Inshore-Offshore Technical Team

Steve Davis
Project Coordinator

Biological/ Environmental Section
- Jim Balsiger
  Section Leader
  - Bill Wilson
    NPFMC
  - Hal Weeks
    NPFMC
  - Jay Ginter
    NMFS-AK Region
  - Sandra McDevitt
    AFSC

Economic Section
- Lew Queirolo
  Section Leader
  - Rebecca Baldwin
    AFSC
  - Deb Flynn
    AFSC
  - Steve Freese
    NMFS-NW Region
  - Outside Consultants:
    Radtke, Jensen, Arnarson

Sociology Section
- Peter Fricke
  Section Leader
  - Outside Consultants
    (to be announced)

Legal Section
- Jon Pollard
  Section Leader
  - ?
INSHORE-OFFSHORE ALLOCATION

Problem Statement

The finite availability of fishery resources, combined with current and projected levels of harvesting and processing capacity and the differing capabilities of the inshore and offshore components of the industry, has generated concern for the future ecological, social and economic health of the resource and the industry. These concerns include, but are not limited to, localized depletion of stocks or other behavioral impacts to stocks, shortened seasons, increased waste, harvests which exceed the TAC, and possible pre-emption of one industry component by another with the attendant social and economic disruption.

Domestic harvesting and processing capacity currently exceeds available fish for all species in the Gulf of Alaska and most species in the Bering Sea. The seafood industry is composed of different geographic, social, and economic components which have differing needs and capabilities, including but not limited to the inshore and offshore components of the industry.

The Council defines the problem as: 1) domestic harvest and processing capacity exceeds available resources; and 2) a resource allocation problem where one industry sector is threatened by another.

The Council will address these problems through the adoption of appropriate management measures to advance the conservation needs of the fishery resources in the North Pacific and to further the economic and social goals of the Act.

The Fishery Planning Committee’s recommended rewording of paragraph 3:

The Council defines the problem as a resource allocation problem where one industry sector faces the risk of preemption by another. The analysis will evaluate each of the alternatives as to their ability to solve the problem within the context of processing capacity exceeding available resources.
INSHORE-OFFSHORE ALLOCATION

Management Alternatives

1. Status quo with no change in regulations to address the problem (Required by law).  [No Change]

2. Use traditional management tools including but not limited to: trip limits, periodic allocations, super-exclusive registration areas, and gear sizes. (Council may ask to analyze one or more of these depending on need).  [No Change]

[The FPC's recommended changes to Alternatives 3 and 4 are on the next page.]

*3. Allocate the Total Allowable Catch (TAC) between inshore and offshore components of the industry. Specifically this alternative would examine the Gulf of Alaska pollock, rockfish, flatfish and Pacific cod fisheries, and the Bering Sea pollock, flatfish and Pacific cod fisheries, under various allocation percentages, and define operational areas for pollock in the Bering Sea.

Council requested the following percentages be used as parameters for analysis:

<table>
<thead>
<tr>
<th>Onshore</th>
<th>Offshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>0%  (GOA pollock only)</td>
</tr>
<tr>
<td>80%</td>
<td>20% (GOA only)</td>
</tr>
<tr>
<td>50%</td>
<td>50% (both GOA and BS)</td>
</tr>
<tr>
<td>20%</td>
<td>80% (BS only)</td>
</tr>
</tbody>
</table>

*4. Allocate TAC on basis of species (as specified in Alternative 3) and vessel length (for example, partition the BSAI TAC 50-50 between vessels over 150' and those less than 150'. A threshold for the GOA might be 125').

*5. Use a combination of the following measures: ban pollock roe-stripping everywhere, delay opening of GOA pollock season until after roe season, split pollock into roe, non-roe seasonal quotas, and divide GOA pollock area into separate districts. [No Change]

In any allocation scheme, analysis will consider a provision for community development.

*Management alternatives 3, 4 and 5 will be analyzed to determine the effects of the option with a moratorium and without a moratorium.

[The team notes that the moratorium will be evaluated generally and that no actual moratorium program will be analyzed as part of this amendment.]
Recommended Revisions to Alternatives 3 and 4

With reference to Alternatives 3 and 4, the team wished to double check that all the realistic allocation percentages had been identified so that the Council would not be restricted in its decisionmaking by an inadequate analysis of any particular allocation scheme. They noted that the Council’s allocation percentages lead to nine possible decision combinations which would be analyzed. The Council-approved percentages establish the following range for decisions:

<table>
<thead>
<tr>
<th></th>
<th>Inshore</th>
<th>Offshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gulf of Alaska</td>
<td>50%-80%</td>
<td>20%-50%</td>
</tr>
<tr>
<td>Gulf of Alaska pollock</td>
<td>50%-100%</td>
<td>0%-50%</td>
</tr>
<tr>
<td>Bering Sea/Aleutian Islands</td>
<td>20%-50%</td>
<td>50%-80%</td>
</tr>
</tbody>
</table>

The FPC recommends that the Council replace the above percentages with percentages based on historical distribution of catch as well as other reasonable options. The new alternatives are presented below:

Allocative Percentage Alternatives

1. Snapshot of 1989 fisheries (e.g., 1989 distribution of catch)

2. Historical shares of components of DAH from 1986-1989 by year and on average. (For GOA pollock, develop average for 86-88 as well due to possible skewing of average as a result of fishery performance in 1989.)

DAH components defined as:

a. catcher vessels delivering to shorebased plants
b. catcher vessels delivering to domestic motherships
c. catcher vessels delivering to foreign motherships
d. catcher-processors

3. In GOA:  

<table>
<thead>
<tr>
<th></th>
<th>Inshore</th>
<th>Offshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pollock</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Pacific cod</td>
<td>80%</td>
<td>20%</td>
</tr>
</tbody>
</table>

In BSAI:  

<table>
<thead>
<tr>
<th></th>
<th>Inshore</th>
<th>Offshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pollock</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Pacific cod</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Mr. Don W. Collinsworth, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

Dear Mr. Collinsworth:

Thank you for your letter on behalf of the Council requesting funds for economic and social impact analyses of major issues in the management of the groundfish fisheries.

While recognizing the need for the studies you described, I regret that the National Marine Fisheries Service is unable to provide funding at this time. Your request will be retained for consideration in the event potential resources become available. Questions concerning the status of your request can be addressed by Steven Pennoyer, our Regional Director in Juneau.

Sincerely,

[Signature]

William W. Fox, Jr.
Assistant Administrator
for Fisheries
PROPOSED SCHEDULE FOR INSHORE-OFFSHORE ALLOCATION ANALYSIS

March
16  Fishery Planning Committee meeting:
    - Status report on analysis
    - Refinement of alternative solutions
    - Preliminary approval of moratorium and community development specifications
    - Summary of preliminary legal findings
    - Information needs from industry

April
2-9  Meet informally with industry over draft economic data sheets (Seattle, Kodiak)
9    Consultants begin work on input/output and other socioeconomic models.
13   Send economic data sheets to industry.
23   FPC Meeting before Council meets.
24-27 Council meeting:
    - Review FPC recommendations.
    - Adjustments as necessary, taking into account final Council action on roe-stripping, and initial consideration of moratorium and community development provisions.

May
15   Economic data sheets due back from industry.
25   Initiate 30-day public review of industry projections and operations.

June
24   30-day public review ends on inshore-offshore industry projections.
24   FPC meeting on Sunday before Council meets.
August

? Develop proposed regulations. Add executive summary to analytical document that summarizes impacts using questions and answers focusing on a list of concerns derived from public comment.

? In-house review - staffs, SSC panel? legal, plan teams, expert panel?

25 Analytical package sent to Council family for review in accordance with Council policy.

September

23 FPC meeting on Sunday before Council meets.

24-28 Council meeting. Approve amendment package for public review.

October

9-20 Revisions as necessary.

23 Send to public review for 45 days. Hold hearings as necessary.

December

End public comment. Summarize comments and prepare for Council meeting.

4-7 Council meeting. Final approval.

January 1991

26 Submit to Secretarial review.

July 1991

Secretarial review ends. Implementation.

NOTE: Scheduling of additional milestones and some adjustment of dates will likely occur during the year.
February 15, 1990

Mr. Clarence Pautzke
Executive Director
North Pacific Fishery
    Management Council
605 West Fourth Avenue
Anchorage, Alaska  99510

Re: Shoreside Preference Proposals

Dear Clarence:

We are becoming increasingly concerned about the Council and NMFS staffs' ability to prepare an adequate analysis of the shoreside preference problem statement and proposed management alternatives in the time frame allotted by the Council.

The proposed amendment could have the most far-reaching implications for the Alaskan groundfish fishery of any FMP amendment ever developed by the North Pacific Fisheries Management Council. Literally hundreds of millions of dollars of present and future investment in the industry are at stake. The analysis of the management alternatives must, therefore, be as thorough and comprehensive as possible. The cost/benefit analysis required by Executive Order 12291 alone will require one of the largest analytical undertakings ever attempted by the Council staff and must include consideration of a wide range of issues. (See our letters to Mr. Pennoyer, dated December 7, 1989; and to Mr. Collinsworth dated January 19, 1990, copies of which are attached.)

At the time the Council voted to proceed with staff analysis of the shoreside issue at its meeting in Anchorage last month, it was our understanding that a thorough analysis of each of the proposed alternatives, including a moratorium on further entry of harvesting and at-sea processing vessels into fisheries
under the Council's jurisdiction, would be conducted. The concept of a moratorium was an integral part of at least three of the management alternatives (Nos. 3, 4 and 5). It now appears that time constraints may prevent the staff from fully analyzing each of the alternatives and that it may not be possible to analyze the effects of a moratorium at all.

Under the circumstances, and in view of the impact which some of the alternatives would have on the established groundfish industry, it would be irresponsible to short-circuit the analytical part of the amendment process in order to comply with an arbitrarily assigned deadline. If it will require additional time to develop the amendment package thoroughly, so be it. The additional time would be well spent.

If the Council is determined to take some sort of action at the June meeting, Council staff time might be better spent developing a moratorium as the initial Council action. A broad based moratorium on all additional harvesting and at-sea processing capacity is the required first step towards rationalizing the fishery. Fast track implementation of a moratorium would then provide an opportunity to review the allocation issues involved in the shoreside preference proposals in a more contemtative and reasoned atmosphere. Such an approach would have two additional side benefits. First, it would provide an opportunity for the Council to further refine its problem statement. To date, there have been at least four versions of the "problem" with which we are supposedly grappling. The most recent version was adopted in the closing hours of last January's marathon meeting. Until the problem has been adequately defined, it is impossible to identify, much less analyze, alternative management solutions.

Second, once the problem statement and list of management alternatives has been finalized, the Council could then seek a definitive legal analysis of the various management alternatives to see which of those alternatives could pass legal muster if ultimately adopted by the Council. Warning flags have already been raised by the Council's attorney(s) over several of the management alternatives proposed. Given the Council's current workload and the backlog of other management measures Mr. demanding attention, it would be extremely wasteful of limited resources for the staff to spend any significant amount of time analyzing options which might not be adoptable for legal reasons.

Finally, whatever course of action the Council follows, it is becoming increasingly clear that any analysis of the shoreside preference proposals must take into account the implications which those proposals have on Steller sea lion populations. Similarly, the mitigation measures and/or recovery
plan developed by NMFS in response to any declaration of sea lions as "threatened" or "endangered" under the Endangered Species Act must be considered in evaluating the regulatory impacts and cost/benefit trade-offs of the shoreside preference proposals. As we see it, these two issues are intimately connected.

Sincerely yours,

Vincent Curry  
Director, Government Affairs

cc: Fishery Planning Committee Members  
Mr. Steve Pennoyer  
Mr. William Fox
April 6, 1990

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

Chairman Collingsworth:

As owners of longline fishing vessels homeported in Alaska and Washington, we would like to express our concerns over the current direction of the inshore / offshore debates before the Council and the Fishery Planing Committee.

The Fishery Planing Committee of the Council will recommend to the full council that Pacific Cod and Pollock be the primary species that are considered in any allocation debate between inshore and offshore participants. It is the opinion of the below signed persons that the inshore/offshore allocation concerns was not created nor is currently being aggravated by the fixed gear operations in the Gulf of Alaska and Bering Sea.

The current options before the Council , such as a 50/50 decision of Pacific Cod fish between inshore users and offshore user would place some fixed gear operations in the inshore quota and another group of fixed gear operators in the offshore quota. We request that the fixed gear operations be treated as a separate unit. While there are considerable differences between factory trawlers and smaller shore based trawlers these differences do not seem to materialize within the fixed gear groups.

We would suggest to the Council members that if an allocation on Pacific Cod fish is warranted in the Bering Sea and / or the Gulf of Alaska that regardless of the allocation between inshore and offshore components the Council not include fixed gear operations in this decision. We suggest that you consider three alternatives listed below:

1. We propose that the Council treat the harvest from the fixed gear industry in proportion to the allocations given. If, for example, there is an 80/20 split in the Gulf of Alaska for inshore /offshore interest then credit any harvest by the fixed gear proportionately between the two. (If 100 mt. is landed by the fixed gear industry then 80mt would be credited against the inshore allocation and 20 mt. would be allocated against the offshore interest.)

2. A second option might be to allocate Pollock and Pacific Cod to inshore/ offshore only in the Gulf of Alaska and allocate only Pollock inshore / offshore in the Bering Sea.
3. Make three categories of allocation on Pacific Cod fish, such as, an inshore allocation, an offshore allocation, and a fixed gear allocation.

In conclusion we feel that the fixed gear industry is sufficiently distinct in this debate that the Social Impact Study and Environment Impact Analysis will show that the fixed gear industry has not and is not creating the current allocation problems and contributes positively to Alaska and Washington communities. We believe once the studies are completed that they will show that fixed gear harvest of Pacific Cod have the highest utilization rates with minimal discards and minimal PSC interceptions as well as providing the highest export values. We therefore request that the Council and their sub-committee review the options proposed above in the context of the inshore/offshore allocation dispute.

<table>
<thead>
<tr>
<th>Name</th>
<th>Company/vessel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Signatures and company names listed]
[Handwritten text]

[Signature]

[Handwritten text]

[Signature] Assistant Manager Fishing Vessel Owners Association
March 2, 1990

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

Dear Mr. Collinsworth:

I am a Sand Point fisherman participating in the shore based bottom trawl fishery in the Western Gulf of Alaska. I support the idea of a shore-side preference as a means of guaranteeing bottom fish for Alaskan boats, crews and shore-based plants. This year, locally owned boats and crews from Sand Point will catch more than 30,000,000 pounds of Pacific cod. Three years ago, the catch was around 2,000,000 pounds.

With the exception of one Sand Point boat, all of the trawling is done by converted salmon seiners fishing an area from Chignik to Sanak Island. Trawling provides the most cost efficient way of catching Pacific cod and which sells for $.15 a pound. (In the past, local boats tried long lining and one or two seiners, which did not undertake the $50,000 - $80,000 trawl conversion, are trying to fish with pots). Deliveries are made to Trident Seafood’s plant in Sand Point with catches starting in mid January and ending in May.

This is the season which will make or break us. If factory trawlers pull into the area, they can harvest the entire Pacific cod quota in a short period of time and move into other areas. The shore-side preference will allow us to continue in this new fishery.

Sincerely,

Jim W. Wilde

777 Wild Sea

Box 104
Sand Point, Alaska 99661

cc: Senator Stevens
Senator Murkowski
Representative Young
Tom W. Wildes
F/V Wilde Sea

William Gilbert
F/V Aleutian Dawn
F/V Pisces

Jack Foster Jr.
F/V Umnak

Paul Holmberg
F/V Sea King

Sam O. Brandal
F/V Misty Dawn

Louis Berntsen
F/V Advancer

John K. Karlsen
F/V Debbie O.

Andrew Karlsen
F/V Nor'Wester

Melvin K. Larsen
F/V Temptation

Raymond E. Nutt
F/V Unga

Wilbur McGlashan
F/V Bessie B.

Andrew Jacobsen, Sr.
F/V Oceania

Joe Judvick
F/V Melanie Joann

Hubert McCallum
F/V Patricia Anne

Norman E. Larsen
F/V Aleutian Belle

Henry Neilsen, Sr.
F/V Sea Spray

Charles Gunderson
F/V Karlin

William Dushkin
F/V Aleut Viking

Marvin Gilbert
F/V Nook

Harvey R. Foster
F/V Tradewind
Jan. 11, 1989

Dear Sir and Madam,

My name is Robert J. Davidson and I work on the fishing vessel Columbia which fishes for Trident Seafoods' shoreplant in Akutan, Alaska. I would like to bring to your attention a situation which is presently taking place with the American pollock fishing fleet in the Bering Sea.

Basically, there are two types of vessels fishing pollock in these waters: catcher boats which must deliver to shoreplants for off loading and processing of their product and the larger factory trawlers which have the capability to catch and produce their own product. Due to the need for a quality product the shore based boats are extremely limited in the distance form the shore plant they can fish. top speed for the type of vessel which fish for the shore based plants is approximately 10 knots (10 mphs) in good weather with the boat unloaded. In bad weather, which is very common for this area and with a full load of fish, that top speed very often drops as low as 5 knots. This means that even an 80 mile trip to the plant can take as long as 16 hours!

The factory trawlers, on the other hand, have an unlimited range where they can fish because they process their own product. Unfortunately instead of fishing in areas further from the shore plants, they continue to fish the areas we are limited to. The factory trawler fleet is growing rapidly and as each new factory trawler comes to the Bering Sea they put a larger dent in the pollock schools we are limited to fish. Also because they process their own product on board, they are almost continuously fishing. the shore based boats, on the other hand must spend a day in port every three days being off loaded.

This continuous fishing capability leads to a second problem. Due to the unprecedented growth of the factory trawler fleet it is believed that soon they will be able to catch the entire pollock quota in less than 6 months. So what has in the past been year round employment for a large number of people will now be only half yearly employment.

Personally I believe that this will put some sort of an
economic strain on these individuals home states. Where will they find employment for six months out of the year? I'm not just talking about the fishermen. It is much bigger that. This year the shoreplant in Akutan will employ 400 to 500 people. That just one plant alone. I'm not sure exactly how many people are employed at fish plants in the whole Akutan and Dutch Harbor area but that number must be in the thousands. These are people who take their income home with them each vacation and spend it in their home community. This is millions of dollars that would normally be spent in your home communities annually. This will have to have some sort of a detrimental economic impact on the area you preside over. This is definitely a problem which will require deep thought and further research on your part.

Basically there are two things needed to be done to resolve this problem before it occurs.

1.) Divide the pollock total allowable catch whereby 50% of the quota would be allocated to vessels delivering to shore based processors and 50% would be for at sea processors.

2.) Create an "in shore fishery zone" around Unimak pass in which only vessels who deliver to shore based processors can harvest pollock.

I have enclosed maps which cover the area I am talking about. On them I have shown the areas where shoreplants are located and the area we are limited to fish in. Namely the area inside of 168 degrees through 163 degrees west longitude and 56 degrees north latitude south to the Aleutian Islands.

I have also marked the areas where we fished during my last crew rotation (Aug. & Sept.) when I observed factory trawlers fishing the same general area. This list can go on for ever as factory trawlers are continuously within sight of our vessel. This is just a random 2 month span. It was also during this time frame where the entire area east of the 165 line was close due to factory trawlers catching a large amount of King Crab. This area was not re reopened until Jan. of this year.

There is on another thing I would like to bring to your attention. since we go to port every three days, our garbage is taken in with us and destroyed by the shore plant. I personally believe that the factory trawlers just throw their
garbage overboard. I can't prove this, but whenever we tow our net behind a factory trawler it come up full of garbage. It is not just the plastics either. It is empty 50 gallon drums, various mechanical junk, conveyer belts etc. then there are all those fish skins and heads. Each fish is deheaded and skinned and then this waste product is discarded over board. There are times when its like fishing in a giant fish cemetry. The net comes up full of heads and skins, which for sanitary reasons we have to pick out. All of this waste must have some kind of adverse effect on the marine environment of the Bering Sea.

One big reason I am writing you at this time is because a vessel called the Ocean Phoenix has just arrived on the fishing grounds. If you are not aware of this vessel it is 670 foot processor capable of processing a million pounds of fish a day. It has catcher boats delivering to it night and day. Like the factory trawlers this vessel has unlimited range but it is also right here in this area we are limited to. If a few more monster processors like this arrive along with the added factory trawler fleet I'm afraid the strain on the pollack schools in this area will be far to great. Please give this matter some thought before it is to late. The Bering sea is a very large body of water filled with natural resources we can all enjoy and share equally. The total area of the Bering sea is 878,000 square mile, with the American portion being at least 60%. This is a low rough estimate, that would put the American waters in the Bering sea at around 526,800 square miles. The portion we are concerned with is only 30,728.5 square miles. That is only 5.8% that we would like set aside for shore plant operations. 5.8% sure doesn't seem too unfair to ask for. I'm sure that with the proper management and guidance this portion of the Bering Sea will remain a great resource for bottom fish for generations to come. Please feel free to send me a response at:

work: Robert J. Davidson
F/V Columbia
Trident Seafoods
Pouch 702
Dutch Harbor, Alaska 99682

home: Robert J. Davidson
29017 South Creek Rd. E.
Graham, WA 98338
Thank you very much for your time. I am extremely interested in your opinion.

Sincerely,

Robert J. Davidson
Robert J. Davidson

I have mailed copies of this letter to the following:

The Honorable Dan Burton
The Honorable Peter DeFazio
The Honorable Ted Deutch
The Honorable Mark Takano
The Honorable John Shimkus
[United States Capitol, Washington, D.C. 20515]

The Honorable Jerry Nadler
The Honorable Don Beyer
The Honorable Zoe Lofgren
The Honorable Steve Israel