


MEMORANDUM

TO: Council, AP, and SSC Members

FROM: Clarence G. Pautzke   
Executive Director

DATE: June 20, 1991

SUBJECT: Halibut Management

**ACTION REQUIRED**

- (a) Receive status report on 1991 halibut fishery.
- (b) Consider approval of draft halibut EIS (IFQ alternatives) for public review.

**BACKGROUND**

- (a) Status Report on 1991 Halibut Fishery

IPHC staff will be available to report on the 1991 halibut fisheries.

- (b) Halibut IFQ Alternatives

In April the Council requested staff to develop an analysis of individual fishing quota (IFQ) alternatives for the halibut fisheries off Alaska. They are patterned closely after those being considered for sablefish, as it is the Council's intent that the two programs would have to work together. The specific options for the halibut IFQ alternatives differ slightly from sablefish after incorporating recommendations from the Fishery Planning Committee (FPC) and the Advisory Panel (AP). The list of IFQ alternatives under consideration is shown as Item C-7(a).

A draft Environmental Impact Statement/Regulatory Impact Review/Initial Regulatory Flexibility Analysis (EIS/RIR/IRFA) has been prepared for Council approval for public review. The final decision for halibut IFQ alternatives is scheduled for September.

The draft EIS evaluates the potential environmental, economic, and social impacts of the proposed IFQ alternatives. It includes rationale for consideration and rejection of alternative limited entry systems such as license limitation and annual fishing allotments, as well as a more detailed analysis of the options within the potential IFQ system. More specifically, this EIS contains:

1. A description of the management background in the halibut fisheries, the current state of the fishery and problems associated with the open access form of management in this fishery, and the goals and objectives of the Council in consideration of limited entry in this fishery.

2. Information on the biology of Pacific halibut and a description of the physical environment in both the Gulf of Alaska and the Bering Sea/Aleutian Islands.
3. A description of the economic and social environment surrounding the fishery including harvesting sector, processing sector, maritime communities, recreational fisheries, and subsistence and tribal fisheries.
4. An analysis of the effects of an IFQ system, as opposed to open access, on 31 aspects of the halibut fishery and, a more detailed analysis of the specific options within the IFQ alternatives under consideration.
5. An assessment of the social implications of the IFQ form of management. This includes detailed community profiles of rural, coastal communities in all IPHC management areas.
6. A chapter dealing with administration, implementation, and enforcement of the proposed IFQ system.
7. A Regulatory Impact Review Summary and findings of consistency with the Magnuson Act and other applicable state and federal laws.

Analysts involved in the preparation of this document have additional information to be included before this draft is released for a public comment period. Staff are available to provide this and additional information concerning the contents of this document and the results of the analysis. If the Council approves the analysis for public review, we have until July 19 to make it available. If final approval comes in September as scheduled, implementation would occur sometime in 1993.

**ALTERNATIVE IFQ SYSTEMS FOR MANAGEMENT OF HALIBUT FIXED GEAR FISHERIES OFF ALASKA**

ALTERNATIVE 1 - is the status quo (open access)

ALTERNATIVES 2.1 - 2.3 - are variations of Individual Fishing Quota (IFQ) systems being considered by the North Pacific Fishery Management Council.

Provisions	ALTERNATIVE 2.1	ALTERNATIVE 2.2	ALTERNATIVE 2.3 (from April 1991 meeting)
Gear and Areas	Halibut fisheries (hook and line) in all IPHC regulatory areas: 2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E. Further breakdown of IPHC areas may be proposed in order to more fully implement the intent of the 20% set aside fishery under Alternatives 2.2 and 2.3		
Shares and Quotas	Quota shares (QS) are a percentage of the fixed gear halibut quota for a specific IPHC management area. An Individual Fishing Quota (IFQ) is the weight equivalent of the QS. It is also area specific. It will vary annually with changes in the halibut quota for each area.		
Initial Assignment of Quota Shares	<p>Tentative schedule: After the application and appeals process in 1992, QS will be assigned for use in 1993. IFQs to be issued yearly to QS owners.</p> <p>Initial QS recipients will be owners or leaseholders of vessels that made legal fixed gear landings of halibut during the qualifying period. They must be non-foreign, but otherwise are 'Persons' as defined by the Magnuson Act: any individual who is a U.S. citizen, any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State but being owned and controlled by a majority of U.S. citizens), and any Federal, State, or local government or governmental entity. Initial assignment would go to:</p> <p align="center">(1) vessel owner(s) unless qualified lease exists (bareboat charter) (2) qualified leaseholder would receive credit for landings.</p>		
Qualifying Period	<p>To qualify for QS in an area, a 'Person' (owner or leaseholder) must have made fixed gear landings of halibut in the area in at least one year during:</p> <p align="center">1984 - 1990</p>	<p align="center">Option 1: 1984 - 1990 Option 2: 1988 - 1990</p>	<p align="center">Option 1: 1984 - 1990 Option 2: 1986 - 1990</p>
Initial QS Amount	<p>Initial QS amount is based on the sum of a 'Person's' recorded fish tickets, by area, for all vessels owned or held by lease for the combination of years below. This individual qualifying poundage would be divided by the total of all individuals' qualifying amounts in an area to obtain the QS in terms of percentage of the quota for that area. Years with no landings would be counted as zero.</p> <p align="center">Best 5 of 7 years</p>	<p align="center">Option 1: Best 5 of 7 years, 1984-1990 Option 2: Best single year, 1988-1990</p>	<p align="center">Option 1: Best 5 of 7 years, 1984-1990 Option 2: Best 6 of 7 years, 1984-1990 Option 3: Best 3 of 5 years, 1986-1990</p>

Provisions	ALTERNATIVE 2.1	ALTERNATIVE 2.2	ALTERNATIVE 2.3
<p>Vessel Category Designations</p>	<p>Each 'Person' would receive QS for the vessel category of their most recent landings within the qualifying period. If, in their most recent qualifying year, they owned, or leased 2 or more vessels that landed halibut, their allocation would be for the category of their largest vessel.</p>		
<p>Duration of QS Program</p>	<p>Harvest privileges may be subject to periodic change, including revocation, in accordance with appropriate management procedures as defined by the Magnuson Act. Ending the program would not constitute 'taking' and QS/IFQ owners would not be compensated. Privileges are good for an indefinite period with no specified ending date.</p>		
<p>Calculating IFQ pounds</p>	<p>IFQ poundage is obtained by multiplying the QS percentage times the halibut quota for an area for each year. This would be calculated after the 'set aside' portion of the fishery for each area is subtracted from the total quota. This 'set aside' is further described in a separate section.</p>		
<p>Transfer of QS/IFQs</p>	<p>* Freezer/longliner QS/IFQs: Fully saleable to any 'Person' (U.S. individual, partnership, corp., etc.) Leasable, but recipient must own vessel using IFQs or be on board as crew or operator.</p> <p>* Catcher vessel QS/IFQs: Initial recipients can be 'Persons' and do not have to be on the vessel or sign the fish ticket to use the IFQs. Subsequent users must be (or designate within 90 days) a U.S. citizen as owner of the QS who must be on board the vessel using the IFQs and sign the fish ticket, unless an allowable lease exists. (cont'd on next page)</p>	<p>* QS/IFQs fully saleable, and:</p> <p>Option 1: Leasable Any 'Person' may control IFQs. Proof of citizenship or majority ownership and control may be required.</p> <p>Option 2: Non-leasable Any 'Person' may purchase QS, but must own the vessel the QS/IFQs will be used on, or must be on board the vessel using the QS/IFQs as crew or operator.</p>	<p>* Catcher vessel and freezer/longliner QS/IFQs: Initial recipients can be 'Persons' and do not have to be on the vessel or sign the fish ticket to use the IFQs. Subsequent users must be (or designate within 90 days) a U.S. citizen as owner of the QS who must be on board the vessel using the IFQs and sign the fish ticket, unless an allowable lease exists. (cont'd on next page)</p>

Provisions	ALTERNATIVE 2.1	ALTERNATIVE 2.2	ALTERNATIVE 2.3
Transfer of QS/IFQs cont'd.	<p>In the event an allowable lease exists, the leaseholder must be a U.S. citizen and must be aboard the vessel and sign the fish ticket. No more than 50% of any person's IFQs may be leased except in cases of illness, injury, or emergency to be defined by NMFS.</p> <p>* Freezer vessels that fish for species other than halibut must acquire QS for halibut in order to retain them.</p> <p>* Maximum of 15% of all halibut QS may be held by freezer/longliner fleet.</p>		<p>In the event an allowable lease exists, the leaseholder must be a U.S. citizen and must be aboard the vessel and sign the fish ticket. No more than 50% of any person's IFQs may be leased except in cases of illness, injury, or emergency to be defined by NMFS.</p>
Limitations on holdings (own/control)	<p>3% limit of overall quota but, initial recipients of more than 3% may continue to control the excess but not more.</p>	<p>2% limit of overall quota but, initial recipients of more than 2% may continue to control the excess but not more. No more than 2% can be used on one vessel. Suboption under this alternative for a 1% cap on ownership.</p>	<p>2% limit of overall quota but, initial recipients of more than 2% may continue to control the excess but not more. No more than 2% can be used on one vessel. Suboption under this alternative for a 1% cap on ownership.</p>
General Provisions	<p>* NMFS must approve QS/IFQ transfers based on findings of eligibility criteria before fishing commences.</p> <p>* Persons must control IFQs for amount to be caught before a trip begins.</p> <p>* QS and IFQs are specific to management areas and vessel categories (if used).</p> <p>* Halibut cannot be landed without IFQs except in open access fishery under Alternatives 2.2 and 2.3. Under these alternatives, all catch would be counted against either IFQs or open access, whichever is appropriate.</p> <p>* IFQs are not valid for halibut caught by any means other than hook and line fishing in any IPHC area covered by this plan.</p>		
Discards	<p>IFQ users cannot discard legal sized halibut.</p>	<p>Discards permitted but count towards TAC or IFQ. Any longline fishery that takes halibut must control IFQs.</p>	<p> Holders of unused IFQs must retain legal sized halibut.</p>

Provisions	ALTERNATIVE 2.1	ALTERNATIVE 2.2	ALTERNATIVE 2.3
Open Access	No open access fishery	<p>Up to 20% of any area's quota may be set aside for community development quota, bycatch for other fisheries, or open access fishery as described below:</p> <ul style="list-style-type: none"> <li>* Each area's quota may be divided ?% IFQ and ?% open access. (up to 20% open access)</li> <li>* IFQ holder for any area would not be permitted to fish any area's open access fishery except as noted.</li> <li>* Open access fishery managed by exclusive registration area (existing IPHC areas to begin with).</li> <li>* 4th quarter open access cleanup fishery open to any person or vessel if they do not own/control unused IFQs. Exclusive areas rescinded.</li> <li>* Amount and structure of each area's 'set aside' quota to be determined by regulatory amendment process prior to implementation of QS program.</li> </ul>	<p>20% of each area's quota will be set aside for open access fishery described below:</p> <ul style="list-style-type: none"> <li>* Each area's quota will be divided 80% IFQ and 20% open access.</li> <li>* IFQ holder for any area would not be permitted to fish any area's open access fishery except as noted.</li> <li>* Open access fishery managed by exclusive registration area (existing IPHC areas to begin with).</li> <li>* 4th quarter open access cleanup fishery open to any person or vessel if they do not own/control unused IFQs. Exclusive areas rescinded.</li> <li>* Up to 8% of total quota for any area may be used for coastal community development (within the 20% open access portion). Unused CDQ rolled over into 4th quarter cleanup fishery.</li> </ul>
Coastal Community Considerations	3% cap on use of any area's quota for disadvantaged communities such as Atka or the Pribilofs.	See above.	<p>See above.</p> <p>Option: that CDQs be set at the following percentages for the following IPHC areas:</p> <ul style="list-style-type: none"> <li>4A - 20% of quota</li> <li>4B - 20% of quota</li> <li>4C - 50% of quota</li> <li>4D - 20% of quota</li> <li>4E - 50% of quota</li> </ul>

Provisions	ALTERNATIVE 2.1	ALTERNATIVE 2.2	ALTERNATIVE 2.3
Administration	<p>* NMFS Alaska Regional Office would administer the program.</p> <p>* Settlement of appeals disputes during the initial assignment process will be based on fact. Unsubstantiated testimony will not be considered. Leaseholders would have to come to the Appeals Board with verifiable records and agreement of the owner of record of the vessel. Initial appeals would be heard by an Appeals Board composed of government employees rather than industry members. Subsequent appeals would go to NMFS Alaska Regional Director followed by appeals to the Secretary of Commerce and then the court system.</p> <p>* Appeals could be brought forth based on the following criteria:  (1) Errors in records.  (2) Documented leaseholder qualification.</p>		
Unloading Provisions	No unloading provisions.	<p>* All first point of sale purchasers of halibut (processed or unprocessed) would be required to obtain a purchaser's license from NMFS.</p> <p>* Vessels may unload halibut (processed or unprocessed) only in areas designated by NMFS. Prior notification of such offloading may be required.</p>	<p>Option 1: No unloading provisions.</p> <p>Option 2:  * All first point of sale purchasers of halibut (processed or unprocessed) would be required to obtain a purchaser's license from NMFS.  * Vessels may unload halibut (processed or unprocessed) only in areas agreed to by industry and NMFS. Prior notification of such offloading may be required by NMFS.</p>
Program Financing	<p>* It is the Council's intent to find a way to finance the IFQ program without redirecting costs, possibly including a cost recovery program from QS/IFQ owners.</p>		
Other	<p>* While the alternative IFQ programs shown here constitute individual packages, it is the Council's intent to be able to choose from among the components of each program when designing the final IFQ alternative.</p>		

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INTERNATIONAL PACIFIC HALIBUT COMMISSION

ESTABLISHED BY A CONVENTION BETWEEN CANADA  
AND THE UNITED STATES OF AMERICA

P.O. BOX 95009  
SEATTLE WA 98145-2009

TELEPHONE  
(206) 634-1838

FAX  
(206) 632-2983

June 13, 1991

JUN 17 1991

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

Dear Clarence:

As individual quotas for Pacific halibut are now a reality in British Columbia and are under serious consideration in Alaska, the staff of the International Pacific Halibut Commission has undertaken an evaluation of the possible necessity of a winter closure for the halibut fishery. The major management concern involves transboundary migration of halibut to and from the winter spawning grounds and summer feeding grounds.

Under individual quotas, the fishing season could last all year. Halibut migrating to and from the spawning grounds would be vulnerable to interception, and the distribution of harvest could change substantially. Interception could occur in Alaska of halibut normally fished in summer months in British Columbia, or in British Columbia of halibut normally fished in Washington-Oregon-California. This situation would add to the difficulties in international allocation caused by bycatch.

A year-round fishery would give us less area-by-area control in terms of management as halibut aggregate on the spawning grounds. We would also need to change to less than optimum stock assessment techniques to account for the summer to winter movements.

After our evaluation, the IPHC staff intends to provide the Commission with a recommendation on a winter closure. We would welcome comments from the Council on the effects of such a closure.

Sincerely yours,



Donald A. McCaughan  
Director

cc. Commissioners



# INTERNATIONAL PACIFIC HALIBUT COMMISSION

AGENDA C-7  
6/91 SUPPLEMENTAL

*News Release*



June 7, 1991



P.O. BOX 95009, SEATTLE, WASHINGTON 98145-2009

## 1991 Halibut Landing Report No. 4

### Southeastern Area 4E to Close June 9

The Commission estimates that the 30,000 pound catch limit in the Bristol Bay portion of Area 4E (south and east of Cape Newenham) will be attained by June 9, and will close at 12:00 noon Alaska Daylight Time on that date. The halibut fishery for this part of Area 4E will remain closed until further notice.

### Northwestern Area 4E to Remain Open

Fishing periods in the Nelson Island/Nunivak Island portion of Area 4E (north and west of Cape Newenham) will continue as scheduled in the 1991 Pacific Halibut Fishery Regulations. This part of Area 4E will close to halibut fishing when the 70,000 pound catch limit has been attained.

- END -

Donald A. McCaughran, Director  
Phone: (206) 634-1838

North Pacific Fisheries Management Council

I have experienced the work and time involved with a day of fishing Halibut.

Coming to understand the stress and disbelief felt by the fisherman I've met.

With that said, I'm glad to hear that you're finally changing your fishing policies.

I hope you will decide on a fair quota system. Looking out for the honest fisherman, who fished only during the 24 hour opening. Because it was the law.

I don't have big money or a big voice. All I have is this letter, and the hope that you will treat us fairly.

Sincerely  
Robert J. Doran  
CREN MEMBER

OWNER - OPERATOR

DEAR SIR,  
JUN 5 1991

WEVE JUST FINISHED ANOTHER HALIBUT  
OPENING WHICH SAW LOSS OF LIFE, MANY  
INJURIES, ENORMOUS LOSSES OF GEAR AND  
FISH, AND MANY ALREADY STRUGGLING FISHERMEN  
PUSHED FURTHER UNDER BY HAVING TO  
FISH UNDER PRESENT REGULATIONS. WE NEED  
A CHANGE.

YOUR ANSWER TO THIS PROBLEM WILL BE  
AN INDIVIDUAL QUOTA SYSTEM. I HOPE  
WHEN YOU STRUCTURE THIS SYSTEM YOU WILL  
KEEP THESE POINTS IN MIND.

SOME FISHERMEN HAVE CHEATED EVERY  
HALIBUT OPENING FOR AS LONG AS I CAN  
REMEMBER. BASING A QUOTA ON PAST PRODUCTION  
WILL ONLY RE-REWARD THEM FOR THEIR  
DISHONESTY IN THE PAST. IF QUOTAS ARE BASED  
ENTIRELY ON PAST PRODUCTION THEY WILL HAVE  
PROFITED AGAIN AT OTHER BOATS EXPENSE. ITS  
NOT RIGHT!

I HOPE WE DONT WIND UP WITH A SYSTEM  
LIKE NEW ZEALAND WHERE A FEW MONEY INTER-  
ESTS WIND UP WITH THE QUOTA. THEY OWN OR  
LEASE THE QUOTA AND LET FISHERMEN FISH

(2)

FOR THEM, I THINK AN OWNER-OPERATOR SYSTEM WITH NO, OR AT LEAST SEVERE LEASING RESTRICTIONS, TO ELIMINATE WOULD-BE ARMCHAIR FISHERMEN IS A MUST, AND I THINK A LIMIT PUT ON THE AMOUNT ANY ONE OWNER-OPERATOR CAN OWN IS NECESSARY FOR A GOOD, SUCCESSFUL SYSTEM.

A QUOTA BASED ON BOAT SIZE WOULD BE MUCH FAIRER TO THE MAJORITY OF THE FLEET WHO HAVE TRIED TO DO IT RIGHT.

IT MAKES ME SICK TO THINK THAT PEOPLE WHO HAVE A "LONG SOAK" ON THEIR GEAR WHEN I AM SETTING MINE (ON THE SAME GROUNDS) AND WHO FISH THREE AND FOUR DAYS AFTER THE DERBY IS OVER WILL AGAIN BE ABLE TO TAKE THE LIONS SHARE, AGAIN AT MY EXPENSE. LETS MAKE THEM EQUAL FOR ONCE!

I THINK A BUMP FOR POUNDAGE WHERE EACH BOAT IS ASSESSED EQUALLY, AND POUNDAGE BROUGHT FROM FISHERMEN WISHING TO SELL INTO THE PROGRAM, COULD BE DIVIDED EQUALLY, WOULD BE A GOOD IDEA.

REGARDS.

Vince Conner

JUN 13 1991

Dear Sir. (Cover)

clan putting this letter in bind of my family - My husband who has fished since he was eighteen years old - now 52 - he has followed all the rules and fished legally, set a good example for his sons. Now it looks as tho you are going to reward those who have fished 3 to 5 days on a 24 hour opening, & those who have followed your guidelines (fished) in compliance with the laws will be cut - Because these past landings will not be as great as the people who cheated -

Please dont fall for the people who cheat on a system - & make it impossible for you to do what is right - What is right is to go with the size of <sup>boat</sup> ~~boat~~ - there cant be any cheating that way - you cant add ten feet to the size at the last moment. Some how we all have to work as a group - & starting out even & above board, will at least start the halibut IFO program in the right way - & make it easier on you & the fishermen - (Fair & honest)

Sincerely Pat Cameron F/V Elusion  
2087 Jeffcott Place Ferndale, Wa.  
98248

JUN 17 1991

JUN 18 1991

I.P.H.C.

4821 Mills Drive  
Anchorage, Ak. 99508  
May 23, 1991

Carl L. Rosier, Commissioner  
Alaska Department of Fish and Game  
Div. of Commercial Fisheries  
P. O. Box 3-2000  
Juneau, Ak., 99802-2000

COPY

Dear Mr. Rosier:

This letter is in support of the concept of changing regulations on halibut fishing from that of short 24 hr intermittent openers to that of a quota system as has been adopted by Canada, and for coordination of open seasons of different fish species to conserve resources.

I have worked for 30 years as a surgeon and Chief of the Surgical Department at the Alaska Native Medical Center, Anchorage and have recently been retired. For over 20 yrs I have been increasingly involved with commercial fishing and in retirement, this field is of great interest and is my major source of income. There are now seven members of our immediate family deeply committed to commercial fishing. We have been operating one seining, one gill net and two long line operations and are expanding into a second seining operation. With delivery of a new 52 ft seiner next month, this represents a family commitment of well over a million dollars. Some of our group are taking a course in commercial fishing at the University of Alaska, Anch., and have been impressed by the need for improving the quality of the product produced by Alaska fishermen. Our guest consultant on this subject, Mr. Greg Fabritto, an outstanding expert in the field, has stated that we Alaska fishermen bring the worlds finest product out of our great cold waters but by the time it is delivered to the consumer it has deteriorated to the bottom of the quality standard, (such as canned pink salmon). He has stressed the absolute necessity for Alaska fishermen to protect our finite resources and improve the quality of our product. We have accepted this as a challenge.

During the last month we have participated in two fishing openers, the first halibut 24 hr period and the black cod opening. The following personal experiences, or events heard over the emergency Coast Guard radio, illustrate some of the problems and concerns regarding only long line fishing in Alaska, encountered by our boat during just these two trips.

Halibut Seasons:

The restrictions on halibut fishermen to two or three 24 hr openers per season has put great pressure on us to strain every effort to get the most out of these brief openers. Many serious problems result from this. I will comment on a few personal ones encountered in our family operation as examples.

a. Safety. The restricted periods put great pressure on all competing participants to accept all risks in order to get "his share", no matter what the weather conditions are. As a result all too many people, as has become almost expected each season, were out fishing in a storm in which reasonable fisherman under usual circumstances would never have left port. We heard the distress calls from the Coast Guard for assistance for a small f. vessel which overturned near Kodiak- both fishermen drowned. The EPIRB emergency call from a large 65' long liner fishing in 25 seas was received by the C.G. and all assistance requested for the sinking ship. Only thru a fortunate mistake was the rescue of the four crew members possible. Numerous other accidents and near disasters were heard on the emergency bands during this forced fishing period, placing unrealistic demands on the services of the Coast Guard.

In our family experience we gave up prospects for better fishing for protected waters. Even in quiet waters the stresses related to fishing all night clearly increase the chances of accidents in carrying on the highest risk profession in Alaska. Because of the restriction of fishing during this stormy 24 hrs only 10.2 mil. halibut were taken during this opener in our district from a quota of 26.6 mil.. A 2nd and probably a 3rd opening in the fall will be required, but at great cost to the fisherman for lost early season start-up income and the added cost of repeatedly gearing up his boat for this fishery.

b. Marketing of product: The flooding of the market for fresh halibut by these limited openings clearly creates an unmanageable market system. Halibut caught in Alaska must, to a large extent, be frozen to be marketed over the coming year. It is already apparent that such fish cannot compete with Canadian halibut caught and delivered fresh over many months of the year. (Source: a decision was recently made by a major quality restaurant chain on the West Coast to cancel their contracts for Alaska halibut in favor of Canadian sources).

c. Quality of product: Under present conditions the quality of Alaska halibut varies a great deal. For example the technique that we are using is that recommended by our quality consultant, Mr. Fabritto; i.e. we stun the fish immediately, cut the main artery, and place in a tote of slush-ice so that bleeding is completed while the fish is still alive. The fish are cleaned and iced within 2 hours of being caught. This assures delivery of a quality product. In contrast to this, we observed at least four small boats delivering some very large catches to the tender we were working with. Because the boats were small they carried virtually no ice. The fish delivered were 12 to 36 hrs old without refrigeration. The buyer confided in us that these catches were of extremely poor quality. Such practices

depress the quality of the Alaska product, yet our fish must compete in a market depressed by such poor quality.

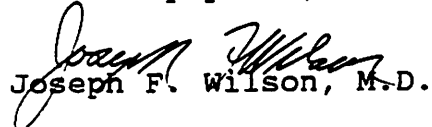
d. Inappropriate regulation of seasons for different fish species: A few weeks before the halibut opener there was a good demand for gray cod and the price to the fishermen was \$0.45 / lb. Before leaving on our halibut opener we were told by a good processor that he would buy grey cod for at least \$0.25. We caught and processed as described above, about 2000 lbs of cod only to be told that the State had closed the season on grey cod before the halibut opener. We had no choice but to throw this prime product overboard. Virtually all cod caught during the halibut season will die even if released. This is not management of a valuable resource, it is a wanton waste due to the lack of foresight by those who regulate the State seasons. Millions of gray cod are destroyed during the halibut seasons and inappropriate State Regulations prevent attempts to develop solutions by those of us who wish to avoid such waste. If necessary, gray cod should be opened specifically during each halibut opener to prevent this waste, especially in PWS.

Black Cod Season: This was our first experience with black cod fishing. We caught 1100 lbs of black cod and 900 lbs of red rockfish. Our biggest "catch" was an estimated 3000 lbs of halibut which had to be released. With great care and delays in the operation we believe most of these fish will survive. However, knowing how impatient fishermen can be, we know a great many halibut are severely injured and mortality must be significant during the long line fishing when the halibut season is closed. The restricted fishing periods result in much congestion of the fishing fleet so that much time and equipment is lost due to tangled lines. This was a serious problem in our family experience.

We believe a quota system for halibut and a modification of seasons for different species so that all fish caught could be marketed, would resolve many of these problems. Regulations which encourage and place emphasis on the quality of the product are critically needed to conserve these valuable Alaska resources. If such were the case our family fishing operation would spread our quota of halibut over the entire spring and fall and we would limit our long lining to efforts needed to meet this quota, avoiding the waste of any other incidentally caught species.

Thank you for listening to views of one Alaska fisherman.

Sincerely yours,

  
Joseph F. Wilson, M.D.



Copies to:

Donald A. Caughram , Director  
International Pacific Halibut Commission

Members of Alaska Senate Resources Committee

MEMORANDUM

TO: Council, AP and SSC Members

FROM: Clarence G. Pautzke  
Executive Director



DATE: June 19, 1991

SUBJECT: Future Management Planning

**ACTION REQUIRED**

- (a) NMFS report on developing a moratorium and IFQ systems for groundfish and crab.
- (b) Establish schedule for design and analysis and task staff as appropriate.

**BACKGROUND**

In April the Council requested NMFS to report on procedures and requirements necessary to develop a moratorium on entry into all fisheries under the Council's jurisdiction, except salmon, and to develop individual fishing quota (IFQ) systems for those fisheries. The report is available as item C-8(a). It suggests a phased approach to implementing a moratorium and IFQ systems. Their schedule calls for the moratorium to be implemented January 1993.

The moratorium design from April, with revisions suggested by the AP, is at C-8(b).

The Council needs to consider the schedule proposed by NMFS and give staff direction on further development of the moratorium and groundfish/crab IFQ issue.

JUNE 17, 1991

NMFS REPORT TO THE NORTH PACIFIC COUNCIL  
June 1991 Meeting Agenda Item C-8

PLANNING FOR MORATORIUM AND INDIVIDUAL FISHING QUOTAS

The Problem

The North Pacific fisheries under Council jurisdiction are showing classic signs of excess fishing capacity. These problems stem from a "race for fish" as fishermen attempt to harvest as much as possible before attainment of a TAC or bycatch limit prompts an area closure. Allocation conflicts are the most significant of these problems; the current "inshore-offshore" issue is a case in point. As a result, we either have or are experiencing: gear conflicts, excessive bycatch of non-target species, discard of lower valued but potentially useful fish products, poor handling of catch resulting in decreased product quality, insufficient attention to safety, and economic instability from boom-and-bust cycles.

The Council has tentatively found that domestic harvesting and processing capacity in the groundfish, crab and halibut fisheries off Alaska currently exceeds the amount necessary to harvest the annual TAC of most species of groundfish, halibut and crabs under Council jurisdiction.

Is A Moratorium The Answer?

In response, the Council is considering a moratorium on further entry into the groundfish, crab and halibut fisheries. As discussed frequently at recent Council meetings, a moratorium appears to have substantial support as a means of "putting a lid" on fishing effort and "buying time" until a better scheme can be developed.

There are several difficulties with a moratorium, however. Foremost of these is that a moratorium does not solve the problem of harvesting overcapacity. This problem occurs when the addition of one more unit of harvesting capacity will not produce an additional unit of fish. At best, a moratorium will slow the growth in harvesting capacity in the short term. At worst it will guarantee the continuation of overcapacity and delay a long-term solution. It took the Mid-Atlantic Council 12 years to advance beyond a moratorium in the surf clam fishery. Other difficulties include the arbitrary decision of where to draw the line on entry (are vessels "in the pipeline" to be allowed in and

which ones?), potential social inequities, and the fact that a moratorium will not balance fishing capacity with the amount of fish to be harvested in a year.

Increasingly, fishermen and managers alike are discussing market mechanisms as a means of striking this balance. The NMFS currently favors market mechanisms as a means of allocating access to wild fish resources and as a long-term solution to balancing fishing capacity with TAC. But market-based allocation schemes, such as individual fishing quotas (IFQs), also come with numerous practical and political problems. In large multi-species and multi-gear fisheries, such as those off Alaska, these problems are intimidating. While the Council struggles to resolve these problems, fishing capacity continues to grow, and involve the Council in a morass of allocation disputes.

For this reason, using a moratorium as a stepping stone to a market-based IFQ program may be acceptable providing there is some assurance that such a program will be recommended to the Secretary within a certain time frame. If the Council wishes to proceed with a moratorium, it should be with an understanding that a moratorium will not solve the overcapacity problem in the long run, and that the Secretary is unlikely to approve a moratorium that does not lead to a definite long-term solution to that problem.

#### Procedural Difficulties.

The administrative procedures for implementing a moratorium under the Magnuson Act are no different than for any limited access form of management. The Council's or the Secretary's intent for a moratorium to be temporary does not relieve any of the legal requirements for implementing a limited access program. Hence, it is unlikely that a moratorium could be implemented any quicker than any fundamental plan amendment and probably would take longer than most.

The Magnuson Act, at section 303(b)(6), provides authority for fishery management plans to

"establish a system for limiting access to the fishery in order to achieve optimum yield if, in developing such a system, the Council and the Secretary take into account--

- (A) present participation in the fishery,
- (B) historical fishing practices in, and dependence on, the fishery,
- (C) the economics of the fishery,
- (D) the capability of fishing vessels used in the fishery to engage in other fisheries,

- (E) the cultural and social framework relevant to the fishery, and
- (F) any other relevant considerations."

Other considerations in developing access control programs include the distribution of economic and social benefits, transferability of fishing privileges, short-term and long-term social and economic effects, enforcement and monitoring costs, and simplicity of the program which can enhance public understanding and compliance.

A moratorium recommendation to the Secretary also does not escape the requirements of the National Environmental Policy Act (NEPA). The NMFS likely would recommend that the Council prepare a supplemental environmental impact statement (SEIS) to support a moratorium proposal because of potentially significant socio-economic effects of the action. The NEPA implementing regulations require a SEIS to "rigorously explore and objectively evaluate all reasonable alternatives" (40 CFR 1502.14(e)). Because a moratorium is a form of limited access, the Council would be advised that other forms of limited access also should be assessed as reasonable alternatives to a moratorium.

Other applicable laws would require the Council to consider economic assessments consistent with Executive Order 12291 and the Regulatory Flexibility Act. These assessments are done in a regulatory impact review (RIR) that is typically combined with the SEIS. The RIR would identify expected effects, provide a benefit/cost analysis, and estimate net benefits to the nation.

In summary, the procedural requirements are no different for a moratorium than they would be for any other management regime with potentially profound effects. The idea that a moratorium would be quick and easy to implement does not appear realistic especially if, in the process of assessing the effects of a moratorium, the Council must consider and reject other alternatives that may work better to solve the overcapacity problem.

#### A Possible Solution.

One approach, however, may be to fully integrate a moratorium into a long-term solution. A moratorium proposal on its own will suffer the above procedural difficulties in addition to running the risk of being disapproved as not solving the problem. But a moratorium combined with the scheduled phase in IFQ measures may enjoy more procedural success. The moratorium program, in this approach, could be phase one of a multi-phased plan to achieve a market-based regime to distribute access rights to fishery resources under Council jurisdiction.

The SEIS/RIR for this approach would describe, as one alternative, an overall plan to implement IFQs in selected fisheries in an iterative fashion. The analysis for this approach would be necessarily generic in its consideration of IFQ or license limitation programs as was done in the SEIS/RIR for the sablefish limited access proposals in November 1989. Descriptive sections of the omnibus SEIS/RIR for groundfish, crab and halibut resources and fisheries would form a basic reference document. Economic and social analyses for all phases except the moratorium phase would be general, but expanded as each new phase became more refined.

For example, the immediate implementation of a moratorium as phase one could be followed by an IFQ program for longline fisheries as phase two on a specific date. This could be followed by phase three, say expansion of the IFQ program to Bering Sea crab fisheries on a specific date, and followed by phase four, say expansion to certain trawl fisheries and so on. With each iteration, an environmental assessment (EA) and RIR would be submitted in support of the regulatory changes to implement the next phase. The EA/RIR would be simpler than the omnibus EIS/RIR, and would examine alternative refinements or details of an IFQ program for the particular fishery affected by that phase.

One benefit of this approach, over a stand-alone moratorium with a sunset date, is that it provides greater assurance that the Council is committed to proceeding with development of a long-term solution to the overcapacity problem. After gaining Secretarial approval of its omnibus limited access program and generic SEIS/RIR, the Council would have to maintain a firm work schedule to meet the successive implementation dates of each phase.

Potential Event Schedule For Omnibus Limited Access Plan

<u>Task</u>	<u>Who</u>	<u>When, Time</u>
Problem statement	Council, FPC	September, 1991
Draft and publish FR notice of intent/scoping	NMFS - Region and Central Office	October, 1991, two weeks
Scoping	Public, Council, NMFS - Region	November-December 1991, 30-60 days
Specification of alternatives for analysis	Council, FPC	January, 1992

<u>Task</u>	<u>Who</u>	<u>When, Time</u>
Data collection and analysis	NMFS - Center and Region, Council staff or a contractor	February - March, 1992, two months
Analysis, writing first draft	NMFS, Council staff or contractor	April 1992, one month
Peer and internal review	Staffs of Council, NMFS - Center and Region, and selected university scientists	May, 1992, one month
Review by Council, AP and SSC, approval for public review	Council	June, 1992
Publish FR notice of availability of SEIS	NMFS - Central Office and EPA	July, 1992, two weeks
Public review of draft SEIS	Public	August-September, 1992, 45 days
Approval for Secretarial review	Council	September, 1992
Draft FR notice of proposed rulemaking	NMFS - Region	October, 1992
Submission for Secretarial review	Council; NMFS - Region	November, 1992
Implementation of omnibus limited access plan and Phase I moratorium	NMFS - Central Office	April, 1993, 140 days after receipt from Council
Begin analysis for Phase II, first stage IFQ program	Council, NMFS Region - Center staff or contractor	January, 1993

<u>Task</u>	<u>Who</u>	<u>When, Time</u>
Implementation of Phase II, first stage IFQ program	NMFS - Region	January, 1995

And so on at roughly two-year intervals.



REVISED (as modified by AP on 4/23/91)  
OBJECTIVE AND ELEMENTS OF A PROPOSED MORATORIUM

Moratorium Objective: To control continued growth in fishing capacity while the Council assesses alternative management measures including, but not limited to, limited and open access measures to address the overcapacity problem and to achieve the optimum yield from the fisheries.

**Key Elements**

1. **Earliest Qualifying Date: Must have made landings at least once during or after:**

Option 1: 1980  
Option 2: 1976  
~~Option 3: No date~~

[AP recommends deletion of Option 3; No need to go back to beginning of time; Motion passes 14-5]

2. **Latest Qualifying Date: Must have made landings on or before:**

~~Options 1 & 2 combined:~~ September 15, 1990 ~~with due consideration given those vessels that are active by~~  
January 15, 1992 if contracts by September 15, 1990 (or contracted by January 1, 1991, if disadvantaged by January 19, 1990 cutoff), ~~as described in paragraphs a and b.~~

[AP recommends combining the option to reflect wording in FR Notice; Motion passes unanimously]

3. **No minimum qualifying poundage, just a legal landing in any qualifying year.**

4. **Exemption for Small Vessels**

Option 1: No exemptions for smaller vessels.  
Option 2: Exempt vessels less than 40' LOA  
~~Option 3: Exempt vessels less than 43' LOA in GOA and/or BSAI~~  
Option 4: Exempt vessels less than 60' LOA in GOA and/or BSAI

[AP recommends deletion of Option 3; save staff time during analysis; Motion passes 17-2].

5. Exemption for Disadvantaged Communities

- Option 1: No exemptions.
- ~~Option 2: Use size exemption approach above assuming that disadvantaged communities will use smaller vessels.~~
- Option 3: Define disadvantaged communities, define vessels, and then exempt its vessels. (Council include additional landings requirements.)

**[AP recommends deletion of Option 2; Options 1 and 3 are adequate for analysis; Motion passes unanimously]**

6. Exemption for Qualifying Vessels Lost or Destroyed Immediately before Moratorium begins (Two options for defining "immediately"; since 1/1/90 or since 6/15/89.)

- Option 1: Can be replaced with similar capacity.
- ~~Option 2: Can be replaced with increased capacity limited to, for example, 20% more in LOA and/or width.~~

**[AP recommends deletion of Option 2; the AP is concerned that the 20% restriction may not allow compliance with anticipated US Coast Guard vessel safety regulations and deletion of this option also will prevent a person from increasing his vessel capacity under both Elements 6 and 10; Motion passes 11-9]**

7. Moratorium will be applied equally to all sector of industry.  
(Sectors tentatively defined to include catcher/processors, catchers, and mothership processors.)

8. Length of Moratorium

- Option 1: Until Council rescinds or replaces, not to exceed 4 years from implementation.
- Option 2: Same as Option 1, but Council may extend for 2 years if limited access is imminent.

9. Fisheries Crossovers During Moratorium

- Option 1: Any boat that qualifies to fish at all, may fish in any fishery (groundfish, crab, or halibut).
- Option 2: Same as Option 1, but Council would be able to use a regulatory amendment to limit participation in specific fisheries to those who participated in the fishery before the moratorium was imposed.

10. Replacement of Vessels Lost or Destroyed During Moratorium.

- Option 1: Can be replaced with similar capacity.
- Option 2: Can be replaced with increased capacity limited to, for example, 20% more in LOA and/or width.

(Caveat: replaced vessels cannot be salvaged and come back into fishery.)

11. Replacement or Reconstruction of Vessels During Moratorium

- Option 1: Can be replaced with similar capacity but replaced vessel must leave fishery.
- Option 2: May increase capacity of vessel by 20% in LOA and/or width, once during moratorium years.
- Option 3: May reconstruct vessel to upgrade processing equipment and stability, but not increase fishing capacity through changes in LOA, width or horsepower, or other suitable index of fishing capacity.
- Option 4: May reconstruct vessel once during the moratorium to upgrade processing equipment and stability, but not increase catch carrying capacity by more than: (a) 20% for vessels 125' and greater, (b) 30% for vessels between 80'-125' (c) 40% for vessels 80' and less.

[AP recommends adding Option 4; Motion passes 15-3; ]

12. Appeals Procedure: Use adjudication board of government persons and nonvoting industry representatives.

[AP recommends the addition of active fishing industry representatives to the Board; this expertise will be necessary to properly evaluate appeals; Motion passes 15-3]