZE CATEGORIES

3-LL) The size class system of boats creates another opportunity for people to try to alter their competitive edge through manipulation of the system. It will result in the development of boats designed to meet the description of the license, instead of boats designed to optimize the fishing opportunities of their owners. A better system would be a gross tonnage permit of the simplest kind, awarded on the basis of catch record of the vessel owner,

permit holder, or whatever. These could also be combined to increase gross tonnage, presumably with a small penalty for combining. This becomes another area of difficulty. What if a person had several different during the eligible year? 3-IFQ) this problem also is irrelevant with the IFQ system.

RACE FOR FISH

4-LL) As long as there is excess harvesting capacity and the fishers have an undetermined share in the fishery there will be a race for fish. Considering how few boats it took the Japanese to harvest the total black cod quota when they did it for us we can be sure there will be significant excess harvest capacity. As we see in the BC black cod management, despite limited entry there is a continued race for fish. The race for fish results in poorer fish quality, deadloss from lost gear, overcapitalization, increased operating costs, decreased safety, unreliability of the fishery, penalizes the small boat owner, makes it harder for the new entrant because of short seasons, inability to provide consumers with year round fresh fish, The LL system would slow down the race for fish, but not derail it.

4-IFQ) Even though there would be excess harvest capacity, because people know what their harvest share will be there is little advantage to race for fish so none of the above mentioned problems would be significant.

WORLD COMPETITION AND INEFFICIENCIES

5-LL) Due to deadloss and bycatch discard, increased costs due to increased danger, increased operating costs and overcapitalization, both in the fishing fleet and the processors, a LL system increases the costs of production and therefore harms our competitive position in the world fish market. This hurts the long range health of the US fishing industry as well as hurting the overall health of the US economy. Inefficiency hurts everyone except for the person who gets special dispensation to be inefficient.

5-IFQ) Because of all the opposites of above: decreased costs due to safer operations, probably smaller crews, processors having smoother operations, less overtime, and less unnecessary storage, less bycatch waste, in some cases fantastically less capital investment because a fisher who might presently do salmon, longlining, and herring might limit himself to longlining, and far less operating costs due to reduced gear loss, reduced need to travel, and hopefully someday in the future additional increased efficiency due to having an integrated groundfish fishery; an IFQ system could result in the best competitive position resulting in increased profits to the fisher and the processor, decreased prices to the consumer, and a better balance of trade for the USA.

BYCATCH AND MAXIMUM UTILIZATION

7-LL) Despite the inevitable increase in regulations there is a limit to how much we can reduce our bycatch.

Additionally, to either reduce our bycatch, or increase the survival rates of our bycatch discards costs us in efficiency. Ultimately we have to work toward the goal of maximum utilization of all species. This is a must because of the need to stay competitive on the world market, and the obligation we have to not waste a valuable source of protein in a world with increasing demand and increasing population. A license limitation system cannot solve this problem. 7-IFQ) The ONLY system at present available to integrate the different groundfish fisheries is some kind of quota system. Even if sablefish is the only species managed in this way there would already be a tremendous gain. All the sablefish that I catch now during Halibut openings when sablefish is already closed could be a part of my quota. The bycatch in other fisheries could be legitimized and thus better regulated and controlled and give us better data for better management. However, the ideal system would be a flexible IFQ system where people could fish multispecies and reduce waste to near zero thus increasing harvest efficiency considerably, as well as maximizing the overall harvest of all species.

SMALL BOAT FLEET

8-LL) The system will have a natural inclination to weed out smaller boats. Even though some people have suggested that we are nearing the rate at which a boat can fish I would have to disagree. As long as there is a competition for who will get the right to harvest the fish there will be strong incentive to increase speed size and storage capacity of your boat.

8-IFQ) In an IFQ, however, a small boat may in fact give the greatest return for investment. That being so, and especially if there were guaranteed loan programs in order to encourage utilization by coastal community residents, a small boat might be very willing to buy into the system at whatever the current price is. A small boat could also turn a medium sized amount of quota into year round employment.

ACCESS TO NEWCOMERS

9-11) The only way to get some temporary benefits out of a license limitation system is to severely restrict the number of people awarded licenses. This in turn would mean that the prices would be high which would make it more difficult for new entrants to buy in. This difficulty may be offset by special loan programs such as the State of Alaska has for state permit holders. There are other difficulties of this type of system that cannot be averted, but must be lived with. The newcomer has less time to learn his trade before the season is over and his opportunity to harvest is gone. Additionally the newcomer is forced to fish in poor weather, and has to suffer the usual grounds competition and gear loss, higher initial gear investments and so forth. It is possible to enter on a shoestring budget, but more difficult than an IFQ.

9-IFQ) One of the unique features of the IFQ system is its flexibility. First of all a newcomer could begin by purchasing only a small portion of quota to determine if he liked the fishery. He then could add to his holdings as resources permitted. Another unique feature is that a newcomer would be afforded time to learn. Even though it may take him twice as long to harvest his initial 10,000#s he can still do it, and avoid bad weather, and avoid overcrowded and confusing grounds.

ENSURING ACCESS FOR NEWCOMERS

10-LL and IFQ) One possibility would be to reserve a portion of the quota, say, 10% which would be available to lease to newcomers for a one year period. This could also be source of revenue for management, research, and possibly loan programs to encourage coastal community residents to join in the fishery. If the total 10% was not leased by newcomers it could be put on the market for anyone else, highest bidder. If we implemented a license limitation program we could lease a certain number of licenses for a year to get a similar effect.

HIGHGRADING

11-LL) Highgrading as we are referring to it here, discarding small blackcod in preference to larger blackcod which command a better price has been no problem so far in Open Access, and is likely to remain the same in License Limitation.

11-IFQ) However, with IFQs there is a potential for problems because if there was no observer aboard there would be time to sort fish if the price differential was considerable. Actually the decrease in bycatch discard would probably exceed the increase in highgrading, but there are other management options as well that could virtually eliminate highgrading. One option is simply to require a minimum hook size. That wouldn't eliminate small fish from being hooked, but it would greatly decrease the incidence, and probably with research by manufacturers, we could develop hooks with even poorer catching power for the juveniles. The other factors are education and observers. Where the fisher has a strong interest in his fishery it should be obvious that a high survival rate of discarded fish is essential to high harvest quotas in the future.

CONCENTRATION OF CONTROL

12-LL and IFQ) One of the very legitimate concerns people have expressed is the possible concentration of control of a fishery in the hands of a few. One of the ways to prevent this would be to limit number of permits or amount of quota either owned or controlled by a person or entity. Another way to do it would be to require that the permit holder or quota holder be aboard the boat while the fish are being harvested. Another regulation which would serve to limit

transfer of permit ownership away from coastal communities would be to limit their leasability and to limit their being used as collateral on a loan by limiting their being repossessed except by agency NMFS setup to give loans that encouraged coastal community use. I support all of these regulations, and they could all be implemented in either LL or IFQ systems.

Since I favor the IFQ system I would suggest that in any district a person or entity be limited to owning or controlling no more than 1% of the TAC within that district. Additionally there would be no leasing of quota allowed and quota owners must be aboard during harvesting of fish with two major exceptions:

1) 10% of the quota for each district would be reserved for new entrants to lease for one year only, for a fee which would be used to administer, research, regulate, protect, and enhance the resource. The goal would be to keep the fishery accesible to new entrants as well as raising money for operations. As said before, anyone could bid on the quota if there wasn't adequate interest by newcomers.

2) up to 10% of the quota for any district could be owned by coastal communities or shore based processors and leased to fishermen. However the 1% rule would still be enforced here. No processor or entity could own or control more than 1% of the quota for any district, and no fishermen who leased it could fish more than 1% of the total quota in any district combining his owned quota with any leased quota.

CONCLUSION

I think that the exercise of developing these alternatives has been instructive, but inadequate. I think it is important that the Council not try to implement a system that is not fully thought out. It seems to me that the best approach must be to first choose the system that has the best opportunity to maintain and protect the resource and the fishery, and then refine it. Whatever system is chosen will have plenty of detractors and if the implementation is poorly done without adequate justification and documentation it will be heavily contested.

I put my request before the council that it step aside from the pressures of trying to satisfy all the different special interest groups who want an ever larger piece of the pie, and that instead it think what management scheme will best be ablueprint for the future, one that is the most flexible, the most able to handle the inevitable changes in the industry, and the one that will allow harvesting with the minimum of waste and maximum efficiency.

Thank you for your time

Sincerely yours
Bill Rotecki



Queen Anne Fisheries, Inc.
1939 Eighth Avenue West
Seattle, Washington 98119
(206) 284-9158

JAN ?

F/V MASONIC
Mark S. Lundsten, Operator

January 1, 1990

Dr. Don Collinsworth, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Dear Chairman Collinsworth:

I encourage the Council to vote an Individual Fisherman's Quota system into effect for the sablefish fishery at the January meeting. One reason why I think IFQs are the best solution for sablefish is that they are the best solution for halibut, and, the longline fishery and the whole groundfish fleet should be what we are examining, not just a single species fishery, with one single gear type.

I don't believe the "status quo" system will endure and remain at all true to the National Standards of the Magnuson Act. It simply will generate more and more waste of energy, labor, capital, and the resource as more and more of us try harder and harder to catch the fish each year, and the Council works more and more to settle annual bycatch and allocation issues.

A license limitation system could work if the number of license holders was small enough (200-300). But then what do you do about the many more hundreds with no permit? And do you develop a permit system for halibut, with its thousands of participants? Unfortunately, even if a small number of licenses were granted for sablefish and halibut, the "derby" style of fishing would probably continue with all its current problems and then some. Eventually, every license will be racing for fish more and more intensely, and nobody will ever miss any fishing time. The problems of waste and of bycatch will intensify as the fishery itself d...

IFQs, as problematic as they may be, are the most practical solution. For one thing, they are the most "fair" (if there is such a thing) techniques of allocation. Depending on the distribution system chosen, both the pain and the benefits of allocation of IFQs are spread more evenly than is possible with licenses. Further, with IFQs the allocation procedure for sablefish can and should be extended over the halibut fleet. By such action, the Council would be ensuring the most consistent and least arbitrary method of allocation for the whole longline fleet, every boat that fishes sablefish or halibut or both.

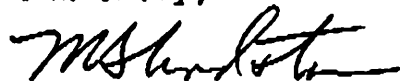
I have a few other comments about the workings of IFQs:

Don Collinsworth, Chairman
North Pacific Fishery Management Council
Page 2

- 1) IFQs granted to longliners for sablefish and halibut should be for "longline only" for at least a 3- to 5-year trial period.
- 2) Allocation should be given for each statistical area. But, that allocation should be figured as a percentage of a boat's total catch in all areas for all the qualifying years utilized.
- 3) "High-grading" problems with IFQs (probably overestimated anyway) would be greatly diminished by the observer program.
- 4) Sablefish and halibut bycatch problems within the longline business would be virtually solved with this system.

Thank you for your consideration.

Sincerely,



Mark S. Lundsten

Naparyarmiut

JAN

City of Hooper Bay
P O Box 37
Hooper Bay, Alaska 99604
(907) 758-4311

December 29, 1989

Don W. Collinsworth
Chairman
North Pacific Fishery Management Council
605 West 4th Avenue
Anchorage, Alaska 99501

Re: Sablefish Limited Entry
January Agenda Item C-5

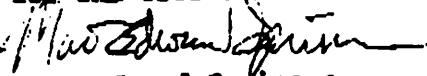
Dear Chairman Collinsworth:

The City of Hooper Bay, a Bering Sea coastal community, wishes to state once again its opposition to any system of fisheries management by the North Pacific Fishery Management Council which might eliminate future participation opportunities for residents of this community.

All but one of the sablefish management alternatives now under consideration would do just that. Therefore, we must once again go on record as favoring the status quo in this fishery.

Our position is shared by many communities in the Bering Sea, as you well know. The future development of a stable, unsubsidized economy for this entire region rests, in large part, on our continuing ability to harvest the resources nearby in the Bering Sea.

We add that we feel open access must continue in the Gulf of Alaska as well as in the Bering Sea. Fleet mobility dictates this. Many existing vessels fish in the Gulf and Bering Sea. We fully anticipate the harvesting capability under development in Bering Sea communities to be able to take advantage of fishing opportunities in both areas of this Council's jurisdiction.

QUYANA!
for THE CITY OF HOOPER BAY,

Mark Edward Springer
Assistant to the Mayor

Murray R Hayes
224 Grant St.
Port Townsend, Wa 98368
FV "Sylvia"
206-385-5703

JAN 2
Dec. 24, 1989

North Pacific Fishery Management Council
PO Box 103136
Anchorage, Alaska 99510

Dear Sir,

Thank you for sending me the information on the sablefish management options. I have been a commercial fisherman for 16 years and while I have only fished blackcod 1 year I feel I should respond to these proposals.

To get to the point of my letter I would like to say I favor continued open access but barring that I would be compelled to support option 4, license limitations. The reasons are as follows.

First, in support of open access, more jobs are better than fewer. If you drastically reduce the number of sablefish vessels you will cut down on crew jobs and all the accompanying support jobs such as fuel and stores, insurance, gear, boat repair and construction. By working on boats here in Port Townsen during the winter I know first hand that serious longliners do quite will and spend a great deal of money on their boats.

As for economics, sure there are more boats than are needed to catch the fish. Today's fleet consists of boats that fish multiple fisheries so when you state that the fleet is overcapitalized you are not taking into consideration that these boats fish multiple fisheries.

In response to management problems with open access your paper states that the number of blackcod vessels fell from 723 in 1988 to 619 in 1989. That is a drop of 104 boats in one year or 14%. It looks to me like economic conditions are taking care of the fleet size already. I think those that want limited access just want a guaranteed larger piece of the pie.

As for short seasons under open access how about week on and week off fisheries. That is a simple management option that would spread the fishing effort and fish supply over a longer period of time.

Another simple management tool would be to open the fishery on July 1st. At that time trolling and seining seasons open and many of the trollers and seiners and packers that longline would have to make a choice and many of them will stick to the salmon fisheries.

While it is true that the Southeast and Eastern gulf sablefish fisheries are probably saturated that hardly seems like a reason to limit the Western Gulf, Aleutians, and Bering Sea fisheries. In 1988 the season was 3 months in the central and western gulf 2 months in the Aleutians, and 6 months in the Bering Sea. These hardly seem like fisheries that need limited entry.

If you cannot support open access then of the options presented I feel license limitation, Alternative 4 is the best. There would be too many problems with IQF's or annual allotments although I like the idea of leaving some of the quota open to non qualifying vessels. It would be hard to regulate these systems and there is a real chance the fishery would end up being controlled by large fish companies through their purchase of fishing rights.

License limitations would keep the fishery in the hands of the fishermen and would be much easier to regulate. It would be a good idea if a certain portion of the boats could fish in this fishery through a point system or lottery if they didn't qualify under the license limitation rules.

In conclusion, I don't think a limited access system is really needed and would hope you would select option 1 open access. If that is not possible then the next best thing would be option 4, license limitation.

Thank you,



Murray R Hayes

JAN 2

North Pacific Fisheries
Management Council

Dec, 28, 1989

Dear Sirs,

I feel I need to explain my feelings about your involvement in my business-life

I feel that you have the right to set season's and total catch limits, That is All.

You do not and should not have the right to tell me I can't fish. If there is a season open for only one fish, I should have a right to take my money buy a boat, gear, and licence and go out and try to catch that fish. Its a dog eat dog world out here I have the right to go Broke if thats the end product. You do Not have the right to Interfere.

If a person wants to own a smaller boat He should Not be penalized for his choice by you giving a person with a bigger boat preference with a bigger part of the quota. This is what happens a man goes out and buys a big boat, Borrows heavily from the bank, Then he can't make it so This man and the Bank puts pressure on you for a bigger share of the market. You bow to the pressure and take ^{from} my share give it to him and squeeze me out. Its the old Thinking Bigger is Better. If 14 Boats take 60% of allowable catch in 19 days wouldn't it be better to spread this out with more boats - smaller with longer season more employment after all these fish are a Public resource. Not ment for a Select Few. Any system you put in should be open so that a citizen can have his chance to fish if he or she Desires to

By It seems to me that too much input on enforcement to regulate the Fisheries is taken by you. It should not even be part of your Decision. They can do their Job From the Dock we don't have to be boarded and searched all the time. We Have to Deliver these Fish that's the best place to do their enforcement, Cheaper Too,

I'm Tired of having some Beurocrat who hasn't anything Invested in this business Telling me, when, where, why, and what for. His High Salary goes on even when his poor Decisions break the people he's supposed to help. They should have an Incentive program IF I make money so does He. IF I don't make it He shouldn't get paid either. This includes you especially. Also the Governor who appointed you. We can vote Him out.

I think by now you realize I do not want any limited Entry. Maybe I'm a Dreamer but I believe in Equal Rights for everyone when ever you start taking from one and giving to another IT NEVER WORKS

Fact 80% of the Fish caught, are caught by 20% of the Fishing Fleet The Non producers will move on by themselves You don't have to Help them

The one thing you could do is give each boat a quota and let them catch them when they want to during the year Halibut & Sablefish should be sold as Fresh Fish Not Frozen They will get a higher price if the market isn't flooded Few days a year

Thanks

Bob Brown F/V Stardust

Bx 1767 Bethel AK 99559

Marine Resources Consultants

December 27, 1989

Mr. Don W. Collinsworth, Chairman
North Pacific Fishery Management Council
PO Box 103136
Anchorage, Alaska 99510

Dear Mr. Collinsworth,

Subject: Sablefish Management Proposals.

The Annual Fishing Allotments (AFA) proposal currently under consideration for managing sablefish was derived from a halibut management proposal entitled *Voluntary Individual Nontransferable Quotas (VINQ)*, which I submitted to the North Pacific Fishery Management Council in September, 1989. After reviewing the AFA proposal for sablefish management, I have decided that it is not appropriate for that fishery.

The VINQ proposal for halibut was designed specifically to solve the problems associated with short fishing seasons (3-5 days in the major areas), without disrupting the current laissez-faire method of allocating the resource. In the halibut fishery, short seasons create unsafe fishing conditions, poor at-sea fish handling, overloaded processing and transportation facilities, a lack of fresh halibut throughout the year, and poor market prices. Although sablefish seasons have become shorter than in the past, they still are measured in weeks and months, rather than hours and days. Thus, the short-season problems in the sablefish fishery are not nearly as acute as those in the halibut fishery.

Unsafe fishing conditions in the sablefish fishery could be solved by delaying the starting date until later in the year (e.g. June 1). Also, the markets for sablefish and halibut are very different. Whereas a year-round supply of fresh halibut would undoubtedly result in higher values at all market levels, it seems unlikely that a year-round sablefish fishery would change the way sablefish are handled and marketed. Even when sablefish seasons were year-round, the vast majority of the product was frozen and shipped to Japan.

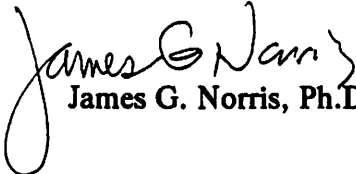
My opinion is that the AFA system would not provide a significant improvement over the status quo option, and would likely generate more problems than solutions. At this time, some form of the license limitation option seems most appropriate for managing sablefish. I do believe that the AFA, or VINQ, system is a viable option for the halibut fishery, and I hope the Council will continue to give consideration to that system when considering halibut management options.

My greatest concern about all of the sablefish options under consideration is the possibility that the existing fishing fleet may be asked to bear full financial responsibility for a social welfare program to assist certain Alaskan communities. Each of the options under consideration contains sub-options that would transfer some of the value of the sablefish resource away from the existing fleet and towards Alaskan communities. I am not arguing against financial assistance to disadvantaged Alaskan communities. My complaint is that the Council should

consider spreading the financial responsibility for such assistance over a broader segment of society. For example, rather than make direct allocations of licenses or fishing quotas to Alaskan communities, those licenses or fishing quotas could be purchased by the State of Alaska on the open market from funds generated by an appropriate taxation program. Another possibility is to provide low interest or government guaranteed loans to assist certain Alaskans in purchasing licenses or fishing quotas.

If the Council wishes to avoid the acute management problems currently facing the halibut industry, they should do everything possible to move away from the status quo option for sablefish. By forcing the existing fishing fleet to bear full responsibility for a social welfare program to assist certain Alaskan communities, the Council is inviting severe opposition from existing fishermen to any change from the status quo. I believe that the likelihood of success in moving away from the status quo will be greatly enhanced by abandoning the sub-options that would provide direct allocations of licenses or quotas to Alaskan communities.

Sincerely,


James G. Norris, Ph.D.

JAN ..

North Pacific Fishery
Management Council

Dec. 26, 1989

Dear Sir's,

I am writing this letter concerning Three Concern's of mine, and my proposals.

I am concerned about Sable fish, I am totally against any limited entry. These Fish belong to every Citizen of the United States and it should and is their right to buy the Boat, Gear, and licence To be able to fish for any fish even if there is only one fish left in the ocean. You should give a select few the rights of the majority

my Proposal is set a Harvest limit, Open permits - Applications until - Jan 1 - March 1
Divide the Applications into the Harvest limit
Let that be each boats Delivery Amount ^{all} year

Maybe that doesn't or isn't Fair to the old time licence Holder. but it does leave it open for the younger Generation maybe its Not Fair for the Big Boat out of Seattle but it leaves it open for the little boat owner, To catch enough to make a living. This country's government is supposed to be One man one vote everyone is equally protected under the Law

I believe This is Fair. Dont let The Big Boat owners Pressure you into taking away from small boats. Open Sable Fish and Halibut opening on the same Day. Then you won't waste fish by throwing fish back when they will ~~die~~ Die, less waste. Stop Dragging During haulline Season They cost me 10,000 lost gear last ~~year~~ year 18 300 fathom skates, plus Hooks Gangions, buoys, Flag poles, Anchors and Booy lines. They (over) Drag my gear

Halibut

I am a troller I used to be able to catch & sell Halibut incidental catch you have taken that away from me you have negotiated my Salmon-Kings away without my permission. You are have permitted Hi Sea's gillnets to catch my share of CoHo - silver salmon. until Now when we the people are making a big stink and are forcing you to do something When? are you going to Stand up for America give the trollers back their Halibut incidental catch it is good market sense it is a fresh fish and will give higher prices all summer long. Its good business and save's throwing fish back that will die ^{25%} less waste of the resource

Bottom Fish

I would like to see a Hook only fishery off the coast of Southeast Alaska. The Red Snapper we catch are up to 150 years old gullback - 50-100 yrs old Dragners are destroying the grounds. They have ruined the Atlantic, around Iceland its like a desert, North sea there are NO big fish left and few small ones lets save the last spot in Alaska - whole world, from the destruction of the bottom lets make Southeast Hook only. Longline fishing only. Stop Draggings up the future fish. Thank You

Bob Brown - FX Stardust 45 Troller
Bx 1767 - Bethel Alaska 99559



Telegram

29311 TBA JUNEAU ALASKA 28 01-02 143P AST

FMS

NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL

325 WEST 4TH AVE

ANCHORAGE AK 99501

35

JAN - 3 1990

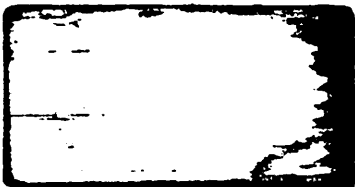
I AM IN FAVOR OF INDIVIDUAL FISHING QUOTAS FOR SABLE FISH MANAGEMENT.

I DON'T THINK ANY OTHER ALTERNATIVE WILL ADDRESS COUNCIL'S CONCERNS.

CALVIN ROBINSON

POBOX 721232

JUNEAU AK 99802



JAN - 5

1-1-90

To North Pacific Fishery Man. Con
re Coments on Sablefish management (Also Halibut)

As a comm. longliner the following proposal answers most of the problems in both the Sablefish and Halibut fisheries- safety, resorce management, gear loss and comflict due to combat type openings.

- 1- Indvigual transferable fishing quotas- to anyone delivering in last five years, based on best year(takes care of boat being down, poor weather, oil spill etc) in small poundage multiples(100 lbs so that new entrants can buy in in manageable dollar amounts)
- 2- Enough bycatch reserved for other longline fisheries- ie Halibut etc- to last for entire year to prevent waste (as now happens in fall halibut openings)
- 3- Quotas to go to name on fish tickets from past years.

THIS SHOULD BE THE SAME FOR THE HALIBUT LONGLINE FISHERY

ALSO, AS THE SAME PEOPLE IN MANY CASES FISH BOTH FISHERIES

This would permit the market, weather, etc be the controlling factors as to when fishing takes place.

Thanks for your consideration,
Brad Dickey, skipper
Sea Venture I
PO Box 2677
Homer, Ak 99603

JAN - 5 1981

More views on blackcod.

Well how ~~the~~ a person going to get into the fishery.

There is a few who want to screw it up for the rest.

But its out of control they say. Thats why we have regulations.

Maybe it will get to be like a halibut caper, well so be it. A few should not own a natural resource (which I think belongs to everybody) just because they've ~~own~~ fished longer. Everybody should have the opportunity to ~~to~~ harvest blackcod, ~~on any water~~ ~~that is open to~~

A standard must be set by the industry whereby you bring in a quality product you get a good price, poor products - poor price. It would slow things down out there and be safer.

Like in any business you have competition, sure sometimes things get tuff, as in most any business. If you cant compete and make money get out.

Competition should weed out the ~~fisherman~~ ~~poor~~ ~~fisherman~~ from the boat.

all of here is a few people wanting to
(Haver) ->

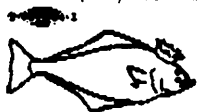
get rich at the expense (or loss) of others.
They're just a bunch of whiners living
in the past.

Dan Huntley.
Cordova, Ak.

D. Huntley
Box 101
Cordova, Ak.
99574

Deep Sea Fishermen's Union of the Pacific

5215 Ballard Avenue N.W.
Seattle, Washington, 98107
Phone: (206) 783-2922



Established 1912

January 8, 1990

Clarence G. Pautzke, Executive Director
North Pacific Fishery Management Council
P. O. Box 103136
Anchorage, Alaska 99510

Re: Sablefish Management

Dear Clarence:

The Deep Sea Fishermen's Union of the Pacific is one of the oldest and only organization today representing fishermen (deckhands) and skippers in the fisheries on the West Coast and Alaska regions. The Union was established in 1912 to give stability and input into a working partnership with vessel owners. The Union is composed of longliners who fish primarily in the Pacific and North Pacific regions. The species targeted on by our vessels are primarily halibut and blackcod and pacific cod. The Union would ask your consideration as the Council considers a limited access management position in the sablefish fishery.

As you might recall, the Union was an instigator and initiator of an attempt early in the 1980's to get a better handle and some control of the halibut fishery. Our goal at that time, was to limit access into the then emerging re-utilized fishery. We had just been thru about four years of scratch fishing. The managers (IPHC) were doing their best to rebuild stocks depleted by foreign fishing in the vital nursery area of the Bering Sea. The Council at that time agreed with our ideas about limiting participation, rebuilding stocks, and putting a cap on capitalization into the halibut fishery. As history has proven in the halibut industry, we missed a golden opportunity to eliminate many of the problems overcapitalization has brought into halibut fishing such as glutted fish houses and markets, poor quality standards, abandoned and lost gear, enforcement problems, and a derby atmosphere that is not conducive to safety of crews or vessels.

If Washington D.C. had acted responsibly, we would have a manageable fleet size. We could of had fresh halibut in the market place almost year round, greed would not have been such a driving force that motivated the professional, conservation minded longline fleet. Price for the product would of more than likely been more stable and exvessel prices would of increased with a steady reliable harvesting process.

Pg. 2

John M. Bruce, Deep Sea Fishermen's Union
January 8, 1990

The Deep Sea Fishermen's Union has been in favor of trying to slow down the blackcod fishery. As far back as 1985, we attempted again to support the concept of limited access. The Council process has found it very difficult to establish moratorium dates or put numbers to just how many fishermen should be included in any limited access scheme. Today, we find ourselves in the situation where stocks are declining, fishing time is being compressed, the number of licenses keep increasing, not because people want to be longline blackcod fishermen, but because the managers are now seriously talking limited entry and many think that a permit will add asset value to whatever fishing portfolio they now possess.

The proposals put forward in your overview publication have a lot of positive, meaningful intent. The proposals have a variety of options that would allow for almost anyone to be a permit holder immediately or in the future and this is the area I would like to address.

The Deep Sea Fishermen's Union is made up of around 300 professional longline fishermen. Longline fishing is the only vocation practiced by at least 75% of our membership. We do have shipwrights, carpenters, oil truck drivers, investment counselors, students, even a stockbroker. Some members participate in the crab fishery as well. But the greater majority earn their entire annual incomes from the longline fishery. Members of the Fishing Vessel Owners' Association, almost the entire membership of the longline members, have come up through the Union. A record and history has been developed thru a progression of Union deckhands into vessel ownership within our association.

It is my request, that the Council in its deliberations on limiting access, give some thought into ways and means that would allow crewmen with a substantial background of blackcod participation a means to obtain a permit should one be available.

The Secretary of Commerce has acted in behalf of the Western Pacific Fishery Management Councils' request to limit access to a snapper and grouper fishery in the Western Pacific bottomfish fishery. In this application, a point system is set up to give crewmen a means to accumulate credits towards a permit. (The entire proposed rule can be found in the Federal Register Vol. 53 No. 91, dated Wednesday, May 11, 1988, docket No. #80483-8033 50 CPR PART 683) The FMP amendment process in this case has been implemented.

Pg. 3

John M. Bruce, Deep Sea Fishermen's Union
January 8, 1990

It is my belief a permit provision should be made for fishermen who have chosen longline blackcod fishing as a vocation and who have a record and history to back a permit request. Many members of our organization, would have future plans for ownership of longline vessels destroyed, if some form of permit acquisition were not available to them.

Your consideration of our position is appreciated!

Respectfully,



John M. Bruce,
Executive Director

JMB:rd

January 3, 1990

To:
North Pacific Management Council

From:
Brian L. Blankenship
104 Chirikov Dr.
Sitka, Alaska 99835

Concerning:
The Blackcod Limited Entry Program

Dear Council Members,

My name is Brian Blankenship. I am a lifelong, 33 year, resident of Sitka, Alaska. Fishing has been a way of life for me as well as my livelihood since I was 12 years old. It was at this age that I began longlining from a skiff and later from a boat handmade by my Grandfather. My father, too, is a long-time fisherman. In 1974 he bought the F/V Rose-Lynn, a 45' fiberglass longliner, and together we used it to fish for halibut for a living. In 1975 we began fishing blackcod. And for the next 10 years we both earned our living and supported families as well longlining for blackcod and halibut. In 1979 I became part owner in the F/V Rose-Lynn and in 1985 I purchased my own longliner, a 50' steel boat, the F/V Wind Walker.

I'm very much in favor of something being done with the long-line fishery other than the way it's been conducted the past few years. The past two years my dad, one of Sitka's original longliners, could not bring himself to participate in the fishery because of the gear conflicts and overcrowding of the fishery. It's very hard for him and for me to see the fishery go from what it used to be to what it is today. I am in favor of the I.T.Q. system out of the 4 options even though it cuts my production down considerably. It's a sacrifice I'm willing to make to get some control on the fishery and to protect the resource. There are other people in Sitka pushing for the 1985 cut off date for the S.E. management area. This is not surprising since they started in this fishery on a part time basis the year before this date. If you're going to consider 1985, why not consider 1975?

In closing, I would like to thank you for your time in reading this and in understanding that I've been fishing blackcod for 15 years. I feel strongly that some consideration needs to be given to the people who have depended on this fishery for so many years for their living. I'm sure everyone deploras the way the fishery is conducted at the present time and agrees that something needs to be done as soon as possible. The best option available is the I.T.Q. system. Thank You.

Sincerely,

Brian L. Blankenship
Brian L. Blankenship
104 Chirikov Dr.
Sitka, Alaska 99835
907-747-6739

JAN - 8

2922 Amelia Ct S.E.
Port Orchard, WA 98366
January 2, 1990

North Pacific Management Council
P.O. Box 103136
Anchorage, AK 99510

Dear Sirs:

It has come to my attention recently that you are nearing a decision regarding the Alaska black cod longline fishery. I am the owner of the longline/seine vessel F/V Lady Anne. I am one of the Petersburg, AK vessel owners. I have been a Petersburg-based longliner and seiner, first having crewed as a deckhand on a Petersburg longline (halibut or black cod) during the 1986, 1987, and 1988 seasons. In 1989, I purchased a delivery permit for sablefish and delivered three trips on it, operating the F/V Tsiu, which is owned by my brother. I am in favor of leaving the fishery open and continuing the management as it now exists. Otherwise, it would be very unfair to us who crewed during the last 5 or more years and then move up to boat ownership.

(1)

and invest in a boat and other equipment. The fishery will require boats and those with the most experience and knowledge in the fishery will continue to make a good living, while those not so aggressive and knowledgeable will be forced to drop the fishery as seasons are cut back. Limiting entry has never helped any fishery, but only created a high-priced obstacle to us fishermen who have just as much right as a boat owner to fish these species.

I am 34 years old and have fished commercially since 1971, never missing a season, but have never been handed a limited entry permit, so must pay for one to participate in fisheries which I've done since my youth.

Sincerely,

Kristian M. Schonberg
owner F/V Lady Anne

Greg BEAM
operator/owner F/V Hayley Christine
Sablefish Long-line
P.O. Box 1994
SITKA, AK 99835

N P F M C JAN - 8

DEAR COUNCIL MEMBERS

my comments ON SABLE fish limited
entry follow:

I feel we must HAVE A limited
Access program

DO NOT APPROVE ANNUAL fishing
Allocation System

my FIRST choice is I.F.Q.
with at least 3 years prior
participation AND MUST HAVE
Fished '89' NO CONSIDERATION
for oil spill cleaners

Best year OR 2 years average
full credit

2.

NO open access fishery under
I.F.Q. plan

TRANSFERABLE I.F.Q.'s BUT we
must HAVE some limits AND
protection FROM 'OTHER THAN individual
ownership OF SHARES'.

NO COASTAL community exceptions

The fact that I.F.Q.'s will be
SALEABLE makes them AS easily
ATTAINABLE AS ANY other entry
permit that's FAIR enough

There ARE WORKING models OF I.F.Q.'s.
TO LEARN FROM, They WORK Well
They solve MORE problems, It IS
A STABLE manageable SITUATION
The COUNCIL may NOT MAKE All
PARTIES Happy but they will HAVE
The best management System.

Second place is
licence management

Still Big boat mentality and
NOT fixing AS MANY PROBLEMS

3 years ^{PARTICIPATION} ~~experience~~
MUST HAVE FISHED IN 1989
NO OIL SPILL EXEMPTION
PARTICIPATION 12 MONTHS PRIOR
REQUIRED (E-2)

Best years landing
10,000 lb minimum
AND 50,000 lb min FOR OVER
50 feet

ALSO IF A BOAT SMALLER THAN 50
feet qualifies on poundage (50,000)
Then He gets AUTO UPGRADE
FAIR IS FAIR

SALEABLE AND LEASABLE

W.

PERSONS with initial landings
1987 OR LATER - NON TRANSFERABLE
PERMITS

Allow upgrades by buying a
permit for a larger size vessel

Only one permit in each
REGULATORY AREA TO BE CONTROLLED
by ANY ONE individual

NO COASTAL COMMUNITIES ^{EXCEPTIONS} - MORE
COMPLICATIONS

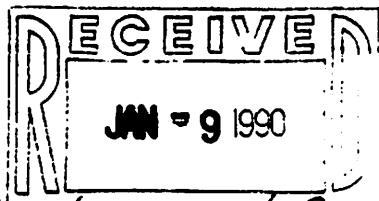
SUMMARY

I.F. Q¹² FOR SABLE FISH

WE LOSE ONLY THE COST OF SUCCESSFULLY
MANAGING OUR OWN FISHERY

WE GAIN A FISHERY THAT HAS GREAT
WORTH - SECURITY, SAFETY A LITTLE
SANITY

Thank you
Gregory Beam



Dear Members NPFMC

Having just recieved your pamphlet "Managing Sablefish off Alaska". I'm very disturbed at the exclusion of consistant participants, who ran or leased boats, from the eligibility for permits or quotas.

Allow me to quote from Alternative #2. "Annual fishing allotments would be assigned to vessel owners". Most disturbing is Alternative #3. (I can visualize Individual Fishing Quotas not only in black cod, but especially as a form of limited entry in halibut.) Quoting Alternative #3. "Only qualifying vessel owners would be eligible for IFQs. If you lease a vessel, you would need to request the owner assign part or all of his or her quota to you to qualify for IFQs. If the owner refuses, you'd have to turn to the appeals process or to the courts".

Your dropping a heavy load on the guy who leases a vessel. Lets not be naive. Boat owners, no matter how undeserving of an IFQ, arn't just going to turn over valuable IFQs to the lessee.

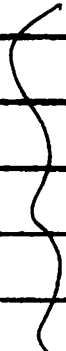
Taking a boat owner to court can not only be very expensive, but as any of you who may already have been in court know, almost always ends in hard feelings, and burnt bridges. There's also the guy who has ran or leased more than one boat.

Under your preliminary plan he would have to take all the different boat owners to court.

I would like to explain a couple true examples of how the owner lease operation works. Lets start with the first example.

This boat owner has no interest in physically fishing black cod. During the long line season he is very involved in the various roe herring and salmon net fisheries, he own or is partners in at least five ~~fish~~ commercial fishing vessels. He is also a partner in a major fish buying processing operation. The boat operator here has been involved in long lining since 1975. He has been running one of the boat owners boats in the black cod and halibut fisheries for the past seven years. This boat operator has ambitions of getting his own boat. The majority of this boat operators income is from long lining.

The other example is myself. My partner, (the boat owner) and myself do not fish blackcod,



we do however fish halibut. What happens in blackcod I'm sure will have an effect on what happens in halibut. My partner owns a 72 ft wood salmon tender that he also crabs with. He makes very good money crabbing and tendering with the boat. He had never fished halibut, and had never given halibut fishing much thought. A mutual friend got us together five years ago. I have been long lining halibut and blackcod since 1974, and previously owned a 68 ft long liner. I have been running my partners boat for halibut the past four years. The boat owner and myself have become very good friends over the years. If permits or IFQs go only to boat owners I'll have to take my good friend to court to get due credit for fish I caught and sold. I can't expect him or anyone else to voluntarily give up valuable permits or IFQs if the NPFMC through the legislative process legally assigns them only to boat owners. As I said earlier making leases go through the appeals process, or to court will cause a lot of hard feelings. There are many more examples of how owner lease operations work. The majority are similar to the ones I've shown. Generally if a boat owner is not physically involved in a fishery that boat owner does not like the fishery, or is involved in other more profitable ventures.

I really think the NPFMC should look at how the State of Alaska has determined who is eligible to participate in a given fishery. The State of Alaska requires that a person physically participates in a fishery before he is eligible for a limited entry permit in a newly established category (example Southeast Brown, Red, and Tanner crab). The best way to prove participation is through fish tickets.

I think the NPFMC should rewrite the paragraph I earlier quoted to read, "Only qualifying fishermen, (those fishermen who can prove consistent participation in the fishery), would be eligible for IFQs."

The ~~rest~~ boat owners would not be adversely effected by this change in wording. The vast majority of consistent participants own their own boats.

The Chatham Strait black cod fishery is an example where a lot of the boats are leased out to permit holders. This fishery has worked out well for both permit holders, who paid their dues during the critical years, and the boat owners who are leasing out their boats.

The bottom line is, if permits or IFQs are only given to vessel owners, the vessel leasee, the consistent participant, the guy who has put out

the blood sweat, and tears to get that permit or I EQ is left out in the cold on his own.

It should not be up to us the boat leasies, (many of us don't have formal lease agreements), to take boat owners to court. It is the responsibility of the NPFMC to work out a system that benifits those who truely deserve to be in the fishery. That is the person who was out there running the boat, catching and selling the fish, the consistant participant.

Sincerly Yours

Ricky D Williams

RICK WILLIAMS

Box 1321

Petersburg, Alaska 99833

ph 907-772-4830

JAN 15

Alaska Ocean Fisheries, Inc.
1826 E. 26th Ave.
Anchorage, AK 99508
(907) 272-0908

January 12, 1990

Dr. Don W. Collinsworth
Chairman
North Pacific Fisheries Management Council
P. O. Box 103136
Anchorage, AK 99510

Re: Comments on sablefish longline and pot management alternatives.

Dear Chairman Collinsworth:

We trust that the North Pacific Fisheries Management Council will rule to maintain the "status quo" Open Access Option in the management of the Sablefish Longline and Pot fisheries in the Gulf of Alaska and the Bering Sea/Aleutians fisheries as outlined in the SEIS/RIR/IRFA of November 16, 1989.

Open access is often referred to as an irrational form of management. But to fishermen (although, perhaps not to professional investors) it is rational. To paraphrase economist Friedrich A. Hayek, fishermen have unique "knowledge of the particular circumstances of time and place" in deciding whether to enter or exit the fishery. Individual decision makers can decide whether to enter or leave a fishery, just as anyone in other free enterprise activities can do. They do not have to pay some third party a royalty for permit or quota in order to fish a stock that that third party had no hand in husbanding.

The Council has made several aborted overtures at changing the management program -- setting moratoria, cut off dates, etc., all of which were rescinded, and rightfully so. The longline and pot sablefishery is only a small part of the overall groundfishery.

It seems that if anything is to be done to change

management programs it should have begun with the much larger trawl fisheries. These trawl fisheries are already taking a large part of the sablefish and halibut stocks as bycatch. To be effective, entry control should have been imposed at the beginning of the "Americanization" process. At that time entry could have been metered based on whatever program was in effect. By default, the open access program was implemented. The expectation that access control would be imposed has led in large to the frenzy to enter the fisheries in order to capture a valuable financial asset; i.e., access to a restricted fishery. The only way to eliminate the excess capital now, is to let the open access drama play itself out. There is no civilized way of regulating excess capital from this fishery -- or any industry for that matter.

It must be acknowledged (and the SEIS/RIR/IRFA does acknowledge this) that no management scheme will eliminate management problems or the problems associated with overcapitalization in the fishery. Any new management scheme will only change the complexion of problems. It is something like changing the channel on the TV. There is a change in form but not in substance. A critical evaluation of the New Zealand ITQ Management system acknowledges this in Marine Resource Economics Vol. 5, No.4, 1988 pp. 325-349. The open access system has worked for decades, albeit not without its problems.

The impossible complexities of the real world, both in terms of population dynamics and in terms of economic dynamics, necessitates that most fishery management models use static, single period, equilibrium assumptions. Influence of interest rates, for example, is ignored. When stock growth rates and market interest rates are incorporated into the model, there is no reason to suppose that optimum biological outcomes would result even if the resource could be "privatized" in the ideal sense of the word -- i.e., where a full set of property rights could be defined and enforced. We are all aware that the inability to enforce property rights is the bane of establishing effective individual property rights on the ocean.

To equate property rights in an ocean resource to those

in land, such as farmsteads on the prairies, is stretching the analogy. Property rights in land is essentially property rights to location. The dynamic nature of ocean precludes property rights to specific location. Property rights to location encourages individual investment in enhancement and husbandry which in turn involves costs and enhances output. Even then, we are reminded that not all outcomes on privately owned farmsteads are optimal -- to wit, dust bowl, salination, and other ramifications of the destruction of privately owned land in response to short term economic goals.

Trying to define property rights on the ocean could be compared to assigning farming rights to the commons but not allowing farmers to stake parcels. Each year there would be a free-for-all to try and claim the best parcels even though only a select number with "entry permits" or "quotas" would be allowed to compete. The open access "rule of capture" would still dictate the nature of competition. There would be no incentive to husband the land and make it more "productive." This is what occurs on public grazing lands, i.e., tragedy of the commons.

If the open access management system seems not to work, it is not necessarily due to fault with the system per se. It is more than likely due to the perennial dynamics of modern technology. To restructure the management program at any point in time is to freeze a snapshot of existing technology. In time technology changes and with it the need to change management systems again and again. The analogy of a dog chasing its tail comes to mind.

The assumption that an open access fishery is a "zero sum" game does not square with reality. This is a static assumption. It is true that new entrants, responding to average revenue in the fishery, will reduce the marginal revenue to others. But generally it is the fisherman who is just getting by that is impacted most, the highliners generally continue to do well. The option available to those just getting by is to leave the fishery.

The fact that fishermen will enter an open access

fishery, to the extent that they do, leads to a dilemma in attempts to impose entry control. Once an ownership right to the fish stock, that is separable from the actual act of fishing, is established a third party participant is created -- that is, owner of the entry license, quota, or whatever form it may be. Competitive bidding for this ownership right (a scarce resource) will extract all profits "in excess of normal profits." This amounts to a transfer payment between individuals for the right to harvest a public domain resource. The level of this future "excess profit" is dependent on the guessing game that fishermen are forced to play. Thus, if the outlook is optimistic, the capitalized value of guesses will be high. Those who pay the high price will be in worse shape than under open access because they now must pay the optimistic guess of future "excess profits." This is a speculative investment from which the fishermen may not recover if their long term guesses are horribly wrong.

It is an economic axiom that over time all benefits that is supposed to accrue as a result of access control will disappear from the fishery, extracted by (initial) owners of the access license. Over time, competition for access licenses will drive profits in the fishery down to the open access level. High liners will continue to flourish and the marginal ones will be driven into bankruptcy. Another level of competition will be added as fishermen struggle to pay off their debt incurred for entry licenses.

The perception of what constitutes benefits and costs is largely personal. For example, physical activities required to maintain physical fitness is generally considered the cost of fitness. To others, the activity itself is considered an enjoyable benefit. In analyzing or prescribing a change in social policy the social strategist must be careful to define all costs and benefits in an exhaustive and comprehensive manner. Heroic assumptions impose limitations on the effectiveness of the social policy. It is well known that under the "Theory of Second Best," reliance on conventional economic efficiency criteria may lead to erroneous or, at best, less than optimum outcomes. The SEIS/RIR/IRFA acknowledges that many of its assumptions are heroic. The overall economy is rife with

inefficiencies, thus relying on efficiency criteria in program design will not necessarily lead to optimum management policy.

The argument that overcapitalization can and does occur is true. But, this is true in other sectors of the economy as well. For example, airlines could be consolidated to increase load factors and "harvest" the passenger load more efficiently. Any dynamic system will oscillate around its "equilibrium" level of investment. This equilibrium level of capitalization has been, in the case of the fishery, distorted by several factors. Two of these can be readily identified. (1) The income tax structure which encourages nominal participation in fisheries in order to realize tax benefits on pleasure boats. It should be noted that most, if not all, nations that have imposed access controls have extensive subsidy programs which encourage overcapitalization. (2) Many participants are there to ensure that they are included in any form of controlled access scheme -- a valuable asset.

The opportunity to participate even on the fringes is an important choice for many participants with little alternative opportunity. Labor is a unique factor of production in that it is, in one instance, an input to production and, in another, a consumer of the output of production. There are, indeed, social ramifications involved in fishing that generate positive economic product -- albeit, perhaps not financial rewards. In the case of a fishery, a fisherman is not only a producer of fish but a consumer of a unique lifestyle. To the extent that this lifestyle has economic value, society benefits qua consumer.

If the Council opts to do away with open access, it will deal the small scale fisherman an economic death blow. Fishing will become large scale enterprise controlled by corporate executives concerned only with bottom line profits and not with living the unique lifestyle of a fisherman. No doubt changes have to be made in the way fish are handled -- meeting market demand for fresh halibut, for example. But these changes will come in response to economic forces and not by regulatory mandate.

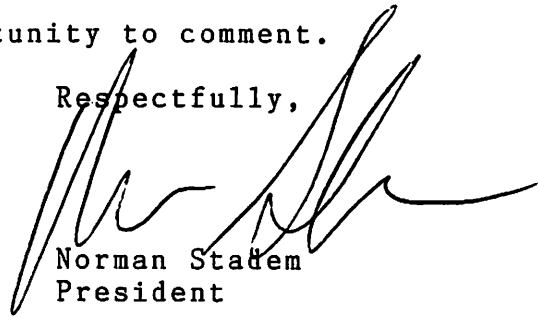
Chairman Collinsworth

January 12, 1990

The free enterprise system is alive and well in the land that nurtured it.

Thank you for this opportunity to comment.

Respectfully,

A handwritten signature in black ink, appearing to read "Norman Stadem". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Norman Stadem
President

JAN 15

1/14/90

TO: North Pacific Fishery Management
Council

Subject: SEIS/RIR/IRFA for Gulf of Alaska
and Bering Sea/Aleutian sablefish
long line and pot Management
alternatives.

I feel the most reasonable Alternative to
choose is, continued open access management
with no immediate change in regulations
(status quo)

Reason:

There are several major flaws with the
SEIS/RIR/IRFA as it is presented.

A. Does not cover entire impact on Fishery.
example: How do the Trawlers impact the
Fishery. Not near enough research has
gone into the Fishery to establish a
data base to make the most reasonable
decisions.

B. The allocation of fishing privileges will not be necessary as long as the resource is reasonably managed. Anything other than (Status Quo) is not fair or equitable to all fishermen.

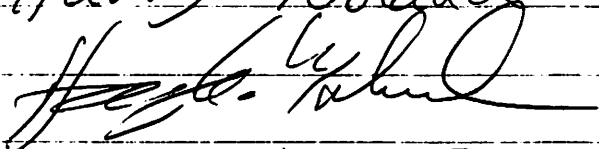
C. Sections 7.2, 7.3, 7.4, and 7.5; Unavoidable Adverse Impacts, Short-Term vs Long-Term Productivity of the Environment, Irreversible or Irretrievable Commitment of Resources, and Mitigation Measures, all at this time are judged to be OK. There is no need to change operations. When it has been determined that the biological management of the resource is reasonable and there is no need to change, then limiting the fisherman is counterproductive. There is nothing that says that a fisherman needs to make his total living from just 1 fishery.

Conclusion:

The fermentions are major areas of concern. There are a number of others, however, I realize you have much reading involved in this matter, therefore I will leave it as is. My main concern is the biomass, if effort is centered on the resource including enhancement then there will be enough fish for everyone.

Other areas of concern are I believe the sealion should not be placed on the endangered list. I also believe that forien investment should be investigated to make shure that forien investuents are held to the 49% level or less.

Thank you

Harry Noland

WV Esther J.

Anton T. Bowers
Box 1445
Sitka, Alaska 99835
9 January 1990

North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Ak. 99510

Re: Comments on the proposed alternatives for managing sablefish off Alaska

Gentlemen:

At long last the Council is about to make a decision on how to manage the sablefish fishery and I would like to make some comments on the four alternatives which have evolved. Before I get into the specific alternatives let me make some general comments which pertain to all the alternatives except the status quo. In these comments I may refer only to Individual Fishing Quota Shares, but I do this only for brevity and intend that these comments apply also to the Fishing Allotments and License Limitation alternatives.

LEASING: I have never heard a valid argument in favor of leasing allotments, Individual Quotas, or Limited Entry Permits. I attended three of the five public hearings held during November and December 1989 on these management alternatives and NOT ONCE at any of these meetings did I hear anyone except Council and/or NMFS staff declare in favor of leasing. The reasons favoring leasing which they put forth were:

1. If a fisherman chooses to not participate in the sablefish fishery he can still put his quota to use by leasing it.
2. If a person loses his boat he can still derive income from his quota by leasing it.
3. It allows the whole quota to be caught because those not actually partaking of the TAC can lease their share of the quota.
4. Leasing makes it easier to enter the fishery.
5. It is going to happen anyway so why make it illegal.

Gentlemen, these are not reasons - these are red herrings. In answer to #1 if a person does not want to participate in the fishery he can sell his quota and, if in the future he wants to re-enter the fishery, buy quota shares to do so. Or he can simply let his quota remain idle. For #2 a person can always derive income from his quota by riding or crewing aboard another boat. It is estimated that currently at least 25% of the boats participating in the Chatham Strait Sablefish Fishery in Southeast Alaska do not have limited entry permits but instead have a rider or crewmember aboard with a permit. The permit holders are, of course, paid for the use of their permits - but it is not leasing - the permit holder must actually be on board. To answer #3 I would point out that the Council is presently holding back 15% of the sablefish TAC in the Bering Sea/Aleutian areas as a reserve for incidental catch while targeting on other species. Last year most of this reserve was still not caught by October first so NMFS declared that starting October 20th all gear types could target on the remainder of the reserve. It seems to me that something similar could be worked out for any portion of the TAC not caught by a given date. However, I would say that September 1 would be a better cut off date

than October 1st in the Gulf and a reserve should be held back as incidental catch for any October halibut opening. Also only the usual gear types with their usual ratios of the TAC should be allowed to catch any remnant left over. Or - whatever remnant was left over could be added to the next years TAC.

As for #4 - yes - leasing would make it easier to enter the fishery. But the whole reason for this exercise is to reduce the effort in this fishery. To make it easier would be defeating your purpose. Furthermore, financing is available from the State of Alaska and other financial institutions to buy permits or quota shares so leasing is not necessary to enter the fishery.

#5: The man who told me this appeared to be sincere yet it is the same as saying, "Some people are always going to rob banks, so why make it illegal. It is a defeatist attitude or looking for an easy way out so commonly found in government bureaucracy which speaks for itself and I do not think I need comment on it.

The only real reason for endorsing the leasing of individual quotas is so heinous that no one will admit to supporting it. Namely: That a relatively few mega-buck boys can buy up great quantities of these individual quotas until they control the catcher fleet. Then, in combination with a processing plant, they will be able to lease their quota shares to catchers who will have to deliver to specified plants at a dictated price. But your staff-forever passing the buck - say, "No problem. The anti-trust laws will take care of such a situation."

The fact is that anti Trust laws do NOT take care of the problem. I submit to you an article from the January 4, 1990 front page of the "Wall Street Journal" regarding chicken growers. A copy of the whole article is enclosed but specifically it points out that in the last 20 years the number of chicken processors has shrunk from more than 100 to about 30. Today three large companies process nearly 40% of the nations chickens. Processors gradually have carved up the nation into regional buying monopolies. As a result, many of the nations 20,000 growers have seen their economic leverage vanish. The anti-trust people have done nothing about this so how can you expect them to do anything about fishing cartels and this is exactly what will happen to the sablefish fishery if you allow the leasing of quota shares.

But the chicken, unfortunately, do not have the FCMA to back them up. The Council is specifically mandated to consider socio-economic repercussions in its actions. To allow an eventually where a company store situation as the chicken growers have is contrary to the law. There is only thing you can ethically, morally, or legally do regarding leasing and that is to not allow it.

The Council's staff do not feel that a corner on the fishery will come about through leasing. But what if it does happen - what can the Council do after the fact. If the council finds - fifteen years down the line - that a horrendous situation has actually occurred what can they do about it. If the council then says, "No more leasing," the quota share owners will argue that they paid

good money for their shares and that they will be damaged if the Council disallows leasing. The only way the council could rectify the situation would be to buy the shares back. Just where are you going to get the money to do that. It would be better to not allow leasing initially but, if, in the future there is found to be a need for it, to then allow a small portion of the TAC to be leased. If, later still, a need for more leasable shares is determined - and - the already leasable shares have not gravitated into the hands of a few, the Council could increase the leasable portion. It would be best to open that can of worms slowly.

Likewise the ownership of quota shares has to be clearly defined in order to keep the ownership out of foreign hands. The only practical way of doing this is to require that only U.S. citizens i.e. people - individual human beings can own individual quotas. Corporations do not qualify because far up the subsidiary ladder it is impossible to tell who actually owns the corporations which own the quotas. If you do choose to allow corporations to own quotas that those corporations should be 100% U.S. owner and not just U.S. controlled.

I also believe that the quota should be present at the time of delivery although he need not be on board during the time the boat was fishing.

The last of my general comments is in regard to the idea of a set-aside of quota shares for future use of coastal communities. This idea strikes me as more of a political gambit to cultivate the native vote than any effort at conservation or management. There is no need for such set-asides. The natives in coastal communities have never before shown an interest in fishing sablefish but if they should choose to do so in the future, there is no reason why they cannot buy into the fishery just like everyone else. I pointed out above that financing is available for this. Lending money to buy individual quotas might be a good investment for native local and regional corporations as well. The Halibut Commission opened the door a crack on this sort of thing when they decreed a special halibut fishery for the people of the Pribilofs - now they are being deluged with requests for special fisheries all the way from Atka to Metlakatla. It is a can of worms best left unopened.

Alternate #1: Continued open access. You have all repeatedly heard the arguments for and against this alternative and have pledged yourselves to eliminate it - so I will not waste your time with my comments.

Alternate #2: Annual Fishing Allotments. If you want a management system that will work you are going to have to keep it simple. This alternative is so complicated that loopholes will eventually arise that you cannot even imagine at this time. Years will be wasted trying to weed them out. It also strikes me to be programmed to self-destruct. Since newcomers can acquire an allotment for a portion of the TAC after spending three years in the derby, the proportion of the TAC which the original allotment holders had will shrink as new allotment holders are generated. Eventually the original allotment holders will find it to their advantage to

fish the derby rather than their now minuscule allotment. If the idea behind this exercise is to eliminate derbies, this alternative certainly does not do it.

Alternate #3; Individual Fishing Quotas is the only alternative before you which can readily interface fishing for various species, each of which has its own TAC, all at the same time thereby reducing the resource loss due to throwing back fish which are out of season. Again having a set-aside for an open fishery is not needed and makes the whole plan unnecessarily complicated.

I think that the staff's idea of using 1984 thru 1988 as the basis years is good but requiring participation in 1989 is not. There are so many repercussions from the oil spill cleanup that the requests for special consideration will impede the implementation of whichever alternative you choose. You might require participation in 1990 however.

I think you going to have a problem deciding whether the vessel owner or the skipper deserves the quotas when they are not the same person. A Solomon type solution might be in order in cases where both parties each think that they should receive the quota shares - simply give each person half.

The idea of using a fisherman's best years to compute his share of the quota is not practical. You will end up with over 100% of the total five year quota to account for. It would be simpler and more accurate to take the average of the shares of the TAC each individual took each year over the five year period.

Alternative #4: License Limitation. Unless the Council is willing to eliminate the 400 to 500 boats which have entered the fishery since 1985 the management system described in this alternative would only serve to perpetuate the existing derby style fishery albeit with a finite number of boats.

There are about 300 boats from Southeast Alaska which do not fish sablefish west of the East Yakutat area. There is another 110 or so boats from South-central Alaska which do not venture out of the Central Gulf or West Yakutat areas. As this alternative is now proposed, a boat qualifying for a permit anywhere in the Gulf would receive a permit allowing it to fish everywhere in the Gulf. These 410 boats which traditionally have fished only in their home areas would receive permits which eventually will wind up in the hands of boats which will roam the whole Gulf, thereby doubling the size of the fleet which already fish the whole Gulf. The only solution to this is to issue permits for fishing in a given statistical area only and not for the whole Gulf. If a boat qualifies for a permit in more than one area then it should receive a permit for each area in which it qualifies.

I am sorry that I have been so longwinded but there is a lot at stake here - not only for this fishery but for the ones which will be coming up in the future as well. The key is finding a management

method which will allow the interfacing of the various fisheries and gear types, all the while avoiding a system which allows monopolies, foreign ownership, or company store situations to exist. I don't envy you. The Council has to do this by itself - it cannot depend on other agencies over which it has no control (such as the anti-trust people) to carry the ball.

Sincerely yours,

Anton T. Bowers

Anton T. Bowers

Chicken Economics

The Broiler Business Consolidates, and That Is Bad News to Farmers

Growing Birds on Contract, They Have No Recourse If Terms Don't Suit Them

'Like Serfs on Our Own Land'

By MARJ CHARLIER

Staff Reporter of THE WALL STREET JOURNAL
DEEP GAP, N.C.—Nine years ago, Dennis and Sheri Watson bought a chicken farm here in the Blue Ridge Mountains for \$200,000. They also bought a lot of grief.

In the ensuing years, Mr. Watson maintained a seven-day-a-week vigil over the farm, leaving it just once for an overnight fishing trip. Growing chickens under contract for processor Holly Farms Corp., the Watsons poured their earnings into repairs and improvements on the five long, narrow chicken houses that rise like stair steps up the mountain behind the farmhouse.

But last year, the Watsons lost their farm and their home. In an ultimately futile effort to fight off a takeover attempt by Tyson Foods Corp., Holly Farms last year cut costs sharply, canceling its contracts with the Watsons and 53 other growers here in western North Carolina. Without an alternative buyer for chickens, the farmers' empty houses are worthless. The Watsons say they are broke. "We wasted nine years of our lives," Mrs. Watson says bitterly.

Buying Monopolies

The Watsons are victims of the increasing consolidation of the chicken-processing industry, exemplified by the merger of Tyson and Holly. In the past 20 years, the number of major U.S. processors has shrunk from more than 100 to about 30. Today, three large companies produce nearly 40% of the nation's chickens. Processors gradually have carved up the nation into regional buying monopolies. As a result, many of the nation's 20,000 contract growers have seen their economic leverage vanish along with their hopes for the future.

"It gives us a look at what consolidation and mergers do for people on the lower end of the economic scale," says Brian Crutchfield, an economic development official at the Blue Ridge Electric Cooperative.

That suggests a troubled future for many small farmers, who, agricultural economists predict, will increasingly go the way of the chicken grower—raising crops or feeding livestock under contract to big processors. Some pork is already raised that way, and the practice is expected to spread to the beef business. The lives of chicken growers offer an unsettling example of what other farmers may expect.

Consumption Soars

The nation's largest chicken companies—including Tyson, ConAgra Inc., Gold Kist Inc., Perdue Farms Inc., Hudson Foods Inc. and Pilgrim's Pride Inc.—contract with growers in a belt that extends from Upstate New York, down along the Eastern Seaboard and across the South through East Texas. The processors provide growers with chicks and feed, then slaughter and market the birds. The growers provide the chicken houses and the labor, typically tending four or five flocks a year.

As health-conscious consumers have eaten less red meat in recent years, chicken consumption has soared. Processing entrepreneurs like Don Tyson of Arkansas and Frank Perdue of Maryland have prospered. But while "the grower makes a substantial capital investment and takes most of the risk, he or she is not

sharing in the success of the industry," concluded a Texas Department of Agriculture study on the state's poultry growers.

"I ain't begrudging him his money, but Frank Perdue said we'd prosper along with him," says grower David Mayer of Oak City, N.C. "We're falling behind while the broiler companies are getting rich."

Growers say they feel trapped and intimidated by the companies they supply. Their contracts offer them little protection; most can be terminated with just a few days' notice. Processors control how many chicks a farmer gets, and they also set the price when they buy the adult birds. As one Florida grower puts it, the processors "hold both ends of the pencil."

Many growers further complain that processors threaten to cancel their contracts if they complain, sue or talk to the news media. And since most farmers mortgage their farms to build chicken houses, they stand to lose everything if the processor cuts them off. "We're like serfs on our own land," says one disgruntled eastern North Carolina grower.

The processors defend their practices. Growers are well compensated, insists Lonnie "Bo" Pilgrim, chairman and founder of Texas-based Pilgrim's Pride. Industry spokesmen point out that growers are guaranteed a price for adult chickens, typically about 3½ to 4 cents a pound. Thus, the processors contend, growers are sheltered from much of the risk of the volatile chicken market. Bill Roenigk, spokesman for the National Broiler Council, a processor trade group, says studies have shown that broiler farmers' average return on investment is 5%, or higher than that in many other agricultural operations.

Not all chicken farmers are suffering. Some, in fact, do quite well, particularly in areas where several processors compete; prices for adult birds are typically among the highest in such regions. That is the case in northern Georgia, Arkansas and parts of Delaware, Maryland and Virginia. In regions where competition is intense, growers may gross 20% more than their counterparts in areas dominated by a single processor, says Paul Aho, a Cornell University economist.

Ed Trainor, who supplies chickens to Tyson, four years ago left central Georgia, where a single processor dominated the industry, and moved to Maryland, where several vie for his business. Chicken prices in Maryland are about 20% higher than in Georgia, he says, and processors provide additional services such as litter delivery. They also, he says, treat him with more respect.

Consolidation Bites

But such competition is lessening as the industry consolidates. Agricultural economists estimate that growers earn from \$500 to \$5,000 per chicken house annually, depending on the region. Texas farmers who raise chickens for Pilgrim earn some of the lowest returns—an average of \$579 a year per house, according to the Texas Agriculture Department. Mr. Pilgrim, who dismisses the study as politically motivated, says \$4,000 a year is more accurate. In contrast, growers in Delaware, Maryland and Virginia say they make as much as \$10,000 annual profit per house.

As processor mergers continue apace, despair among growers is on the rise. Several years ago, Mr. Mayer, the Oak City, N.C., grower, could choose between supplying one of two processors. Then, Perdue bought its local competitor and became the only chicken buyer in the area. Mr. Mayer says he makes \$5,000 a year on each of his two chicken houses, about what he makes in six weeks on his peanut crop. That isn't what he was promised when he was recruited, Mr. Mayer grumbles.

When Perdue Farms came to Oak City 10 years ago, the company's ads boasted "full-time pay for part-time work." Growers say company representatives told them they'd make \$10,000 a year per house. That's big money in rural Martin County, where per capita income runs about \$11,000 a year—70% of the nation's average. Small farmers, who lack the resources to compete with big farming interests in growing row crops or raising livestock, saw raising broilers as a way to save their farms.

False Weights in Florida

But the promised \$10,000 represented gross income, out of which farmers had to pay for mortgages, repairs, new equipment and electricity. And growers found out the work is anything but part-time. Sick and dead chickens must be culled daily. Equipment breaks down. The houses require constant monitoring.

Some wary growers also suspect that they may not be getting compensated for the full value of their chickens. A recent incident has fueled those suspicions. Cargill Inc., the Minneapolis agribusiness conglomerate, admitted last year that it had used false weights for 13 months at a processing plant in Jacksonville, Fla. It paid its 104 growers \$300,000 in compensation.

But 36 of the growers filed suit against Cargill in federal district court in Jacksonville, alleging further fraud and practices at the plant. Robert I. Wallace, former manager of the Jacksonville plant, said in a deposition that he once saw a forklift lifting a portion of a truck loaded with chickens as it was being weighed. Mr. Wallace further testified he had been told by superiors that the practice was common.

Cargill denies the allegations. It maintains it "acted in good faith in correcting" the weights, firing some employees involved in the scam, and compensating growers. The company insists it has a good relationship with most of its growers in north Florida.

Beyond such disputes, growers have discovered that contract work can be perilous. When consumer prices dip, the companies place fewer chicks, less frequently. And price-per-pound guarantees mean little if chickens die; they are, by nature, fragile creatures. Some time ago, Willy Bunting, an Oak City grower, lost half of his flock to a sudden heat spell. "It's hard to work when you're walking through the chicken house picking up dead chickens and you see you'll make nothing," he says.

Many growers say they can't voice their complaints or demand better contracts for fear of retribution by processors. Cargill broke its contract with Arthur Gaskins, the president of the Northern Florida growers' regional organization, shortly after disgruntled members filed suit against the conglomerate.

In a deposition in that case, Steven W. Huemoller, general manager of the Jacksonville plant, said Mr. Gaskins was cut off because he had helped initiate the suit and had talked to the press about chicken growers' dissatisfaction with their conditions. Questioned about the matter, Cargill says it prefers not to do business with a grower "who is falsely charging the company with racketeering, theft and fraud."

Mr. Gaskins, who is seeking to have his contract renewed by Cargill, declined to be interviewed for this story; he says he fears further retaliation. But the U.S. Justice Department has taken up his case. It filed a lawsuit on his behalf in mid-December in federal court in Jacksonville. An investigation by the U.S. Department of Agriculture indicated that Mr. Gaskins was "unlawfully terminated" by Cargill, a spokesman for the Justice Department said.

To protect growers, a Florida state legislator is considering a measure that would make it tougher for processors to break contracts. Sen. Max Baucus, Democrat of Montana, recently held hearings to air chicken growers' complaints before Congress begins drafting the 1990 farm bill.

Frustrated growers have little faith that legislative action will improve conditions. If processors are forced to pay growers more, "they'll grow their own chickens," predicts James Crews, one of the Northern Florida growers.

1-4-90
Bill St. Journal

LICENSE SYSTEM OPTIONS

1989 Required (1A)

| <u>1984-86 (3A)</u> | | (4A) No <u>NT Lic</u> | (4B) NT-yr <u>(i)</u> | (4B) NT-wt <u>(ii)</u> | (4C) All <u>Transf Lic</u> |
|---------------------|------------|-----------------------------|-----------------------------|------------------------------|----------------------------------|
| 2Ai | 50K/50' | 197 | 324 | 270 | 513 |
| 2Aii | 25k/50' | 210 | 347 | 270 | 513 |
| 2B | 10k/all | 218 | 363 | 270 | 513 |
| 2C | No minimum | 270 | 513 | 270 | 513 |

1984-87 (3B)

| | | | | | |
|------|------------|-----|-----|-----|-----|
| 2Ai | 50k/50' | 284 | 324 | 403 | 513 |
| 2Aii | 25k/50' | 286 | 347 | 403 | 513 |
| 2B | 10k/all | 309 | 363 | 403 | 513 |
| 2C | No minimum | 403 | 513 | 403 | 513 |

1984-88 (3C)

| | | | | | |
|------|-----|-----|-----|-----|-----|
| 2Ai | 50k | 324 | 324 | 513 | 513 |
| 2Aii | 25k | 347 | 347 | 513 | 513 |
| 2B | 10k | 363 | 363 | 513 | 513 |
| 2C | 0 | 513 | 513 | 513 | 513 |

LICENSE SYSTEM OPTIONS

1989 Not Required (1B)

| <u>1984-86 (3A)</u> | | (4A) No <u>NT Lic</u> | NT-yr (i) | (4B) NT-wt (ii) | (4C) All <u>Transf Lic</u> |
|---------------------|-----|-----------------------------|--------------|-----------------------|----------------------------------|
| 2Ai | 50k | 423 | 678 | 682 | 1336 |
| 2Aii | 25k | 466 | 752 | 682 | 1336 |
| 2B | 10k | 502 | 819 | 682 | 1336 |
| 2C | 0 | 682 | 1336 | 682 | 1336 |

| <u>1984-87 (3B)</u> | | | | | |
|---------------------|-----|------|------|------|------|
| 2Ai | 50k | 584 | 678 | 1049 | 1336 |
| 2Aii | 25k | 651 | 752 | 1049 | 1336 |
| 2B | 10k | 708 | 819 | 1049 | 1336 |
| 2C | 0 | 1049 | 1336 | 1049 | 1336 |

| <u>1984-88 (3C)</u> | | | | | |
|---------------------|-----|------|------|------|------|
| 2Ai | 50k | 678 | 678 | 1336 | 1336 |
| 2Aii | 25k | 752 | 752 | 1336 | 1336 |
| 2B | 10k | 819 | 819 | 1336 | 1336 |
| 2C | 0 | 1336 | 1336 | 1336 | 1336 |

DEC 20 1989

P.O. Box 3607
Soldotna, AK 99669

December 13, 1989.

North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

Dear Council Member

I am writing this letter in regards to the Council's alternatives listed and explained in the newsletter and also explained to me in the December 13th meeting held in Anchorage. I declined to give testimony at the Anchorage meeting as I did not feel adequately prepared to explain my case.

I am a vessel owner and have fished for sablefish in 1987, my vessel fished for sablefish in 1988 and 1989 with a hired skipper. The size of this vessel is 51 feet. With my increasing interest in the bottom fishing industry I invested into an 80 foot vessel, the "Kamishak Queen" in August of 1989, purchasing this vessel with Mr. Steven Fogg as a partner. Mr. Fogg had been the skipper hired by the previous owner of the Kamishak Queen for the past 4 years, in the sablefish fishery, and had fished in 1985 as a hired skipper on F/V Eclipse. In essence, Mr. Fogg has fished and delivered sablefish for the past five years, four of which were on the vessel which he is now a part owner. The previous owner never operated the vessel personally for longline fishing, or participated in the sablefish industry.

In arranging for financing for the purchase of the Kamishak Queen, I presented the bank the previous years catch records, included in this was sablefish deliveries, and completed projections of anticipated income for the Kamishak Queen, also including anticipated income from sablefish deliveries. I confirmed at the December 13th meeting that these alternatives were not put out to the public until late October or November 1989, three months after the purchase by Mr. Fogg and myself.

The Council's alternatives #2, #3 and #4 all affect the allotment for Mr. Fogg and myself, and will probably cause an extreme financial hardship with the inability to meet the financial obligation for the vessel.

My proposal is as follows:

1. leave the allotments with the vessel, not necessarily with the owners or skippers, or
2. leave 50% with the vessel and 50% with the skipper, enabling a hard working skipper to stay with a good boat, or
3. vessels purchased during 1989 that have participated in the sablefish fishery, those allotments automatically go to the current owners, whether it be 50% owner and 50% skipper.

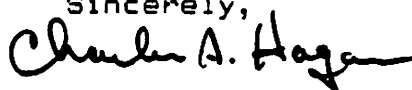
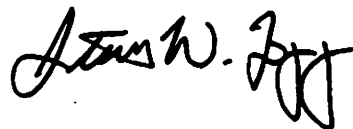
Vessels purchased after December 31, 1989, the allotment could be a negotiated part of the sale of the vessel.

I would hope that research would be done into this situation, and would not be surprised if it was one of a kind for vessels as active in the fishery as the Kamishak Queen has been.

Lastly, I am proposing that a cap be put on the control and or ownership of the IFQ's, this should be, that no vessel owner could own anymore IFQ's per vessel that he owns than that of the highest catcher boat delivery in one season in the past five years. This catch should be figured as to what percentage of the T.A.C. and no one vessel or vessel owner should own or control anymore that that amount of IFQ's per boat he owns.

I am assuming that this letter will be given the same consideration as testimony in the January 15th, 1990, council meeting, which neither Mr. Fogg nor myself will be in attendance due to crab fishing, and not because of lack of concern.

Sincerely,

Charles Hagan
Steven Fogg
owners/operators of F/V Kamishak Queen

Dan Falvey
1230 Indian St.. Apt 8A
Bellingham WA 98225
Oct. 30, 1989

ALFA
C/O Joe Donahue
Box 1229
Sitka AK 99835

Dear Joe;

I will be unable to attend the scoping meeting on Nov. 27. This letter sums up most of my thoughts on limited entry, and hopefully you can get it read into the record.

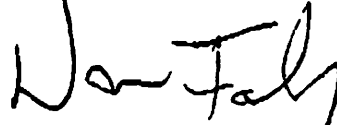
First off, I believe the system we have now of short pulse openings has very few good points. Mostly it causes safety problems, increased crowding and gear loss on the grounds, and a poor quality product which brings a lower price. The fleet is already badly overcapitalized, yet it still gets bigger each year. It should be obvious to everyone that we need to change a few things, and soon.

Of all the alternatives, the one that I feel addresses the most problems is a well designed ITQ system. ITQ programs can be designed to reduce overcrowding on the grounds, and gear conflicts. They spread the season over the whole year which helps the markets and brings a higher price. Mostly though, being able to choose when to fish will do wonders for our safety record. At the last ALFA meeting, Ron Hegge read a study the Council did on the three alternatives. In every category ITQ's provided the best results with the least harm.

It's important that we design an ITQ program that meets our needs, not use someone else's. The MOST IMPORTANT part of this program is how and when leasing is allowed. Unless we require the QUOTA OWNER TO BE ONBOARD for a certain percent of his landings before allowing leasing, our fishery will fall into the hands of a few big company's who can manipulate it how ever they want.....I don't think this point can be stressed enough.

I've been told that this idea won't fly because many boats out west are owned by corporations, not individuals. Quota will still have to be allocated by area, so why not make Southeast a special case? Southeast is different in the fact that most boats are owned by individuals, not corporations. We need to have a say in designing an ITQ program that meets OUR needs.

Thank you for reading this into the record.



Dan Falvey

F/US SEABOX

Gentlemen;

I would like to submit testimony regarding the upcoming decision on the future management of the sablefish fishery.

In the 10 years I have participated full time in the fishery I have watched it degenerate into a short, intensely competitive, dangerous and wasteful fishery. You've heard all the arguments. I would only seek to add my voice to the many dissatisfied with the situation as it is and ask that the council take this opportunity to depart from status quo management in order to return order and conservation to the priorities of fishery management.

I would lend my support to either liscence limitation or IFQ's. I support the liscence limitation system as proposed by the Fishing Vessel Owner's Association if the council can act on the measures to cut the number of boats back to below 300-350. If there are more than 350 boats total (including interim permits for those in the appeal process) then I feel that an IFQ system may be better in the long run, thus spreading out the larger effort over a longer period of time and easing the congestion that way.

With any more than 350 boats total our current problems will only return. As outlined in the summary sent by the council on management alternatives and as witnessed in the limited salmon and herring fisheries in Alaska, in time all vessels in the fishery will be working at maximum capacity within their size classes. Therefore it is imperative that the council take decisive action and use the choices aimed at cutting the number of boats to a fair minimum in order to achieve the stated objectives of a change in management style.

I also feel that liscences should not only be tied to vessels but that participants who can demonstrate an active history in the fishery as owners and/or operators should be able to fish^a different vessel than previously used. But unusual and hardship cases could be dealt with in the appeal process; an additional number of permits that the council would have to figure into any total, and all the more reason to keep the initial number of permits to a minimum. A gear restriction may also be necessary to achieve a reduction in effort.

If an IFQ system was chosen, there must be a branch of enforcement specifically to insure that corporate conglomerates could not accumulate an excessive percentage of shares. I have been to New Zealand and seen the virtual destruction of some fisheries there because all the permits were in the control of a few big fish companies. Also, the years used to determine a person's share should go back to 1984 and include as many of the years since then as possible, with more weight going to the earlier years.

In closing I would like to ask the council to chose a management option which cuts back the fishing effort and spreads it out in order to relieve the problems burdening the current fishery. One of the two limited entry options, if implemented with enough authority to cut back the number of vessels to below 350, will best do the job.

Thank you for your consideration.

Sincerely,

Spencer T. FRL

JAN 15 1990

Petersburg, Alaska
January 10, 1990

Dear Mr. Clarence Santiago,

I hear a program on limited entry for sablefish will be discussed in meetings in Anchorage for the Gulf of Alaska.

Due to past performance in this fisheries all thru the fifties, sixties and seventies, I made my living longlining black cod and halibut, both inside and outside waters, and still do only in the inside waters.

I will not want to be excluded from this fisheries, as I am well entitled.

Sincerely,

Lloyd Pederson

Lloyd Pederson
Boat "MIDDLETON"
Box 447
Petersburg, Alaska 99833

JAN 12 1989

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION
PO BOX 88
ST. PAUL ISLAND, ALASKA 99660
JANUARY 2, 1989

Clarence Pautzke, Executive Director
North Pacific Fisheries Management Council
411 W. Fourth Avenue
Anchorage, Alaska 99501

Dear Mr. Pautzke,

RE: SABLEFISH EIS/EA/RIR dated 11/16/89

We wrote to you on November 22, 1988 with some comments on the original publication of this document. Most of them remain applicable to the proposed action. Indeed, for all the rhetoric on the issue of community development and coastal communities over the past few years by the NPFMC, the treatment of this issue remains fairly limited in the EA/RIR. We have additional comments to add to those previously submitted.

1. As identified in Sec. 2.0, p.24, there is a sizable sablefish resource along the continental slope southwest of the Pribilof Islands. Thus, assertions on p. 152 that rural coastal community development, with the possible exception of Atka, may not be an issue with sablefish, are not accurate. Pribilof residents will lose substantial access to a nearby resource in the event that IFQ's or licenses are adopted for this fishery, based solely on recent past participation.

2. In the past two years substantial progress has been made in harbor development on both islands. St. Paul's is nearly complete, and a substantial private investment in processing capacity has been made. In the event of license limitation or IFQ systems in the Bering Sea, a substantial further barrier to entry by local fishermen would be erected.

3. The EA/RIR has some discussion of the additional "buy in" costs for this fishery for new entrants (pp. 159-160) under IFQ and license limitation programs. It concludes that allocations to existing participants could be leased or purchased, and that the costs would be recoverable. An aspiring Pribilof fisherman with a large enough vessel would have to lease or purchase a fishing right. When CBSFA suggested direct allocations to the Pribilofs to be used to foster fisheries development, we were told that "coupon clipping" would be entirely unacceptable. It would, under proposed license limitation or IFQ privileges, be okay for established fishing interests to do so.

4. Single species management is just not workable for the Bering Sea. Vessels that have "acquired" sablefish rights by stepped up participation the past few years, could sell or lease

their black cod privilege, while increasing their participation in other species scheduled for limited access. A single comprehensive solution for sharing of Bering Sea resources, in the best long term interests of ecosystem management, is a much more acceptable method of proceeding. The deck just seems to be stacked against developing interests in a species by species parceling out of resources.

As we have stated in our prior comments on this issue, unless an entitlement share of some kind is bestowed by the Council to Pribilof interests, as part of this process of partitioning Bering Sea resources, we must strongly resist limited access programs in our area as discriminatory and not in the best long term interests of our communities, and our people.

We recognize the difficult task of NPFMC in managing these fisheries and resources, and will continue to seek solutions that provide a fair and reasonable access to fisheries and that achieve the management goals of the Council and fisheries managers.

Thank you for the opportunity to comment on the proposed programs for sablefish.

Sincerely,



Perfenia Pletnikoff, Jr.
Central Bering Sea Fishermen's Association

cc. Tanadgusix
Tanaq
Pribilof Bering Seafood, Ltd.

Brad Fisher
910 Hemlock
Kodiak Ak.
99615

NOV 29 1989

11/24/89

Dear Council members

In regards to the Sable fish management plans no 1, 2, 3, 4

I guess if we had to choose from one of those, my choice would be no 4, only if it were dressed up a little.

I also feel fishermen that intended to fish Sablefish in 1989 but instead worked on the Oil spill, should be disqualified from the fishery.

They had the choice to fish or work for Exxon. Had Exxon been offering \$500 per day per boat, I'll bet they would have went fishing.

also people that just started
fishing Sablefish in 1989
should be put at the bottom
of the list.

I feel if the limited access
were just flat killed and
other management alternatives
were used, there would be
a lot less fishing effort.

One thing for sure is
that we need to limit or
eliminate Factory boat altogether.
I'm 19 years of fishing in
Alaska waters, I have never
seen such waste, They are
Devastating our fishing grounds.

Thanks
Brad Fischer
F/V Primus
Kodiak

Jeg Beaman
Fisherman
PO box 1994
Sitka, AK 99835

North Pacific Fisheries Management Council

Please take a moment to read my
Comments

I feel the need for limited access
to our Sablefish, Halibut, groundfish and
CRAB fisheries - at least in SE. ALASKA
if not the entire state of ALASKA

And personally I F Q's
lets not side step the issue this year
we need limited access - we can
and will work out the best plan
to give our resource the fairest deal.

I have read and stand behind A.L.F.A.'s
proposals to be submitted to the

88th session N.P.F.A.C.

The Trawler fleet requires stringent observation to control bycatch abuse and piracy as well as environment + habitat destruction. The resource needs a future not a dismal past.

The longline fishery has not the incentive to misreat or pirate bycatch and so requires little observation beyond data collection.

High-seas gillnet fisheries are extremely destructive and distasteful and I would urge the council to take a stand against such practice.

So many fellow fishermen feel as I do but throw their hands

up in disgust, we have
certainly sent ~~up~~ our feelings
about limited access to the
Council before, why are they
asking us again?

Help us feel we are heard
we want to communicate with
you please talk back
Help us stop the escalation

I'm pleased if my comments
are considered

I'm also willing to listen

PLEASE WORK HARD FOR THE
NORTH PACIFIC FISHERIES

Sincerely
Gey Beaman