

North Pacific Fishery Management Council
Portions of Discussion on Scallop Moratorium Elements
April 23, 1994

[To save time and space the formality of seeking and receiving recognition from the Chair has been omitted throughout.]

Tape 58 (Immediately following the end of public testimony on this issue)

Lisa Lindeman: Yes, before the Council started discussion about this issue I have some things I want to lay out that might help the Council building a record for whatever action the Council takes. The first issue that I think needs to be addressed is whether or not an FMP is necessary, and one of the questions under that concern would be for the Council to address whether or not the state is adequately managing under the current system, or are there changes that could be made under State management to adequately resolve the identified problems of excess capacity and overcapitalization. And under that issue, another question would be to ask what the costs are associated with implementation of an FMP, and what are the benefits and that might be referred to staff. A third question would be what should an FMP look like--like the Crab or Salmon FMP or some other framework and then what would the problems be under each of those. Another question is, with respect to the development of any limited access system. And here you're considering a moratorium. The Magnuson Act requires that the Secretary take into account all factors that are listed in 303(b)(6) which are present participation in the fishery, historical fishing practices in and dependence on the fishery, the economics of the fishery, the capability of fishing vessels used in the fishery to engage in other fisheries, the cultural and social framework relevant to the fishery, and any other relevant considerations and the Act does not require that each factor be accommodated by whatever system you develop if you find that other factors should be given preeminent weight. And the Council and the Secretary have the discretion to override any of the listed factors when it's justified in the administrative record. The administrative record needs to reflect that each of the listed factors have been adequately taken into account. And, the next issue is the control date issue. As I said before, the control date only gave fishermen a heads-up that a limited access system might be adopted by the Council and the Secretary in the future. The Council will need to justify any control date or cut-off date it wants to adopt by explaining how such a date is related to overcapitalization and excess capacity and any other problems that you've identified and how exclusion of participants who entered after that date will promote optimum yield in the fishery and assess the effect of exclusion in light of present participation and in historical dependence on the fishery, reasonably concluding that they were outweighed by other relevant considerations. And, then, the last one I have listed is consideration also of National Standard 4, and the Council would need to answer how the provisions of any proposed moratorium that gets developed meets the requirements of Standard 4 that allocations of fishing privileges must be fair and equitable and reasonably calculated to promote conservation. That's not an exclusive list but those are the ones that are of primary concern, I think, to General Counsel when you're considering this issue.

Clarence Pautzke: Lisa, have you had a chance to review the draft fishery management plan for scallops that we had out for public review?

Lindeman: Yes.

Pautzke: Did you find it deficient in any way as far as the content?

Lindeman: I decline to respond to that question at this point. I'd have to consult with staff and it also depends on what the Council comes up with in building the administrative record here. On the administrative record in the justification that would be considered isn't confined just to the written document. But what my comments

were is that maybe the Council could take into account what industry had said, the document, own experience, and focus on some of these issues at least.

Chairman Lauber: Any other questions of NOAA General Counsel? O.K., thank you, Ms. Lindeman.

Linda Behnken: I'm having a really hard time with this one and feel like a little more direction from Mr. Pennoyer or NOAA General Counsel on the flexibility we have at this point with changing the qualifying criteria from what has gone out to the public to anything different from that, to do that at this meeting without any additional comment or any additional review, and also a little more guidance on the flexibility we have redefining a moratorium from just closing of the door to actual sort of cut the size of the fleet. I think some of the things you just read give me some help with that, but I sure could use a little bit more.

Lindeman: With respect to flexibility in redefining or whatever the qualifying criteria, the Council has flexibility. It would just be that whatever the Council came up with, the analysis, that's been done would have to have included whatever dates, the impacts of the dates that you come up with. I'm sorry, not necessarily the dates, but the criteria that you come up with.

Behnken: I guess what I'm thinking of is, if we pick an option that is not one of the qualifying criteria currently in front of us and a vessel who may have qualified under one or both of these now does not qualify, is that within our scope to do something like that?

Lindeman: I think then maybe the Council could direct a question to staff as to whether or not the impacts of that were analyzed so that whoever would be affected would be able to know how they would be affected so that they could comment later. Does that help?

Behnken: They would be commenting then after we made our decision.

Lindeman: During the Secretary's comment period.

Oscar Dyson: I move the adoption of the proposal, the three-page proposal that was passed out to the Council. . .this paper here.

Lauber: That's the one labeled 'Moratorium Preferred Options for Scallop Management, Statewide Weathervane Scallop Fishery, excluding Cook Inlet.' [Second unidentified]

Dyson: I believe this is an effort to stabilize the scallop fishery to 8 to 10 boats and besides the Cook Inlet fishery which allows 3 boats in a small fishery. I think if there were any other large scallop beds in the fishery they would have been found by now, in the Bering Sea or the Gulf of Alaska. All of the gear types that fish in the fisheries would have found it. You would have found it trawling, you would have found it with pots, you would have found it with longlines. So I don't believe there's any real large undiscovered schools or beds and so therefore I think it's in the right direction to stabilize the fishery, allow the 8 or 10 boats to make a living, and if you overcapitalize like many of the fisheries then it's almost impossible to go back to where you have the chance that we have now on this thing here.

Ron Hegge: Could I hear the motion again, Mr. Chairman?

Dyson: The motion was to adopt the proposal as outlined in this 3-page paper.

Lauber: I think it was the one that was passed out timely with the Kandianis' testimony.

Hegge: The problem I have here, maybe it's just a perceived one, but over time we've attempted to take various actions in the scallop fishery from getting observers to various other things at this level and we were told we couldn't take any of that action until we actually had the FMP. And now it looks like we're getting ahead of the FMP again.

Dyson: I believe this moves the FMP along with the moratorium.

Hegge: That's O.K., that's all I was wanting to get clarified, if we can do parallel passing like that.

Steve Pennoyer: I understand the motion. I guess it probably doesn't satisfy the criteria laid out by General Counsel by itself with the justification given. I think you need to stepwise go through the need for an FMP, the need for a limited access thing, the discussions of the control date; I think we've got to go down through this. The current justification I don't think would provide for moving this forward as it sits, and I guess, as long as I've got the floor, I, like others have stated, I'm having a lot of trouble with this one. Looking back on the history of the fishery and judging where we are on scallops in the state at the moment and off the state it's hard to see that there's any rationale for 20 or 25 or 30 boats. I agree with the discussions Mr. Tagart pointed out on overcapitalization. We probably don't know exactly what that is, but most of the information I've seen indicates that it's probably not something that's . . . [unintelligible] unless the resource is two or three or four or five times what the State is proposing if the number of vessels increases substantially. On the other hand, looking at the history of the fishery which has been influenced by a lot of factors, but still there consistently have been 6, 7, 8, 9 vessels in the fishery and we know in fact that some of the beds have been fished down at time and then cycled to come back. So, it's hard for me to accept the idea that OY is promoted by having a very substantial number. On the other hand, I don't have a rationale for picking between one particular number and another and I would think that that type of analysis is where we would go in the next step which I would assume would be a license limitation, IFQ or something like that. That's the approach we took in groundfish and crab. I think it's the general approach we've taken with moratoriums that aren't heavy on the analytical side of the socioeconomic effects of doing that moratorium. I see a lot of proposals that vary by one year this way, one year that way, owner this way, exempt this area that way, and they seem to fluctuate between one or two boats. It makes it difficult to talk about. When you're dealing with the sablefish and groundfish and fisheries in general we were talking about multiple thousands of boats and we didn't exclude literally hundreds. Here we're down to whether it's good to have 10 or 12 or maybe 11 or 9 or numbers like that, and I'm not sure how to pick those and I'm not sure how we justify slight variations in the theme. So, starting down the list as pointed out by Ms. Lindeman, I think I would agree, and I didn't come to the meeting having made my mind up on that, that an FMP is necessary. I think that the need to make sure there is a management regime that applies in federal waters and can't be somehow circumvented requires that we do adopt an FMP. I think the FMP we want to adopt is something like the Salmon FMP where there's a federal permit and it does therefore allow the State regulations in essence those we adopted by reference or categories of regulations. And I think at that stage, that's as far as I'll go with that and maybe the comments on the moratorium deserve more discussion.

Dyson: Steve, I think if we look at all of our fisheries and see the condition they're in and how overcapitalized that they are, if we had taken when we had a chance back years ago to put a moratorium on most all of those fisheries we wouldn't be in the condition we are today. And here we have a chance to put a moratorium and have an FMP before this fishery is completely ruined. That's why I believe if we have a chance we should take it.

Pennoyer: I don't disagree at all. I think a moratorium is a good idea. My problem is picking option A, B, C, D, E, F, G, H, I, J, K, that vary by one vessel this way, one vessel that way, five vessels that way and that's what makes it difficult. And I don't have any particular analysis as to how that affects those that are out or those that are in. That's my difficulty, not the concept that we need to do something, I agree that we do. I agree with a federal FMP, including a moratorium of some kind.

Dyson: One more question. You see that the TAC was 2,700,000 and now the SSC has recommended 1,800,00, so it's a declining fishery and we want to open it up to 22 boats, I don't think that should happen.

Pennoyer: What I heard was that the SSC was uncertain and thought that the uncertainty demanded we not go to the upper level, not that it was necessarily a declining fishery. I don't think we know exactly how it's cycling, I'd ask Dr. Tagart that, but I think the concern was the risk of allowing very much more exploitation the State was proposing until we know what we're doing.

Jack Tagart [representing Washington Dept. of Fisheries at this meeting]: The SSC was basically looking at the empirical data they had in front of them about the development of the fishery and the history of the fishery catches over a long period of time and the expectation under the proposed optimum yield specified in the [Change to Tape 59] fishery management plan that catches could be increased. And it was the SSC's conclusion that the evidence available today would suggest that we should not go beyond the catch of record as a level for optimum yield at this time. They made no judgement whatsoever about what the actual relative abundance or absolute abundance is since it is unknown. The question is simply, given the limited empirical information you have in front of you, how are you going to rationalize some level for optimum yield and I would suggest that in the future what this fishery needs is some deliberate assessment of the abundance of this resource so that that optimum yield can be put on a more sound basis.

Lauber: And that was in their recommendations, that there be extensive studies or whatever.

Bob Mace: Carl Rosier alluded to the problems that we had on the Oregon coast some years back and my experience there is that small beds are very vulnerable to the efficiency which some of these people demonstrated in taking scallops. Our Oregon fishermen really didn't know how to catch them and we had some visitors en route from the East Coast coming to Alaska and they stopped by and it didn't take very many days before we went out of the scallop business and I think that I would, based on that experience, I would tend to err on the side of a very conservative limit on the number of people that are involved in this and I would support the motion.

Carl Rosier: I think Mr. Dyson was right on target. I think that his comments about this being an opportunity for us to deal with this before it gets out of control is right on target. It's showing all the symptoms of a classic case of reaching an economic level that the present fleet cannot be maintained and as Mr. Mace has just stated there's the real potential here for overexploitation of the individual stocks. As I stated yesterday, I've watched this fishery since its early days in the 60s and almost every time that we have a peak we see the fleets returning to those same beds on a consistent basis. There may be potential out there in terms of some additional stock somewhere but to date I have not seen the evidence that would in fact provide us with that kind of a basis. Seems to me that the moratorium and the control date certainly comply with the Magnuson Act for establishing a system for limited access to the fishery. The Act certainly requires that the Council and the Secretary take into account the factors of present participation, historical fishing practices, and dependence on the fishery and the capability of the vessels to be used elsewhere have to be taken into account as part of the decision process. I think our control date of January 20, 1993, the purpose of this control date was to discourage speculative type entry into the fishery for development of further rationalization within the fishery. I think the Council recognized, and think that we all recognize that there's going to be vessels that are going to be excluded in any system that we put forth, that just part of the system, vessels are in or they're out. I think we have to make the best decisions we can and I think that that's what we're attempting to do here in terms of looking at the history, looking at the current participation and what the needs of the resource are.

Behnken: I have a question, clarification, from the maker of the motion. In Part B of this where it says 'you must have participated in a 5-year period and make a landing in either '92 or '93,' is that '93 part of that, that you had to have made the landing prior to January 20, '93 as specified above, or is that before the end of '93?

Dyson: I think it was January 20, 1993. I believe that was what the proposal stated.

Lauber: I'm not so sure that's the case; it has the qualifying date in there, but, maybe we could have clarification on that.

Behnken: Yes, I would like clarification on that. My point would be, first I'm a little uncomfortable with moving ahead with a totally new set of options and I have some questions for staff on that, but if we are using the . . .

Lauber: Well, if Mr. Dyson says that's what his motion is, and that's the way it's interpreted as of now, the Chair will rule that it must have made landings before, I guess, January 21, 1993, but I wasn't interpreting it that way when I read it, but that's what his motion is.

Dyson: Well, the motion was to go along with what the proposal said.

Hegge: It appears that this motion should be separated and addressed in its separate issues -- first addressing the FMP and then the other components of the motion separately. I would so move, that either make it a separate motion or else with a friendly amendment that we approach it in that manner.

Lauber: It's been moved that we bifurcate the motion with the FMP as one issue and the moratorium as another issue. [Someone seconded the motion] Is there any objection to the motion? [None] So ordered. Which one do you want to go with first?

Pennoyer: I think it's got to be whether you have an FMP at all and the need for an FMP comes first before you argue the pieces of it.

Lauber: O.K., that's what we'll do. We're discussing the need for an FMP.

[Transcription now skips to the specific consideration of the moratorium options]

Tape 64

Pennoyer: As a starting point, move the AP recommendation.

Behnken: Second.

[AP recommendation inserted here for reference]:

The AP recommends that the Council adopt Alternative 2 with the ending date changed from July 31, 1993 to December 31, 1993. In order to fully recognize the long-term investment some participants have in the fishery, and to comply with National Standard 4, we further recommend that the moratorium license be issued to the owner of the vessel at the time the vessel qualified. The intent is that if two owners qualify for a single vessel, the most recent owner qualifies. Each vessel generates only one moratorium license. Motion passed 15/6. Minority Report attached.

Lauber: It's been moved and seconded, the AP recommendation . Any discussion?

Mace: How many potential participants do we have with the AP recommendation? Will you summarize that, or have it summarized by the staff, please?

Pennoyer: If we could get staff to the table, because I think as we run through this thing we're going to have to discuss how many are in or out depending on whatever modifications we make of any of this.

Pautzke: The AP report refers to table 2 on page 5 in your notebooks under the action memo; I think they used that as their reference document for things like exemptions and so on as you get into their motion.

[Relevant portion of Table 2 from Action Memo is inserted here for reference]:

Table 2. Preferred scallop fishery moratorium options identified by the Council at the September 1993 meeting.

Qualifying Criteria: There were two sets of qualifying criteria developed for analysis, and these are:

1. Vessels must have participated (made landings) in either 1991 or 1992, or must have participated for at least four years between January 1, 1980 and January 20, 1993.

[NOTE: under this option, a total of 10 vessels would qualify.]

2. Vessels must have participated (made landings) in either 1990, 1991, 1992 or 1993 through July 31, or must have participated for at least four years between January 1, 1980 and January 20, 1993.

[NOTE: under this option, a total of 17 vessels would qualify.]

Under either qualifying criteria, vessels that were in the "pipeline" to fish for Alaskan scallops (i.e., under construction, being refitted, relocated, etc.), but had not made landings during the qualifying period, would not qualify under the moratorium.

Lauber: And the AP report basically recommends Alternative 2 but with a change in the ending date from July 31, 1993 to December 31, 1993.

Pennoyer: I'm not recommending that we necessarily adopt that particular number because I don't know how many vessels that amounts to. What I'm trying to do is somehow pick a benchmark we can go from and discuss our real objective of what we want to do for this fishery. Rather than discuss one year here and one year there and one submodification here and one there, I think we need to decide what our objective is here and then see how to fairly structure it. The AP took one shot at that, sort of threw up their arms as to a way to say this one person deserves to be in and this one person deserves to be out, and set us a benchmark which in my opinion, by the way, is too many vessels in the fishery; it's not what we want in the long term. Assumed . . . [unintelligible] . . . moratorium they were just going to be a starting point and we would move quickly, whatever that means, to something else. I have other proposals here that limit us down to either. . . I think you could go anywhere with these subproposals and work them around and to come up with one particular vessel over another. My concern is that we're going to have some rationale for that and I don't see a lot of reason why one vessel is one more

deserving to be in the fishery, that's presented here, unless we discuss it. So, I put that as a starting point. I thought the staff could present the number of vessels involved at that point which I don't exactly know. I've heard anywhere from 19 to 23 depending on whether Cook Inlet's involved or not involved, and I just think we ought to get that information out on the table.

Lauber: We have staff here. They can comment, or respond to questions. Are there any. . .we're open for debate on the motion.

Wally Pereyra: I have mixed emotions. On one hand, I recognize that the scallop fishery is getting quite crowded, but I recognize that we also have the same situation in other fisheries under the Council's jurisdiction which have created some economic hardships for the participants. On the other hand, though, I recognize that we have certain national standards that are supposed to be our guidelines, and National Standard 4 talks to management measures, particular those involving effort limitation, to not be discriminatory, to treat all citizens of the country with equality, and also that they be fair and equitable. And I think using that as my guide, Mr. Pennoyer's motion is probably in order. I think it does allow for participation by the recent participants and takes care of some of the issues involving those individuals that might have what you might consider a reasonable pipeline requirement. So I'm going to vote in support of Mr. Pennoyer's motion.

Behnken: I wonder if we could get clarification. My memory was that this AP recommendation included somewhere in the neighborhood of 21 to 23 vessels, 3 of those being the vessels that have only fished in Cook Inlet?

Dave Witherell: My best estimate on the number of vessels here would be 20 under the AP motion, and that is 16 vessels under standard qualifications, 3 Homer vessels, and 1 vessel that falls under this owner of the vessel at time the vessel qualified.

Pennoyer: The Homer vessel was a quote, standard vessel, it wasn't a Cook Inlet vessel, is that correct? So it's 17 vessels that would allow to fish in the general fishery. If there was a split between the Cook Inlet and the general, which we haven't gone into yet, but if there was, then the Cook Inlet would be 3 and 17 would be the number in the rest of the area, is that correct?

Witherell: That's correct.

Behnken: My understanding is that this one vessel, the owner at time of record, David, also has fished Cook Inlet. Is that not correct?

Witherell: That is correct. Earl just clarified that for me; that 17 vessels, one of those vessels would also be able to fish Cook Inlet unless Cook Inlet was, say superexclusive or something.

Behnken: So it would be 17 under the general offshore, 4 in the Homer, I mean Cook Inlet, sorry.

Witherell: Correct.

Robin Samuelsen: Are we only discussing the first part of the scallop moratorium here, the AP recommendation?

Pennoyer: Yes. I intended to bifurcate it and discuss the numbers first, the moratorium date, not all the provisions, would be the first part. Qualifying criteria.

Pautzke: Dave, you said that 17 would be involved under that? Now you had in the notebooks that 17 would have qualified if you used the July 31st cut-off; weren't there more boats that came in in August or was that just the Cook Inlet fleet, that's just Cook Inlet that was open.

Witherell: Cook Inlet was the only opening after our July 31st cut-off date.

Pennoyer: Speaking to my motion, if we bifurcated this at some point, with Cook Inlet specific, then you have the same numbers as alternative 2. In the general areas you just add Cook Inlet as a special category by itself, and if you did that, some type of exclusive qualifications, that is not adding all those vessels to the general part. I don't know what you want to do; I'm just saying I started it out, if you want to continue subdividing you end up with about the same place as alternative 2 except for Cook Inlet.

Behnken: Speaking to that motion, I've had a really hard time with coming to some kind of opinion in my own mind about the right thing to do in this situation, and I think it's clear that we're dealing with a resource that's very vulnerable with a gear type that's potentially very high impact, both on this resource and on the other resources such as crab that may come up in the dredge. And, I think that it's very clear that the number of boats getting in under this kind of a moratorium is quite a few more than ought to be in this fishery in the long run. We have economic hardship of the people traditionally in this fishery; there's a whole bunch of reasons why we would want a more restrictive moratorium. I guess where I'm really having trouble with doing anything more restrictive is that traditionally a moratorium is a closing of the door and that the more restrictive measures such as license limitation or IFQs come after we have a lot more socioeconomic information in front of us. And I would have a hard time I guess at this point being much more restrictive of this unless someone can present some information that so far I haven't seen.

Rosier: I share a little of that frustration on this particular issue. I think we definitely want to be fair to all the people on this, but it's a situation where, again, it appears that we may be not going far enough soon enough on this. If we are in fact going to be dealing with 20 vessels or 21 vessels, we've already heard from the people out here that with where we are right now with 12 vessels we are not cutting it in terms of the economics of the fishery. Basically, people are going to be put out of business. I think that when you look at the mix of people that are involved in this, quite a cross-section of our nation's population that's involved in that, all the way from Alaska all the way around to the East Coast. It really seems to me that we adopted the date on January 20th, that should have put people on notice in terms of coming in, but it seems to me that by changing the dates, permitting additional vessels to perhaps come in, is the wrong direction to go. From the resource standpoint it appears to me that, and we heard testimony to this, of how the fishery is in fact conducted out there, that the competition on the grounds becomes greater and greater with every opening, that whereas the fishermen were able to in fact move around and harvest for brief periods of time on stocks and then move on to another, let the stocks rest, we've managed over time to in fact evolve a very high quality, high value fishery out there. It seems to me that we're really putting that fishery at risk in this particular decision.

Dyson: I too believe that 17 vessels is too many for the scallop fishery to sustain. I think you'll form overcapitalization and your fishery will soon be destroyed.

Robin Samuelsen: I also feel that 17, 16 vessels and the one being built, a total of 17, is too much for the fishery. I look under our executive summary under fishery status and in January 1993 the reason why we called for an FMP was to protect the fishery from further overcapitalization and if this vote passes we're doing exactly what we're trying to prevent to do. And the Council anticipated that once this control date was implemented that there'd be an increase in fishing effort and sure enough, according to the fishery status report here, it happened. We've had public testimony that said that the last few years that this fishery, because of the amount of participants, has been necked down to a four-month fishery, that it's leaking red, that it used to be a in-the-black fishery, and we've had people testify that we need to do something and you know I hate to put people out of business that invested

in the fishery, but I've also got to recognize the historical right that the people participated in that fishery, their historical rights. We have very little biological information on this fishery, we have a high bycatch problem, so I'm going to be voting against the motion because I feel that it's just too many participants. You know, it'd be easy to let 21 people in there and let 21 people lose money and have the bycatch problems across the board with these folks, but that isn't rationalization in my mind, so I'll be voting against the motion.

Alverson: I'm going to try an amendment to the motion: **That those vessels added by the Advisory Panel recommendation over and above Option 1 found in the RIR, excepting the provisions that the Advisory Panel had given us with regards to Homer and the pipeline, would be granted non-transferable permits which would expire upon the sale or change of ownership of their vessel.** [Behnken: Second] I believe that the comments that Robin and the Commissioner have put forward. . . [tape change over--lost some discussion here]

Tape 65

[Alverson] . . . the halibut/blackcod fishery in '82 and then again in '84 when the Council was posed to eliminate 300 to 500 operators out of 5,000, and I can tell you that was an easier decision than dealing with these seven, because it gets very personal and it is very personal to them who have come up here, many in good faith, and tried to participate and for one reason or another got locked in. But the people that have testified in the terms of their economic survivability at stake also have a legitimate cause here. I'm also persuaded by Wally's comments about what a moratorium really is and that it might be broader. My amendment is an attempt to, over time, to reach an optimum goal and that's why I've submitted the idea of a non-transferable permit that would expire upon people's sale or leaving the industry.

Pennoyer: As I understand it, the motion is that we use Option 1 and then any vessels beyond Option 1 that qualify under the current option are subject to this provision except for Cook Inlet and the pipeline thing. So, could we get the staff to say what that means, because I'm not sure of all the ones in Option 1 and Option 2 are exactly the same boats, is this the same horizon of vessels, can we assume that everybody's. . . that we haven't included a few extra ones in Option 1 that wouldn't have been in Option 2, or are they the same vessels, see what I'm saying?

Witherell: The double counting situation only occurs with that one vessel regarding the owner at the time the vessel is qualified, it's a historic participant.

Pennoyer: Other than that they're all the same?

Witherell: Yes.

Hegge: I didn't hear all of the motion, but I did hear the non-transferable part. I'm not sure how many boats, if it's still the 21 boats or what, but transferable/non-transferable really doesn't come into play that much in a moratorium. We're not talking about license limitation here; this is just a dated moratorium, so it's not making that much impact if you make it transferable or not, and you're still affecting very greatly the program that follows and who may or may not be eligible for that and what eligibility they might have, any number scenarios there, so I guess I don't, on the basis of that, support the motion. I don't know for sure if it's a way out for us.

Lauber: We have before us Mr. Alverson's motion.

Alverson: I don't follow your objection, Ron. On a moratorium people are going to buy and sell out of the moratorium. You can't have a lock-out type of system, or lock-in type of system, so over time there are going to be sales and people leaving and moving around in the industry even under a moratorium. We've had a 15-20

year moratorium on salmon gillnet and seine operations on Puget Sound and those trade back and forth under a moratorium mechanism--way too many more than we need down there, but they still trade.

Lauber: Well, I think you're correct, Mr. Hegge, in a sense that I don't know how many transfers there might be if there was a 3-year moratorium. I think this also has a component where a moratorium could be extended as long as we're working towards a limited entry regime, so it could be longer than just the 3 years; what is it, a 2-year extension, 5 years? Something of that sort. I don't know it would have a dramatic effect, but . . .

Samuelson:: I'd like to ask Mr. Alverson, under your proposal, we have the 10 . . .the 3 from Homer, would that be a superexclusive to just Homer?

Alverson: That's the way I interpret the AP's intent; it that's not accurate then I need clarification also.

Samuelson:: Then, I need to know how many will be in the non-transferable category.

Alverson: I'm assuming it's 7.

Lindeman: Two questions. Council might explain why the creation of this superexclusive area in terms achieving optimum yield, why? Then, as far as these 7 vessels that would have non-transferable permits, are they 7 specific vessels, or is it just the first 7 vessels that sell or transfer their permits? And if they're specific vessels then, again, explain in terms of optimum yield or whatever.

Alverson: The 7 vessels, Counselor, are the ones that I see. . .Option 1 is a more restrictive option. Option 2, which the AP has modified, which I consider an option 2 modified, and the 7 come about by examining the difference between the Option 1 provided in our RIR and the option the AP has come up with which, I believe, is a modified Option 2 with the provisions of the Homer as well as this guy that was involved in the pipeline that they identify. In terms of the Homer situation, the way I interpret the comments from the Advisory Panel, is these vessels had not participated to any degree, and I believe it's to no degree, except for one vessel, outside the Homer area, and thereby not having a history outside the Homer area, so that's the way I interpreted their public comment and the presentation of the Advisory Panel.

Lauber: Is most of the difference of those additional vessels because of the cut-off date, isn't that the major reason, when Counselor asked for a reason. . .

Alverson: Well, yes, one's a more liberal cut-off date than the other, that's why there's 7 vessels. . .

Lauber: . . .to make a distinction between those that were in before the cut-off date and those that entered after the cut-off date.

Lindeman: So, it would be the ones that had entered after the original cut-off date or whatever, are those the vessels that would have non-transferable permits?

Alverson: The ones that came in after would have non-transferable. . .

Lindeman: So, in effect, the Council's deciding to weigh, which is O.K., to weigh historical participation over present participation?

Alverson: Correct.

Lauber: And I would presume that when we get to an ITQ system or whatever form of limited entry, then that Council can decide what they want to do as far as. . .

Pennoyer: Perhaps we can get staff to square this away because I'm not clear whether you simply take what the AP motion did to Alternative 2 and how that compares to Alternative 1 and number of vessels. If they could give us some definitive numbers.

Earl Krygier: I'll take a cut at that. I believe what the AP has done, they've included 1990, is that correct? [Someone said "yes"] And they've gone all the way through 1993. Now, the original proposal had a second caveat which is, if they'd fished four years, 1990 through the control date, then they also qualified, so that gave us some other vessels that added on and the number I have is 18 at that point. Now that doesn't include the Cook Inlet area, which is separate. Now, the new entrants after the control date were four vessels that did not qualify under other scenarios. So, there are also, by including 1990, you include 1 vessel that's bankrupt and gone, 1 vessel that's forever gone trawling as far as we know, a vessel which is sunk but qualifies by fishing 4 years, and a vessel that is now presently on the East Coast, if you include 1990 in that option. And anyone else who fished in 1990 would be included in the '91, '92, '93 scenario, so you could accomplish what you want and reduce that number even further if you did '91 through '93 and give permanent permits to those who fished '91-'92.

Hegge: I don't know if someone from staff or who can tell me why we have two control dates and what the meaning is of each of them.

Witherell: The only control date that the Council has ever announced is January 20, 1993; the secondary cut-off was an option developed at the June meeting to incorporate all those vessels that fished in '93 that perhaps were being refitted. Rather than develop a set of pipeline criteria, it was felt that a secondary cut-off date might address that need.

Hegge: . . . would our conversation of that have indicated that we intended a pipeline extending beyond the January 20th that would have included vessels?

Witherell: The testimony indicated that there were vessels preparing to fish for scallops in '92 that had not made landings prior to the control date. These vessels did make landings in the July fishery off Yakutat, but that July 31st date as we found out did not include the Cook Inlet fishery which didn't begin until August.

Hegge: I don't know if you have a paper there that you could figure off of, but if we were to suggest an alternative that used participation in '93, landing in '93, as a key element, can you tell me where we would be on vessels?

Krygier: Is that only made landings in '93?

Hegge: If any other combination had to be combined with the landing in '93.

Krygier: There were 12 vessels that landed in the normal fishery and 3 landings in Cook Inlet that did make landings in '93.

Hegge: As I looked at this sheet that was handed out by Teresa Kandianis, it doesn't appear that if we used '93 as a key year that we would remove anybody that was a real participant. Am I reading that wrong? A recent participant?

Krygier: The January 20th, '93 date does eliminate some participants because they did not all participate in the.

Lauber: I think the question was, you were talking about all of '93, not just the control date.

Hegge: Yes.

Witherell: I think I have the information that Mr. Hegge is looking for. There was one vessel that participated in '91 that didn't participate in '92 and '93 and there's another participant that participated up through '92 but not in '93. So by going with just the '93 participants without the '90 and '91 you would not include 2 vessels, so it would drop from 17 to 15.

Pennoyer: Are those the sunk vessels, gone away vessels, or transferred to another fishery vessels that go?

Krygier: One of the vessels that didn't fish in '93 but qualified under the 4-year qualification did not fish in '93; the one vessel is dismantled and another one is sunk. Those are the '91-'92.

Pennoyer: Mr. Hegge's question was of active participants in '93, not counting Cook Inlet now, does that not cover all the recent and historical participants that have participated in recent years? If you look at just the '93. . .the sheet we've got shows. . .

Krygier: How recent are you talking about?

Pennoyer: Going back to '89 or so? Going back at least to '90. If you look from '90 on, doesn't the '93 participation cover every vessel that had fished in that period except the ones that are sunk, transferred or gone somewhere else?

Witherell: That seems probable, however I don't have that chart that you do and . . .

Pennoyer: I'm not using this chart as definitive, I'm just asking you from your records, if you use the '93 participation, doesn't that include everybody that fished back to 1990 except the sunk, transferred, or sold, if you include Cook Inlet and this owner thing, whatever that is.

Krygier: And the owner one, yes, the one with the 4-year qualification, because the only other vessels that would qualify under that 4 years are -- one is sunk, one would qualify by. . .

Pennoyer: And, how many vessels is that?

Krygier: Well, there's 12 that actually fished in '93; and those include all those ones you were talking about. In addition to those 12, there is one vessel that is a 4-year participant has been sold off and that's that owner issue; so that's 1 extra vessel. Then there's the vessel that fished 4 years and sunk, that's another vessel.

Pereyra: I just wanted to state that I'm certainly sympathetic with what Mr. Alverson's motion is intended to do, but I find that maybe Mr. Hegge's remarks a little more compelling that this is something that probably would be more appropriate under some kind of a license limitation system and as a point of reference, in the Pacific Council license limitation program they do have this sort of a provision for category B vessels, if they're sold they lose their Category B endorsement, so I think there's a way to do this but I think it should be done under a much broader analysis and so forth. And in addition one of the problems I have with this is if you use the criteria of when a vessel's sold or it's transferred there are a number of questions which are raised. Is the sale of stock of a vessel but the vessel still stays in the same corporation, is that considered a sale or a transfer? Or, what happens if a individual who owns a particular vessel decides to incorporate for whatever reason but he's still maintains 100% ownership, is that considered a sale? So, I think in keeping with the KISS principle, that we're probably better off going back to the original amendment and keeping it as simple as possible.

Behnken: I have a substitute motion but I'll hold it 'til after the break.

[break]

Alverson: I'm going to ask the second to relinquish his second to my amendment so that perhaps a compromise motion might be able to be made. [Done]

Lauber: Mr. Alverson's amendment's been removed and Ms. Behnken. . .

Behnken: I have a motion. I suggest we try this for the qualification criteria: **The vessel had to have fished between 1991 and the end of 1993, or a minimum of 4 years in the fishery with the moratorium rights going to the vessel owner when the vessel qualified. And also that we split out the Cook Inlet boats, vessels that only fished Cook Inlet and that they be given moratorium rights for that area only and that we use the same criteria of '93 or a minimum of 4 years in the fishery.** [seconded by several] I think that what this does is put enough emphasis on current participation to meet that criteria by allowing a large enough window for qualification that mirrors what we did, say, with sablefish and halibut. It's a 3-year window for having made a landing and gives consideration to the historical participation of being involved during that period. Also, a recognition of historical participation with that 4-year minimum in the fishery. Splitting out Cook Inlet I think is defensible. Those vessels, as I understand it, 3 of them anyway, have only fished Cook Inlet and they would receive licenses for that area only. The one vessel that has fished offshore and in Cook Inlet would receive moratorium rights to continue to fish in both areas. So I think it sort of passes the equitable test and meets the criteria of National Standard 4.

Alverson: Linda, I did not interpret it from your proposed action, but the vessels that fished outside of Homer I assume do not get to go inside to Homer?

Behnken: That's correct. The staff can correct me if I'm wrong, but I believe we have 3 vessels that would qualify to fish only in Cook Inlet; we would have 13 that would be able to fish only on the outside, and one vessel that could cross back and forth.

Alverson: One last question. Your motion indicated '91, were all the years inclusive, or was it any one of those years, '91, '92, or '93?

Behnken: Had to have made a landing in '91, '92, OR '93.

Pennoyer: I guess I didn't hear that last. Is it any of the three years, then -- '91, '92, or '93? O.K. Then, staff verify the number of vessels involved then? Is the 13, 3 and the 1 crossover, the number?

Krygier: I believe the number is closer to 15. By '91, '92, and '93, did you have a qualification they had to fish in '93 or not?

Lauber: Not and, it's or.

Pautzke: Any of those years or all four.

Krygier: Or all four; that adds. . . I believe 14 is the number, plus 3 in Cook Inlet.

Lauber: Are all those alive and well boats, those 14; any of those fall in your "sunk and destroyed". . .

Krygier: Using '91, '92, and '93, one boat has been dismantled and its equipment has been sold off; another vessel had fished actually maybe 5 or 6 years and sunk; I'm not sure whether they're planning to replace it. It sunk in 1991, I believe. And the third vessel is the one that was sold and the owner issue would be covered because they have a boat; they've testified to both the AP and the Council that they have a boat that they tried to fish last year but had propulsion problems. So, they would . . .

Lauber: So, your 14 is 12 or your 15 is 13, assuming they don't come back, I realize the potential, but. . .

Krygier: If the one dismantled vessel and the one sunk vessel do not come back, we're at 13, I believe.

Dyson: I don't like to see us move the control date, that bothers me, and I think the 14 boats also is too many. However, Linda's come up with a compromise vote that may allow us to go forward so I'm tempted to vote for it but I don't like it.

Lauber: Any further discussion on this motion? This would be a substitute motion and carry the original motion, Mr. Pennoyer's. Ready for the question. Is there any objection to the motion? One objection? One negative vote, motion carries. (Objection was by Samuelsen)

Lauber: All right, now that takes care of the first part of the moratorium issue. Now. . .

Alverson: We're done.

Pautzke: Well, the AP motion was quite a long motion. Mr. Pennoyer, when you moved the AP motion were you including the whole . . .

Pennoyer: No, I only included the qualifying criteria; I didn't go farther than that. I assumed we'd handle each piece of it separately. The next would be length of moratorium, Mr. Chairman.

End of Transcription

. . . Council goes on to address additional moratorium criteria. . .

Public Comment on Scallop Moratorium Alternatives
Before the North Pacific Fishery Management Council
April 22, 1994

Tape 53

Max & Scott Hulse: I'm Max Hulse and this is my son, Scott. We both sent in written comments which should be in your packet now. And the comment outline that you're just now receiving reflects two of the considerations from our written comments that we want to talk about. And, I'll talk about the first one. Should a moratorium be put in place, then due to the present wording of the moratorium my son and I are placed in a unique situation of not qualifying to fish during the moratorium. And we feel based on the history of our involvement in this fishery we should qualify. I must compliment your Advisory Panel in their understanding and overall insight and especially of our situation and their ultimate recommendation to you regarding a change in the wording which allows us to qualify. So that you have a better understanding of our plight, I'll quickly relate the details of our situation. The moratorium as it now reads specifies that a vessel qualifies to fish, not the owner. My sons and I owned the F/V Wayward Wind, a 47 ft. fiberglass vessel, which we fished during the qualifying period for six years, 1982 through 1987. We fished in both the Kodiak and the Cook Inlet areas. But we sold the Wayward Wind in 1988 and of course we knew nothing of the future moratorium at that time. In 1990 we started building a new aluminum vessel, doing the major construction ourselves. Our plans were to re-enter the scallop fishery but due to miscalculations by our Volvo engineers on the propulsion system we found ourselves repowering the vessel in 1993 and are now ready to fish in '94. Because the proposed moratorium guideline gives permits to vessels which qualified, not owners, and being we sold the Wayward Wind in '88, we would not qualify to fish. However, a recent entry vessel which fished only one or two years would qualify and yet with our history of six years fishing involvement we would not. We feel this is unfair. We did suggest to your Advisory Panel two changes to the present moratorium guidelines, either of which would have allowed us to qualify. The Advisory Panel has recommended to you a wording change in the moratorium by which we would qualify and my understanding is that this change would become a condition of the moratorium. I'd like to refer you now to the draft of their minutes, the Advisory Panel's minutes, bottom of page 3 under the heading "Scallop Moratorium." And I'll start with the second sentence as this section applies to us: "In order to fully recognize the long-term investment some participants have had in the fishery and to comply with National Standard 4, we further recommend that the moratorium license be issued to the owner of the vessel at the time the vessel qualified. The intent is that if two owners qualify for a single vessel, the most recent owner qualifies. Each vessel generates only one moratorium license." This change of wording would fairly reflect our situation and allow us to qualify. I would like also to address quickly the minority report on the top of page 5 which takes the view that only 10 vessels be qualified to fish during the moratorium. What they say then is 10 vessels and we are one of those 10 vessels, so I wanted to point that out. It wouldn't make any difference as long as the wording is changed according to the amendment made by your Advisory Council, we would qualify either under number 1 or number 2, either one. So, the wording change scenario would qualify Scott and myself to continue in the scallop fishery. We thank you for consideration of our past history of involvement in this fishery and ask you to adopt your Advisory Panel's recommendation regarding the wording change.

Scott Hulse: I'd like to address the second page in front of you. I have fished scallops, I'm the one out there on the boat usually, from 1982 through 1988. During that time I've owned a 47 footer, also a 150 ft. catcher processor. I've used 15 ft dredges, 8 ft and 6 ft dredges and fished in Kodiak area, lower Cook Inlet, also the Bering Sea. After talking in front of the Board of Fisheries and the Advisory Council and listening to their concerns and wants for the future of the Alaska scallop industry, I feel that my experience using large and small dredges, that areas need to be looked at for developing a fishery in nearshore areas close to coastal communities for small vessels. Areas like Cook Inlet, Kachemak area, should be developed for small vessels around 65 ft.,

limited to one 6-ft dredge. Also there seems to be a concern about expense about exploring and surveying new areas that are closed. The way we developed the lower Cook Inlet area, Kachemak, would work as well in other areas. In 1983 a proposal to open lower Cook Inlet by using the fishermen and their vessels involved to accomplish a survey of the area. Using a small 6 ft. dredge with an observer on board I went into the area and surveyed the agreed-upon area using a square mile grid approach. After surveying the area I was allowed to go back in and fish the most concentrated area found during the survey for a certain amount of pounds to help cover my expenses. Using this same scenario in other areas would ensure that we would know what is there before opening the areas and at little cost to the government. Setting up small scallop fisheries for near coastal communities for weathervane scallops would promote a sustainable long-term fishery, would promote more individual owner vessel participation and with limited dredge size and short seasons would help the scallop fishery peacefully coexist with other species in these areas. Most of all, it would put revenue in the coastal communities and thereby help the Alaska economy. I'd like to say one other thing, not saying there's a lot of other beds out there, but when they flashed that picture on the screen up there, there are other beds that they do not know about because most fishermen don't tell where they've been fishing and from my experience there are other beds out there. I'm not saying there's a lot more, but there are some.

Council Questions:

Linda Behnken: Thank you for your testimony. Is the Wayward Wind still active in the scallop fishery?

Max Hulse: No, the Wayward Wind was bought by a doctor; he lives here in Anchorage, and they halibut fish and they had salmon gillnet in Kodiak area. They never intended to scallop with it. But I guarantee you if they're awarded the permit to fish they'll bring the boat back in or they'll sell the right to do so. So, I guess what I'm saying is you'd be choosing between the two of us and they've never been involved in the fishery at all and you know our experience from what we said.

Behnken: And under what we've laid out, not what the Advisory Panel did, but what was in our document, that permit to fish, the moratorium rights stay with the vessel and they would go to the person who now owns the vessel.

Hulse: The way the Panel stated it, it would go with the person who owned the vessel at the time of qualification. And they had their intent in there so that, like Scott and I own the same vessel, we could still only fish one vessel. That's all spelled out in your . . .

Bob Alverson: I was under the impression that your boat sank and you are in the process of replacing it?

Hulse: No, sir. We sold it in 1988 and we rebuilt a new one, starting in 1990, always meaning to enter the scallop fishery again but we did it ourselves and we had some propulsion problems so we had to replace that in '93; we're just now ready to fish in '94, or we would have been in earlier.

Alverson: The vessel is completed and it has not fished this time?

Hulse: It hasn't fished scallops. We tried halibut and all and that's when we had the propulsion problems; they would have never pulled the dredges and that's when we had to talk with Volvo engineers and they agreed and we replaced our complete propulsion system in '93.

Alverson: Where was it built?

Hulse: We built it here at Grayling, did the welding and all; we did all the major construction, my son and myself and my other one.

End of questions.

Shirley Minio: I married Tom Minio in October of '79; we were both only 18 at the time. Tom got his first big fishing job on the fishing vessel Pursuit in July of '80 as a deckhand. In the last 9 years he has been Captain on the Pursuit, so in the last 14 years of our life Tom has been on the Pursuit, all of which has been in the State of Alaska. Together we have four children that have been born and raised in the State of Alaska. We have a steady crew of ten men all of which are Alaskan state residents for at least two or more years. Two of these guys are married and have children just to give you an idea how many people are involved with the Pursuit. We've had our ups and downs. In the early '80s when the large fleet came around from the East Coast; it cleaned up the grounds and left. We had a lot of hard times but through it all the scallop fishery remained a year-round fishery. Due to the arrival of many new boats in the few years quotas and bycatch caps have been set, fishing is now closed until July 1st; we now have 4½ months a year off. Crew members will have to look for other employment to survive during this time. Come July 1st when fishing starts back up we won't even know what kind of crew we'll be left to deal with. With the quotas that have been set fishing will probably only last 3 to 4 months. That's if we don't have problems with bycatch, breakdowns, stuff like that. Just to give you an idea what kind of financial bind this is putting us in, my husband's salary will probably drop from \$80 to \$100,000 a year to between \$40 and \$50,000 a year gross. Being a mother, I did my own budget plan here. Our mortgage payments a year run \$14,400; truck and car payments, \$7,920; car insurance, \$1,440; utilities, \$5,400; food, \$9,600--have to remember, I have 4 children; street tax, \$600; income tax, \$10,000 approximately: a total of \$49,360. This does not include fishing expenses, clothing, medical expense. I don't like the idea that my husband is going out there risking his life, supporting me and our family, just to get by. If fishing doesn't improve or it depletes more we stand to lose everything, even our house that we worked a long time to obtain. I have here today signatures that I've obtained from 300 different people who are in favor of the moratorium being passed, so here it is, where I sit. This is it; this is our life; this the only thing my husband has done for the last 14 years. He has lived and breathed the Pursuit. It almost seems like we're being punished for something we didn't do. All of you right here now hold in your hands our livelihood and the scallop industry cannot support any more boats. We need the moratorium passed and we need it passed now.

No Council questions.

Andrew Horner: I've been a scallop fisherman for the past 8 years. I've been a crew member and resident in Alaska for just over 3 years. When I first arrived in Alaska there were 4 larger boats, that's over 70 ft., fishing for scallops. This does not include the smaller Homer fleet. Since then 6 new vessels have arrived from outside Alaska and another 2 converted over to scalloping. That brings the total number of larger boats to 12. So, in my 3 years here the number of boats actively fishing scallops in Alaska has tripled. With the low catch rate and limited fishing time imposed on the East Coast boats Alaska my appear to be an alternative fishery luring more boats into Alaska waters. With the present fleet size and present scallop quotas we can catch the entire quota in a few months' time. Allowing more boats in the fishery has several downfalls from my point of view. First, the more boats in the fishery the less profitable it will be per boat. This could lead to the extinction of the pre-existing Alaskan scallop fleet to the financially stronger vessels or companies who can afford to hold out until the other boats went bankrupt or changed fisheries. There is 1.25 million pounds of scallops available in Alaska this year due to the closure of Kayak Island. With 12 boats participating this averages out to 104,000 pounds per boat. Even at \$6 a pound that's \$624,000 per boat, less the 4% State sales tax, that's just under \$600,000. Figuring on 4 months fishing time, observer fees will run at least \$22,150. After the Captain's bonus, the crew receives 58% less expenses, those being food and fuel. Fuel for 4 months would run at least \$52,000, and food another \$16,000, so total expenses would \$68,000. The crew would then have just under 250,000 to split between a crew of 10. Most boats have the maximum crew of 12, but even shorthanded with 10 crew members, that amounts to \$24,986 a year, or \$20,822 for 12 crew members. In 1993 I earned \$44,600 and in 1992 I earned \$38,800, and that's with a \$4,000 trip vacation. Even back in 1989 when I fished on the East Coast I earned \$30,000 and the cost of living is a lot lower back there. It's going to be hard enough to survive with the present

number of boats let alone allow more to enter the fishery. Two new boats would bring the average down to 88,000 pounds and 4 new boats, 77,000 pounds. You can only imagine what those numbers would do to the average crew member's wages. Scalloping is all I've done for the past 8 years and now I'm being forced to find a secondary job which isn't easy when you have to tell a possible employer that you intend to go scallop fishing in July. I'm presently unemployed and just gave up my apartment in Kodiak. I'm almost to the point of asking for food stamps as I was unprepared for this year's sudden closure and the lengthy duration of it. Second, a new boat unfamiliar with Alaska waters stands a good chance of excess crab bycatch in the process of looking for a productive scallop bed while the present fleet does have a rough idea of what areas to avoid due to past experience. This could lead to an early closure of the area before the quota for that area was caught. This had occurred on several occasions last year, mainly due to exploratory fishing. Not only does this reduce the total poundage of scallops available in the state but could also unnecessarily damage crab populations. And third, late last year we experienced a shortage of observers. On one occasion our boat had to stay in town 'til we had to hire a Fish and Game observer which cost us \$125 a day more, not to mention the lost fishing time. If we're experiencing shortages with the present fleet size, how will we be able to guarantee enough observers who I believe are essential in certain areas to deter excessive bycatch to an expanding fleet. In conclusion, I feel that if this fishery is left open to more vessels they will come and as the boat owners and companies tough it out to try to control the Alaskan scallop fishery there will be deckhands like me who will have to suffer through this or give up our livelihoods entirely. The moratorium issue has been postponed long enough and I urge the Council to please act on this issue immediately. Thank you.

Council questions:

Behnken: You said that your sense was that the fishery couldn't support more than the present fleet size and the present fleet size is 11. . .

Homer: . . . I went with 12 boats, that's how many were actively participating last year.

End of questions.

Ernest Biele: . . . I'm from Homer, the lower Cook Inlet district. I urge you to adopt the alternative 2, as recommended by the Advisory Panel. I think the vote was 15 to 6. I see it's the only way you can really be fair to the most amount of people in this situation. For one thing, [change to Tape 54 --words lost] . . . people in Homer, or anywhere, who should qualify, bumped out while you give some banker a notice he's in the fishery. That could happen if this isn't researched very well. One thing I'd like to touch on, though, is just what did happen in the Cook Inlet district, the Kachemak district. Back in 1986 two boats, in December after the season was closed, slid into that place and they closed out the fishing for us. And, what happened was the biologist for Homer, he decided it was going to stay closed for quite a while. He indicated that if we ever wanted it opened he'd have to be pretty much in favor of it and we would have to go before the state advisory board and get it reopened. So, every time I went in there and talked to him he'd just about throw me out of the office, didn't even want to talk about it. Well, I had talked to him last spring about this issue and he didn't even want to talk about it much. I was just minding my own business, eating breakfast out on the Homer spit and somebody asked me why I'm not fishing out there in Kachemak and I find out he gave another boat the opportunity to go fishing. I was never informed of this; nobody was informed of this. So we grabbed the dredge and took off and we got in on a piece of the action. But, you know, the years that bed was closed, that district was closed, fell in the criteria for being in this moratorium. And as far as this moratorium goes, I didn't know about it until I got my card last summer and walked back in to get my paperwork settled with him to start fishing and he just kind of mentioned this might be a limited entry fishery pretty soon. He heard through the grapevine that this was in the wind. You know, I feel like Fish and Game did us wrong on that one. Now I know they want to rectify it and they're trying to help us out with this situation and they've come up with an idea to let us stay in, but in an exclusive situation. Matter of fact, I think it's a superexclusive situation, which could help and rectify the problem. The only problem

I have with it is, though, and I think that no one's looked at this. If you run up to the top there . . . and look out the window, there's a bunch of oil rigs out there. And the first time those guys goof up our bed with some big mistake, we don't have somewhere else to go. That's why I'm not real in favor of the superexclusive situation unless maybe there's a provision made for that. The other thing, I'd like you people perhaps to take a good look at the Homer fleet. They worked real hard with Fish and Game to keep the bycatch level down and the other thing, it was always a small fishery, 6 ft dredge fishery, so the impact wasn't very great at all. I always felt that it kind of might open the door to maybe explore some other fisheries with dredge sizes at 6 ft and allow us to maybe range up and down the coast. Dutch Harbor/Unalaska has spots where that can happen. I feel we're being thrown out and we really didn't do anything wrong. It wasn't closed because of anything we ever did. So, again, I just urge you to at least take a fair view of us and fit us into the program number two.

Council questions:

Carl Rosier: Ernest, you didn't fish any other areas out by the Cook Inlet after the Cook Inlet was closed?

Biele: Well, I worked on the Hulse's boats with them in the years they had the Wayward Wind and Shalen Nicholas (?). Yeah, I fished and worked out through Unimak Pass country, Dutch Harbor area, and we went the outer Cook Inlet district but we didn't produce very much. We worked out of the Kodiak district and fished Hallowed (?) Bay and that country around Kodiak Island. That was in the 80's, but you mean fished as the skipper running the boat, or just worked in the industry?

Rosier: No, fished scallops specifically in any other area.

Biele: With the current vessel we're trying to get in? No, we did not.

End of questions.

Bill Coplan: My boat fishes out of Homer and I hire 3 to 4 crew members from the Homer area. I came up here in 1975 and worked at the Institute of Marine Science, University of Alaska Fairbanks, that's their oceanography department. I went to sea to conduct trawl surveys with NOAA on their ships and on the University ships in the Bering Sea and the Gulf of Alaska. I worked for IMS for 6 years. In 1981 I bought a boat and started making my living with it and I've been in business for myself for the past 13 years. One thing I want to say is I'm wholeheartedly in favor of the industry-wide quotas. From my science background I feel that this is the best policy to ensure the abundance and the health of the resource. That is and always should be the prime objective of the . . . and to ensure the resource is renewable. We fished the Cook Inlet-Kachemak Bay area in 1993. The area is very small, it's approximately 6 square miles; it's east of St. Augustine volcano, totally in federal waters. And, I want to correct the statement I made to the AP saying that about a third of it was in State waters; it's not. We looked at the charts and it's totally in federal waters. One other boat, also from Homer, fished with us during that 1993 season and we had a ADF&G person on board as an observer. We operate a small vessel with a crew of 4; they're all local residents, and we sold our scallops for \$6 to \$6.50 a pound, which is higher than the \$4.50 stated in some of the material that you have. We would like to request that the Cook Inlet-Kachemak Bay area be included in the FMP. That was recommended by the Advisory Panel, with the historical gear restrictions of one 6-ft dredge. We do not want to be a superexclusive area. Our area could easily be damaged, as Mr. Biele said, or destroyed by an oil spill. Of the 13 platforms that are in upper Cook Inlet and all the pipelines that go from the rigs to Trader Bay and over to Nikiski. Just two weeks ago there was a 4,000 gallon oil spill from one of the platforms. That could have very easily been 40,000 gallons and our bed could have been ruined. If we are superexclusive and the bed's ruined, we're out of luck. If you accept proposal A, that will exclude us from the FMP; the closing day of proposal A is July 30, 1993, and our season, as was stated earlier, doesn't open up until August 15th and ends sometime the end of September, whenever the 20,000 pounds is reached. One thing that I'd like to add is the decreasing landings in the 1980, 1983, bars and graphs that have been presented. One factor

that was not discussed was the economic factor of the price falling, from \$4.25 a pound to \$3.75 a pound; that could be substantial, and this caused some boats to stop fishing because it was an economic factor, not a stock factor. In closing, I urge you again to accept the amended proposal as adopted by the AP. I also find some irony in the situation. If proposal A is adopted the vessels that caused our area to close and denied us the ability to fish will now have the permission to fish that resource. Proposal A will lock us out, even though we have participated in 1993. I say "we" because I am speaking for the crew and their families and a local seafood processor in Homer that we also sold product to. We are local people that live here and pay taxes and want to contribute to the community. It's not just three boats of this little area that will be excluded; it's also their families. Scallop fishing consisted of a significant portion of our income last year and we have been denied this income over the last 7 years through no fault of our own. If you adopt proposal A you will be taking this resource away from us again. Please accept the amendments as recommended by the AP. I also have some information on the boats that under proposal A and proposal B and what they are doing. If you would like that I could share that with you. Thank you very much for your time.

No Council questions.

Tom Hogan. I own a fishing boat out of Homer and I also fished the lower Cook Inlet, Kachemak Bay district in September '93. I wasn't able to attend the Advisory Panel meeting so I'm not sure what is and isn't possible at this point. But I would like to say that if any of a number of the Homer fishermen had thought that the scallop stocks of Kachemak Bay had recovered previous to 1993 you would have had a few more boats to consider right now. I think that Cook Inlet could continue to be open to boats with a 6 ft. dredge limit. As long as the other scallop areas are open at the same time I think Kachemak Bay would stay a local fishery and would be limited to the small boats of lower Cook Inlet. Having said that, I would also like the opportunity of fishing scallops in other areas and I would like to see the moratorium changed to December 31, 1993 as the Advisory Panel recommended. Had the Kachemak Bay not been illegally fished out we would have been in the fisheries long ago. We also longline black cod and halibut and drag for Pacific cod, so hopefully the crossover provision, which I don't really understand, would not exclude us from the scallop fisheries. Thank you.

No Council questions.

Blair Culter. . . with Nova Fisheries in Seattle. Nova Fisheries is the marketing representative for the scallops produced by two of the boats in Alaska. Over the past nine years I have worked hard to develop the market for Alaska scallops. Unlike most of the East Coast production, our Alaska scallops are not soaked with water and chemicals and we receive a premium in the marketplace for our 100% natural frozen-at-sea scallop. Our reputation for quality has grown and along with a strong domestic market we export Alaska scallops to Asia and Europe, including the demanding French market where they are highly regarded. We are now seeing our markets disappear and our business badly hurt by an overcapacity of boats in the fishery to the point that the boats that we work with that pioneered the fishery may no longer be able to earn a living, even with the recent record high prices. The Alaska scallop resource should not be allowed to be fished out as has happened on the East Coast, particularly when we can see the success of the Canadian system a few miles north of the East Coast fishery. In Canada they have developed a system of controlling the number of people in the fishery and maintaining a healthy resource by managing their fishery and not operating strictly on the greed factor. The Canadians this year have 35 to 40 boats fishing with an allowable catch of 11 million pounds. Their scallop stocks are carefully monitored by a council of fishermen and scientists and the majority of their scallops have been in the larger sizes for which they get a higher return. This is a far cry from the 200+ boats on the East Coast and the small scallops they are getting this year. Our concern, Mr. Chairman, is that the Alaska resource be protected so that it is not wiped as has happened all too frequently in the past. Also, that the boats that pioneered the fishery be protected so that their livelihood and ours is not destroyed. As a sales agent for Alaska scallops our success is based on our ability to maintain close contacts with the boats to ensure a consistent supply to our customers. Both quality and size allow our scallops to command a premium in the market. However, with the quotas and closures caused by the

abundance of boats in the fisheries, our scallops are being replaced by scallops from other origins such as Canada and Australia. Our long-time customers are being forced to look elsewhere for their scallops, seriously damaging our business. In short, Mr. Chairman, if the Alaska scallop is managed and not allowed to become a derby fishery, the resource can be saved and support a limited number of vessels. We urgently and whole-heartedly support a moratorium to limit the number of vessels allowed into the fishery to 10 based on the control date of January 20, 1993. Thank you for the opportunity to comment.

Council questions:

Steve Pennoyer: Do you have a idea of how many boats are in the Canadian fishery and how many pounds are landed?

Culter: Yes, I have that for this year. This year, 35 to 40 boats, and the total allowable catch at the beginning of the year was 11 million pounds.

Alverson: Do you qualify under option 1 or option 2, or both?

Culter: The boats that we represent were the original boats in the fishery, the Pursuit in particular, and the Provider.

End of questions.

Bill Wells: I'm from a fishing family and I'm here with my father is who is operating two scallopers out of Seward. I'm here to speak in favor of federal management as outlined in the AP recommendations and we further are in favor of oversight of the bycatch limits by the federal government. On the moratorium issue, we support Option 2 as recommended by the AP. As I testified in January, and again in September, my father and I made the decision to re-rig two boats and enter this fishery in the summer of '92. Contracts were signed, equipment was purchased, and by November the boats were in the shipyard. We have fished both the '93 and the '94 seasons. Prior to our arrival we had numerous conversations with ADF&G and the North Pacific Council. The message from ADF&G was clear: this was an insignificant fishery prosecuted in federal waters and they referred us to the Council. I spoke with Council staff and I was told there was no FMP and so we came. The issue here is notice. My father and I came out here twice and were present in Anchorage, Seward, Kodiak and Juneau. The first time I heard about the possibility of a control date was ten days prior to the January meeting. Mr. Chairman, here are the Council newsletters for this Council for the entire year of 1992 leading up to that January meeting. The word scallop is not mentioned in these newsletters one time. There's a lot of misinformation that's been circulated in the hallways and in this meeting place over the last year and I'd like to clear up four of the issues. First of all, the mis-statement that I've heard is that there are 60-70 boats coming here from the East Coast. The fact is they're not coming, they're not here. Four came. The second thing I've heard that I consider to be a mis-statement is that there's a resource disaster in the East Coast scallop fishery. The fact is, the largest biomass in the history of the mid-Atlantic region was surveyed last year. I serve on the committee that has developed a new management plan to husband that resource. It includes a moratorium which includes most, if not all, of the Alaskan scallop fleet. That plan was implemented March 1, 1994. The third mis-statement that I have heard regards resource abundance in Alaska. The only information regarding the imminent decline of this resource is anecdotal from two boats in one port. The fact is there are no studies that have been done on CPUE. There are no studies that have been done on age structure. The most recent survey was performed 22 years ago, with the exception of one survey, a survey conducted in July of '93, supervised by ADF&G. The two scientists were on two vessels, one of which we owned, and they had two conclusions--this regards the Yakutat area. At least six year classes are present and a stock is present that, and I quote, "did not demonstrate trends that would indicate decreasing stock abundance." Ladies and gentlemen, this is a major resource area and it has zero crab bycatch. The fourth mis-statement that I'd like to clear up regards these break-even analyses. I think we have to just agree

that they are biased, and they are, and I submitted one as well. They are highly variable, and I don't think they really tell us much except that some boats can operate a lot less expensively than some others. In conclusion, I would like to make three points. First of all I'd like to let you know that there's as much draggable bottom, suitable for scalloping, in Alaska as there is on the entire East Coast of the United States. The optimum fleet size of the Atlantic is considered to be 350 vessels. The second point I'd like to make is that we just don't know much about the resource in Alaska. And, in conclusion, I would like to urge you to not approve moratorium option 1. Because, if you do this, you will have created a private fishing ground for four or five boats and you will have given them a windfall and I don't think that is your intent. I urge you to support option 2 as recommended by the AP. This includes the current participants and the group from Homer. I believe that that is legal, I believe it's fair, and I believe it's equitable. Thank you.

Council questions:

Pennoyer: Bill, you have sort of disagreed with some of the information that we've gotten from the SSC and others. The SSC is still indicating that even though the areas may be similar in size that they saw a potential for a lot of overharvest if it went to the same proportional limits you indicate for effort for the East Coast. In other words, I don't see any recommendation that comes close to 100 vessels, or several hundred vessels, or anything like that. And, so, are you disagreeing with the assessments? And, if so, by how much? You're disagreeing with the break-even, and if so, by how much; how do we quantify this thing? How do we get some piece we can put our hands around?

Wells: I think my response would be this. First of all, I am not saying that we can stand 350 vessels in Alaska. I'm also not saying that I'm an expert on the Alaskan scallop resource. What I am saying is, we just don't know enough about the Alaskan scallop resource to make the kind of determination, in my opinion, to take people out of the fishery. We do know, from anecdotal information, that that universe that you saw on that wall, is not the universe of Alaskan scallops. That is simply not true. But the people that will be speaking behind me, who go to sea, would be the people to talk to about what's where. The focus of what I'm trying to say is that I believe the resource, with proper surveying, with coordination, with observers, using the existing scallop fleet, I believe that we can survey the areas, I think we can keep our bycatch down, and I think that we can bring you information, just like we could right now with Dr. DePaul and Mr. Carnegie's (?) report, that you have areas that could stand an increased quota. Remember, the report for Yakutat shows six year classes and basically says the area is underharvested. Nobody's done anything with that information. That work has been done. It sits in an office in Juneau. If people would act on the information I think this industry can bring you good information upon which to act.

Jack Tagart [Dr. Tagart was representing Washington Dept. of Fisheries at this meeting]: Mr. Wells, the information you have on the catch-per-unit effort from the Yakutat area, you imply that it suggests that the stock is underharvested, but in the report from Dr. DePaul nowhere does it state that the stock is underharvested, does it?

Wells: It doesn't use the word 'underharvest,' but it does say. . . I have spoken to Dr. DePaul as recently as this week. Now, if you will accept my word, he uses the word 'underharvested,' but more importantly, if you refer to the Carolina Girl, which is our boat, it talks about a single tow track. He was on that vessel for 3½ days. The boat never left a single tow track, just wore a hole in the bottom. Zero crab bycatch, 40 bushels a tow, from the first tow to the last tow; it never fell off. Now I don't know if that means something's underharvested, but as a fisherman it sure sounds like it to me. The catch just never fell off. That's one tow, one boat, 3½ days in the Yakutat area.

Tagart: In your experience on the East Coast, is it your experience to move from bed to bed as the catch-per-unit falls off?

Wells: Yes, sir.

Tagart: And, you expect the catch-per-unit effort to fall off here if the bed was overfished during your fishing season, is that what you're saying?

Wells: No, sir. What I'm saying is that I don't think an unhealthy resource in one area could withstand one boat harvesting the same tow track and be yielding the same CPUE at the end of 3½ days as it did on the first tow. I just don't think that's reasonable. I am not a scientist, but I am a fisherman.

Tagart: Well, I think it's probably debatable what the inference is from the information that came from the test drags this summer, but I would be suspicious that the information that we have tells us any more about total abundance of scallops than we knew before you started and I don't think that. . . I think we remain in the same place that you put us when you sat down when you said that we do not know the abundance of scallops here in Alaska, and I think you could leave your inference there.

Pennoyer: Bill, over the years we've had variable numbers of vessels, usually a small number and variable catches, up and down off Alaska. The prices have been variable as well, maybe been better this last year but it's been up and down, and this was in absence of any particular quota management; it was an open fishery, vessels could go and look for scallops within some bycatch and closure area constraints, I understand that. I still don't see any dramatic increase in catch. And also, vessels were in and out of the fishery for various reasons, some . . . but I don't see the inference that there's a big untapped resource out there and I guess what you're saying is right now, the '93 problem people seem to have with the break-even point and vessels that supposedly did not make enough money to break even. . . the crew testimony we've heard and so forth, is due to the management, not to the question of having too many vessels fishing in '93. That's basically your testimony?

Wells: I think there are many reasons that boats went in and out of the fishery in the past. I don't think we can look at this scallop fishery in a vacuum. You've mentioned some of the reasons, so I won't repeat them again. Certainly, price is an issue, certainly the situation on the East Coast is a major issue. Remember, the boats that came here and found scallops in Alaska were all from the East Coast. There is nobody that came here that didn't come from the East Coast. And, they went back to the East Coast, and then they came back again. And we just happen to be in this moment in time, but I understand your question and, again, I'm going to have to agree with Dr. Tagart, I believe it's Dr. Tagart, I don't know. I can't say to you that we don't know enough and then sit here and say but I know everything. That's not my point. If I'm going to be out of this fishery because I'm not smart enough to make it, that's one thing. I just don't think, given the notice and given what we don't know about the abundance, that I should be legislated out of this fishery.

Alverson: The operation of your two vessels is what I'm interested in. When was the first season they started to participate in Alaska waters and to what extent have both vessels participated since?

Wells: We have fished full time and participated fully in the 1993 and 1994 years.

Alverson: And you came up during the 1992 year?

Wells: No, sir. We arrived in early '93.

Rosier: Bill, you reference the chart that we put on the screen, there not being the universe of the scallop populations in Alaska and I'm certainly not naive enough to think that we know where all of the scallop populations are. I'm sure there are pockets that have not been fished or pockets perhaps that we've not been made aware of. But, if you look at the history of fishery, that universe that you looked at up there has been the history of the fishery in terms of repeated fisheries, every time that the fleet increases, that's exactly where the fleets go

back to. And I inferred from your presentation that you thought that we had grounds that were not being. . . I grant you that we've got grounds that are not being explored probably, but I certainly have the feeling, having been associated with this thing since the early sixties, that there's a great amount of scallop beds out there that have not been discovered at this point in time, based on the history of the utilization by the fleet itself.

Wells: I'm sorry, was that a question?

Rosier: Yes, it was a question, because you seem to think that there was, and I guess the question, what's the basis for your thought on this?

Wells: Sir, again, my personal experience is obviously very limited. I can only repeat my answer to a very similar question that I think Mr. Pennoyer asked. We cannot look at the history of the Alaskan scallop fishery in a vacuum. If you look at. . . if I had a graph behind me, every time you see low landings in Alaska, if you overlap the experience on the East Coast, you will see high landings on the East Coast. Quite frankly, part of the reason there is a difference in the landings is because the East Coast boats that were here, and they were the only boats that were here, went back to the East Coast. So, obviously they were [Change to Tape 55--portion of testimony lost in changeover]. . . on the East Coast, which drove the price down. I don't know the other impacts regarding your other fisheries because I just haven't been here long enough to know. Two years. . . I mean you shouldn't even listen to me about Alaskan fisheries going back beyond two years. I've read the same information everybody else has. But it seems to me that these other impacts are extremely important and given the fact there's been basically no survey work done since the opening of the fishery in the late 60s. There's been so little, I find it hard to believe that someone today can say, 'these boats left because the resource fell off.' I know what else happened, and I know no surveys were done, so I don't see how a person can make a strong case for that statement.

Ron Hegge: Didn't you come to the Council before your boat was out here, when we first started talking about the moratorium?

Wells: The first time I came to the Council was the January meeting, I think it was January 20th. The vessels were not here, but we had already bought the equipment; we had basically done everything, they were waiting to throw the lines off, on the East Coast. That was my first. . . ten days prior to that meeting, and in fact the reason I came to that meeting, was that I had been told about the control date ten days prior. That was my purpose in coming to that meeting.

Pennoyer: Can you elaborate on the pipeline concept you've proposed here; I mean, how the vessels. . . were in the yard, they were being prepared to come to Alaska in the summer and fall of '92, can you elaborate on the type of contracts . . . you were coming to Alaska . . . what particular equipment you were putting on that made it an Alaskan boat, I mean. . .

Wells: Yes. First of all, I don't think we need pipeline criteria. I did the last time I was here and I got an education from one of the Council members and now I've seen the light. What I think we need is what the AP recommended, which is the date of December of 1993 and that would allow me to qualify. The pipeline concept, again, I'm from the East Coast and I'd never heard that term before. As far as what kind of equipment is purchased, quite frankly, most boats in Alaska that are full-time scallopers have freezers on. You have to do a lot of modification because of ADF&G requirements regarding common pipes where you might have seacock (?) as well as bilge water, you have to put additional bathrooms on, you have to have many, many additional things to meet the requirements over here. In fact, one of the trips we made out here was specifically to meet and bring photographs of our boat to find out what we had to do to change it. The regulations are very rigorous, so that's the kind of work I'm talking about and that has to be done in a shipyard. You're talking about hauling your boat out and moving seacock(?); you have to haul the boat out to do that, to meet Alaskan criteria, to be able to participate in this fishery.

Lauber: Any other questions? Not to discourage you, but as soon as you get done ragging Bill Wells around I'm going to call a recess, but go right ahead.

Alverson: I just wanted to clarify your last comment -- that's the DEC Alaska regulations, I imagine, in terms of chlorinated water and that . . .

Wells: You're asking me the exact. . .I'll be honest with you, I've got the phone calls we made from the last quarter of '92, and I have called six different departments of ADF&G, and 5 departments of the State of Alaska, the North Pacific Council, and NMFS. Now, I don't know which one told us what. . .I'm not trying to be smart, really, all I can tell you is I made 35 phone calls and changed a lot on two boats.

End of Council questions.

Armi Thomson: . . .I represent the Alaska Crab Coalition. I'm here to make some brief comments about agenda item C-3, scallop management. In regards to the development of an FMP and the proposed moratorium for scallop management, the Alaska Crab Coalition has been involved in monitoring the development of regulations in terms of a moratorium and an FMP on scallop management for about three years and we've been involved at both the level here at the North Pacific Council and the Board of Fisheries. I'm here today to recommend in terms of an FMP, option number two, a federal FMP with shared authority with the State of Alaska. Secondly, in terms of the moratorium we'd recommend option number one and that option in terms of a moratorium would essentially limit the participation of vessels that have participated in fisheries in either '91 or '92 or must have participated for at least four years between January 1, 1980 and 1993. We're aware that this is a restrictive options in terms of participation, however, with the experience of the members of the Alaska Crab Coalition who have been monitoring the scallop fishery, particularly in the Bering Sea, they're very concerned in terms of the bycatch pressures that have been mounting over the last four or five years on crab stocks, both king crab and Tanner crab. They're also concerned about the benthic habitat problems that scallop dredging creates in terms of the king crab and Tanner crab stocks. I'd like to point out that although this is a rather restrictive moratorium, going to the second option would represent a 70% increase in the fleet at this time. An increasing number of vessels essentially just increases the pressure not only in terms of crab bycatch, but it also as we see it will just increase pressure on the benthic habitat and another concern is that of the management costs. Shellfish under the management of the State of Alaska Department of Fish and Game, Westward Region, the shellfish budget is rather limited and it is my experience in watching the development of the FMP, both at the Board of Fish level and the Council level that management of this high impact fishery is rather expensive and it takes a lot of time away in terms of the staff for managing the scallop fishery, it's time away from the Bering Sea crab fishery management and we're rather concerned from, what I guess you could say , a selfish standpoint, that being a high impact fishery that it is taking precious time away from management of Bering Sea crab. So that pretty much concludes my comments, Mr. Chairman.

No Council questions.

Svend Asp: I'm a Cordova fisherman and boat owner and I'm one of the three boats you might say that were caught in that Cook Inlet thing where I started in '93. As you know, we all know, how devastated the Prince William Sound area so I had to diversify and start scalloping and it didn't start until actually '93 and I employ a few people out of the Prince William Sound area and just hoping that the Board and the Council, can see that every little bit helps and that they can go to option 2 which would get me into the fishery is all I can say. Thank you.

Council questions:

Behnken: Mr. Asp, can you tell me the size range of the vessels fishing in Cook Inlet?

Asp: I don't know the other two that were there last year, but mine is 100 ft boat.

Alverson: Did you say that you were fishing in Prince William Sound or Cook Inlet?

Asp: No, Cook Inlet. I am from Prince William Sound.

Rosier: Have you fished any other areas other than Cook Inlet?

Asp: Not on scallops, no sir.

Rosier: What was your history in the scallop fishery prior to '93?

Asp: I have no history at all in the fishery of scallops.

Hegge: Do you utilize those smaller dredges that. . .the small dredge, the 6 ft dredge, is that what you use, or do you use. . .

Asp: Yes, I do.

Hegge: What other fisheries do you participate in?

Asp: Well, we do. . ., well we were doing herring, tendering herring, never fished it; tendering salmon, and midwater and bottomfish trawling.

End of questions.

Belika Finley Jacobs: I'm from Kodiak. I'm here to represent Jim Chase of Kodiak and his vessel the Forum Star. Jim regrets that he can't be here but he's my mom's herring spotter pilot right now and she wouldn't let him come. I would like to have money to go to college, so I thought I'd come do the dirty work. Jim asked me to address the Council on some of the issues that you'll be deciding on today. But first I'll give you a brief history of Jim's involvement in the scallop industry. Jim began building his vessel, the Forum Star, in 1988 with construction continuing through 1989. His vessel was designed specifically to be utilized as a scallop combination vessel. All necessities were built in at this time. Jim began fishing in 1990 and planned to continue in the fishery indefinitely. Other vessels such as the Venture, Barbara Lee and Emerald Sea withdrew from Alaskan scalloping in 1990. Starting in the year 1990 the Forum Star made scallop deliveries in three out of five years to present. The Provider made only eight landings prior to his first. In 1991 and '92 the price of scallops fell to a point where Jim had to pursue the bottom fishery in order to make boat payments and support himself and the crew. The Forum Star returned to scalloping in 1993 and 1994. In the current scallop FMP draft Jim Chase would qualify under option B, which includes the year 1990 for initial qualification. Jim feels that it is unfair to discount as many years as option A does. He asks that you adopt option B for initial qualification or modify option A to include 1990. Jim asked that you take into account his participation in and reliance on scalloping. Structuring the moratorium so that the Forum Star qualified would not significantly increase the number of vessels who qualified and certainly would not result in the overcapitalization that the Council is concerned about. Only four additional vessels would be eligible to enter the fishery if 1990 is added to option A. At this stage in the scallop fishery Jim feels that a moratorium is justified. But he recommends effective research and 100% observer coverage in the years that the moratorium is effective. Jim would also like to see crew sizes limited to 9 persons per vessel and an active area management plan that would promote explorative fishing while not under a derby system. Jim would also like to see scallop area such as Unimak Bite (?) and the south of Kodiak closed until sufficient scientific data has been gathered. On page 50 of the scallop FMP draft I quote, "Based on the best available price information, 4 to 6 vessels could participate in the scallop fishery at

the break-even level." I would like you to take into account that the fact that price and availability are always variables and Jim's own break-even analysis is attached to his written accounts that is in your briefing book. This statement in the FMP draft is also reliant only on the prohibition of fishery crossovers during the scallop moratorium. However, in Alaska cross-rigging is a way of life. The average vessel will participate in two to three fisheries per year. Jim looks at cross-rigging as one more step to aid in the conservation of scallops. It is virtually guaranteed that not all vessels will choose to fish full time considering that two of the long-standing participants in the scallop fishery are relatively small boats. To Jim's knowledge there is no other fishery that restricts boats to participate in only one fishery. In allowing crossovers the scallop fishery will be able to support more boats than thought in the statement on page 50. At this point it is premature to exclude a large number of vessels. The time may come after the moratorium has expired, after adequate research has been done, to adopt additional restrictions within the scallop industry. Until that time Jim Chase would like to ask you to accept moratorium option B or to modify option A to include 1990 as a qualifying year. Jim has been a dedicated scallop fisherman in Alaska and would consider it an injustice if he were not able to continue because of a manipulation of dates. Thank you.

Council questions:

Pennoyer: Ms. Jacobs, which years did you say he had participated in, specifically? I didn't catch that.

Jacobs: He fished 1990, '93 and '94.

Behnken: You said he had a combination vessel and that during '91 and '92 then he fished for groundfish. So then he would qualify under our moratorium to continue to fish for groundfish. So he would be able to crossover as I understand it, right? I mean, there's nothing that we're considering that would preclude a vessel that had qualified under the groundfish program to only fish in the scallop fishery, is there?

Pennoyer: Right now there's nothing to preclude a vessel from the groundfish program to fish in the scallop fishery period. There's no FMP. You mean after the FMP is enacted here, would he be prevented in fishing groundfish? Not if he had groundfish landings.

Behnken: One of our elements is to prohibit crossovers but my understanding of that was to be crossovers of vessels that had never previously fished in the groundfish fishery or didn't otherwise qualify to fish under the groundfish moratorium.

Pennoyer: Yes, I believe that's correct. The increase of vessels you said would be 4 if 1990 was included. Does that take it from 10 to 14?

Jacobs: I believe so, sir.

End of questions.

Michael Ireland: My wife and I own two scallop boats that are homeported out of Seward. I have 18 years experience as a captain on both coasts, this coast, the East Coast, operate one of my two boats at this time. I share a lot of concerns with other industry members on the scallop fishery. I'd like to speak on those items for a brief period. Item one is the moratorium. In January you adopted a January 20, 1993 control date for a moratorium on the scallop fishery. I do not believe that proper notice was given to the public. I traveled to Kodiak in early 1992 and purchased a scallop license at the ADF&G office and there was no mention of any control date or the possibility of a moratorium. Through the '92 year while I renovated my vessel to accommodate both freezers and processing house to meet DEC requirements, I spoke with the Commercial Fisheries Entry Commission, Commercial Fishery Management and Development, and the Fish and Game office in Kodiak and

Juneau on 12 different occasions. Still no mention of a moratorium. Even after I arrived on my vessel I received no notice. I was told by Fish and Game in Juneau that it was not necessary to fish for the sake of making a landing. I feel some notice should have been given to a permit holder or sent to me or at least the date posted in the *Federal Register*. This is yet to happen in either circumstance. I feel the Council, convinced by testimony on January 20th, was misled and that some important facts were withheld. We support a federal straight management, similar to that already achieved with Bering Sea/Aleutian Island king crab fishery. However, we can only support a moratorium as long as it recognizes those individuals that can prove that by January 20, 1993 they made legitimate and significant investments in this fishery. It would be grossly unfair to preclude us from this fishery. Your alternative control date of July 30, 1993 would address our concerns in this matter, however since I've been here this week and heard the concerns of several small boat scallopers out in the hallways that work out of Cook Inlet, I now feel this date should be moved to December 31, 1993 to include them. Item 2 that I want to speak on is resource conditions. How can anybody in this room determine that is a resource is fully exploited or the fishery overcapitalized when no one knows the size of the resource. The FMP reports that annual variability in the number of participants is due to both scallop abundance and potential revenues in other Alaska fisheries. The summary report to the Alaska Board of Fisheries states on page 7, second paragraph, that "without data collection programs it is difficult to assess whether the overfishing problem is serious in the case of Alaskan scallops." During the second half of 1993 a mandatory data collection program was in place with 100% observer coverage on board the vessels. Oddly enough this data is not available for consideration. Only bycatch data. This data would indicate healthy stocks in almost every region that we fished. We, saying myself, experienced 60- to 70-bushel tows in areas we fished during 40- to 45-minute tow periods. In July of '93 a noted scientist, Dr. William DePaul, witnessed different tows on two different vessels for a period of days with no decrease in catch per unit effort fishing the same tow track. His reports also indicate there were as many as six year classes sampled during this observation. In the summary report it indicates that aside from surveys, onboard observations and studies in the late 1960s there is virtually no recent data collected from the scallop fishery prior to 1993. Since I have operated, both '93 and '94, on any given day I've caught enough scallops in 12 hours to keep as many as 12 men busy for some periods of 24 hours. My next item is bycatch concern. This is a real problem. It definitely raises concern from all of us in the fishing industry. I would like to see several things done to promote clean fishing among the fleet. It is important to both the crab resource and the longevity of the scallop season. I would like to see some type of incentive plan to promote clean fishing, something to either penalize or reward fishermen for their efforts. An individual bycatch quota may be an option. I'd like to see the fleet have two reporting periods daily in areas where bycatch rates are questionable. Further, I feel that 24- to 48-hour notice of reaching the GHL is too much of a notice. This promotes derby-style fishing that's not suitable for this program. It's a relatively small fleet and I don't think we should have a bycatch problem if we could go with an incentive plan such as I've discussed. Thank you.

No questions.

John Doody: I made my first scallop trip in 1958, was captain in the Canadian scallop fleet in 1965, did a little king crabbing up here in 1967, heard about the scallops this big being caught on the trawls or hanging on to a king crab pot and since most of my experience has been in scallops, not crab, I was quite interested in that and asked some questions and talked to some people and found out there wasn't a scallop drag in the whole State of Alaska, never been one fished at that time commercially. I left, went back to the East Coast and worked in the scallop fishery back there as crew captain, boat owner, and it was 1980 when I first got the opportunity to bring my . . . I wasn't on my boat, but to send it into the Alaska scallop fishery. We've been here, to clarify a few points, there has been boats steadily working this fishery since 1980. My boat, the Pursuit, being one of them. And I mean working it -- 12 months a year straight since 1980. We stopped once. We went to Oregon for a few months, came back up to Alaska. Only time we left the fishing. Worked on the Alaska oil spill for a few months. From that time we've been working this fishery straight since 1980. O.K. We've never had to shut down other than those few moments that I mentioned. Right now we're shut down. We're shut down for January, February, March, April; looks like we're going to be shut down for May, June, July. Well, July 1st we'll start fishing, but

every one of those months I mentioned I'm making boat payments and I'm making insurance payments and it's hurting me. It's hurting my crew, and some of that crew has been on that boat straight for 14 years. I know a little bit about what this resource up here can stand. I have a good idea of how many boats it can stand and I've heard numbers here that would scare me to death. I've heard numbers that should scare the people on the East Coast to death when they figure that fishery could handle 300 boats. If there's not that many there already, I don't know. But the Canadians probably are not giving you exact numbers; they probably have as much scallops as the U.S. on the East Coast. They've got 35 or 40 boats. They figure back there they can handle 300; scares me a little bit. Just like to say that I think 3, 4, 5 boats could fish this resource and make a good comfortable living at it. Now there's reports that there's healthy stocks; that makes me a little proud after 14 years fishing, that there is healthy stocks here. I'd like to keep it that way. There is scallops here but for other reasons, for bycatch, for this, for that, you can't go in those areas, and it'll be years or maybe never. I don't know. . . a lot of things I'd like to say but within a few minutes. . . one thing, I think we should have individual bycatch. That would help us. Like I said, 3 to 5 boats could probably handle it; I think that 7 or 8 boats or whatever could get by, make a living at it. So I'm recommending plan 1 or A, or the less boats, the better. Thank you.

Council questions:

Alverson: Sir, can you give us an idea of what, you mentioned your crew's been around 14 years on the boat, what their earning situation has been the last several years.

Doody: I know that last year it was not a good year for us. I don't have the exact numbers, but I know. . . I would like to mention this. Over the years that we've been here since 1980, this has been an excellent fishery for us. We've done very well. We've made a darn good living at it, our crew who's stuck with it has made a good living at it, and during some period, I'm not saying for a year at a time, but for months or different times that we've been here, we've been the only boat in the whole State of Alaska fishing scallops that I'm aware of. . . but only boat at that time for periods. This is not a big fishery, it wasn't then, it isn't now. . .

[Change to Tape 56, lost some in changeover]

Rosier: John, you mentioned the fact that you had participated in that shot off the Oregon coast. What happened to that fishery down there?

Doody: In my opinion it was hit hard, but I think that's one reason, just the fishing hit so hard it couldn't recover, I'm not sure. But from what I've kind of heard, too, it just doesn't seem like a healthy situation down there with the scalloper, I think other reasons too, maybe besides overfishing. There's a couple of problems going on there.

Oscar Dyson: John, do you think it's wise to open up scallop areas where there's a concentration of crabs, king and Tanner crabs. Do you think it's wise to open up new areas?

Doody: You're asking the wrong guy (laughing). You know, like I say, we've been here 14 years. People were fishing crabs long before we got here and we have to protect them, but you know we have to get in there and get a reasonable amount with the right bycatch situation. And I think the individual bycatch situation would help us a lot.

End of questions.

Teressa Kandianis: We've modified our proposal for what we would have preferred options and qualifying periods and so on (being handed out at the time) and I'd like for you to take a look at that and see what you think about it. What we tried to do is address some of the concerns addressed by some of the public comment and the AP and the SSC in regard to resurrecting the dead, and also being in compliance with the requirement that we

look at both recent participation as well as historic dependence. We feel that an FMP in the scallop fishery is necessary to control effort and to ensure that unregulated activity doesn't occur outside State waters and also in order to set forth a clear regulatory structure which isn't subject to challenge. With the fishery's guideline harvest level set anywhere from zero to 80 or 90,000 lbs on up to 1 or 1.3 million, depending on how we behave in the fishery, I guess, restraint of effort will facilitate conservation and management. Our proposal addresses the need to recognize historical dependence as well as recent participation. Though control dates aren't required by the law they provide a heads-up to potential participants of future Council action. However, considerable public notice was given prior to the January '93 Council action. I'm sure we're all aware that the fishery is managed by the State now, it's been managed by the State for 26 years and they took significant actions during the entire year of 1992 in noticing the public in regard to their intention to put a moratorium on the fishery and I have copies of all of their public notices here. I didn't want to burden you with more paper, but I can give these to Helen to pass out. The first public notice was dated March of '92. In addition to the need to complying to address recent and historical participation, the achievement of optimum yield must also take into account the economics of the fishery. You've heard from several scallopers what it takes for them to pay their bills. Even though the least expensive of these are quite a bit different than perhaps what our break-even would be, and there always are those people who don't spend much keeping their boats up, we have to just use a little simple math that even at that cost level that a very limit number of vessels can subsist on this resource. Since 1980 the fleet size has averaged 8 vessels. Apparently even this is not an economically viable size as each year 50% or more dropped out. I've also provided you a list of the vessels that have participated in the fishery since 1980 and you'll note that their participation, the graph is quite different from probably the other fisheries that you deal with. Those vessels included in the moratorium that we proposed have no history in any other fisheries in the North Pacific and are 100% dependent on Alaskan sea scallops. You've already heard about the economic dislocation of those vessels who were in the fishery prior to the control date. Fairness and equity dictate that if a cut is to be made, those with a historic dependence on a fishery should be favored over recent entrants who have no history in the Alaskan fishery, either personally or by their vessels. We used the same qualifying criteria in our new proposal as that used by the New England Council in their scallop moratorium. Their control date was March 2, 1989; it was finally effective last month. In the final rule for that plan, National Marine Fisheries states that 150 vessels were not permitted to fish after implementation. Of those, 55 received over 15% of their income from scalloping and so were considered to be affected. However, that Council did not sway from the control date but stayed with their assertion that recent participation as well as historical dependence were addressed by these criteria. The establishment of that control date was in order to discourage speculative entry into the fishery during the development of a controlled-access system. Those criteria have survived scrutiny and so can ours. We would urge the Council to move ahead with development of a quota share system for this fishery. This is a single target species where the ownership rights associated with quota share would lead to cleaner fishing and husbanding of the resource by the participants. To allow more participants to fish based on wishful thinking that the quotas will be removed or increased or that long-closed areas will be opened and will contain highly productive beds is inconsistent with the SSC's recommendations regarding OY and expansion of the fishery. The real result of that action would be the bankruptcy once again of the scallop fishery and would fly in the face of the Magnuson Act intent to protect both the fish and the fisherman. Thank you.

Council questions:

Pennoyer: Teressa, would you explain this chart to me in terms of how it relates to the numbers on your proposal? So...all of the vessels in the right-hand column below the Tradewind only participated in 1993?

Kandianis: Actually, in the 1993, the "x'd" vessels include both those who were only registered. I'm not familiar with the Cook Inlet fishery to say how many of those vessels made landings in that fishery. I've circled the vessels that I knew made landings in the fishery in the rest of the state. So, yes, that represents new entrants to the fishery in 1993.

Pennoyer: So, the circled ones are the ones you actually know made landings.

Kandianis: The circled ones are the ones that I know made landings. This data is compiled from several different sources, obviously it's not something that could come from Fish & Game. . .I've used vessel registration, personal knowledge and several different sources to compile it, but I think it's very accurate.

Pennoyer: So, on your sheet where you show Mr. Big as fishing four years, that includes '94 then?

Kandianis: That's correct.

Behnken: Do you have a sense or accurate numbers on how many vessels would qualify under the option here you're proposing with this qualifying period and then the pipeline definition?

Kandianis: Actually, I've attached a list of the vessels, I think it's on the third page of that, that I believe would qualify under the new. . .and these are all actively participating vessels and these are also vessels that do have a history in the fishery. That does bring up one thing. The Cook Inlet situation I think was an oversight, perhaps on our part. I think that it's appropriate for some separate consideration to be made of those people. The fishery didn't exist for several years. I don't know what the Council would decide based on those participants' desires, but it's not something that we would really enter into a discussion on. However, there is one member of the public that I think made a very good case for the fact that they were in the pipeline. They had a vessel under construction, they've got significant past participation in the fishery and we've actually come up with some pipeline criteria language that we think reflects their public comment in terms of what they need. And, this is the type of criteria that's been used to address the same problems in other fisheries. They seem to have been made a good-faith business decision in fact some years prior to the moratorium control date and they have enough personal history in the Alaskan fishery to make their assertions that they intended to fish scallops certainly very valid.

Behnken: And so your proposal for a pipeline criteria then takes care of the problem that the AP addressed by having the moratorium rights go to the owner at the time the vessel qualified?

Kandianis: Yes, basically, we just kind of aped some pipeline criteria that were written in Amendment 4 and say the scallop vessel had to be under written agreement for construction before January 20, 1993 and to have made a landing before some certain date, and the owner of the vessel had to have a minimum of significant landings in the Alaskan scallop fishery. So that would take care of the Magnuson Act requirement that we address both recent participation as well as historic dependence.

Lauber: Down at the bottom in the totals at one time I think it was 22 written in there and now that's crossed out and there's 25 and then below that, I think there's several numbers, 12, then 13, and now 15. What happened, why were the changes made?

Kandianis: As I learned about other people who made landings. . .and the 25 represents the 3 vessels that obviously must have been registered in Homer in terms of vessel registrations and I would assume that there are some vessels registered that have not made landings. And the 15 represents the number of vessels that had made landings in 1993, including the 3 vessels from Homer which I have been told made landings there.

Lauber: So there are 15 vessels that now that you're aware of that made landings in '93?

Kandianis: That made landings before the end of the year in '93, that's correct.

Pennoyer: In terms of your proposal, you seem to be trying to go toward an optimum number of vessels for this fishery, which is not necessarily normally the thing you do in a moratorium. Usually you have some concept of a moratorium setting some reasonable starting point and then you go to further analysis and license limitation or IFQs or something. Do you have any idea what this progression that you're proposing is? Is this kind of the end point, this is where we need to go, or do you further things in mind.

Kandianis: Well, absolutely not. I don't think the fishery's going to support 10, 9 full vessels and one in the pipeline, at all over a period of time. I think our initial proposal, we were kind of flailing around and looking for a plan for setting an appropriate criteria for qualifying. Since then we've done a lot of research into it and then we looked at the East Coast plan to see what they did and their final rule was quite helpful because they did respond to several commenters who complained that the requirement for recent participation violated National Standard 4 and NMFS said that it absolutely did not because National Standard 4 does require that both historical dependence and recent participation be considered. And so, using those criteria as well as some of the other we went through a list of. . . I have pages and pages of various scenarios and you can see from the history of the fishery that you do eliminate quite a lot of people when you require a current participation. So, that's the progression. We're actually in compliance with I think what a moratorium should do and what it has done in other fisheries. That it happens to be a small number should not be surprising given the fact that we're looking at an average of 8 vessels over the last 14 years, so that's more than the average which I think is also consistent with other moratoriums.

End of questions.

Mark Kandianis: I've been in the Alaska scallop fishery since 1980, actually started out on Mr. Doody's boat, running it for 5 years. Ms. Minio's husband was my engineer and subsequently took over when I went to get my vessel, the Provider, back in '86, which I bought back in '81 and saved the money to bring it around to Alaska. I've fished from Dixon Entrance out to the Dateline and up to the Gulf of Alaska, the Bering Sea and I've got a pretty good record of where I've fished. I have a real good idea of what beds are out there and what beds aren't out there and we hear all this puffy talk about there's a big resource out there, we got to go find it, there's this vast unknown. . ., but 14 years I've been looking for this windfall people are talking about and I ain't seen this windfall but some people think it's out there. Back in I think it was '91 I happened to talk to Carl Rosier about the fact that the East Coast fishery is kind of collapsing and I said we're going to get looked at very heavily with this scallop fishery; I think there were about 4 or 5 boats at that time; I had assumed we were going to be covered under the groundfish moratorium; I think I testified at the Sitka meeting back in '91 or '92 and I was told no, there was no FMP for scallops and we're not going to be covered under the groundfish moratorium and I said, well, here we go and this is where we're at anyways now. In the meantime we saw the East Coast develop their federal moratorium and it came to fruition, it was implemented just recently. I went to Fish and Game and talked to them about the fact that we needed some protection for this fishery and in good faith they've done a remarkable job these last couple of years to. . .the fishery's kind of been neglected basically, it's been, I guess that's the best way to term it, it's been managed by neglect and the best thing they've come up with is their new management plan which we appreciate. They've got some guideline harvest levels that are going to allow us to fish the fishery properly. In the past when we've had a small fleet we fished these areas, we wouldn't fish them down to a small degree. We'd kind of fish them like a trap line, we'd kind of go around and fish one area a little bit, leave it alone for a couple of years, go fish another area, so we always kept a nice biomass left there so we get some reproduction and were fishing on larger scallops. When you get a larger fleet you can't leave anything behind you because as soon as you leave it someone's going to be behind there scooping it up; it's gone. There was some talk about this Mr. DePaul coming out here on this survey. I personally brought Mr. DePaul out on my boat down in Yakutat. We fished onboard the boat there with him for 2½ days, we had some high catch-per-unit effort, 40 bushels a tow. I had a deck load, I dropped him off, I came back, there were three boats left on the tow; it was wiped out. I guess I have a lot to say and I don't have enough time now. As far as crossovers, my boat is not vested in the groundfish fisheries and far as the cut-off date, it's not a black and white issue as far as I see it --

it's a black and red issue. And red issue being red ink and the difference between solvency and insolvency for the boats that have been here working this deal for a long time. People have spent a lot of their money and effort in this fishery and we're facing some real critical hard times here. The crops are being protected as I see it right now but the farm is still up for grabs the way I see it, so . . .

Council questions:

Lauber: I remember when we were talking about putting this control date on and talking about a moratorium and so forth, there was a number of people, or a least there was testimony, regarding a . . . I can't remember the number, maybe you can because I think it may have been you that testified to it, that there were a significant number, 17 or 20 or something, vessels that were gearing up to come around from the East Coast into the Alaska scallop fishery and do you know what happened to them? Apparently not very many of them came according to . . .

Kandianis: Well, some of them did come out; I think it was 4 or 5 and I think there were even a couple more; I think they stopped on their way up to Alaska and they fished off Oregon and Washington and then some of them went back and some of them continued on their way up here. And they have showed up; there's been, like I say, 4 or 5 of them, probably a couple went back.

Lauber: You don't know why the others didn't come up?

Kandianis: I think they might have come up because the knowledge that this moratorium was going to be out in the air, well some people that actually did come up here they came up and talked to me well before the cut-off date; I'd have to go back and check my records and see when they came up here, and I told them we got a moratorium effect, we've got bycatch concerns, we've got a lot of concerns here and I personally told a couple of fellows that did eventually did come up here that thing was going to happen, or it was in the wind, anyway.

Lauber: Well, it apparently worked. They may have been, I don't know what some of the other Council members are thinking of, but that was trying to send a message and not very many of them came.

Rosier: Mark, you've been in this scallop business for some time, what's been your personal observations. What's happened on these known stocks as we've gone through some of these various peaks that we've had large number of vessels come in.

Kandianis: Well, like I talked about before, we get a large number of vessels here and they come up, a lot of them don't know the grounds, they eventually find us or they find the grounds, before you know it, they're gone. . . . a large fleet, it gets very competitive. You can't leave anything, you can't husband the fishery. You can't take care of it like a crop and I've always said if we take care of the fish, the fish are going to take care of us. But you can't do that with a certain size fleet. You just can't leave anything and that's where the management deal's got to come in, where you guys came in to try to help us do that because we can't do that on our own when you start getting a large fleet. And then you get into the economic factor of it. That's what it comes down to, the economic factor of it, and right now this thing has got red ink and it's just flowing; it's just flowing out right now, it's flowing out bad and if I didn't have my groundfish boat to support me I'd probably be in a lot worse shape sitting up here right now.

End of questions.

Chris Blackburn: With the consent of the Alaska Groundfish Data Bank who felt very strongly about the conservation concerns involved in this issue they have authorized me to work with the Kandianises and represent them when necessary to achieve a scallop moratorium. A concern of the community of Kodiak was, one, the maintaining of what should be a long-term sustainable fishery, which is the scallop fishery. Most of them have

seen it come and go, they've seen it crash when there were too many boats. The other major concern was crab bycatch; the crab stocks of both king and Tanner crab that are not recovering they take very, very seriously. I want to start with why we wanted a federal FMP and this was debated early before we came to the Council. A lot of research was done to find out what the state of the laws were and one of the first things I was told is they're not like crab; crab go back and forth, state and federal. It's pretty hard to argue that scallops go migrating back and forth between state and federal waters. As you've heard, about 90% of the stock is believed to be in federal waters. Rather than risk a stock by waiting to see who does what, if somebody decides to test state authority and keep fishing and then you have lawsuits and time to find them, rather than risk this stock which as you've heard the quotas are small and they're area by area, the crab bycatch caps are small; a boat could do an awful lot of damage in a very short period of time if they decide to try to test whether or not the state had authority. And, I guess there's been some problems off Washington, I'm not real familiar with them, but along those lines. So the safest way for the stocks seems to be a federal fishery management plan as long as there is any question of where the authority lies. Another issue that has been a great concern to the industry as a whole is the control date. We feel that if that control date which the Council announced in January of '93, reconfirmed most vigorously in July, were to be shifted, that sends a very bad signal for the groundfish moratorium and that control date and any other fishery. . . [unintelligible]. . . the feeling of industry is that when we set a control date it means something and we don't want to broach that. The scallop fishery has one difference from the groundfish fishery in that you can keep fishing them littler and littler and littler as certainly the accounts on the East Coast show. It's not a matter of taking the big ones, it's a matter of wiping out beds. When you have too many vessels, they're racing for the fish, they're not going to be moving as Mark described, and as we all aware they did, when there was only a few vessels, from bed to bed, taking the big scallops and moving on and letting the bed recover in, he said, two or three years. You've got a small quota, small amount of time, and a large fleet, you're going to race through those scallops and the crab bycatch will go up too, because you're not real worried. And, as we all know working with groundfish, the larger the fleet and the quicker the fishery, the less chance any manager has to hold either a quota or a bycatch cap. The Kandianises feel that this is an interim step; this fishery is ideal for ITQs and I don't think they brought that out in testimony, but that has been their feeling and this fishery because even 10 boats is too much, the feeling was this was a moratorium and then if an ITQ program can be put into place, this will let the fleet come to at least 3 or 4 vessels which most people believe it actually can support. We've heard a lot of discussion on whether or not there's a huge resource out there in unexplored areas. National Marine Fisheries Service does a bottom survey every three years in the Gulf; you can go to their data, they do count the scallops. There is nothing in the survey data that indicates there's a vast amount of scallops in areas that have been closed to scalloping and closed to trawling. Trawlers and longliners will all get some scallops clinging to their gear if they're where there's a lot of scallops. If there were areas where there were scallops that the scallop boats couldn't go in or the trawlers could or the longliners could, we would know about them. Questioning the fleet, nobody, we only see scallops here and there, but there's no evidence of broad amounts of scallops in some magic area. The fleet that would come in under most of the different moratorium scenarios include vessels from New Jersey, North Carolina, Washington, and Alaska. This is not some kind of an Alaska special deal. These are boats from several states. And that's the end of the issues I wanted to cover.

Council questions:

Alverson: Are you supporting this proposal that Ms. Kandianis passed out?

Blackburn: Well, I'm representing them, so obviously. . . yes, I think the effort there, and I think Teresa went through it quite clearly, was to use criteria that had been used before, that had a precedent and stood a test of time in an effort to bring in the boats that had a history, both past and future. The original one in the EA/RIR did let in a lot of what you might call ghost boats, boats that haven't fished . . . [Change to Tape 57, some comments lost in changeover]. . . it's confined to active vessels.

Alverson: Are there any other changes from Option 1, other than the qualifying criteria dates?

of slow things down and then left the more detailed analysis under either license limitation or IFQs, whatever we end up doing, for that further analysis. I don't think we delved into it in that type of depth. We did deal with the overcapitalization question, we did deal with the fact some action was necessary, but we didn't base our decision on any economic evaluation of what happened to the individual participants.

Kandianis: The language that we came up with a pipeline criteria is as follows, and it is different than what is in my written thing that I provided you this morning. It would be "the scallop vessel was under written agreement for construction before January 20, 1993 and made a landing in the statewide weathervane scallop fishery before "x" date," which would be up to the Council, "and the owner of the vessel had a minimum of certain years of landings in the Alaskan scallop fishery." And the definition would be "A vessel must be proved to have been intended to be used to fish scallops in Alaska to be considered a scallop vessel under the definition of the scallop vessel described in the pipeline criteria." Is that. . .

Pennoyer: My question was relative to that last part. How do you 'prove' . . . I guess the past participation is what you're saying, does prove it in effect.

Kandianis: Well, I think that that does prove at least an intent and a knowledge and an awareness of how to do it, but a scallop vessel has to have certain types of gear that are different than, say, a trawl vessel, a longline vessel, or whatever, and those things would be the provisions for putting scallop booms on and the towing wire and the other things and the participant involved, of course, it would be up to him to provide that, but I don't think. . .

Lauber: Do you know of a vessel that falls in this category? Is there any situation like that?

Kandianis: There's one, and that's the reason we opposed pipeline criteria before is because I was not aware of anyone who was building a boat specifically for the fishery prior to any date. But yeah, that's Max Hulse's boat. The Hulses testified before you, Max and his son Scott, and they have significant written testimony before you as well as to their past history in the fishery.

Behnken: Weren't there also two boats, or at least one boat, that came around from the East Coast that refitted with freezers so they could participate in this fishery? Wouldn't you qualify them under this pipeline criteria?

Kandianis: Under the East Coast sea scallop plan they made some exceptions for boats that were under construction or purchased specifically or re-rigged and they included definitions in that plan for what re-rigging meant, and re-rigging did not mean. . .it meant switching from one fishery to another and I think that we could include definitions in here and should, if somebody goes into a shipyard and does work that is basically annual maintenance and enhancing the ability of the boat to market their product, that doesn't mean that that boat can only be used in Alaska or was intended for use in Alaska. There are many, many boats that are freezing scallops at sea on the East Coast now and that is a trend that continues to grow.

Hegge: Teresa, you didn't mention. . .Chris touched on it a little bit, going into a limited entry plan. Is that your intent to pursue this pretty quickly?

Kandianis: Yes, I did indicate in my testimony about a quota share system and how it applies to the fishery. We would like to see that. I think that, as Chris pointed out, and as also some members of the SSC pointed out, that under a quota share system you're going to see the fleet settle down to a size that's optimum. And then the Council doesn't have to decide what's optimum; the industry does, based on economics. And I think that that would be a very good way to stabilize the participants and rationalize management.

Penoyer: So, just as a final comment, then. You think that this moratorium that you propose still has too many boats economically for the fishery, so it isn't strictly an economic choice we're making. Your proposal picked some number to level it off at but you think it's still going to stabilize lower than that. It'll stabilize way lower than that. It may even stabilize at the present situation, we're all going to be bankrupt. Under a quota share system it's possible that there might be some consolidation that make the capital expenditures more appropriate for the fishery. But, that number is. . .10, or I guess 13 or 14 boats statewide versus an average of 8 boats participating for the last 14 years, and given the fact that over 50% of the boats every year leave the fishery, I think that that's an indication that that fishery will not support 8 vessels.

Steve Davis: I'm with LGL Alaska Research Associates. My company has been hired by owners of four scallop vessels to conduct a policy and regulatory impact analysis of the scallop FMP. This analysis is to evaluate the plan in terms of both its biological impacts, socioeconomic impacts, and in terms of compliance with the Magnuson Act. I should also mention in addition to advising these four boats I've also provided consulting services to another six vessels in this fishery. As a result I've gained a pretty good perspective I think on the scallop fishery and the issues. The role I've been playing in all of this has been to assist the industry and, in turn, the Council in developing the record necessary to support whatever decision you make. To that end, I think your agenda can be boiled down to four issues. Number one. With regard to the overcapitalization issue. In January 1993 the Council based in my view on somewhat limited testimony made the statement that the scallop fishery was overcapitalized. I questioned how we could determine a resource is overcapitalized when no one knows the size of the resource. We've heard comments to this effect by both Fish and Game staff and those in the fishery itself. Until last year there were no quotas set for this fishery and in 1994 there still are several areas with no quotas. Where quotas have been set by ADF&G they are based on historical catches which appear to be most strongly correlated to market conditions and the status of other Alaskan fisheries. In my view the current quotas, or guideline harvest levels, have been set as an interim step towards reducing effort. The result of ADF&G's action has been a complete stop of new boats entering the fishery. Since 1993 the only boats to enter were ones already in the pipeline and irreversibly committed to the fishery. Issue number two--is there a need for a federal FMP? In my opinion I say there is. A federal plan will provide the necessary safeguards in the Magnuson Act to both the resource as well as the industry. The FMP will require a level of accountability in management which doesn't presently exist. It will require a more formalized management process. Most of the scallop resource lie in federal waters. Enclaves of federal waters which exist in Cook Inlet have been delegated to the State of Alaska through Congressional legislation as it pertains to crab and groundfish management. Likewise, the federal enclaves in Chatham Strait a few years ago. You'll recall the problems Fish and Game had with enforcing and managing those areas. It required a change in one of the earlier Magnuson Act reauthorizations to basically transfer management authority of those federal enclaves in Cook Inlet and in Southeast to the State of Alaska as it pertains to groundfish and crab. No such transfer was made with regards to scallops at that time. So in my view a federal scallop FMP as opposed a Magnuson Act change would be the easier of two solutions and would bring the areas into the realm of State management and enforcement with regard to scallops. Issue number three, the moratorium. What is it the Council wants to do? The Council stated in January that this fishery was overcapitalized. As I've already mentioned, without better knowledge of the resource I think it's a stretch to defend this particular argument. On the other hand, I can understand why it may be useful to freeze the fishery through a moratorium until a thorough stock assessment is conducted. The Council's objectives of the moratorium need to be clearly stated. Issue number four, the moratorium control date. Should a moratorium be deemed necessary, what is the appropriate control date? I can tell you that the AP's recommendation in my mind appears to satisfy National Standard 4. Unlike the Council's groundfish moratorium, it does not provide pipeline criteria filled with potential loopholes for new entrants. Rather, the AP's recommendation captures the fishermen who have been in this fishery and were in the pipeline last year. There are no loopholes with the AP's motion of option 2 as revised. It is elegant in its simplicity. Your universe of qualifying vessels is defined. I might add that with reference to the New England's Council's March '89 control date, due to public comment they kept that control date, but they did provide pipeline criteria which essentially said if the boats had been re-rigged or if there was documentation of some construction contract by that March control date, they had until March of the subsequent

Blackburn: Bob, I didn't develop that, I only suggested ways to look at it, so Teresa would have to answer that.

Alverson: And this produces 10 vessels?

Blackburn: That's what they believe and then we found there may be another pipeline vessel that has legitimate needs, so that would make 11 and that does not include the vessels from Cook Inlet that we assume will at least have the Cook Inlet fishery.

Pennoyer: Chris, and the . . . and I probably should ask Teresa this, it got by me; on the pipeline criteria it still seems pertinent to vessels. . . unless I'm mis-reading it, it didn't take care of the problem that the AP was addressing. I'm not sure we want to do that, I'm just trying to understand it.

Blackburn: Once again, I wish Teresa were here. The discussions in the AP were addressing the same problems that this addresses. They went to owners because they had a . . . they didn't have a pipeline definition in front of them and it was my understanding that the vessel that would have qualified hasn't done scallops and went off to groundfish and other things and would not be present in the fishery. The idea was how do you get this man in. [At this time Teresa Kandianis joined Chris Blackburn in order to answer questions]

Kandianis: Yes, that was specifically to address the problem why the AP had said the owner of the vessel at time of landing; that pipeline criteria was specifically designed to address that problem in the way that those problems are normally addressed so it would take care of that one vessel that the AP expressed concern about in their minutes.

Pennoyer: I think the AP was concerned about the owner, not the vessel.

Kandianis: That's correct, and it's the owner of the vessel is the one that has the vessel under construction. The owner of the vessel that would qualify under those pipeline criteria I proposed is the owner of record at the time the landings were made on the vessel that the AP was concerned about. The Wayward Wind is the vessel in question; I guess it's easier for me to talk about that than in euphemisms. Max Hulse and his sons owned and operated the vessel when it made scallop landings for a period of several years in the '80s. The AP was addressing their problem and saying the owner of the vessel at the time of landings because they sold their vessel, they currently didn't own one, but they've had this vessel under construction that could get into the fishery for several years now, they just have had some problems with propulsion and so on and they just haven't been able to make a landing, but they have significant past personal history in it and they do have this significant construction which began, I think, in 1990. So, that was to address that problem, yes.

Pennoyer: I understand your intent. I'm just saying your proposal says, 'vessels in the pipeline which have not made landings prior to the control date would not qualify,' so even though this is a newly constructed vessel, it doesn't go to the owner, that vessel doesn't get a permit.

Kandianis: I'm sorry, then. I've been mis-reading you. Yes, that pipeline criteria, that is one thing in my proposal that has been stricken now. So, I have written some language for a pipeline criteria that I can give to you to replace what we have in that proposal. I wasn't aware until yesterday that Max had not actually made a landing yet.

Lauber: What were the numbers on this qualifying participation under your. . . 'participate in the 5-year period preceding January 29, 1990. . . control date and made a landing in one of the two years, '92 or '93.' How many vessels on your chart, you may have said, I just didn't get it, remember it. How many vessels would qualify under that?

Kandianis: I believe that 9 or 10 or 11 would, and this does not include the Cook Inlet and there is, on the third page behind my preferred options, there is a list of vessels that would qualify. I think there's about 9 or 10 in the actual statewide fishery and another 3 that I know of in the Cook Inlet fishery, so it's an actual total number of 13 or 14, depending on how you address the Hulse. . .

Lauber: . . .but that doesn't seem to compute. This says, 'participate in a 5-year period, you mean any one of those years, not all five years?'

Kandianis: That's correct.

Lauber: Any one year preceeding '93 and made a landing in '92 or '93, so it wasn't all five years, just . . . Oh, O.K.

Kandianis: Right. . .for the historic dependence and then the present participation was taken into account by requiring a landing recently, to eliminate the ghost boats.

Behnken: I have a question for either of you. You're saying that you don't think there's this big windfall out there of scallop beds that haven't been found, or scallops that can be exploited without other problems, so are you supporting maintaining the existing closed areas?

Kandianis: I think that we really have no choice. The Board of Fish was appalled by the bycatch numbers and the record of the fleet. I think that if we were able to control ourselves as an industry and we were able to demonstrate that we were responsible and that there was work done, perhaps through some type of a Fish and Game charter in some of those areas that it's possible that at the next Board cycle in three years they would look at it again. But as you know that's not a given. The other question is, is once we go in there, is there really anything that is significant. We've gotten a lot of stuff from NMFS over the years, they'll plot out all the scallops that they get on all their bottomfish tows or trawl surveys through the Bering Sea and the Gulf of Alaska and we have all those charts at home and we've used them to try and find what we have now and sometimes you see a big dot on the map that looks like it could be something and you go there and it's not anything and you just don't know until you're there, you don't know the extent of it, so at the present time I think we've got no choice but to support them. Maybe if we're good we'll be allowed to take a look at some future date.

Blackburn: And, I can say the community of Kodiak is very adamant that nothing opens until there are really tight controls. Carl knows only too well how adamant they are.

Pennoyer: For either of you, I'm not sure whether you want to get into pipeline considerations, but one of the things that concerns me in your language is "Pipeline criteria: Vessels in the pipeline are vessels purchased or built specifically for the Alaska scallop fishery." What does that mean? And, how do you determine that -- what's the criteria, how do I know where they were going to be used?

Kandianis: Well, the language that I came up with for a pipeline criteria was for a vessel . . . can I get my notes on this first? [Went to get notes]

Behnken: Can I ask a question of Pennoyer while we're waiting? I'm just curious. Before doing other moratoriums, or I guess we have only one other that we've done, did we do break-even analysis? Is that something that's. . .

Pennoyer: On the other moratorium you did sort of allow catch history up. . . until vessels that had been lost in the fishery. . .it's fairly liberal. I don't think we did do a break-even analysis. We didn't use the moratorium in groundfish in crab as any guideline of what the optimum number of vessel ought to be. We simply tried to sort

year to make a landing. One last thing, with reference to control dates. I'm curious as to how the Council, or how the current NMFS OMB policy with regard to control dates may affect the Council's decision. You'll recall that last June you received a memo from the Director of NMFS with regards to their view on control dates and I've been informed that that's still the current policy. So I think there probably needs to be some discussion at the Council with regards to that. I think, in essence, with the federal plan there's increased opportunity for stock assessment, I think there's increased opportunity for cooperation between the federal agencies and the State agencies on managing this fishery, and that's all I really have to say at this time.

Council questions:

Rosier: Mr. Davis, I assume this fact sheet that was handed out is your fact sheet. You talk about, in the third paragraph, in 1993 the State of Alaska licensed 24 vessels to fish scallops and only 14 of those vessels actually participated in the fishery. In '93, does that 14 include the Cook Inlet vessels? We had slightly different figures in some of the information that was given to us by Ms. Kandianis.

Davis: Good question, Mr. Rosier. It did not. I think my numbers were based on documents that were provided to me by Fish and Game staff and that were used by the Board last month. The figures I used were the same ones used by the Council staff in development of its analysis. I think at this meeting we've all learned of an oversight, if you will, in terms of the Cook Inlet situation and you should factor that in, in addition to my comments there.

Tagart: Steve, one of the definitions of an overcapitalized fishery is a point in time when vessels are unable to meet their variable and operating costs. We had testimony from at least two different vessels that they are not meeting their costs at this time. Would you regard that evidence of overcapitalization?

Davis: I would say that could be used as evidence. I also note that there were other comments that were made to the SSC, other break-even analyses if you will, that presented a different scenario. I think I agree with the SSC in terms of the fact that there were a lot of assumptions that are used in those break-even analyses. The outcome of the analyses are very sensitive to changes in each of those assumptions. I think we see in a lot of those break-even analyses apple-orange type of presentation of figures. There wasn't a standardization in any way or form in terms of how that information was presented to the Council, so I think we need to be cautious in how we use that information and whether or not we want to base an overcapitalization argument solely on that.

Tagart: Regardless of the break-even analysis, if fishermen are telling you they're not making money to make a living, that would at least be a prima-facie indication of some level of overcapitalization, wouldn't it?

Davis: Yes it would.

Hegge: Steve, did you mention where the control date on this particular moratorium fell in with the definition that you've attached here? When was the control date published in relation to . . .

Davis: Are you referring to the NMFS policy? [Yes.] Well, there has been no publication in the *Federal Register*, which I think is what NMFS and OMB were advising the Council to do. But certainly there has been notice in the sense of the Council's newsletter after the January meeting last year and subsequent meetings where scallop management has come before the Council there's been as usual an overview of the actions taken by the Council. But there hasn't been any notice along the lines as advised by NMFS in that memo.

Pennoyer: You talked about the 'useful to freeze the fishery.' What did you mean by that and how do you relate that to longer-term decisions on where you go with a license or IFQ program or something like that? You specifically meant the AP proposal, is that correct?

Davis: That's correct. And, I think what my interpretation of what the Advisory Panel was doing was when they looked at past actions of this Council, what its intent was with regard to a moratorium, what its intent might be in terms of developing a longer-term rationalization plan for a particular fishery, at which time there may be qualifying criteria or other types of factors taken into account which may reduce fleet size or shape the fishery in some manner. I think what the Advisory Panel, majority of the Advisory Panel, was saying to you was that the moratorium was not the place to do that; it was the development of a rationalization program should occur following the moratorium at some point in time after analysis and thought.

Pennoyer: We've had testimony that even the number of boats in some of these various moratorium packages we've had put before us that are 9, 10, 12, 13, probably still are more than is appropriate. And, I guess an awful lot of this seems to come back to whether this scallop resource is really going to support a lot more fishing. And currently, under the Fish and Game regulations, I mean we have already a constraint on the size of the scallop harvest and if you look at the break-even point on most of the analysis I've seen, it's 100,000+ pounds of shucked meat, and unless you assume you're off by a factor of two or three or four, doesn't get you up to 21, 23 boats. The other factor is whether our areas that may still have scallops in them we're not fishing, that are bycatch closures in all these fisheries, and, the Bering Sea for example, the one spot on the chart, this is a question, probably is the only place there are scallops but given other bycatch concerns the Council has it's hard to see how we're going to be able to effectively do. . .you're not going to be able to fly a pelagic scallop dredge, so, why do you think that's a major factor here?

Davis: There were several parts to that question, I think, so let me try to work through them all. First of all, I don't know what the optimum fleet size is. I think that would be a difficult thing to try to determine at the present time given the unknowns in the fishery. With regards to whether or not there's a greater scallop resource out there than currently is being utilized, I don't know the answer to that question either. But what we have seen is some evidence through Fish and Game's test fishery program, where there may be areas that are right now been closed to scalloping for purposes of protecting crab and these were actions that were taken ten years ago because you recall the crab resource was declining and everyone was looking for something to do that might in some way help the crab stocks improve. There has been, last year for example, there were two areas were Fish and Game allowed a vessel to go in and prospect, if you will, what was in those closed areas. One area showed to be very productive in terms of scallops with no crab bycatch whatsoever, yet that area remains closed today. So there's an area that could open perhaps and be a good area to scallop and there's no crab bycatch at all. The other area had scallops but also had crab, too. Now, what I find interesting is that the fact that scallops aren't surveyed I think is pretty well now known, but the crab resources in the Gulf and in the Bering Sea, in the Bering Sea I think are better, but in the Gulf aren't fully surveyed either. In fact, the results from the scallop observer program suggests that in some areas crab are more abundant than were previously believed by Fish and Game. And so that information now is being incorporated into ADF&G's survey plans for crab this year. They're finding crab now that they didn't know were there before. I think we need improved stock assessment, not only for scallops but for crab too. I think once we get that information we'll be able to direct the fleet to areas that have good scallop grounds and away from areas that maybe are sensitive to crab. I know in some of the comments that have been made there's reference to the Yakutat area as maybe being an underutilized area. That area probably supports most of the quota in the Gulf at the present time. It appears to have no bycatch problems at all. The current management regime limits the amount of harvest that can occur in that area. At the same time [Change to Tape 58] it pushes the fleet into areas where there appear to be some crab bycatch problems and I'm hopeful that with a federal FMP and improved State management you'll probably see the fleet being managed in a different way where those areas, as we learn more about them, those scallop areas, the fleet will be moved into those productive areas and away from the crab areas. So, in terms of . . . I've dealt with bycatch and I think I've dealt with status of stocks. . .the groundfish observer program is providing information on scallops. As of the last year or so, NMFS has been getting information from the groundfish fishermen of increased scallops in the catch along the shelf edge in the Bering Sea. Now this is an area that was off the chart here; it may not be the

motherlode that everyone's looking for, but there appears to be an increased abundance of scallops in areas that haven't been fished, at least recently, by the fleet. Did I get everything on your list?

Alverson: Steve, what boats are you representing?

Davis: The Loring Carol, the Fortune Hunter, the Carolina Boy, the Carolina Girl. They're owned by Michael Ireland and the Wells Scallop Company.

Alverson: And those boats, I assume, would not get a permit under option 1?

Davis: That's right.

Alverson: They would under the AP's recommendation?

Davis: That's right. In January of that meeting, 1993, the Wells testified that they were here at that meeting; I remember them being at that meeting. They mentioned to you that they didn't believe there were going to be this 20 or 70 or whatever the number was, boats invading Alaska. They were aware of, of course their boats, and two others that were irreversibly committed to coming over and fishing in Alaska. And they testified at that time that they were in the pipeline, if you will, and had no choice but to follow through with their plans and would be in the fishery at the next opening and in fact they were. So, they came to this meeting, I know, favoring option 2. The AP's motion accommodates some of this Cook Inlet oversight and still takes care of their situation too.

Alverson: I don't know myself, but relative to operations in scallops on the East Coast versus what the 17 or 11 boats that typically are fishing the last couple of years off Alaska, is it typical for Alaska-style boats to need to have freezing capacity? Do most of these boats have freezing capacity? The boats you represent as well as others in the fleet?

Davis: That's right. Most of them have it, I think, because of the offshore nature for a lot of the grounds that we've seen on that chart. Someone, I know, testified that the Alaska scallop commands a very high price in the marketplace and I think as we've seen in some of our groundfish fisheries the quality has been improved and in part I think that's due to the fact that they are processed to a certain extent at sea.

Lauber: Steve, there was some comment or testimony regarding, I think in the context of pipeline, regarding the scallop boats, I don't remember, there were many, or significant numbers, or whatever, in the East Coast scallop fleet that were freezer boats like are used in Alaska. How many of the vessels used in the East Coast scallop fishery are freezer boats?

Davis: I really can't answer that question but if I could I'd like to invite Mr. Wells back up the table. He could probably answer that question.

Lauber: Could you answer that question for me, Mr. Wells?

Wells: I believe the question was how many vessels are currently freezing at sea in the East Coast scallop fishery?

Lauber: Yes, there was some comment by one of the previous witnesses that indicated that there were numbers, or significant numbers of vessels that had converted to freezing or were freezing, something of that nature. So, how many of the vessels or whatever you can tell me about that.

Wells: My numbers will come from merely anecdotal, however we have discussed this at the New England Scallop Oversight Committee. My understanding is that there are 10 vessels currently freezing of the 550 boats that participate in the fishery. Of that number, I'm aware of 10 boats that are freezing at sea. Those boats fall into two categories. They were either boats that primarily targeted squid and butterfish and could use an existing freezer to also freeze scallops, and I believe there 3 boats that did that; and there were 6 or 7 boats that put freezers on within, say, the '92 year as a direct means of violating the management system on the East Coast because there was a rather famous case in our area involving someone else who froze at sea and found that the National Marine Fisheries Service could not count frozen scallops and at that time we were under a meat count system. As soon as that case occurred, then 8 or 9 other boats ran out and put freezers on because they also could not be counted. I would like to point out to you that Mr. Ireland and my father have not frozen any scallops on the East Coast. Those freezers were put on and the first scallops they ever saw came from the Gulf of Alaska.

Behnken: Can, probably Mr. Wells can best clarify, well we've been discussing this 'in the pipeline' criteria. What exactly would indicate that a vessel was re-rigging or re-outfitting to participate in an Alaska fishery?

Wells: Well, I can think of several things. Certainly, conforming to the. . .Mr. Alverson had asked me yesterday about what you have to do to come to Alaska. And I can't remember the department that requires it, but you do have to do a lot of work with bilge lines, seacock lines, you've got to put either stainless steel or some other type of surface in your cutting houses, that is absolutely. . .there is just no kind of requirement like that on the East Coast. There's not division that handles that. That is under ADF&G to my knowledge and that kind of information is easily provided. I will tell you that, really, the AP recommendation takes care of all of this and negates the need for a pipeline criteria. By changing the date, basically that issue goes away.

Rosier: We take the blame for a lot of things but I think I'll pass this one to DEC, I think environmental conservation is where this is at.

Lauber: My memory's a little hazy on when we set the control date but I do remember reference to a number of vessels, again I don't remember the number of vessels that were over the horizon gearing up and I think in my case it impressed me that we were going to be inundated with vessels coming from the East Coast into this relatively small scallop fishery. Do you remember your testimony? I think Mr. Davis made some reference to it, but I think you would remember it more. Do you remember what the testimony was regarding the number of vessels that were supposed to come, that were mentioned by others, and what you said at that time regarding the number of vessels that you knew of that were coming and then what happened?

Wells: My testimony at that time was that I knew of four boats that were coming, the two that my father owns and the two that Mr. Ireland owns and in fact at that time one of those boats was already off the coast of Washington. The testimony of others was that there was a large number of boats that were coming because they would be excluded under the new management plan on the East Coast. But the fact is, to my knowledge, those are the only four boats that entered this fishery subsequent to that testimony.

Lauber: Do you remember what the number was by various people, there may have been several that testified, but what the range was?

Wells: The number that I read in the written comments and that I heard here was 60 or 70 vessels. Again, to my knowledge there were only 4 boats that came.

Rosier: Mr. Wells, there's been talk, and I don't want to confuse this issue any more than it is in my mind anyway at the present time; there's been some at least some experimental landings of another species of scallops. Obviously substantially smaller than the target species that we're talking about here at the present time. In your view, is there potential here as far as that other species is concerned.

Wells: Yes.

Hegge: Steve, I assume the control date you've referenced in your sheet, July 30th, is referring to the one in Alternative 2?

Davis: That's right. Those were the two options that were in the public comment package.

Behnken: Just following on Mr. Hegge's question for clarification. What I've read in the documents was that the original control date was January 20, 1993. So when you say control date you're referring to the qualification date that we set as part of that?

Davis: In January of '93 when the Council first determined that a federal plan was necessary and directed staff to begin developing such a plan and that a moratorium was to be an integral part of it, they chose the date of that meeting as its control date. Later, I want to say it was the June meeting of last year, the Council had before it a draft FMP or some analysis if you will and they had the memo from Dr. Foster and I can't recall if it was the June meeting or the September meeting when finally the document was put out for public review. But the Council developed another alternative to a control date and that was the July 30th control date. They put both out for public comment and those are the two that are essentially on the table at this meeting. The Advisory Panel reacted to those two control dates and in light of the Cook Inlet situation and the Hulses' situation and so on modified that option 2 to encompass those particular situations.

Hegge: But, neither of those control dates was actually published?

Davis: In the *Federal Register*, that's correct.

Lauber: What was that question and answer?

Hegge: I asked if either of those control dates was published in the *Federal Register*, he responded no.

Clarence Pautzke: I would just note on control dates that we do have a letter on file from Mr. Pennoyer that the control dates don't need to be published in the *Federal Register* to have the same force.

Lauber: What's this letter?

Pennoyer: The letter that was presented was the letter from Dr. Foster indicating that OMB wants control dates that are published in the *Federal Register* published within a certain period of time after the meeting. I think the advice you had, Ms. Lindeman may correct me, is the control date doesn't have any legal standing anyhow and it really has to be justified in the final regulation and therefore the Council chose in its June meeting rather than to move the control date forward and put it in the *Federal Register* to stay with their original control date which therefore it was their announcement, not an announcement in the *Federal Register*. The control date has no legal standing anyhow until it's actually enacted in regulation with a justification as to why it's appropriate. So the only announcement you made of your control was through your various mechanisms, news releases, whatever.

Pautzke: And, Mr. Pennoyer, in his response on the control date said that the distribution and the advertising system through our newsletter and everything else was sufficient to inform the public, not many people read the *Federal Register* and so therefore the public was informed that there was a control date. And, I don't have the letter with me right now, so it's strictly from memory, but it was a lengthy letter.

Pennoyer: I don't either.

Lauer: Well, maybe we can include that in one Clinton's budget-cutting measures. We can just do away with the *Federal Register*. That's an intriguing thought.

End of Council questions -- Council then went into discussion and action on this item [transcribed separately].

MEMORANDUM

TO: Council, SSC and AP Members
FROM: Clarence G. Pautzke
Executive Director
DATE: April 8, 1994
SUBJECT: Scallop Management



ESTIMATED TIME

4 HOURS

ACTION REQUIRED

- (a) Review recent State actions on scallop management.
- (b) Review proposed Federal scallop FMP and moratorium options, and consider taking final action.

BACKGROUND

State Management

The Alaska Department of Fish and Game (ADF&G) has developed a comprehensive state *Fishery Management Plan for Commercial Scallop Fisheries in Alaska*, which was recently adopted by the Alaska Board of Fisheries. The Plan details the scallop fishery, biology and life history of weathervane scallops, conservation concerns, management goals and objectives, and management measures. It provides the basis for the state's long-term management strategy for the commercial scallop fisheries. In addition to adopting the state's scallop FMP, the Board of Fisheries also gave direction to CFEC to institute a moratorium on the issuance of new permits for scallop fisheries. ADF&G staff will report on the State's FMP, observer program, and recent actions taken by the Board of Fisheries.

Proposed Federal FMP and Moratorium

In September, the Council reviewed a draft analysis for a proposed federal Fishery Management Plan (FMP) for the scallop fishery in the Gulf of Alaska (GOA) and Bering Sea/Aleutian Islands (BSAI). Three alternatives were examined in the analysis: continuing State management (status quo), incorporating scallops into the GOA and BSAI groundfish FMPs, and developing a separate scallop FMP. Two options for management authority were considered for alternatives to the status quo: (1) full Council (i.e. Federal) management, and (2) shared authority between Federal and State agencies. Under option 2 and a separate FMP, two categories of management measures proposed are: (Category 1) those that are specifically fixed in the proposed FMP and require an FMP amendment to change, and (Category 2) those measures that are neither rigidly specified nor frameworked in the FMP.

At the September meeting, the Council tentatively identified a preferred alternative, management authorities (Table 1), and moratorium options (Table 2), although these may change when final action is taken. Because a majority of this fishery takes place in the EEZ, the Council moved to develop a separate FMP for scallops. Preferred management authorities identified are as follows. Category 1 measures are permit requirements, Federal observer requirements, and limited access. Category 2 measures are legal gear, minimum size limits, reporting requirements, guideline harvest levels, in-season adjustments, districts and sections, seasons, State observer requirements, registration areas, efficiency limits, and other necessary measures consistent with the FMP. The Council was undecided on the category in which to place bycatch limits and closed waters. As currently drafted, superexclusive registration areas would not be authorized under the proposed plan.

Written comments received on the draft scallop FMP have focused on four major points, and these are: (1) the need for a federal FMP, (2) moratorium qualifying criteria and breakeven analysis, (3) an apparent oversight regarding the Cook Inlet scallop fishery, and (4) the Council's intent on crossovers.

1. Based on comments received, most industry representatives generally support Alternative 3, Option 2, which is to develop a federal FMP for the scallop fishery, with most management measures deferred to the state.
2. Although many in the industry support a moratorium, there was some disagreement regarding qualifying criteria. As to how many vessels would qualify, testimony focused on the breakeven analysis. The breakeven analysis provided in the draft FMP was based on cost data from one vessel (the best available information at the time). Since then, four additional owners have provided cost data for their six vessels and exvessel prices received as part of their public testimony, indicating a much lower catch per vessel may be required to break even (the average for six vessels was 120,000 lbs). Apparently, prices for large Alaska scallops have drastically increased recently as a result of declines in East Coast production. Hence, this information suggests that more vessels may be able to break even than originally estimated.
3. The Cook Inlet fishery did not open until August 15, after either of the proposed moratorium cut-off dates. The Cook Inlet fishery was closed by ADF&G in 1987, and the fishery did not resume until 1993, with 3 Homer based vessels making 15 landings prior to a GHL closure on September 23. The scallop fishery in this area is unlike others in the state, having a six foot maximum dredge size, and a GHL of only 20,000 lbs. Under the proposed qualifying options, none of these vessels would be moratorium qualified. Potential methods to accommodate these fishermen, if the Council so desires, include defining the Cook Inlet area as waters under state jurisdiction for scallop fishery management purposes, creating a superexclusive area, or allowing these vessels to participate in the statewide scallop fishery under the proposed moratorium.
4. Some commented on the wording or intent of the Council regarding crossovers. The Council tentatively identified that the preferred option was to not allow crossovers to other fisheries. One vessel owner was concerned that, as worded, groundfish and crab vessels could crossover from other fisheries and enter the scallop fishery. Others have indicated that their preference would be to allow scallop vessels to participate in other Council managed fisheries. At least one vessel currently scalloping also participates in the groundfish fisheries. The Council may want to clarify their preferred option prior to final action.

One other point that needs to be clarified is the Council's intent as to which fishery the moratorium applies. The analysis contained in the draft FMP was based on a moratorium on the fishery for weathervane scallops only. Development of fisheries for other scallop species is encouraged as one of the FMP's objectives. However, the Council has not explicitly stated that the proposed moratorium will apply only to the weathervane fishery, and will want to clarify its intent before taking final action.

At the April meeting, the Council may take final action on both the FMP and moratorium alternatives. An executive summary of the FMP is attached as Item C-3(a). Because several years have passed since the Council developed a new FMP, relevant sections of the Magnuson Act are attached as Item C-3(b). Written comments received on the draft FMP are bound separately as Item C-3(supplemental).

Table 1. Proposed management measures for the scallop fishery in Alaska by category, under Alternative 3, option 2.

Category 1 (Fixed in FMP)	Category 2 (Discretion of State)
Permit Requirements	Legal Gear
Federal Observer Requirements	Minimum Size Limits
Limited Access (Moratorium, Individual Quotas)	Reporting Requirements
	Guideline Harvest Levels
	In-season Adjustments
	Districts, Subdistricts and Sections
	Fishing Seasons
	State Observer Requirements
	Registration Areas
	Efficiency Limits
	Other
Bycatch Limits <u>OR</u> Closed Waters <u>OR</u>	Bycatch Limits Closed Waters

NOTE: Superexclusive registration is not included in a category and not allowed under this plan.

Table 2. Preferred scallop fishery moratorium options identified by the Council at the September 1993 meeting.

Qualifying Criteria: There were two sets of qualifying criteria developed for analysis, and these are:

1. Vessels must have participated (made landings) in either 1991 or 1992, or must have participated for at least four years between January 1, 1980 and January 20, 1993.

[NOTE: under this option, a total of 10 vessels would qualify.]

2. Vessels must have participated (made landings) in either 1990, 1991, 1992 or 1993 through July 31, or must have participated for at least four years between January 1, 1980 and January 20, 1993.

[NOTE: under this option, a total of 17 vessels would qualify.]

Under either qualifying criteria, vessels that were in the "pipeline" to fish for Alaskan scallops (i.e., under construction, being refitted, relocated, etc.), but had not made landings during the qualifying period, would not qualify under the moratorium.

clarify ✓ Length of Moratorium: The moratorium will remain in effect until the Council rescinds or replaces; not to exceed 3 years from date of implementation, but Council may extend for two years if a permanent limited access program is imminent.

✓ Crossovers: Crossovers to other fisheries (groundfish, crab, or halibut) during the moratorium will not be allowed.

Reconstruction: Vessels may be reconstructed during the moratorium if physical reconstruction started on or after January 20, 1993, with the new size restricted to a 20% increase in vessel length; no more upgrades allowed.

✓ Replacement: Qualifying vessels can be replaced with non-qualifying vessels as often as desired so long as the replaced vessel leaves the fishery or bumps another qualifying vessel out in the case of multiple transactions. ~~Vessel size can be increased as many times as desired, but~~ restricted to a 20% maximum increase in original qualifying vessel length. For vessels lost or destroyed before or during the moratorium, qualifying vessels can be replaced with non-qualifying vessels subject to a 20% maximum increase in vessel length. Replaced vessels cannot be salvaged and come back into the fishery.

Exemptions: In the Gulf of Alaska, vessels 26 feet or less are exempted from the moratorium. In the Bering Sea/Aleutian Islands, vessels 32 feet or less are exempted from the moratorium.

✓ Appeals: The appeals procedure will consist of an adjudication board of government persons and non-voting industry representatives.

Consistent w/ SBL/FAA IFAA program

EXECUTIVE SUMMARY

Background. Management of scallops has been under the jurisdiction of the State of Alaska since a fishery began in 1968, as no federal Fishery Management Plan (FMP) has been implemented for this fishery. The scallop fishery occurs primarily outside state waters, and the program proposed by this plan would allow federal management over all scallop fisheries within the Exclusive Economic Zone (EEZ).

Fishery Status. Traditionally, the scallop fishery had been prosecuted by a small number of vessels, targeting exclusively on weathervane scallops. However, information indicated that stocks of weathervane scallops were fully exploited by seven vessels in 1992 and that an increase in effort was likely. At the January 1993 meeting, the Council determined that the scallop fishery met the national standards for federal management, and that such management was necessary to protect the fishery from further overcapitalization. A control date of January 20, 1993 was set to notice industry that a moratorium for this fishery may be implemented. As anticipated, effort in this fishery apparently increased in 1993; 21 vessels were licensed to fish scallops as of August 3, 1993. Eleven of these vessels had made landings as of July 31, 1993.

Management Unit. The management unit is populations of all scallop species occurring along the U.S. Pacific coast off Alaska. This area includes both the Gulf of Alaska (GOA) and the Bering Sea/Aleutian Islands (BSAI) areas. All fisheries for weathervane scallops (*Patinopecten caurinus*), pink scallops (*Chlamys rubida*), spiny scallops (*Chlamys hastata*), rock scallops (*Crassadoma gigantea*), and all other scallop species in the EEZ waters off Alaska would be federally managed under the FMP.

MSY, Optimum Yield and Overfishing. Given the lack of biomass estimates and the continuing exploratory nature of this fishery into new areas, numerical estimation of MSY for weathervane and other scallop species is not possible at this time. Pectinids in general exhibit extreme variations in year class strength, and effort and landings from the Alaskan scallop fishery have varied widely. Instead of a specifying OY as a fishing rate or constant catch level, OY specification as a numerical range is proposed for Alaskan scallops. The OY range proposed is zero to 2,700,000 pounds of shucked scallop meats, and is derived from historical catches. Quotas, or guideline harvest ranges (GHRs), may be set for individual scallop species, so long as the total GHRs are less than or equal to the upper end of the OY range. GHRs will be set at the harvest that can be taken by U.S. fishermen without reducing the spawning stock below the level necessary to ensure adequate reproduction, based on best available information. The OY can be fully harvested by U.S. vessels, and fully processed by U.S. processors. The lack of biological information on Alaskan scallops inhibits the specification of overfishing based on population dynamics, and thus overfishing is defined as landings that exceed optimum yield.

Problems in the Fishery Addressed by this Plan. Federal management of the scallop fishery is necessary to protect the fishery from further overcapitalization, and reduce the potential for overexploitation. Information indicated that stocks of weathervane scallops were fully exploited by 1993 and any increase in effort would be detrimental to the stocks and the Nation. Dramatic changes in age composition had occurred after the fishing up period, with commensurate declines in harvest. To maintain catches in recent years, vessels abandoned historical fishing areas, and searched for new areas. Increased numbers of small scallops were being reported. Because scallops are highly susceptible to overfishing and boom/bust cycles world-wide, concern was raised over projected increases in effort.

Without an FMP there may be no way to prevent vessels and fishermen not licensed by the State to fish for scallops in the EEZ. State authority and jurisdiction for fisheries in the EEZ remains in question. Without Federal jurisdiction in the EEZ, scallop stocks could be potentially overharvested by non-licensed crew and vessels, which could make landings in states other than Alaska. Under the FMP, federal fishing

permits will be required for scallop harvesting vessels, thereby preventing potential overharvesting by non-licensed vessels.

A moratorium on the entry of new vessels is proposed as an essential element at the time of FMP implementation, to keep the fishery from being further overcapitalized. The intent of the proposed vessel moratorium is to stabilize the size and capitalization of the scallop fleet during the time that the Council is considering limited entry alternatives for this fishery. As such the vessel moratorium does not resolve the underlying problems of existing overcapitalization and excess effort in the fishery, but may prevent these problems from worsening while comprehensive solutions are being developed.

Management Objectives. The management goal for scallop fisheries is to maximize the overall long-term benefit of scallop resources to the Nation, while providing for conservation of scallop populations and their habitats. Within the scope of the management goal, five specific objectives have been identified. These objectives concern biological conservation, habitat, economic benefit, subsistence, and fishery research.

Biological Conservation Objective: The biological conservation objective is to ensure the long-term reproductive viability of scallop populations.

Bycatch and Habitat Objective: The bycatch and habitat objective is to minimize adverse effects of scallop fishing gear on incidental harvest of other species and on bottom habitat needed for recruitment and survival of scallops and other bottom-dwelling organisms, particularly those of commercial importance.

Economic Benefit Objective: The economic benefit objective is to maximize net economic benefit from the scallop fishery subject to maintaining stable employment opportunities and high quality scallops supplies. Development of underutilized resources such as Chlamys scallops is included within the scope of this objective.

Subsistence Objective: Where appropriate, the subsistence objective is to ensure that scallop harvest requirements by traditional users in coastal communities are met.

Research Objective: The research objective is to gather and analyze data relevant to attaining fishery management objectives and to ensure that management plans are adjusted to reflect this new knowledge.

Management Measures. There are two categories of management measures proposed in the FMP. Category 1 measures are those that are specifically fixed in the proposed FMP, and require an FMP amendment to change. Category 2 measures are neither rigidly specified nor frameworked in the FMP, and would remain under State authority.

Category 1 measures are closed waters, bycatch limits, permit requirements, Federal observer requirements, and limited access. Category 2 measures are legal gear, minimum size limits, reporting requirements, annual catch limits or guideline harvest levels, in-season adjustments, districts and sections, seasons, State observer requirements, registration areas, closed waters, efficiency limits, bycatch limits, and other necessary measures consistent with the FMP. These authorities avoid unnecessary duplication of effort, and to utilize existing State management system, including: facilities, equipment, communication, research and management personnel, and enforcement program. As currently listed, bycatch and closed waters are placed in both categories, and the Council is interested in public comment on the category in which these measures should be placed.

Research Recommendations. Research topics identified in this FMP include: (1) new gear designs to increase efficiency, reduce bycatch, and minimize adverse effects on bottom habitat; (2) estimation of comparative mortality associated with regulations for minimum dredge ring size or minimum shell height; (3) estimation of population abundance and size/age structure; (4) scallop biology, life history, and stock production parameters; (5) analyses of reproductive potential, population thresholds, and recruitment overfishing; (6) investigations into exploitation rates and alternative management strategies; (7) genetic stock structure; (8) economic studies on industry characteristics and performance; (9) social studies; and others.

Habitat Protection Recommendations. Scallop populations are vulnerable to pollution, even in offshore habitats. Scallops can also be adversely affected by ocean dumping, runoff, oil spills, and drilling muds that may release nutrients, sediments, oil, heavy metals, or other toxins. Measures to protect scallop habitat should be taken based on these concerns. The dumping of dredge spoils, drilling muds, and municipal and industrial wastes should be minimized in areas of known scallop concentrations. Dispersal by water currents should also be taken into account when waste disposal and drilling sites are chosen.

Summary of Impacts. The primary short term impacts resulting from FMP implementation are due to a 3 year moratorium on new vessels entering the fishery. Moratorium options that allow for an increase in vessels, vessel size, and effort over the 1992 level may reduce the long term viability of the scallop fishery. Options chosen for a moratorium will have economic impacts on both owners of vessels that qualify and those that do not. In addition to the qualifying criteria, the other elements are: duration, crossovers, reconstruction, replacement, exemptions for small vessels, and appeals. Any crossovers of vessels between fisheries, if allowed, will amplify any economic and biological impacts associated with the increased capacity of the fleet. Reconstruction, replacement, and exemptions for small vessels, if allowed, will also increase the capacity of the fleet. Such an increase in capacity will directly depend on the extent of these options.

At its September 1993 meeting, the Council identified many of its preferred moratorium options, but requested that additional analysis be done to assist with determining appropriate qualifying criteria. The options that the Council has identified are:

- a. Vessels must have participated in either 1991 or 1992, or participated for a minimum of four years within the qualifying period (January 1, 1980 to January 20, 1993).
- b. Vessels must have participated in either 1990, 1991, 1992 or 1993 through July 30, or participated for a minimum of four years within the qualifying period (January 1, 1980 to January 20, 1993).

Additional analysis has indicated that under qualifying criteria (a), a total of 10 vessels would qualify. Under qualifying criteria (b), a total of 17 vessels would qualify. Most, if not all, qualified vessels would participate in the scallop fishery.

The number of vessels that will break even in the fishery also depends on fixed and operating costs for the fleet, projected landings (lbs) and price. Based on this analysis, four to six vessels would be able to operate at the breakeven level, assuming total landings of 1.3 million pounds and \$4.50 exvessel price per pound. Fewer vessels would break even if quotas (landings) or price was reduced. Alternatively, more vessels would break even if quotas or price increased. For example, if future exvessel prices were in the order of \$7.00 per pound, six to eight vessels could operate at a breakeven level. Nevertheless, based on the best available information, four to six vessels could participate in the scallop fishery at the breakeven

level. The estimate corresponds more closely to qualifying criteria option (a), whereby a total of 10 vessels would qualify.

In addition to the moratorium, the FMP contains other measures to meet the biological conservation objective of the FMP. One measure is to require federal fishing permits for vessels fishing in the EEZ. Without permits, there is currently no regulation that prevents vessels and fishermen not licensed by the State, to fish for scallops in the EEZ. State authority and jurisdiction for fisheries in the EEZ remains in question. If in fact, the State cannot extend its jurisdiction into the EEZ, then scallop stocks could be potentially overharvested by non-licensed crew and vessels, which could make landings in states other than Alaska. Under the FMP, however, federal fishing permits will be required for scallop harvesting vessels, thereby preventing potential overharvesting by non-licensed vessels.

Implementation of the FMP is not expected to have any adverse impacts on marine mammals, seabirds, or Pacific salmon listed under the Endangered Species Act.

Administration and enforcement costs to the Federal government will increase somewhat with implementation of the FMP. The Federal government will incur costs for implementing regulations, management, research, and enforcement of the scallop fishery.

**SEC. 301. NATIONAL STANDARDS FOR FISHERY CONSERVATION AND
MANAGEMENT**

(a) **IN GENERAL.**--Any fishery management plan prepared, and any regulation promulgated to implement any such plan, pursuant to this title shall be consistent with the following national standards for fishery conservation and management:

98-623

(1) Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery for the United States fishing industry.

(2) Conservation and management measures shall be based upon the best scientific information available.

(3) To the extent practicable, an individual stock of fish shall be managed as a unit throughout its range, and interrelated stocks of fish shall be managed as a unit or in close coordination.

(4) Conservation and management measures shall not discriminate between residents of different States. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be (A) fair and equitable to all such fishermen; (B) reasonably calculated to promote conservation; and (C) carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

(5) Conservation and management measures shall, where practicable, promote efficiency in the utilization of fishery resources; except that no such measure shall have economic allocation as its sole purpose.

(6) Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resources, and catches.

(7) Conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication.

SEC. 303. CONTENTS OF FISHERY MANAGEMENT PLANS

16 U.S.C. 1853

95-354, 99-659, 101-627

(a) **REQUIRED PROVISIONS.**--Any fishery management plan which is prepared by any Council, or by the Secretary, with respect to any fishery, shall--

(1) contain the conservation and management measures, applicable to foreign fishing and fishing by vessels of the United States, which are--

(A) necessary and appropriate for the conservation and management of the fishery to prevent overfishing, and to protect, restore, and promote the long-term health and stability of the fishery;

(B) described in this subsection or subsection (b), or both; and

(C) consistent with the national standards, the other provisions of this Act, regulations implementing recommendations by international organizations in which the United States participates (including but not limited to closed areas, quotas, and size limits), and any other applicable law;

(2) contain a description of the fishery, including, but not limited to, the number of vessels involved, the type and quantity of fishing gear used, the species of fish involved and their location, the cost likely to be incurred in management, actual and potential revenues from the fishery, any recreational interest in the fishery, and the nature and extent of foreign fishing and Indian treaty fishing rights, if any;

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(3) assess and specify the present and probable future condition of, and the maximum sustainable yield and optimum yield from, the fishery, and include a summary of the information utilized in making such specification;

(4) assess and specify--

(A) the capacity and the extent to which fishing vessels of the United States, on an annual basis, will harvest the optimum yield specified under paragraph (3),

(B) the portion of such optimum yield which, on an annual basis, will not be harvested by fishing vessels of the United States and can be made available for foreign fishing, and

(C) the capacity and extent to which United States fish processors, on an annual basis, will process that portion of such optimum yield that will be harvested by fishing vessels of the United States;

(5) specify the pertinent data which shall be submitted to the Secretary with respect to the fishery, including, but not limited to, information regarding the type and quantity of fishing gear used, catch by species in numbers of fish or weight thereof, areas in which fishing was engaged in, time of fishing, number of hauls, and the estimated processing capacity of, and the actual processing capacity utilized by, United States fish processors;

(6) consider and provide for temporary adjustments, after consultation with the Coast Guard and persons utilizing the fishery, regarding access to the fishery for vessels otherwise prevented from harvesting because of weather or other ocean conditions affecting the safe conduct of the fishery; except that the adjustment shall not adversely affect conservation efforts in other fisheries or discriminate among participants in the affected fishery;

(7) include readily available information regarding the significance of habitat to the fishery and assessment as to the effects which changes to that habitat may have upon the fishery;

(8) in the case of a fishery management plan that, after January 1, 1991, is submitted to the Secretary for review under section 304(a) (including any plan for which an amendment is submitted to the Secretary for such review) or is prepared by the Secretary, assess and specify the nature and extent of scientific data which is needed for effective implementation of the plan; and

(9) include a fishery impact statement for the plan or amendment (in the case of a plan or amendment thereto submitted to or prepared by the Secretary after October 1, 1990) which shall assess, specify, and describe the likely effects, if any, of the conservation and management measures on--

(A) participants in the fisheries affected by the plan or amendment; and

(B) participants in the fisheries conducted in adjacent areas under the authority of another Council, after consultation with such Council and representatives of those participants.

97-453, 99-659, 101-627

(b) **DISCRETIONARY PROVISIONS.**--Any fishery management plan which is prepared by any Council, or by the Secretary, with respect to any fishery, may--

(1) require a permit to be obtained from, and fees to be paid to, the Secretary, with respect to--

(A) any fishing vessel of the United States fishing, or wishing to fish, in the exclusive economic zone or for anadromous species or Continental Shelf fishery resources beyond such zone;

(B) the operator of any such vessel; or

(C) any United States fish processor who first receives fish that are subject to the plan;

(2) designate zones where, and periods when, fishing shall be limited, or shall not be permitted, or shall be permitted only by specified types of fishing vessels or with specified types and quantities of fishing gear;

(3) establish specified limitations on the catch of fish (based on area, species, size, number, weight, sex, incidental catch, total biomass, or other factors), which are necessary and appropriate for the conservation and management of the fishery;

(4) prohibit, limit, condition, or require the use of specified types and quantities of fishing gear, fishing vessels, or equipment for such vessels, including devices which may be required to facilitate enforcement of the provisions of this Act;

(5) incorporate (consistent with the national standards, the other provisions of this Act, and any other applicable law) the relevant fishery conservation and management measures of the coastal States nearest to the fishery;

(6) establish a system for limiting access to the fishery in order to achieve optimum yield if, in developing such 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;

(7) require fish processors who first receive fish that are subject to the plan to submit data (other than economic data) which are necessary for the conservation and management of the fishery;

(8) require that observers be carried on board a vessel of the United States engaged in fishing for species that are subject to the plan, for the purpose of collecting data necessary for the conservation and management of the fishery; except that such a vessel shall not be required to carry an observer on board if the facilities of the vessel for the quartering of an observer, or for carrying out observer functions, are so inadequate or unsafe that the health or safety of the observer or the safe operation of the vessel would be jeopardized;

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(9) assess and specify the effect which the conservation and management measures of the plan will have on the stocks of naturally spawning anadromous fish in the region; and

(10) prescribe such other measures, requirements, or conditions and restrictions as are determined to be necessary and appropriate for the conservation and management of the fishery.

97-453

(c) **PROPOSED REGULATIONS.**--The proposed regulations which the Council deems necessary or appropriate for purposes of carrying out a plan or amendment to a plan shall be submitted to the Secretary simultaneously with the plan or amendment for action by the Secretary under sections 304 and 305.

99-659, 101-627

(d) **CONFIDENTIALITY OF STATISTICS.**--Any statistic submitted to the Secretary by any person in compliance with any requirement under subsections (a) and (b) shall be confidential and shall not be disclosed; except--

(1) to Federal employees and Council employees who are responsible for management plan development and monitoring;

(2) to State employees pursuant to an agreement with the Secretary that prevents public disclosure of the identity or business of any person; or

(3) when required by court order.

The Secretary shall, by regulation, prescribe such procedures as may be necessary to preserve such confidentiality, except that the Secretary may release or make public any such statistics in any aggregate or summary form which does not directly or indirectly disclose the identity or business of any person who submits such statistics. Nothing in this subsection shall be interpreted or construed to prevent the use for conservation and management purposes by the Secretary, or with the approval of the Secretary, the Council, of any statistic submitted in compliance with a requirement under subsection (a) or (b).

97-453

(e) **DATA COLLECTION PROGRAMS.**--If a Council determines that additional information and data (other than information and data that would disclose proprietary or confidential commercial or financial information regarding fishing operations or fish processing operations) would be beneficial for the purposes of--

(1) determining whether a fishery management plan is needed for a fishery; or

(2) preparing a fishery management plan;

the Council may request that the Secretary implement a data collection program for the fishery which would provide the types of information and data (other than information and data that would disclose proprietary or confidential commercial or financial information regarding fishing operations or fish processing operations) specified by the Council. The Secretary shall approve such a data collection program if he determines that the need is justified, and shall promulgate regulations to implement the program within 60 days after such determination is made. If the Secretary determines that the need for a data collection program is not justified, he shall inform the Council of the reasons for such determination in writing. The determinations of the Secretary under this subsection regarding a Council request shall be made within a reasonable period of time after he receives that request.

SCALLOPS

The long history of commercial fishing is a history of ceaseless search for better gear, more fish and new species of fish to exploit profitably. Once, beginning back in the 1820's with the Hudson's Bay men on the Columbia, the salmon (and only the chinook of all the Pacific salmon) was about the only fish of the whole coast taken for money. It was well into the 1850's, most particularly around San Francisco Bay, before any other species of fish began to appear in the commercial fishery. Now there are some 70 or 80 kinds of roundfish, flatfish and shellfish worked in varying degree from Southern California to the Arctic. That number can only continue to grow as the pressure of population and the maximum use of presently-popular species make it necessary and profitable for West Coast fishermen to seek and use many of those species now regarded—in the United States and Canada, anyway—as trash fish. It must be remembered that the saucy and valuable albacore once was regarded in this manner.

One of the Eastern Pacific's previously unharvested resources is the sea scallop, now the object of the West Coast's youngest fishery, one still uncertain of its future. Large scale fishing for this creature, the weathervane scallop, *Patinopecten caurinus*, began in the Gulf of Alaska in mid-1968. (A very minor scallop fishery existed on Puget Sound from 1935 to 1952, but faded when costs began to outrun returns.) By the early 1970's, Alaska scallop fishermen began to appear to have fished themselves onto a thin edge. Some of the more accessible scallop beds were beginning to run lean. Others were closed to the scallopers because their dredges were damaging the king crab stocks. Boats were laid up, sold or converted to other fisheries. The fishery slowed as boat operators and processors took a breather and looked ahead.

The scallopers had something to look back at, too. During the short bonanza period, the small fleet had set national scallop catch records. In 3 months in 1968, seven or eight scallop vessels delivered 1.1 million pounds (about 500,000 kg) of scallop meats. The entire fleet of no more than 18 boats landed, among them, 1.9 million pounds (about 864,000 kg) of meat. This means the fleet took a lot of scallops, because the usable portion of the scallop runs to about seven percent of round weight. Predictably, the initial success of the fishery was followed by a rush to get in on a good thing. But for some of the late entries, it was too late.

The presence of the scallop all along the coast in fairly easy-to-work waters (they are taken in depths up to 60 fathoms or so) had been known almost since the time the first white men settled in the country. But along most coastal strips, at least those workable by

present methods, the scallop did not and still does not seem to exist in potentially productive amounts. The only known exceptions are the bottom areas along the curve of the Gulf of Alaska and westward into the Aleutian chain.

The scallop is a bivalve mollusk of the genus *Pecten* and related genera. The word "valve" in this instance has nothing to do with hydraulics and is used in its zoological meaning of "one of the two or more separable pieces composing certain shells." This means simply that the scallop has two shells, the bottom one rather flattish, the upper rounded and distinctly marked with a series of ridges radiating from the shell hinge to the "scalloped" edge of the shell. Unlike most other mollusks, the scallop cannot live long out of water because it cannot close the shell tightly to hold in coolness and moisture. This means it must be shucked and cleaned as soon as possible after it comes aboard the dragger. In the United States and Canada only a smallish meat portion trimmed from the larger of the two hinge muscles is used but all of the scallop is used in other lands just as North Americans consume all of the oyster.

The scallop, like most other mollusks, is an indiscriminate spawner. Scallops are single sexed and males and females expel considerable amounts of milt and ova into the sea around them from late summer to October. Fertilization takes place immediately and hatching follows in a week. Almost nothing is known of the larval stage of the scallop's life cycle except that the tiny juvenile settles to the bottom about the time the shell begins to develop.

The scallop prefers firm sand or rocky bottom where it will not be bothered by silting. The scallop can do something about bottom conditions, too, an option not open to many others of its kind. It can swim in an uncertain way by expelling water fore or aft from its shell. This gives it the ability to move around a bit, and scallops are known to shift positions when disturbed, although the trip is not far. There appears to be sometimes-considerable movement within a bed, but there is no discernible picking up and packing off to a distant clime by scallops in search of a better life.

The scallop fishery of the East Coast of North America is a hundred years or more old and its men have accumulated specialized skills and gear to work it. No such knowledge existed on the West Coast in early 1968 when the Alaska Department of Fish & Game and the United States Bureau of Commercial Fisheries decided on a joint survey of the state's scallop potential. A few king crabbers, seeking other work because of the 1966 decline in that fishery, had been scratching around at shrimp and scallop and had done enough exploration by late 1967 to generate considerable official interest about scallops. New Bed-

ford, Massachusetts, has been an East Coast fisheries capital for generations, clear back to the days before government was transferred from London on the Thames to Washington on the Potomac. New Bedford men were especially deft at the art of scalloping and Alaska turned to New Bedford when it needed scallopers.

Around through the Panama Canal about the end of March 1968, came the 90-foot (27.4 meters) *Viking Queen*, a wood-hulled veteran of the Atlantic scallop grounds, complete with her gear and her men. The *Viking Queen* was a novelty to eyes accustomed mostly to West Coast combination hulls, with their houses far forward and a long sweep of working deck aft. In the Pacific, only the old-type halibut "schooner" and power scow-type vessels carry their houses aft like the *Viking Queen*, while the time-honored schooner design has begun to disappear as the boats get older and more efficient multi-purpose boats are built. But the *Viking Queen* had been built for a specific fishery and the boat and her men knew their business well, no matter how much vessel and gear differed from what was usual on Puget Sound and in the Gulf of Alaska.

On a 40-day charter ending late in June 1968, the *Viking Queen* confirmed that substantial beds of big scallops lay along the coast of the Gulf of Alaska from Cape Spencer north and west past the bottom of Prince William Sound to Kodiak Island. The ground was unknown any farther to the west then, but the New Bedford men were easily willing to bet that other good scallop beds lay along the Aleutians and north into the Bering Sea.

The *Viking Queen* stayed in the Gulf to get down to work on its own account. Early in the charter, the *Queen* sent word back home to come and get it while it lasted and three more boats came west as soon as they could fuel, provision and get underway toward the Panama Canal. The trio came into Puget Sound on June 12, 1968, traveling in single file along the Strait of Juan de Fuca, three blue-hulled little ships with over-sized galleys and heavy twin booms announcing to all who recognized them that they meant business in the West. Eight more New Bedford boats came late in the year, but it was the *Viking Queen*, the three that first followed her and three or four locals (with New Bedford men aboard) that caught enough scallops in those 3 months to shuck out that 1.1 million pounds of meat. The fleet skimmed off the best beds between Cape Spencer and Cape Saint Elias, and in September most of the fleet and some late starters moved out to Kodiak, where they fished extensive beds around the island until weather blew them out. Almost all early landings were at Seward where the East Coast people had set up their own receiving plant.

The 1.9 million pounds (about 862,000 kg) of meats the pioneer fleet shucked out that first season came to 8 or 10 percent of the entire United States scallop catch that year. Normal U.S. consumption of scallops runs from 25 to 35 million pounds (11,338 to 15,873 metric tons) a year. The Alaska landings made a heavy impact on the total market and apparently were one of the causes of market stagnation that unfavorably affected the entire industry after 1969. Alaska scallops were high priced that year, too much perhaps for consumers who were feeling pinched by all parts of the national economy.

By late summer 1969, only nine boats were working in the Alaska scallop fishery, while a half-dozen or so of the New Bedford hopefuls were tied up in Seattle and other ports or were being converted for the shrimp fishery and other endeavors.

While the slimmed-down scallop fleet had been fishing through the year, the Alaska Department of Fish & Game was becoming coldly aware that some of the gilt had been rubbed off the lily and that king crab and other bottom dwellers were being harmed by the scallop dredges. When such damage was pretty well confirmed, some beds, particularly in the Kodiak area, were closed to fishing.

By that time, too, the ADF&G concluded that the scallop beds were not as extensive as first believed and that fishing quickly was reducing scallop concentrations below a commercial level; at the same time, scallops being taken were showing smaller sizes.

The report added:

"... it is unlikely the known populations of scallops within Alaska can support an increased harvest. An annual harvest of 1 to 1.5 million pounds (about 454,000 to 680,000 kg) of shucked meats appears feasible but the take from individual beds will bear close watching as will conflicts with associated species...."

With this statement, the department made it clear that the crab fisheries come ahead of scallops in its favor, a logical assessment of the economics of the respective fisheries.

Thus another boom fishery went bust.

All hands still had a great time during that 1968 season, unhampered by such matters as licenses. Not a vessel of the fleet paid for a gear license that season because legislation requiring them did not exist.

But the 1969 Alaska legislature took care of that situation in a hurry.

SHAD

Man has come to realize in recent decades the perils of transplanting a living creature from its native environment into another that superficially may be very much the same as the old one. Too often it has been learned the hard way that animals, birds, fishes



**REVIEW OF THE ALASKA BOARD OF FISHERIES
BYCATCH REPORTS AND DECISIONS,
ALASKA SCALLOP MANAGEMENT
PRESENTED BY
THE ALASKA DEPARTMENT OF FISH AND GAME
FOR THE
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL**

April 18, 1994

During the week of March 14 - March 18, 1994, the Alaska Board of Fisheries (board) heard reports from department staff regarding the management of the Alaska scallop fishery since the commissioner had declared the Alaska scallop fishery a high impact and emerging fishery and imposed an interim management plan and associated regulations in July, 1993.

The board heard reports on scallop biology, area management reports, the proposed Federal Scallop Fishery Management Plan, the Mandatory Scallop Observer Program and Statewide Data Analysis, and crab bycatch in the scallop fishery, as well as the department's concern that existing levels of harvest may not be sustainable on local or regional levels considering increased vessel effort and the lack of sufficient biological and resource information.

In July, 1993, the department required mandatory observer coverage in the fishery to monitor the scallop catch and crab bycatch on vessels fishing for scallops. Existing observer contractors, and crab observers with additional training, were used to provide the scallop vessel coverage.

During 1993, 18 observers were placed on 12 vessels, observing nearly 900 days of fishing. Observers measured over 50,000 scallops for shell size, and recorded age and sex. In addition, over 65,000 Tanner crab were measured and recorded from the bycatch. Four commercially important species were by-caught in the scallop fishery: Tanner crab (*C. bairdi* and *C. opilio*), red king crab and halibut. Of these, Tanner crab were by far the most commonly encountered species in each management area. The highest estimated bycatch in a single management area was in the Bering Sea, where approximately 15,000 Tanner crab were observed. The

BOF Scallop Management

estimated bycatch of red king crab was approximately 200 from all areas, and the bycatch of halibut ranged from 30 in Prince William Sound to 1,750 in the Kodiak area.

TANNER CRAB BYCATCH

Although Tanner crab was the most common commercially valuable species in the bycatch from each area, total estimated Tanner crab bycatch varied widely between areas, (Table 1, Figure 1). Estimated Tanner crab bycatch was the highest in the Bering Sea (approximately 277,000 crabs), followed by the Alaska Peninsula (approximately 151,000 crabs). Bycatch rates also varied widely between management areas. Estimated catch of Tanner crabs per tow-hour was the highest in the Alaska Peninsula (M), followed by the Dutch Harbor (O) and Bering Sea (Q) areas, (Figure 2).

Tanner crab bycatch rates also varied among vessels, with the greatest variation for the 1993 scallop fishery seen in vessels (A-G), fishing area M, the Alaska Peninsula, (Figure 3). Bycatch rates from all the vessels (A-I), fishing area Q, the Bering Sea, was generally high, (Figure 4).

The analysis of bycatch rates for individual vessel performance in each area of operation indicated that vessels can and do fish clean if there is an incentive to do so. The staff reported that most bycatch rates increased dramatically when individual vessels operators anticipated a closure of an area, and intentionally or not, logged greater numbers of crab in an effort to catch as many scallops as possible.

VARIATION IN TANNER CRAB BYCATCH RATES

Variation in Tanner crab bycatch rates among vessels in the same management area. Sizeable variation in the estimated Tanner crab bycatch rates occurred among the vessels (A-I) participating in the 1993, area Q, Bering Sea scallop fishery, (Figure 4). Catch of Tanner crabs per tow-hour ranged from 17 crabs/tow-hour to 203 crabs/tow-hour, (median = 53 crabs/tow-hour, average = 90 crabs/tow-hour).

Size distribution in Tanner crab bycatch. Crabs in the size range of 25 - 140 mm carapace width were most observed in the Shelikof bycatch. Some individuals with a carapace width less than 20 mm and greater than 160 mm were also observed, (Figure 5). Crabs, principally females with 80 - 100 mm carapace width predominated the bycatch. Crabs greater than 120 mm carapace width were almost exclusively males.

Observed mortality in sampled Tanner crab bycatch. Approximately 13% of the sampled bycatch Tanner crabs in the Shelikof fishery were recorded as dead or moribund before being discarded. The mortality rate for the remaining crabs after discarding, or of dredge-impacted crabs that did not arrive on deck, is unknown. Incident of observed mortality varied with size of crabs in roughly

BOF Scallop Management

a "U-shaped" trend, with highest observed-mortality rates occurring in small and large crabs and lowest rates occurring in intermediate-sized crabs, (Figure 6). Although observed mortality-at-size varied greatly in level among vessels, the general "U-shaped" observed-mortality-at-size relationship is present in the data from each sampled vessel. Whether differences in observed-mortality-at-size among vessels is due to differences in gear or conditions among vessels or to an "observer effect", is unknown.

Observed new-injury incidence in sampled Tanner bycatch. Presence of new injuries in sampled crabs to the carapace, abdomen, rostrum, left and right chela, and each of the 8 walking legs were recorded by observers. New injuries were observed in 28% of the crabs sampled in the Shelikof fishery. Of these crabs with observed new injuries, those with one newly injured part were most common (15% of sampled crabs). Crabs with four or more new injuries were rare, but crabs with five to 13 newly injured parts were present in the sample.

BOARD OF FISHERIES ACTION

At the March meeting, the board adopted the departments interim management regulations, including observer requirements, limitations on crew size, prohibitions on the use of automatic shucking machines, and the Fishery Management Plan for Commercial Scallop Fisheries in Alaska (FMP) as regulations.

Included in the FMP were seasons, guideline harvest levels (GHL), and bycatch rates for each of the management areas in the state. The board adopted July 1 openings for all management areas with the exception of northern Southeastern and Yakutat areas, which will open on January 10. Based on the departments report on bycatch and their concerns to protect the depressed crab stocks in many areas of the state, the board closed all waters of Southeast Alaska south of Cape Spencer to scallop fishing, and reconfirmed their intent on continuing the closures of other areas such as Unimak Bight, the area south of Kodiak Island, and the Petral Banks in the Western Aleutians.

At the request of the public, the board directed to the department to develop a vessel incentive program to reduce crab bycatch, and present the proposed regulations at the spring 1995 shellfish meeting.

Region	Bycatch Estimates by Species					
	<i>C. Bairdi</i> - std.error		<i>C. opilio</i> - std.error		Red King Crab	Halibut
Yakutat	1,700	120	0		40	99
Prince William Sound	200	30	0		0	27
Kodiak	100,700	3590	0			1750
Eastside District	30,800	1960	0		9	
Shelikof Strait	50,700	1710	0		0	
Semidi Islands	19,000	2480	0		6	
Alaska Peninsula	150,900	6970	0		26	327
Dutch Harbor	50,800	7000	0		45	1497
Bering Sea	276,500	5460	15,000	310	212	327
Areas Combined	580,600		15,000		338	4027

Table 1. Bycatch record of commercially important species by Region, 1993 scallop fishery.
An additional 42,000 *C. Bairdi* were captured in the Semidi Islands in Jan. - Feb. 1994.

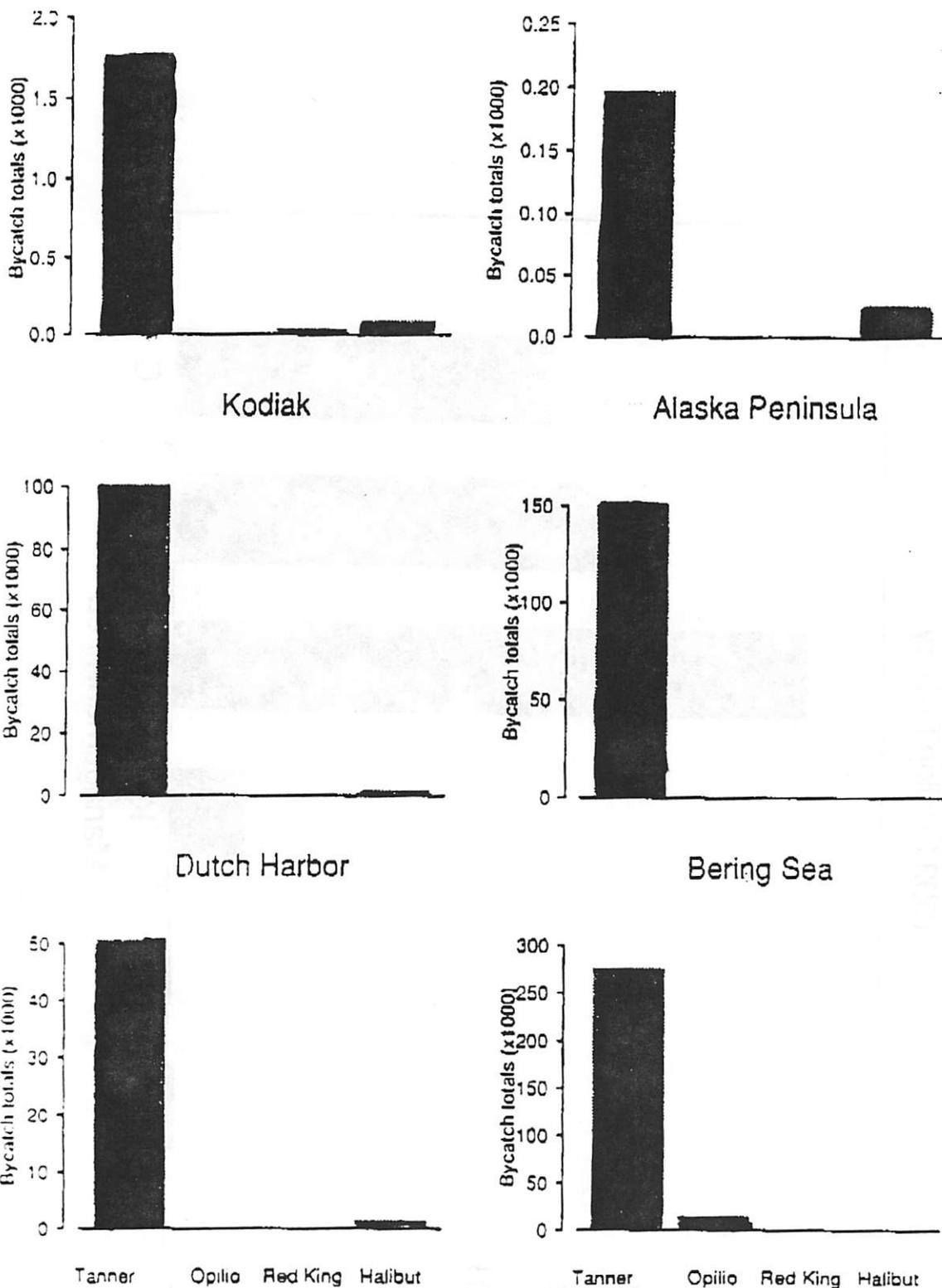


Figure 1 Bycatch of Tanner crab, snow crab, red king crab, and halibut by management area in the 1993 scallop fishery. The Southeastern Area is not included here due to confidentiality of data.

Tanner Crab Bycatch Rates by Area 1993 Scallop Fishery

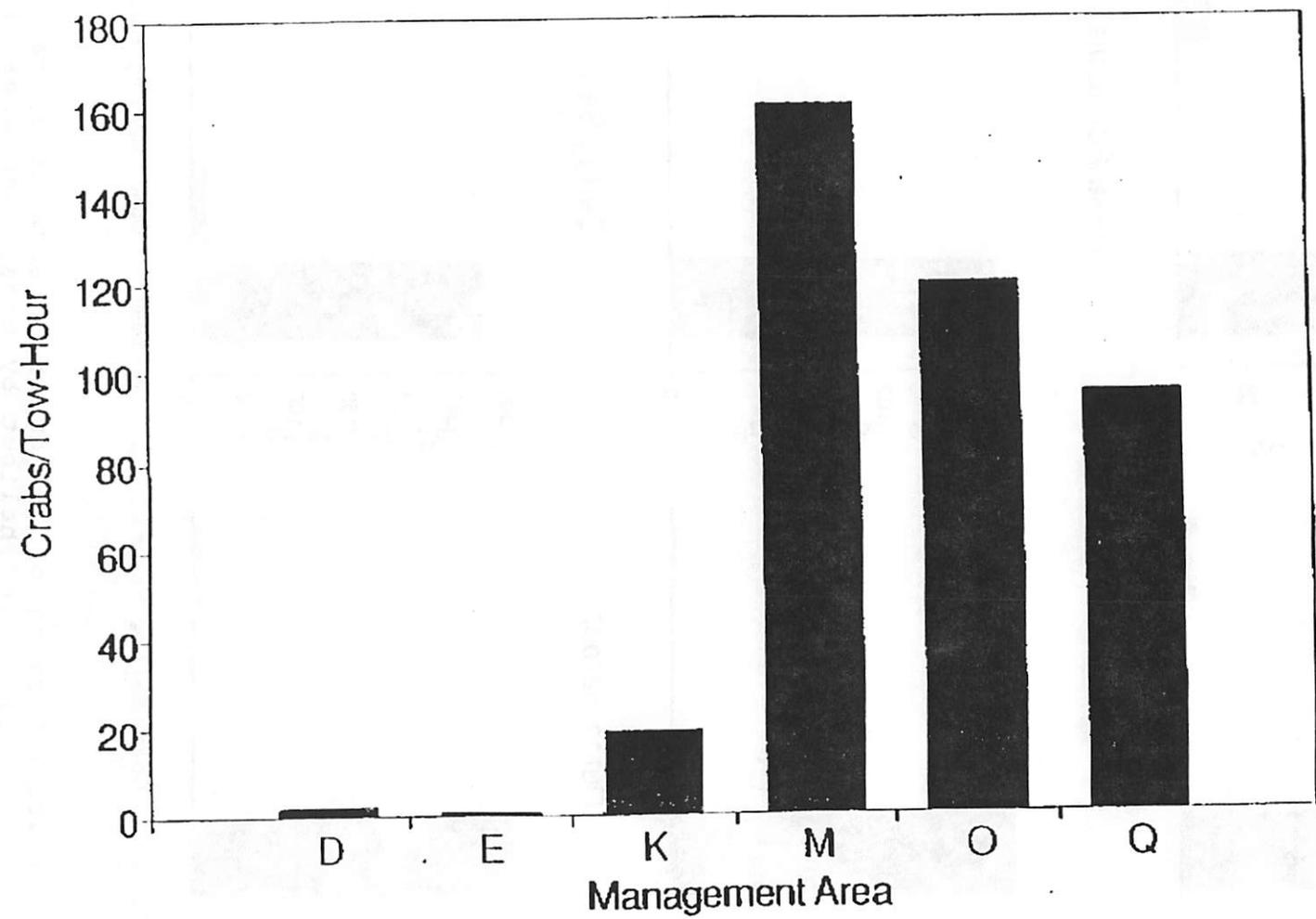


Figure 2. Catch of Tanner crabs per tow-hour by management area in the 1993 scallop fishery. The Southeastern Area is not included here due to confidentiality of data.

Tanner Crab Bycatch by Vessel, Area M

Crabs per Tow-Hour

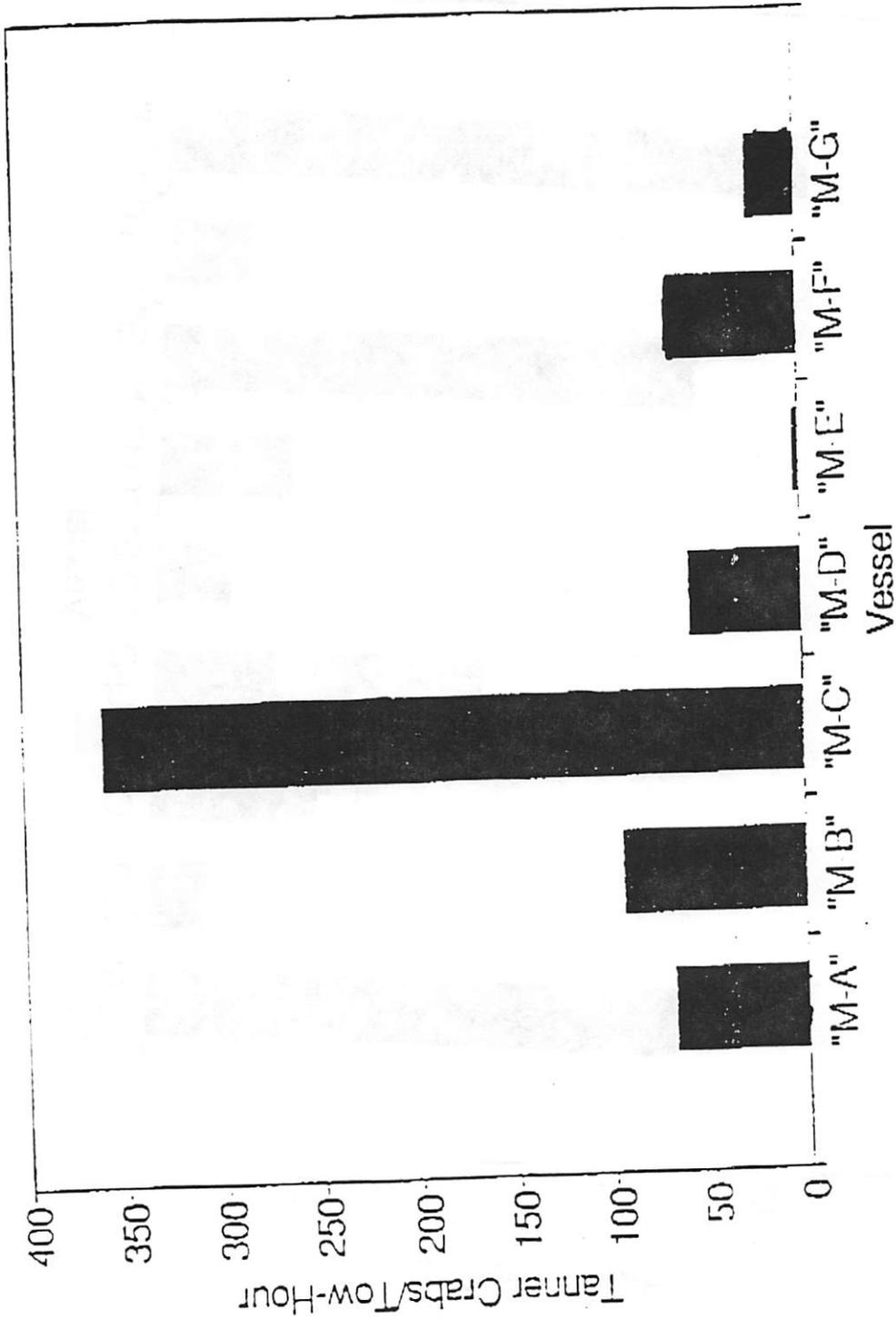


Figure 3. Number of Tanner crabs per tow-hour in the bycatch of the seven vessels participating in the 1993 Alaska peninsula (Area M) scallop fishery.

Tanner Crab Bycatch by Vessel, Area Q

Crabs per Tow-Hour

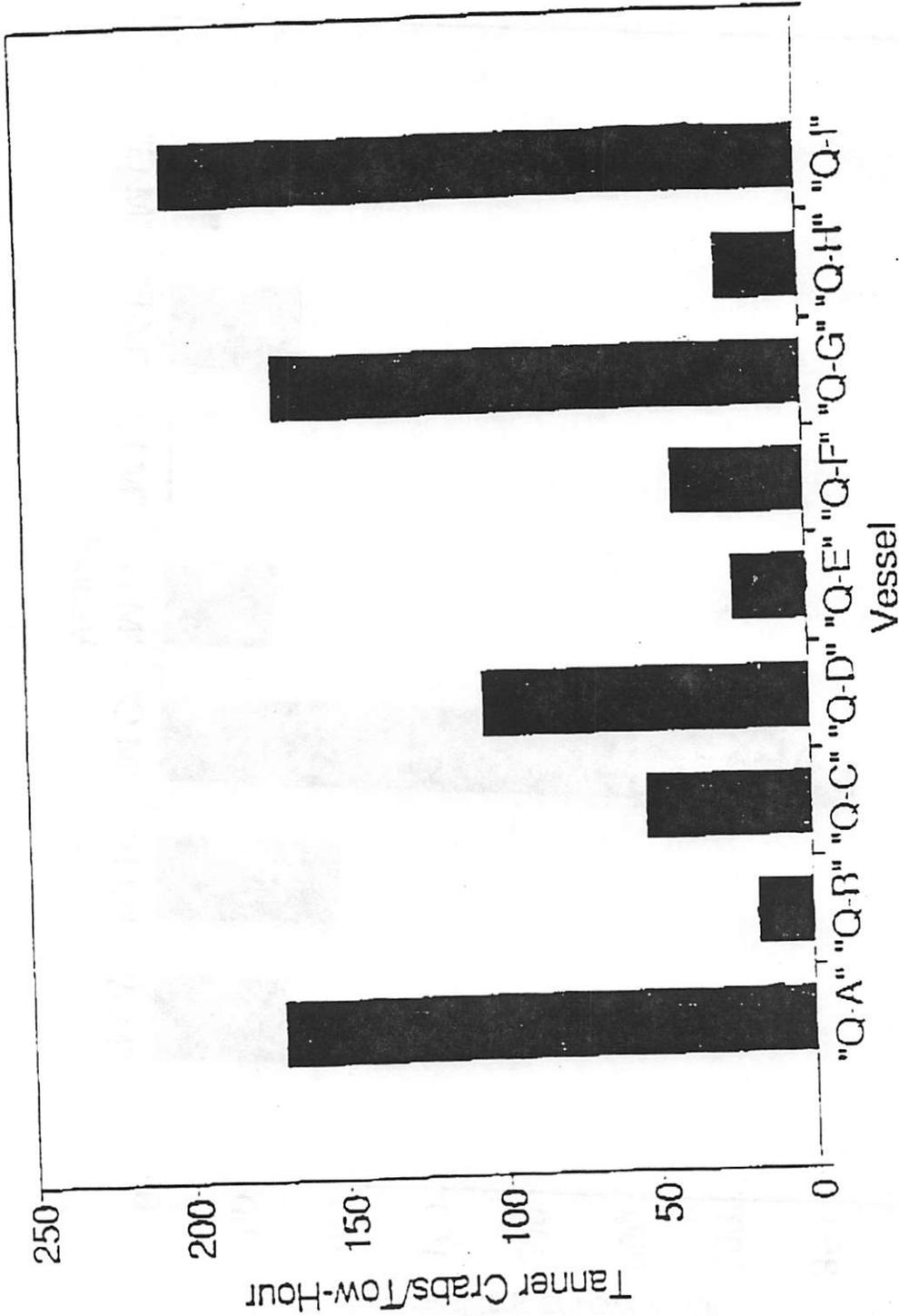


Figure 4. Number of Tanner crabs per round weight pounds of retained scallops in the bycatch of the nine vessels participating in the 1993 Bering Sea (Area Q) scallop fishery.

Size Frequency in Tanner Bycatch Sample Shelikof District, Area K, 1993

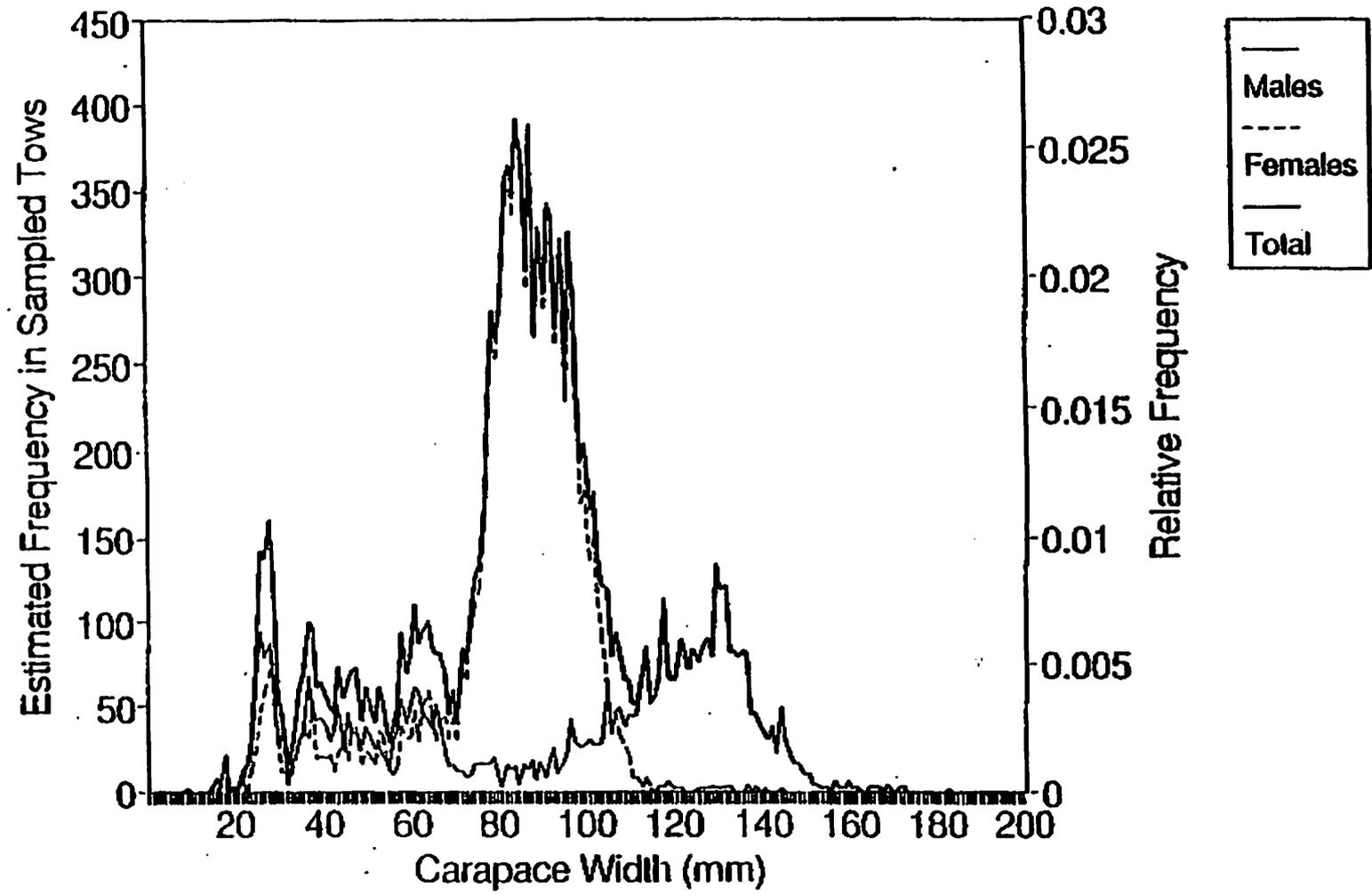


Figure 5. Carapace width (mm) size frequency of Tanner crabs in bycatch samples from the 1993 Shelikof District (Kodiak Area) scallop fishery. Size frequency is based on 10,321 measured crabs.

Observed Mortality in Tanner Bycatch Shelikof District, Kodiak (Area K)

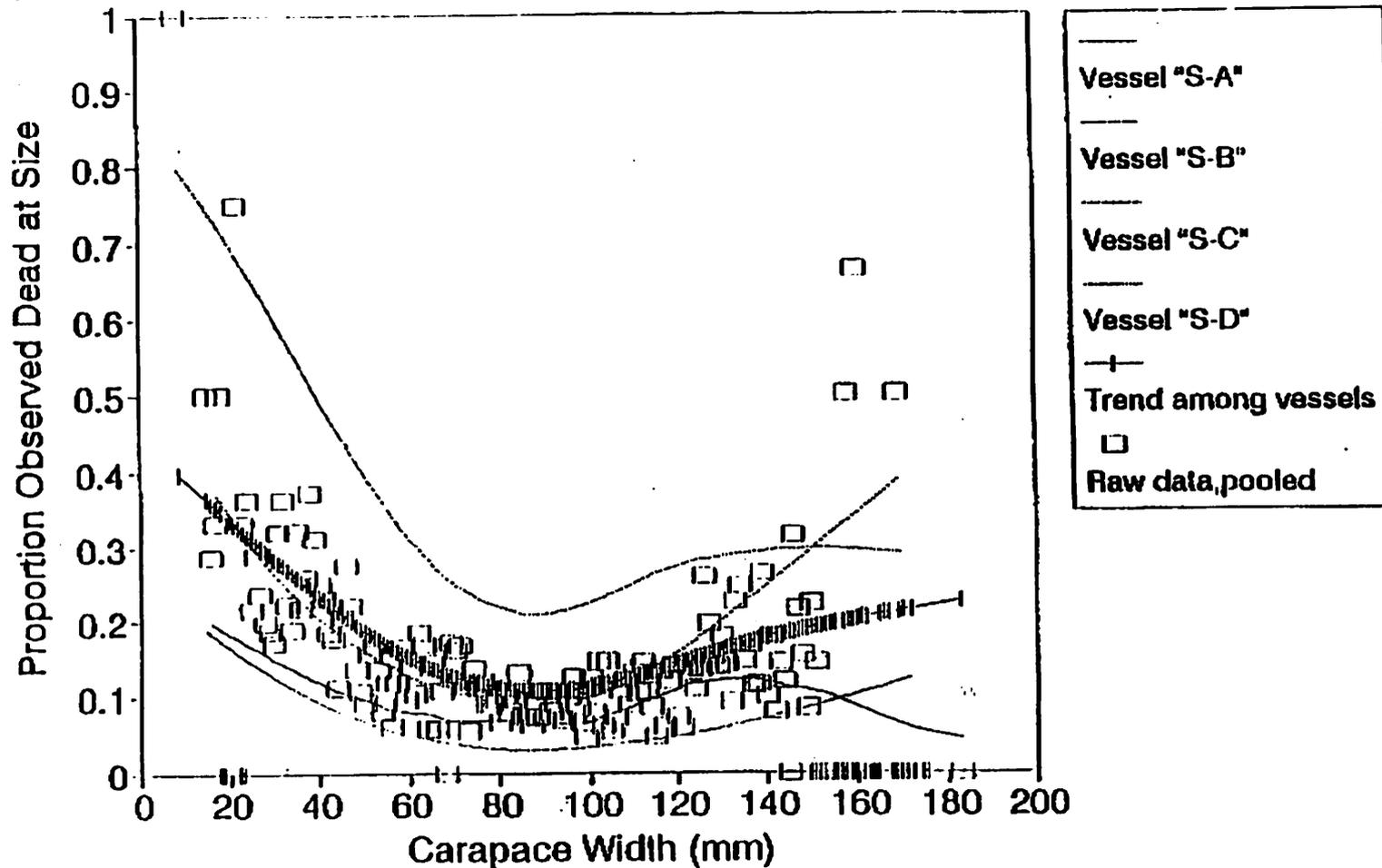


Figure 6. Observed-mortality rate in Tanner bycatch samples related to carapace width (mm) of crabs, 1993 Shelikof District (Kodiak Area) scallop fishery. Open squares denote the proportion of crabs observed dead at size in data pooled from all vessels. Curves without cross-hatching are local regression smoothings of the observed-mortality-at-size data from each vessel considered separately. The curve with cross-hatching is the overall estimate of the dependence of observed-mortality rate on size obtained from the trend among vessels without pooling the data from vessels and without weighting by the sample sizes for vessels.

**MORATORIUM PREFERRED OPTIONS and SCALLOP MANAGEMENT
STATEWIDE WEATHERVANE SCALLOP FISHERY
(Excluding Cook Inlet)**

Alternative 3 Option 2 Separate scallop FMP with management of the fishery deferred to the state.

* FMP modeled after Salmon FMP.

* Two categories of management measures: 1-Federal 2-State

* Category 1 measures:

Permit requirements
Federal observer requirements
Limited access

Category 2 measures:

Legal gear
Bycatch limits
Closed waters
Minimum size limits
Reporting requirements
Guideline harvest levels
In-season adjustments
Districts, Subdistricts, and Sections
Fishing seasons
State observer requirements
Registration areas
Efficiency limits
Other

Moratorium Elements:

1. Qualifying criteria

A. Qualifying Period

Begin: Jan. 1, 1988

End: Jan. 20, 1993

B. Qualifying Participation

a. Participate in the five year period preceding the January 20, 1993 control date

AND

b. Make a landing in either 1992 or 1993. ^{1/20?}

C. Pipeline Criteria Vessels in the pipeline are vessels purchased or built specifically for the Alaska scallop fishery.

a. Vessels in the pipeline which had not made landings prior to the control date would not qualify.

2. Length of moratorium

A. Until the Council rescinds or replaces; not to exceed 3 years from date of implementation but council may extend for two years if a permanent limited access program is imminent. Council's intent is to move ahead quickly with an ITQ plan for this fishery.

3. Crossovers during moratorium

A. Crossovers to other fisheries in which the vessel is not otherwise qualified to fish during the moratorium will not be allowed.

4. Reconstruction of vessels during the moratorium

A.(3) Vessels may be reconstructed during the moratorium if physical reconstruction began on or after January 20, 1993, new size restricted to a 20% increase in vessel length. No more upgrades allowed.

5. Replacement of vessels during the moratorium

A. Qualifying vessels can be replaced with nonqualifying vessels as often as desired so long as the replaced vessel leaves the fishery or bumps another qualifying vessel out. Size can increased as often as desired, but is restricted to 20% of original vessel length.

6. A replacement of vessels lost or destroyed during or before moratorium.

A. Qualifying vessels can be replaced with nonqualifying vessels subject to a 20% maximum increase. Replaced vessels cannot be salvaged and come back into the fishery.

B. Replacement of vessels lost or destroyed before moratorium same as A.

7. Small vessel exemption

A. Exempt small vessels from the moratorium. In the GOA exempt vessels 26' in length or less, in the BS, exempt vessels 32' in length or less.

8. Appeals Process

A. The appeals procedure will consist of an adjudication board of government persons and non-voting industry representatives.

**COOK INLET FISHERY
SUGGESTED OPTIONS**

1. Fishery operates under different gear restrictions and a very small GHL (20,000 lbs.).
2. Fishery operates under different seasonal restrictions (opens August 15).
3. Fishery had no landings 1988 to 1993 control date due to closure for conservation reasons.
4. Suggested control date is September 15, 1993 as suggested by recent participants in that fishery.
5. In order to qualify to fish in this area, a landing must have been made in the one year period prior to the control date.
6. No crossovers between the two areas (Statewide Weathervane and Cook Inlet Weathervane) unless the vessel has qualifying landings in those fisheries.

**VESSELS QUALIFYING UNDER STATEWIDE WEATHERVANE MORATORIUM
AND COOK INLET WEATHERVANE MORATORIUM**

STATEWIDE:	<u>LENGTH:</u>	<u>YEARS IN FISHERY:</u>
1. Pursuit	97'	15
2. Ocean Hunter	107'	7
3. Jacqueline & Joseph	90'	7
4. Rush	70'	5
5. Provider	113'	6
6. Forum Star	95'	3
7. Arctic Rose	176'	3
8. Mister Big	146'	4
9. Tradewind	88'	3

COOK INLET:			
1. Alaska Beauty	90'		1
2. ?	?		?
3. ?	?		?

F/V Pursuit, John Doody, Owner

105 Birch Circle
Absecon, NJ 08201
609-641-6007

MAR 16 1994

March 3, 1994

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

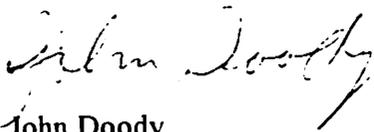
Dear Mr. Pautzke:

Recently there has been much discussion concerning limiting the scallop catch without proportionately limiting the scallop permits issued. As a boat owner, I feel that the Council should be informed of the costs to operate a scallop boat so that a decision can be made that will be beneficial to everyone involved.

Enclosed is a break even analysis for the F/V Pursuit. The information contained in this analysis is based on a three year average. There are two analyses, one with a mortgage and one without. With a mortgage, at current prices, it would take over 200,000 pounds to just break even. Even without a mortgage, 150,000 pounds are still necessary to make ends meet. If the maximum annual catch for scallops is one million pounds, only five to six boats can survive.

I hope that this information will be helpful in the decision that needs to be made. I will be happy to answer any questions concerning the information presented to you.

Sincerely,

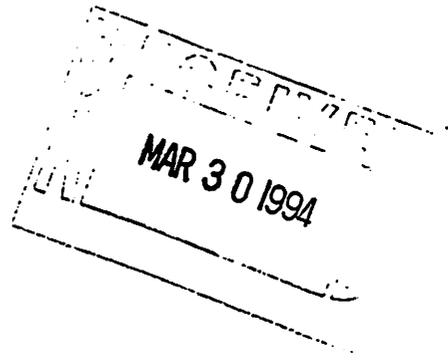


John Doody

Breakeven Analysis		
97' Scallop/8 Person Crew		
Annual Vessel Expenses:		
Operating Costs (O.C.) 1.	56% - 57 %	
Fish Tax	3.85%	
Fixed costs:		
Mortgage Principal and Int.	\$0	
Insurance Hull & P&I	\$66,754	
Moorage and Storage	\$1,700	
Licenses and Permits	\$600	
Business Administration	\$7,565	
Professional Fees	\$18,332	
Travel	\$300	
Repairs and Maintenance	\$68,850	
Gear and Supplies	\$55,175	
Freight	\$5,830	
Utilities	\$5,200	
Other	\$10,775	
Observer	\$35,110	
TOTAL FIXED VESSEL COSTS	\$276,191	
Breakeven Point Calculation		Vessel Costs
		1-(O.C. + F.C.)
Breakeven Income		\$696,573
Break Even Catch at Various Price Levels:		
With Value @	B/E lbs Needed	
\$4.00	174,143	
\$4.18	166,644	
\$4.76	146,339	
\$5.00	139,315	
\$6.00	116,095	
\$7.00	99,510	
\$4.18 represents average 1992 exvessel price		
\$4.76 represents average 1993 YTD exvessel price		
1. Operating costs include crew share, fuel, food and are based on a two year average		
2. Fish taxes include 3.3% State Tax on seafood produced in EEZ and .55% Kodiak Island Borough Extraction Tax		
3. Observer costs currently average \$319 per fishing day		

Breakeven Analysis			
97' Scallop/8 Person Crew			
Annual Vessel Expenses:			
Operating Costs (O.C.) 1.	56% - 57 %		
Fish Tax	3.85%		
Fixed costs:			
Mortgage Principal and Int.	\$134,045		
Insurance Hull & P&I	\$66,754		
Moorage and Storage	\$1,700		
Licenses and Permits	\$600		
Business Administration	\$7,565		
Professional Fees	\$18,332		
Travel	\$300		
Repairs and Maintenance	\$68,850		
Gear and Supplies	\$55,175		
Freight	\$5,830		
Utilities	\$5,200		
Other	\$10,775		
Observer	\$35,110		
TOTAL FIXED VESSEL COSTS	\$410,236		
Breakeven Point Calculation		Vessel Costs	
		1-(O.C. + F.C.)	
Breakeven Income	\$1,034,643		
Break Even Catch at Various Price Levels:			
With Value @	B/E lbs Needed		
\$4.00	258,661		
\$4.18	247,522		
\$4.76	217,362		
\$5.00	206,929		
\$6.00	172,441		
\$7.00	147,806		
\$4.18 represents average 1992 exvessel price			
\$4.76 represents average 1993 YTD exvessel price			
1. Operating costs include crew share, fuel, food and are based on a two year average			
2. Fish taxes include 3.3% State Tax on seafood produced in EEZ and .55% Kodiak Island Borough Extraction Tax			
3. Observer costs currently average \$319 per fishing day			

P. O. Box 770881
Eagle River, Ak 99577
March 28, 1994



Mr. Clarence G. Pautzke, and Board Members
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Dear Mr. Pautzke and Board Members,

My comments cover a few of the elements regarding the proposed scallop FMP and moratorium as outlined in your Nov. 30, 1993 draft, (pages 23-26). I ask you to consider some changes which I feel will be fairer and make for a better Alaska scallop fishery.

My comments in Consideration #1 are of course most important to us and anyone else in the same situation, thus I ask you to please give it your highest priority of consideration.

Consideration #1

Consider owners of vessels, not just vessels, for qualifying to fish during the moratorium as a fairer way to reward one's past history of involvement and participation in the Alaska scallop fishery.

My sons, Robert and Scott, and I owned a 47' foot fiberglass vessel, F/V Wayward Wind, with which *we fished and delivered scallops, 1983-1987 (five years)*. Also, Scott and I co-authored the proposal for Cook Inlet, Kamishak area, in 1983, which was adopted by the Alaska Board of Fisheries and still stands today for the guidelines for that fishery. We fished the F/V Wayward Wind, for the most part, in the Cook Inlet Fishery; however, we did fish in the Kodiak area with two six foot dredges in 1982-83 and again with two eight foot dredges in 1987. *Scott also owned and fished a 150' vessel in the Dutch Harbor area, 1986-88 (Rob and I were limited partners).*

We sold the F/V Wayward Wind after fishing the 1988 season. This sale was due in part to the closure of the Cook Inlet scallop fishery in 1987 and the fact that a fiberglass vessel is not the best for bringing scallop dredges over the side.

Knowing the Cook Inlet fishery should come back in four to six years, we started building a 57' (59' overall) aluminum vessel in 1990, the F/V La Brisa. We did the major construction ourselves which took us to completion in 1992. A miscalculation by Volvo engineers found us repowering the vessel in 1993. Thus we weren't able to gear up for scallops until 1994.

Our history of involvement surely shows the long term interest, investment, desire, and our right to be a part of the future scallop fishery in Alaska. However, the present wording of the moratorium emphasizes that the specific vessel is allowed to fish not the owner(s). We feel this discriminates against us unfairly. The right to fish should be the owners of the qualifying vessel as it is in the upcoming limited entry situation for halibut. Vessel size and upgrading of vessels could be kept in line with appropriate wording in the moratorium guidelines. Should the council feel the qualifying vessel should fish during the moratorium, then, in fairness to us and anyone else in our situation, simply add the word "sold" to "B", top of page 26.

"B" would now read:

Replacement of vessels sold, lost, or destroyed before the moratorium.

Not knowing your desire to keep the replacement vessel within a 20% increase in length, we exceeded the 20% by a foot or so. Accordingly, change wording of "b" top of page 26:

"b" would now read:

Qualifying vessels can be replaced with non qualifying vessels up to 90' or a maximum of 20% increase in vessel length, whichever is longer. Replaced vessels cannot come back in the fishery.

In summary, please consider our right to fish during the moratorium based on ownership of a 47' vessel which fished and delivered scallops for five years and another vessel of 150' which fished for three years, both during the qualifying years. Plus, our involvement in writing the proposal which is now the guidelines for the Cook Inlet fishery and our building a boat to reenter the scallop fishery which was ever in our future plans.

Consideration #2

Use the moratorium to restrict any more large vessels from entering into the fishery.

Qualifying participation during the moratorium should not include recent entry, but preferably owners of vessels which have a long history of involvement and dedication in the fishery. Between 1980 and 1993 qualifiers should have fished and landed scallops for no less than three years and preferably for four.

Crossovers during the moratorium (refer to #3 top of page 25) should be allowed. especially if halibut limited entry becomes a reality. By restricting crossover fishing we are dooming smaller boats from participation as their income from scallops alone would not support their existence ---the scallop fishery would forever become a large vessel enterprise.

Consideration #3

Set up a situation outside the moratorium for vessels under 90' in length to participate in the fishery regulated by reduced dredge size.

Our past scallop experience has brought us to the conclusion that the best way to explore and develop this fishery is on a small scale, at least in many areas. Forty to ninety foot coastal community based vessels should harvest a good share of Alaska Weathervane Scallops. This smaller vessel concept could become a reality by designating areas fashioned after the Cook Inlet fishery. **This concept should be a separate entity---not included in the moratorium and have no entry restrictions as to the number of years in the fishery, control would be by reduced dredge size and preferably fished by vessels under 90' in length.**

Thanks for your consideration.

Sincerely,



Max G. Hulse
F/V La Brisa
PO Box 770881
Eagle River, Ak 99577
(907) 694-2413

WELLS *Scallop* COMPANY

POST OFFICE BOX 600 • SEAFORD, VIRGINIA 23696-0600

(804) 898-8512

Bill Wells, Jr.
Bill Wells III

April 4, 1994

APR -- 6 1994

Mr. Clarence Pantzke
Executive Director
North Pacific Fishery Management Council
P.O. Box 103316
Anchorage, Alaska 99510

Dear Mr. Pantzke,

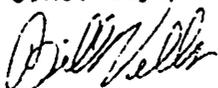
Recently, there has been much discussion concerning the number of vessels the Alaskan scallop resource can sustain. Enclosed is a breakeven analysis for the F/V Carolina Girl II and Carolina Boy.

Using our 1993 actual costs, it would take over 110,000 pounds to break-even.

As you know, the biomass is unknown and there are many areas the industry would like to be able to explore. There is a linear relationship between quota, and the number of vessels which could prosecute the fishery. If the quota goes up 30%, 30% more boats could be involved, profitably.

I hope this information will be useful, and I will be glad to answer any questions you may have. Thank you.

Sincerely,



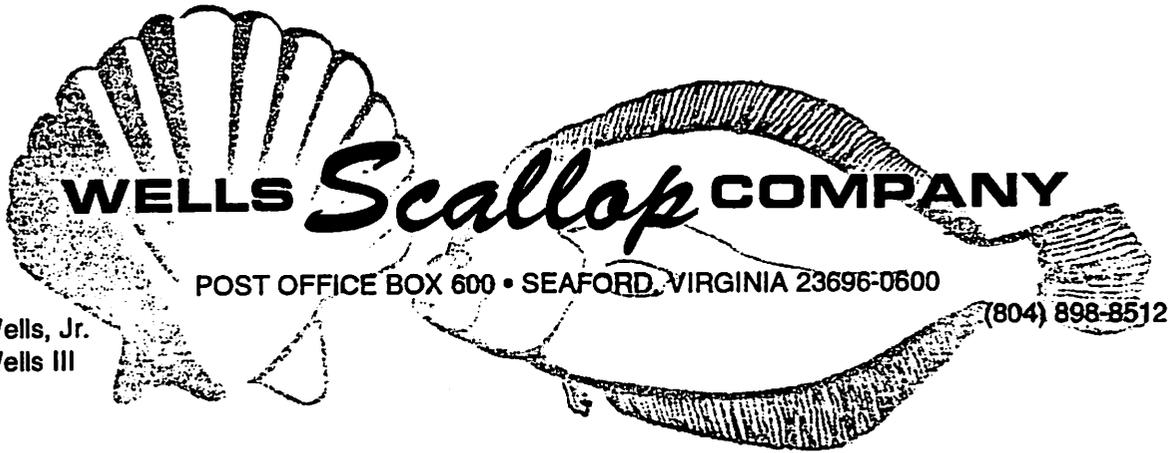
Bill Wells
Wells Scallop Company

attachment

WW/vlb

Breakeven Analysis96' Scallop - 12 man Crew

	<u>Carolina Girl II</u>	<u>Carolina Boy</u>
A. Operating Expense: Variable		
1. Crew	60%	60%
2. Joint Expense;		
a. Unloading	\$ 6,000.00	\$ 5,000.00
b. Observers	33,000.00	37,000.00
c. Packaging & Freight	40,000.00	45,000.00
d. Moorage	3,000.00	4,000.00
	<u>82,000.00</u>	<u>91,000.00</u>
B. Operating Expense; Fixed		
1. Owner		
a. Mortgage	102,000.00	100,500.00
b. Insurance	53,600.00	60,000.00
c. Travel	7,500.00	7,500.00
d. Repairs	15,000.00	7,500.00
e. Supplies	30,000.00	25,000.00
f. Telephone	750.00	750.00
g. Professional Services	5,000.00	5,000.00
	<u>213,850.00</u>	<u>206,250.00</u>
2. Joint Expense		
a. License	1,000.00	1,000.00
	214,850.00	207,250.00
C. Total Fixed Vessel Costs		
D. Avg. Price for 1993, 6.65/lb.	\$742,125.00	\$745,625.00
E. Breakeven Income	111,597 lbs.	112,124 lbs
F. Breakeven Catch		



Bill Wells, Jr.
Bill Wells III

March 30, 1994

Richard B. Lauber, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510-3136

FAX CONFIRMATION
Sent _____ Rec'd 4/4/94
hls

RE: Scallop FMP Comments

Dear Mr. Chairman:

We are pleased to provide you with our comments on the Draft Scallop FMP. In September the Council selected it's preferred alternative, which was to go forward with development of a federal FMP for the Alaskan scallop fishery. We wholeheartedly support this decision. We favor an FMP which defers much of the management authority to the State of Alaska with federal oversight. This delegation of authority ensures that the MFCMA and FMP guidelines are followed but also capitalizes on existing infrastructures well suited for management of this fishery. During the last year, we have become quite familiar with ADF&G and its processes of management. In most cases, we are comfortable with their supervision and they have welcomed us into their research and management processes.

As mentioned in September, we made the decision in 1992 to invest, build boats, and move a significant part of our fishing business to Alaska. Like other fishermen before us, we all have participated in the east coast scallop fishery and we bring that experience to Alaska. We are of the opinion that significant fishing opportunities exist here. We base this conclusion on discussions we have had with almost every "local" fisherman, state and federal biologists, as well as our own experience in the fishery these last two seasons. By November 1992 we had two vessels in the shipyards being outfitted with the explicit intent of being stationed in Alaska. We informed the North Pacific Fishery Management Council of this fact during its January 1993 meeting and, as promised, had our vessels fully involved in the Alaskan fishery by the July 1 opening.

Since our arrival here, we have already earned a reputation of owning the safest, cleanest, and most professionally run vessels in the fleet. As on the east coast, we have participated in a cooperative research study with ADF&G and have hosted scientists, as well as a full-time observer on our boats. Our vessels are now homeported in Seward, and many of our crew members and their families have relocated to this state.

It is for these reasons that we are opposed to the moratorium as it is currently written. In its June 1993 comments, the SSC concluded that a strong case for a moratorium is not made in the EA/RIR and, if not strengthened should be dropped. We agree. We believe the Council overreacted to limited testimony in January 1992 and that this fishery is not overcapitalized. There is no evidence that overcapitalization has occurred. We don't even know the size of the resource. While we understand the concern that we should proceed cautiously with the scallop fishery until more information is obtained, if any moratorium is adopted, it should at a minimum, include all fishing vessels currently in the fishery and last only for the time needed to conduct a thorough stock assessment. I believe that without baseline data, a determination that the scallop fishery is overcapitalized is premature.

With regard to the control date options, we support Option 2, the July 30, 1993 date because it captures those in the fishery now plus those that had a role in its development but who would not qualify under Option 1. In our case, had we been in a similar control date situation with groundfish, we would have qualified under the Council's "pipeline criteria." The Council's control date Option 2 was specifically developed last September as your attempt to satisfy National Standard 4 and capture those vessels who either made significant investments prior to the initial Council discussion of a scallop moratorium, or who had participated in the fishery in 1990 but had chosen not to fish scallops again until 1993. Unlike your "pipeline criteria" developed for the groundfish moratorium, there are no loopholes in Option 2. You either have a history in the fishery by July 30, 1993 or you are prevented from entering. You need not fear that the claimed "dozens of boats" will find a way into the Council's program.

I would suggest that an important part of any moratorium discussion be your objectives. For what purpose do you want to establish a 4-year moratorium? For the gathering of stock assessment information? To develop a long-term limited entry program? Your objectives need to be made clear, especially if people may be prevented from entering the scallop fishery.

Last month we attended the Alaska Board of Fisheries meeting. It was quite clear that the "moratorium issue" is an emotional one and has created all kinds of conflicts within the scallop fleet. That is unfortunate, because we all know each other and have fished side-by-side on the east coast and here in Alaska. Many of us want to work with managers and scientists in putting together the best scallop management program ever. However, until the Council, the Secretary of Commerce, and perhaps the CFEC, decide who will be allowed to remain in this fishery, other important management issues won't be resolved.

Control date Option 2 is supported by at least 7 of the 11 boats that have fished callops in the first half of 1994 (attached). Other fishermen may also support this option, but during the Board meeting we were unable to fully discuss and circulate this petition.

The EA/RIR used assumptions derived from the 1990-92 fishery for evaluating the alternatives' effects on 1993 ex-vessel revenues. The analysis should include at least some of 1993 information to determine if the assumptions can be substantiated. Did, in fact, only 4-6 boats break-even in 1993? I contend that many more did. We owned two vessels and even as first-timers to the grounds where it would be expected that our production

would be lower than those more experienced, we did very well. In fact, with ADF&G interested in opening up additional areas for scallop fishing, those in the fishery should become more profitable. Whether it is to reserve a sizeable level of income to each boat (some estimates are as high as \$1 million ex-vessel if Option 1 is approved) is a decision only you can make. Personally, I believe that there is sufficient resource to support all current users (Option 2) and still provide room for growth.

Attached is a more detailed review of the proposed FMP and its accompanying analysis.

Very truly yours,

A handwritten signature in cursive script that reads "Bill Wells". The signature is written in black ink and is positioned above the typed name and company name.

Bill Wells
Wells Scallop Company

attachments

WW/vlb

A Review of the Proposed Scallop FMP

Prepared by
Wells Scallop Company
March 30, 1994

Section 1.0 Introduction

The FMP states that the Council determined in January 1993 that the scallop fishery met the national guidelines for federal management.

It further stated that the Council was presented with information indicating the status of weathervane scallops were fully exploited and any increase in effort would be detrimental to the stocks and nation as a whole.

The information presented is a letter submitted by a Kodiak fisherman (which has also qualified for the east coast fishery) which is referenced in the FMP and provided in the Appendix. We believe it presents a biased view of reality. We are disappointed that no independent analysis was performed by Council or NMFS staff. Other letters, including our own, have provided other information and raised questions which should be answered before a determination is made on whether the resource is fully exploited or the fishery over capitalized. How can the Council make a determination that the resource was fully exploited when no one knows the size of the resource? On what basis did the Council determine that further increase in effort would be detrimental to the stocks and nation?

The FMP reports that annual variability in the number of participants is due to both Alaska scallop abundance and the potential revenues in other Alaskan fisheries. We would add that the scallop abundance on the east coast of the U.S. also greatly influenced effort and catch in Alaska, as well as along the Pacific coast. Most scallop fishermen have origins along the east coast where the largest scallop fishery exists in this country. East coast resource fluctuations mirror closely with fluctuation on the west coast and in Alaska.

A January 20 control date was adopted and reaffirmed in June. There was no pipeline criteria included. This violates National Standard 4.

The FMP should have included 1993 data where possible (i.e., catch-to-date, number of vessels, vessel length, areas fished; see Tables 1.3.1-1.3.6). All this information is available and it would show that in 1993 the fishery was conducted in an orderly manner; and important point, given the earlier testimony that stated a moratorium was needed to "save the fishery." The Council's groundfish amendments always provide current year data to the extent it is available.

Section 2.0 Management Program for the Alaskan Scallop Fishery

We support an initial OY range of 0-2.7 million pounds. We also support using the State Observer Program as a means of conducting stock assessment. We recommend that a survey plan be developed by ADF&G and executed through the observer program. This approach would provide a cost-effective way to obtain a good estimate of scallop biomass.

We agree that it is impossible to estimate Maximum Sustainable Yield (MSY), and an Overfishing level without a biomass estimate. Once these estimates are available, these terms of reference should be specified.

Section 2.3.1 Category 1 - Management Measures Under Federal Authority

The Council specifically requested our comments on which category to place the measures Bycatch Limits and Closed Areas.

We recommend placing Bycatch Limits into Category 1 (Federal Management). Our rationale is that the bycatch is a controversial issue which often boils down to an allocation between different users of the resource. In this case, the bycatch species in question is king and Tanner crabs; a resource managed under a federal FMP in the Bering Sea/Aleutian Islands area. For bycatch issues to be fully resolved in the Council arena, we recommend that Bycatch Limits be specifically listed in Category 1 within the federal Scallop FMP.

We support placing the measures Legal Gear, Permit Requirements, Federal Observer Requirements, and Limited Access (moratorium IFQs) in Category 1. We are of the opinion that all these measures should remain under federal authority.

With reference to the measure Limited Access, (a) Moratorium, (1) Qualifying Criteria, (A) Qualifying Period, we support a beginning date of January 1, 1980, and an ending date of July 30, 1993.

Under (B) Qualifying participation, we support Option B which states that "vessels must have participated in either 1990, 1991, 1992, or 1993 through July 30, or participated for a minimum of 4 years within the qualifying period." We believe we have made legitimate investments into this fishery prior to the proposed January 20, 1993 control date and our circumstances should be included in the moratorium. In adopting the control date for groundfish and crab fisheries, the Council appropriately recognized the small number of individuals who had made major investments in the fisheries, but had yet to make a landing. The Council provided qualifying criteria and a deadline for the individuals so they had an opportunity to be included. We believe strongly that a similar situation exists with Alaskan scallops and that we have proven our intent to participate fully in this fishery by completing our vessel construction and entering the fishery when it opened on July 1, 1993. Option B would accommodate our situation, meet National Standard 4, and still prevent new vessels from entering this fishery in 1994.

Under (C) Pipeline Criteria, we favor Option A which states, "vessels that were in the 'pipeline' to fish for Alaskan scallops but had not made landings during the qualifying period would qualify under the moratorium." However, should the Council adopt Qualifying participation, Option B, pipeline criteria would not be necessary.

We support the Council's preferred length of the moratorium at 3 years. We expect to fully participate with the Council in developing a rationalization program for this fishery and believe we can achieve a 3-year time schedule.

We have concerns with the Council's preferred crossover rule. The FMP states, "crossovers to other fisheries (groundfish, crab, or halibut) during the moratorium will not be allowed." We fear that this wording would allow vessels qualified to fish groundfish, crab, and halibut to enter the scallop fishery. We recommend that the rule be restated as "crossovers to and from other fisheries..."

We also recommend that several other measures currently proposed to be at the discretion of the state, be instead moved to Category 1, or at a minimum, frameworked so that the state must meet specified criteria, analysis, and public review requirements. These measures are;

Reporting Requirements - We are aware that there have been numerous problems with federal and state collected data. Data committees have tried to address inconsistencies in the data, as well as develop data-sharing protocols with mixed success. The MFCMA and State of Alaska have differing data requirements. A frameworked measure could address these issues prior to implementation of a scallop FMP.

Guideline Harvest Levels and Bycatch Limits - We recommend frameworking this measure to assure that state managers are using the best scientific information available. We envision that under this proposal state managers would be required to meet with federal managers in developing the GHJ. The cost of obtaining biological bycatch and other stock assessment information can be more easily be shared if both state and federal governments share in the GHJ responsibility.

Registration Areas - These measures should be frameworked to guarantee that federal review, analysis, and public process requirements are met by the state. This management measure has been highly controversial in other fisheries and exclusive versus non-exclusive designation has been shown to be discriminatory in the past. To avoid legal action and associated controversy, we recommend that both state and federal governments share responsibility for this measure.

Efficiency Limits - These measures are intended to control effort by affecting the operational and economic efficiency of fishing vessels. We recommend placing this measure into a frameworked category to assure that a thorough analysis is performed by the state prior to approval. Frameworked criteria specified in the FMP would provide guidance to the state when they prepare the analysis. Leaving this measure to the discretion of the state would likely lead to greater and misunderstood economic impacts.

Section 2.3.2 Category 2 - Management Measures Deferred to the State

We recommend placing the measure Closed Areas into Category 2. In the early 1980's, the State of Alaska ordered blanket-wide closures of a number of areas to scallop dredging and bottom trawling to protect areas believed important to crab stocks. In many cases, little biological information was available for these areas. Wells Scallop Company supports the state's rebuilding efforts for king and Tanner crab. Certain areas remain important to crab stocks while others may not. ADF&G is considering surveying

some of these areas to learn whether crab exist there and to what extent scallop also inhabit the area. We support these research investigations with the understanding that areas found to be important to crab remain closed, and areas found to be not important to crab but valuable to scallop grounds, reopened.

We support deferring the measures Minimum Size Limit; Inseason Adjustments; Districts, Subdistricts, and Sections; Fishing Seasons; State Observer Requirements; and Other Measures to the State of Alaska. Inseason flexibility gained from a single government taking responsibility for the measures is necessary for management of an orderly fishery.

Section 3.0 Environmental Assessment/Regulatory Impact Review

Section 3.2 The Alternatives

We support Alternative 3 (Council preferred) to implement a FMP for Alaskan scallops and to place a moratorium as recommended in our comments above.

Section 3.4 Economic Impacts

The EA/RIR shows that depending on the beginning and ending dates chosen for the qualifying period, as many as 53 vessels could qualify under the moratorium. As many as 33 vessels if the last 10 years is used. How many of these potentially qualified vessels are still in Alaska? How many of these boats are allowed in at the expense of current participants?

Currently, the Council's proposed groundfish and crab moratorium would allow "crossovers" between fisheries. The Council's proposed rules allow any vessel that qualifies for one federally-managed fishery to participate in any FMP-managed fishery. As with our comments above, is it fair to allow crossovers and, thus, new entrants into the scallop fishery while denying access to the fishery by some to the 1993 participants? Our earlier suggestion on rewording the crossover rule would address this problem.

We note from the analysis of the moratorium qualifying criteria, that the effect of using a July 30, 1993 cut-off date is 4 vessels when compared to a January 20, 1993 control date. We contend that these vessels were legitimately in the pipeline when the Council arbitrarily selected January 20, 1993. Owners of these vessels (of which we own two) were irrevocably committed financially to following through with their construction contracts and commitment to this fishery. Many of our crew members and their families have relocated to Alaska from Virginia and deserve to be included under the moratorium.

The EA/RIR used assumptions derived from the 1990-92 fishery for evaluating the alternatives' effects on 1993 ex-vessel revenues. The analysis should include at least some of 1993 information to determine if the assumptions can be substantiated. Did, in fact, only 4-6 boats break-even in 1993? We owned two vessels and even as first-timers to the grounds where it would be expected that our production would be lower than those more experienced, we did very well.

The analysis claims that due to the likelihood that scallop vessels will be idle for part of the year is indicative of overcapitalization. We disagree. The fleet is idle for a part of the year because it is comprised of relatively small vessels that are incapable of fishing in poor weather conditions. Adverse weather on the scallop grounds make for unsafe and dangerous fishing conditions. If the fleet were comprised of larger vessels, the season would last longer.

We are also of the opinion that overcapitalization cannot be determined if the biomass cannot be determined. The history of the scallop fishery indicates fluctuating interest due to variable prices, changing interest in other target species, and scallop availability. Until a comprehensive stock assessment program is undertaken, we will never know the size of this resource and its relative importance to Alaska and the U.S. In lieu of a stock assessment program, a controlled fishery, prosecuted over time would produce valuable resource information. It is for this reason that we support a federal FMP.

Section 5.0 other E.O. 12866 Requirements

The EA/RIR concludes that the proposed alternatives will not have significant adverse effects on competition, employment, investment, and the ability of U.S.-based enterprises to compete in domestic and world markets.

We wholeheartedly disagree. The Council-preferred January 20, 1993 control date will affect current competition, investment, etc. The moratorium control date will result in reserving an unknown scallop resource for a few east coast/Alaska vessels. Other U.S. fishermen with current or potential scallop markets will have no access to this resource. A July 30, 1993 control date would fairly address this problem.

Table 1. Options to Scallop Qualifying Period Criteria

Option 1: Vessels must have participated in either 1991 or 1992, or participated for a minimum of four years within the qualifying period, (January 1, 1980 to January 20, 1993), 10 vessels qualify.

Option 2: Vessels must have participated in either 1990, 1991, 1992, or 1993 through July 30, or participated for a minimum of four years within the qualifying period, (January 1, 1980 to January 20, 1993), 17 vessels qualify.

We, the undersigned, support Council Option 2 as criteria for entry during the moratorium. We believe that the Council in developing this option is attempting to be far-while at the same time preventing un-controlled growth of the fleet.

Jeely Dennis (1) F.V. "Mister Big" (2) F.V. "Tradewinder"
Bill Weira (3) F.V. "Carolina Girl" (4) F.V. "Carolina Boy"
[unclear] (6) F.V. "Fortune Hunter"
(7) F.V. "Newman's Corner"

OCEANIC RESEARCH SERVICES, INC.

Box 192
Ester, Alaska 99725
William Kopplin, President

(907) 479-5426
Owner of R/V Annika Marie
berthed in Prudhoe Bay, Alaska

Homer, Alaska.

APR - 4 1994

17 March 1994

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

Dear Sirs:

I would like to address your proposal for the scallop vessel moratorium that was presented at the State of Alaska fish board meetings in March 1994.

I am opposed to "Option A" that would only allow ten vessels (which two have sunk) to the right to fish a public resource. This does not account for any new grounds that may be found in the future and I also believe that more vessels can safely harvest the quota without damaging the resource. I urge you NOT to accept this option.

If the Council feels that a vessel management plan is necessary, "Option B" appears to be more realistic. I feel that there was an oversight when the closing date was determined. The Cook Inlet fishery does not open until 15 Aug. and is not included in your time frame. I would like to propose that the closing date of 30 July 1993 be changed to 30 Sept. 1993. We fished in the Cook Inlet fishery when it reopened up in 1993. We have a small vessel and we want to keep this fishery for the local people. The fishery was originally designed and intended as a local fishery and is fished by local fisherman. The fishery has a gear restriction of a single 6 foot dredge and a small quota of only 20,000 lbs. This fishery did not have a large participation, three local boats participated in the opening last year.

There has been a history of the fishery in the past. The fishery was shut down in 1987 because of two illegal vessels from outside the Homer district came in with double 13 foot dredges and damaged the beds. In 1993 it was shown that the scallops had recovered in sufficient numbers to continue fishing. Alaska Department of Fish and Game personnel were on the grounds during the 1993 season and recorded that there was little by-catch by our boats. The bed is small and you can visually see the other vessels fishing in the area, so if an observer on one vessel records any by-catch then you can correctly assume that the other vessels are catching the same amount. One observer for the area would be adequate to record any by-catch for the entire area. I have a sizable investment in this fishery, I purchased our vessel with the intent to fish this fishery. Due to the oversight of the closing date in Option B, we would ask you to extend the closing date to Sept. 30 or request to exclude the Cook Inlet District from the moratorium.

I also feel strongly that any permit not be solely attached to the vessel. The permit must be transferred to the owner of the vessel. If the permit is attached to the vessel this will not allow the owners to upgrade to newer, safer, and more efficient vessels. A case in point is the situation of the East Coast clam industry. The owners were not allowed to transfer the clam permit to new vessels, so 80-90 years old vessels were working. This caused a high rate of vessel sinkings and accidents at sea. This type of situation in Alaska waters would be disastrous. The waters in Alaska are much rougher and harder on vessels than the East Coast.

I would also like to encourage another amendment to the Management Plan. If a permit holder is convicted of violating the regulations, their permit is revoked and will lose the right to fish in the scallop fishery. The permit will be granted or sold to anyone not associated with the person convicted either by family ties or by business means. This will keep people honest in the way they fish and conduct business.

In closing, I encourage you to include the Cook Inlet scallop fishery in "Option B" by amending the closing date to 30 Sept. 1993. I also encourage you to give the permit to the owner and not the vessel for safety and efficiency reasons stated above. The ability to lose the right to fish should keep people honest. Thank you for your time and if you have any questions please feel free to contact me at the number on the letterhead.

Sincerely,



William B. Kopplin
President

30 Mar 94

P.S. This letter was written before I was able to receive your full proposal. I have read it and I have some additional comments. I feel the scallop fleet should be required and especially the large boats, crew greater than 6 men, to have observers on board 100%. If a couple of small boats are working within visual sight of each other, they should be allowed to "share" an observer.

Regarding the matter of crossover to other fisheries during the moratorium, in order to allow vessel to supplement their income during the closed seasons, I feel all vessel should be able to "crossover" into other fisheries. This should lessen the burden on the scallop vessels.

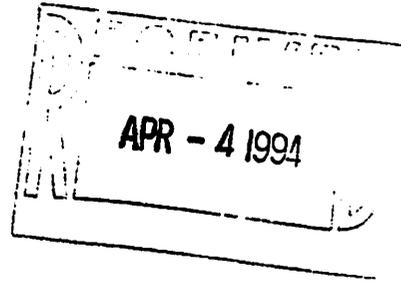
Reading Mr. Kandian's proposal and his break even

analysis, I find it interesting that his ex-vessel selling
Price of \$4.76/lb. I sold my scallops for \$6.00-6.50/lb
My broker told me that he bought 20,000 lbs of scallops
from Dutch Harbor for \$5.75/lb. Mr. Kandians also knows
that ~~some~~ the East Coast harvest of scallops is very
depressed. This will result in an increase in ^{value} AK scallops
this year. His break even analysis should be recalculated.
My observer cost \$165/day not \$255/day as stated.
Thank you for your time.

Sincerely,

William F. Koyne

March 30, 1994



Richard B. Lauber, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510-3136

RE: Scallop FMP comments

Dear Mr. Chairman and Members of the NPFMC:

My name is Michael Ireland and with my wife we own two scallop fishing boats operating in Alaska. I have been fishing scallops off the United States since I was 17 years old. I am a full-time scallop fisherman and together we make our living solely on this fishery. Recently, we moved our vessels to Alaska to take advantage of the sizable resource that exists here. In March 1992, we travelled to Kodiak to meet with ADF&G managers and other scallop fishermen and processors. Based on these discussions we purchased our State of Alaska fishing permits at that time and began preparing our boats for Alaska operations. In November 1992, when our boats arrived, we were advised by ADF&G not to fish for the "sake of making a landing in 1992." The weather was extremely poor and there was no apparent reason to risk our vessels and crew in this manner. Little did we know that others in the fleet had other intentions.

In January you adopted a January 20, 1993 control date for a possible moratorium on the scallop fishery. We had no notice that this was going to happen. We didn't find out about your decision until we read about it later. Your decision was apparently based on testimony presented by a small faction of the scallop fleet, who feared that as many as 70 boats "might" invade Alaskan waters. Time has shown that their fear was unsubstantiated. The Council, convinced by the testimony, chose the date of that testimony as a control date for the moratorium. I believe you were misled and that using the January 20, 1993 (Option 1) date raises serious questions about compliance with the Magnuson Act.

Your draft scallop management plan (FMP) presents two alternatives for federal management; both of which are accompanied by a moratorium. Our company supports your September 1993 decision to proceed with a federal scallop FMP. We favor federal-state management similar to that already achieved with the Bering Sea/Aleutian Islands king crab fishery. However, we can only support a moratorium as long as it recognizes those individuals who can prove that by January 20, 1993 they had made legitimate and significant investments into this fishery. It would be grossly unfair if you were to preclude us from this fishery. Your alternative control date of July 30, 1993 (Option 2) would address our concerns since we were full participants in the Alaskan scallop fishery by that time.

We believe that federal management is warranted because it will provide national standards for management of the resource. All current participants in this fishery are either new or recent arrivals from the east coast. All have a history of scalloping in all areas of the country. A federal FMP will provide certain safeguards and criteria which may be discounted by state managers operating alone. Since most of this resource lies outside three miles, we believe

Richard B. Lauber
March 30, 1994
Page 2

federal management is appropriate. A federal FMP that builds on the efficiencies of both NMFS and ADF&G is a desirable approach to management.

With reference to the draft FMP, you requested my comments on Bycatch Limits and Closed Areas. We recommend placing Bycatch Limits into Category 1 (federal management) and Closed Areas into Category 2 (state management). Outside the moratorium control date/pipeline criteria issue, we support the Council's preferred alternatives for the FMP. However, while the EA claims no significant impact on the human environment, to those few individuals that actually operated in 1993, the impacts of your decisions can be very significant if not fatal to our livelihood. I wish the analysis had gone into these potential impacts in greater detail. Also, we are concerned that the Council is being misled about the number of vessels actually in the fishery and the threat of new entrants. We are of the opinion that this fishery will experience little additional growth until more is learned about the resource. It is very unlikely that dozens of boats will travel to Alaska until the fishery demonstrates consistent production. A moratorium to temporarily freeze the current 1993 fleet until the biomass assessment is conducted is a wise idea. You may then find out that the moratorium can be lifted later allowing for controlled growth.

During the March 1994 Alaska Board of Fisheries meeting, the Board was presented with information which indicated that in 1993, 24 vessel licenses were issued to fish scallops, but only 14 vessels actually fished. In 1994 only 11 vessels have fished so far. You have been told that under control date Options 1 and 2 that 10 and 17 boats would qualify, respectively. What hasn't been told is that in either case, one boat has sunk and another is no longer suited to fish scallops in Alaska. That means that, for all practical purposes, Option 1 would only allow 8 boats to fish, and Option 2, 15 boats maximum. It should be made clear that Option 2's 15-boat fleet accurately reflects the size of the fleet in the last three years.

At the Board meeting, ADF&G requested that the Board request the Alaska Commercial Fisheries Entry Commission to begin development of a moratorium for scallops. The Board has officially made this request. During the discussion it was mentioned by several Board members that they wanted CFEC to consider an exemption for all boats less than 55 feet, so that they may fish scallops while the moratorium is in place. They also discovered the fact that CFEC can only limit permits and "status quo" is currently 24-32 permits, depending on permit type (vessel or individual).

I might add that there was considerable discussion about ADF&G's desire to reopen areas which have been closed to scalloping but remain open to bottom trawling. It is our belief that ADF&G will make additional grounds available for scalloping which will increase the available quotas and lengthen our seasons. For these reasons, I believe that control date Option 1 would guarantee each vessel a level of harvest of over \$1 million dollars (gross ex-vessel) to 8 boats when the resource can support a larger fleet. In my opinion, Option 2 with a small boat exemption can be easily accommodated at the present time.

Richard B. Lauber
March 30, 1994
Page 3

The November 30, 1993 draft of the EA/RIR provided a "break-even" analysis, suggesting that 4-6 boats is the optimum fleet size. The analysis was based on submitted testimony and analysis from Kodiak Fish Company with 2 vessels in the fishery. I submit that the cost and price assumptions used in this analysis do not reflect the entire fleet. In fact, my records prove that either I am a better businessman or a better fisherman. My records show that my operating costs are significantly lower and the price paid to me for my product is significantly higher.

Using the same formula as provided in the EA/RIR, I demonstrate that the optimum fleet size could be 11 vessels (Table 1) assuming current quota levels, fixed costs, and the ex-vessel price. Increases in scallop grounds would provide even more opportunity for vessels of similar configuration as our two boats.

I conclude by reemphasizing the importance of using the July 30, 1993 control date. Such a decision on the Council's part will reflect upon the wisdom that we should formally recognize those current participants which have rejuvenated a fishery.

Sincerely,



Michael Ireland
Owner
FV Lorraine Carol
FV Fortune Hunter



Lorraine Ireland
Owner

attachments

TABLE 1. COST ANALYSIS 88-FOOT SCALLOPER / 12-PERSON CREW

ANNUAL VESSEL EXPENSES:

Operating Costs ¹	57%
Fish Taxes ²	3.3%

FIXED COSTS:

Mortgage Principal & Interest	56,000
Insurance Hull & P&I	45,000
Moorage & Storage	4,000
Licenses & Permits	1,800
Business Administration	25,000
Professional Fees	7,500
Travel	10,000
Dues & Licenses	7,500
Repairs & Maintenance	50,000
Gear & Supplies	30,500
Observer Fees ³	<u>48,000</u>
TOTAL VESSEL FIXED COSTS	\$285,300

\$6.10 average exvessel price received in 1993.

Price in Alaska has been considerably lower than outside markets that are readily available.

OPTIMUM FLEET SIZE:

Breakeven Point Calculation:

$$= \frac{\text{Vessel Costs}}{1 - (\text{Operating Costs} + \text{Fish Taxes})} = \frac{\$285,300}{1 - (.603)} = \$718,640$$

Assumed Quota = 1.3 million lbs. (status quo; does not include likely increases).

EA/RIR Formula: $\frac{\text{Breakeven Income}}{\text{Average Price}} = x$ (# lbs needed to meet costs)

Scenario A (prices used by Kodiak Fish Company):

$$\frac{718,640}{\$4.18} = 171,923 \quad \frac{1.3 \text{ million quota}}{\$171,923} = 8 \text{ boats}$$

Scenario B (price paid to Misty Seas):

$$\frac{718,640}{\$6.6} = 117,809.8 \quad \frac{1.3 \text{ million quota}}{\$117,810} = 11 \text{ boats}$$

¹ Operating costs include crew shares, fuel, food, and payroll taxes.

² Fish taxes include 3.3% State Tax on seafood produced in EEZ.

³ Observer fees based on one trip per month, which has yet to occur.

A Review of the Proposed Scallop FMP

**Prepared by
Misty Seas, Inc.
March 30, 1994**

Section 1.0 Introduction

The FMP states that the Council determined in January 1993 that the scallop fishery met the national guidelines for federal management.

It further states that the Council was presented with information indicating the status of weathervane scallops were fully exploited and any increase in effort would be detrimental to the stocks and nation as a whole.

The information presented is a letter submitted by a Kodiak fisherman (which has also qualified for the east coast fishery) which is referenced in the FMP and provided in the Appendix. We believe it presents a biased view of reality. We are disappointed that no independent analysis was performed by Council or NMFS staff. Other letters, including our own, have provided other information and raised questions which should be answered before a determination is made on whether the resource is fully exploited or the fishery over capitalized. How can the Council make a determination that the resource was fully exploited when no one knows the size of the resource. On what basis did the Council determine that further increase in effort would be detrimental to the stocks and nation?

The FMP reports that annual variability in the number of participants is due to both Alaska scallop abundance and the potential revenues in other Alaskan fisheries. We would add that the scallop abundance on the east coast of the U.S. also greatly influenced effort and catch in Alaska, as well as along the Pacific coast. Most scallop fishermen have origins along the east coast where the largest scallop fishery exists in this country. East coast resource fluctuations mirror closely with fluctuations on the west coast and in Alaska.

A January 20 control date was adopted and reaffirmed in June. There was no pipeline criteria included. This violates National Standard 4.

The FMP should have included 1993 data where possible (i.e., catch-to-date, number of vessels, vessel length, areas fished; see Tables 1.3.1-1.3.6). All this information is available and it would show that in 1993 the fishery was conducted in an orderly manner; an important point, given the earlier testimony that stated a moratorium was needed to "save the fishery." The Council's groundfish amendments always provide current year data to the extent it is available.

Section 2.0 Management Program for the Alaskan Scallop Fishery

We support an initial OY range of 0-2.7 million pounds. We also support using the State Observer Program as a means of conducting stock assessment. We recommend that a survey

plan be developed by ADF&G and executed through the observer program. This approach would provide a cost-effective way to obtain a good estimate of scallop biomass.

We agree that it is impossible to estimate Maximum Sustainable Yield (MSY) and an Overfishing Level without a biomass estimate. Once these estimates are available, these terms of reference should be specified.

Section 2.3.1 Category 1 - Management Measures Under Federal Authority

The Council specifically requested our comments on which category to place the measures Bycatch Limits and Closed Areas.

We recommend placing Bycatch Limits into Category 1 (Federal Management). Our rationale is that the bycatch is a controversial issue which often boils down to an allocation between different users of the resource. In this case, the bycatch species in question is king and Tanner crabs; a resource managed under a federal FMP in the Bering Sea/Aleutian Islands area. For bycatch issues to be fully resolved in the Council arena, we recommend that Bycatch Limits be specifically listed in Category 1 within the federal Scallop FMP.

We support placing the measures Legal Gear, Permit Requirements, Federal Observer Requirements, and Limited Access (moratorium, IFQs) in Category 1. We are of the opinion that all these measures should remain under federal authority.

With reference to the measure Limited Access, (a) Moratorium, (1) Qualifying Criteria, (A) Qualifying Period, we support a beginning date of January 1, 1980, and an ending date of July 30, 1993.

Under (B) Qualifying Participation, we support Option B which states that "vessels must have participated in either 1990, 1991, 1992, or 1993 through July 30, or participated for a minimum of 4 years within the qualifying period." We believe we have made legitimate investments into this fishery prior to the proposed January 20, 1993 control date and our circumstances should be included in the moratorium. In adopting the control date for groundfish and crab fisheries, the Council appropriately recognized the small number of individuals who had made major investments in the fisheries, but had yet to make a landing. The Council provided qualifying criteria and a deadline for the individuals so they had an opportunity to be included. We believe strongly that a similar situation exists with Alaskan scallops and that we have proven our intent to participate fully in this fishery by completing our vessel construction and entering the fishery when it opened on July 1, 1993. Option B would accommodate our situation, meet National Standard 4, and still prevent new vessels from entering this fishery in 1994.

Under (C) Pipeline Criteria, we favor Option A which states, "vessels that were in the 'pipeline' to fish for Alaskan scallops but had not made landings during the qualifying period would qualify under the moratorium." However, should the Council adopt Qualifying Participation, Option B, pipeline criteria would not be necessary.

We support the Council's preferred length of the moratorium at 3 years. We expect to fully participate with the Council in developing a rationalization program for this fishery and believe we can achieve a 3-year time schedule.

We have concerns with the Council's preferred crossover rule. The FMP states, "crossovers to other fisheries (groundfish, crab, or halibut) during the moratorium will not be allowed." We fear that this wording would allow vessels qualified to fish groundfish, crab, and halibut to enter the scallop fishery. We recommend that the rule be restated as "crossovers to and from other fisheries . . ."

Section 2.3.2 Category 2 – Management Measures Deferred to the State

We recommend placing the measure Closed Areas into Category 2. In the early 1980s, the State of Alaska ordered blanket-wide closures of a number of areas to scallop dredging and bottom trawling to protect areas believed important to crab stocks. In many cases, little biological information was available for these areas. Misty Seas, Inc. supports the state's rebuilding efforts for king and Tanner crab. Certain areas remain important to crab stocks while others may not. ADF&G is considering surveying some of these areas to learn whether crab exist there and to what extent scallop also inhabit the area. We support these research investigations with the understanding that areas found to be important to crab remain closed, and areas found to be not important to crab but valuable scallop grounds, reopened.

We support deferring the measures Minimum Size Limit; Inseason Adjustments; Districts, Subdistricts, and Sections; Fishing Seasons; State Observer Requirements; and Other Measures to the State of Alaska. Inseason flexibility gained from a single government taking responsibility for the measures is necessary for management of an orderly fishery.

Section 3.0 Environmental Assessment/Regulatory Impact Review

Section 3.2 The Alternatives

We support Alternative 3 (Council preferred) to implement a FMP for Alaskan scallops and to place a moratorium as recommended in our comments above.

Section 3.4 Economic Impacts

The EA/RIR shows that depending on the beginning and ending dates chosen for the qualifying period, as many as 53 vessels could qualify under the moratorium. As many as 33 vessels if the last 10 years is used. How many of these potentially qualified vessels are still in Alaska? How many of these boats have returned to the east coast? Wouldn't it be ironic if some of these boats are allowed in at the expense of current participants?

Currently, the Council's proposed groundfish and crab moratorium would allow "crossovers" between fisheries. The Council's proposed rules allow any vessel that qualifies for one federally-managed fishery to participate in any FMP-managed fishery. As with our comments above, is it fair to allow crossovers and, thus, new entrants into the scallop fishery while denying access to the fishery by some of the 1993 participants? Our earlier suggestion on rewording the crossover rule would address this problem.

We note from the analysis of the moratorium qualifying criteria, that the effect of using a July 30, 1993 cut-off date is 4 vessels when compared to a January 20, 1993 control date. We contend that these vessels were legitimately in the pipeline when the Council arbitrarily selected

January 20, 1993. Owners of these vessels (of which we own two) were unrevocably committed financially to following through with their construction contracts and commitment to this fishery. . . Many of our crew members and their families have relocated to Alaska from Virginia and deserve to be included under the moratorium.

The EA/RIR used assumptions derived from the 1990-92 fishery for evaluating the alternatives' effects on 1993 ex-vessel revenues. The analysis should include at least some of 1993 information to determine if the assumptions can be substantiated. Did, in fact, only 4-6 boats break-even in 1993? We owned two vessels and even as first-timers to the grounds where it would be expected that our production would be lower than those more experienced, we did very well.

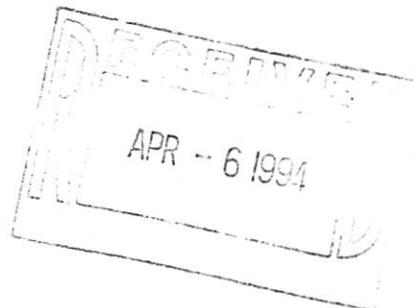
The analysis claims that due to the likelihood that scallop vessels will be idle for part of the year is indicative of overcapitalization. We disagree. The fleet is idle for a part of the year because it is comprised of relatively small vessels that are incapable of fishing in poor weather conditions. Adverse weather on the scallop grounds make for unsafe and dangerous fishing conditions. If the fleet were comprised of larger vessels, the season would last longer.

We are also of the opinion that overcapitalization cannot be determined if the biomass cannot be determined. The history of the scallop fishery indicates fluctuating interest due to variable prices, changing interest in other target species, and scallop availability. Until a comprehensive stock assessment program is undertaken, we will never know the size of this resource and its relative importance to Alaska and the U.S. In lieu of a stock assessment program, a controlled fishery, prosecuted over time would produce valuable resource information. It is for this reason that we support a federal FMP.

Section 5.0 Other E.O. 12866 Requirements

The EA/RIR concludes that the proposed alternatives will not have significant adverse effects on competition, employment, investment, and the ability of U.S.-based enterprises to compete in domestic and world markets.

We wholeheartedly disagree. The Council-preferred January 20, 1993 control date will affect current competition, investment, etc. The moratorium control date will result in reserving an unknown scallop resource for a few east coast/Alaska vessels. Other U.S. fishermen with current or potential scallop markets will have no access to this resource. A July 30, 1993 control date would fairly address this problem.



April 5, 1994

Mr. Clarence G. Pautzke
 Executive Director
 North Pacific Fishery Management Council
 605 West 4th Avenue
 Anchorage, Alaska 99501

Re: Presentation by Wanchese Fish Company, Inc.
 Scallop Plan

Dear Mr. Pautzke:

Following and attached, please see our recommendations to the Council for its consideration in formulating a scallop management plan.

The enclosed presentation represents the crux of our thinking as regards the scallop fishery. We believe the plan adopted should be clearly managed by the Council in all aspects.

Our verbal testimony before the Council will be the same as the attached. Included in the verbal part of our testimony will have our statement as regards the financial impact on the fishery and the companies participating in the fishery.

We would appreciate the following three persons be allowed time for each to present aspects of our suggested plan, in the form of a panel:

Mr. Joey Daniels, Pres., Wanchese Fish Co.
 Capt E.W. Barr, Senior Consultant to
 Wanchese Fish Co.
 Mr. John Bryson, Consultant

You will note that Mr. Bryson is the retired executive secretary of the Mid-Atlantic Council. We request this procedure in order that the Council will receive our precise recommendations and for the Council to question us on any or all of our proposed plan. This procedure will allow us to present the economic impact of our suggested scallop management plan.

We do look forward with keen interest to meeting personally with you and Mr. Clem Tillion on Monday the 17th of April, 1994. Until then, we remain with warmest personal regards.

Sincerely,

Joey Daniels, President

By: E.W. Barr, Senior Consultant

PO
 BOX 369

WANCHESE
 NORTH
 CAROLINA
 27981

919
 473-5001

919
 473-5004
 FAX

PRESENTATION
of
WANCHESE FISH CO.

to

NORTH PACIFIC
FISHERY MANAGMENT COUNCIL.

at

APRIL 1994 COUNCIL MEETING

Statement on North Pacific Scallop Plan

Thank you for the opportunity to comment on the Draft Fishery Management Plan for the Scallop Fishery of the Gulf of Alaska, Bering Sea, and Aleutian Islands. We have also reviewed the Draft Fishery Management Plan for Commercial Scallop Fisheries in Alaska. Draft Special Publication Number 5 by the Alaska Department of Fish and Game.

We believe that it is as necessary that the North Pacific Council prepare a specific management plan for scallops in the EEZ off Alaska as it is for the Alaska Department of Fish and Game to consider regulations prepare for it's waters.

Alternative (3) of those alternatives identified is clearly preferred and we believe with modification offers all fishermen the best opportunity to participate in a controlled scallop fishery.

We feel alternative (1) will not stand the predictable legal challenges that would result should the state of Alaska attempt to enforce it's regulations on U.S. vessels fishing for scallops in the EEZ and landing it's catch in other than Alaskan waters. The basis of this opinion is that similar challenges that have been made on the east coast would lead us to clearly suggest the EEZ should be managed by the Council.

Alternative (2), we believe, would unnecessarily clutter the groundfish FMP's, be as expensive to prepare as a separate plan, and may lead to some of the same legal challenges as alternative (1).

While supporting alternative (3), we offer the following specific suggestions that we believe should be incorporated into the new FMP.

1. Moratorium: A 3-year moratorium should be imposed on new entrance. We believe 3 years is the minimum time to collect the additional information on the status of scallop stocks in the EEZ that would allow for a more learned decision as to the continuation, rescission, modification, or replacement of the moratorium.
2. Quota: During this 3 year period, we suggest that any quota would be an unnecessary and artificial constraint to the fishery which would interfere with one of the best methods of data collection, the fisherman.
3. Area Closure: It is realized that you require some method to prevent recruitment over fishing during this period if you are to meet your obligations to conservation. We believe that area closures based on catch for unit of effort would provide the degree of protection required by the Magnuson Act.
4. Log Book: In order to provide timely catch per unit of effort data, we suggest mandatory vessel log books with adequate requirements to provide catch unit effort information. For example, catch area, towing time duration, number of tows, and catch per tow. We believe the area closure based on the catch per unit of effort, in addition to meeting conservation requirements, will provide you data from a greater diversity of potential scallop areas than any other method, and certainly far greater than under a quota system. The prime reason is that a

quota tends to stifle exploration while catch per unit of effort encourages it.

5. Exploratory Fishing: We suggest that each vessel participating in the scallop fishery under the moratorium be required to make one exploratory trip to an area agreed on by the Council, NMFS scientists, and the vessel, for the purposes of data collection. (Should our advice on a quota not be accepted, it will be necessary to exclude from the quota any scallops taken during an approved exploratory trip and allow the vessel to retain the catch exclusive of quota. Without this exception or incentive, a severe economic burden would be placed on the vessel) Observers could be placed on the vessel during exploratory trips. It is anticipated that vessels will volunteer for additional exploratory trips under the closure concept suggested

The management measures we propose are intended to improve the scallop plan in a manner that will allow the maximum fisherman participation consistent with necessary management. Our confidence in suggesting the closure based on catch per unit of effort as adequate protection for the stocks comes from our experience from scallop beds in the northern Mid-Atlantic area. Those beds were fished to the point they no longer economically supported a fishing trip. Most people were surprised at how fast the fishery stocks replenished themselves to a point that a sustained fishery has occurred for the past several years. The details of this occurrence is available from the New England Fishery Management Council, who is responsible for the plan in the N.E. and M.A. areas.

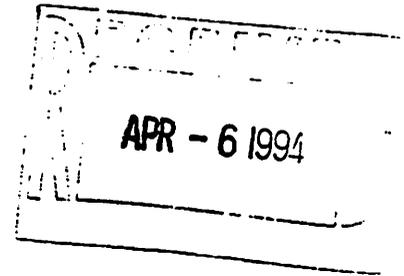
We share the concern that an open term moratorium with a quota based on past catch, and therefore not necessarily related to stock availability, would be unfair to fisherman, and particularly those who could not qualify under the proposed moratorium.

Every opportunity should be made to allow more vessels into the fishery if the stocks will support more than twelve (12) vessels anticipated in the State's plan. This may be particularly important to small native vessels.



6 March 1994

Mr. Clarence G. Pautzke and Board Members
North Pacific Fishery Management Council
PO Box 103136
Anchorage, AK 99510



Dear Mr. Pautzke and other Board Members,

I am writing in regard to the proposed scallop Fisheries Management Plan and moratorium on new entrants into the Alaskan scallop fishery as outlined in your Nov. 30, 1993 draft.

The following is a page outline of my comments for your convenience:

Pages 1, 2 A synopsis of my participation in the Alaska Scallop Industry
Pages 3 - 7 Specific comments in regard to the North Pacific Fishery
Management Council's proposed Alaska Scallop Fisheries
Management Plan and Moratorium.

I respectfully ask you to carefully consider the points of my comments, and bear them in mind while finalizing the Scallop Fisheries Management Plan.

The aim of the board in adopting a final proposal **must** be to even out the roller coaster, feast/famine ride that the Alaskan Scallop Industry has experienced in the past, where mega-money is made by fishing down the stock so far, years of closures are necessary. We definitely don't want to end up like the East Coast Scallop Industry—I feel strongly that the point of any proposal, moratorium, and management plan for the Alaskan Scallop Industry should be to make it fair and sustainable, **to develop it as a small scale fishery in near-shore areas, as well as a larger offshore fishery.** We need to insure a well-regulated, monitored, and consistent catch year after year, so that for all the years to come, Alaskans will be able to participate in and benefit from the Alaska scallop fishery.

Thank you for your consideration.

Respectfully,

A handwritten signature in cursive script, appearing to read "Scott D. Hulse".

Scott D. Hulse
F/V La Brisa
PO Box 773946
Eagle River AK 99577
Phone/fax (907) 694-2466

Scott D. Hulse/History of Participation In the Alaskan Scallop Industry

I firmly understand the necessity of a well controlled and managed fishery. I became interested in Alaskan Scalloping when I became first mate on a 160' Scalloper from the East Coast in 1981, after the heyday of the Kodiak fishery. It was obvious from that particular boom and bust that simply allowing vessels to fish for scallops, without a clear idea of how much resource there was or what kind of pressure the fishery could take, resulted in a major decline in scallop stocks, and further, prevented a continuously viable, long-term self-sustaining fishery in the area.

As a result of working with and talking to many individuals who had been involved in the Kodiak scallop boom, I determined that something different needed to be tried, and so I proposed a **small scale scallop fishery** in Lower Cook Inlet (Kamishak) to the Board of Fisheries. The elements of this plan included conducting an initial survey with Fish and Game personnel on board, limiting fishing to a **single six foot dredge** per vessel, short term openings and a 20,000 lb. QUOTA. The board adopted the plan and it became reality in 1983. Initially, my vessel was the only one involved in scalloping in this area. During that time, I worked to get other local Homer fishermen started in scalloping, and after providing information and gear assistance, two other local vessels finally joined me in the fishery. We continued to fish the area with consistent and profitable results through 1986.

During that time, the Kodiak scallop fishery was only financially marginal. A scallop bed cannot be totally fished out, because a dredge only can take 10 - 15% of what is there, but due to constant fishing with 15 - 16' dredges, the areas open to them were no longer very profitable. Unfortunately, this, added to the fact that many other areas were closed to scalloping made the rich scallop beds of this small scale fishery in Kamashak/Lower Cook Inlet very tempting for illegal fishing. And in fact, in 1986 several vessels from the Kodiak area were sighted and reported illegally fishing the Kamishak beds off season with large dredges, although no disciplinary action was ever taken. When I went back to Kamishak in the fall of 1987 with my 6' dredge, my tows showed that suddenly the scallop stocks had fallen below a viable small scale fishery level. I knew that if the Kamishak beds were left alone, in four to six years the strong currents and tides would insure that the scallops would once again grow as abundantly as ever. After talking it over with Fish and Game, they decided to close the area for several years to allow this to happen.

I also looked into and worked towards exploration of other Alaskan waters for scallop fishing. From 1986 - 1988, we explored possible scallop areas down the Aleutian Chain with a 150 catcher/processor and located several multi-million

dollar scallop beds This time, however, it was the immense bottom fishery industry that reduced scallop stock—when we returned to these new fishing areas after going to port to unload, in one bed, we pulled up massive amounts of stripped, dead pollock carcasses along with dead, smothered scallops, and discovered that other densely populated scallop beds that we had also located just a few weeks earlier had been spread out over so great a distance by the cod ends of the large bottom trawlers dragging in the sea bed that they could not be economically fished.

Unfortunately for myself and my participation in exploration for scallops, shortly after this unpleasant discovery, during a period when I was not on our vessel, our relief skipper took the boat into closed waters without our knowledge. Since he was quite blatant about it (later even bragging that he had been paid to "take us down"), the State of Alaska seized our vessel, and it took us six months and almost all of our remaining capital to spring the vessel free. Although we tried, we were just not able to come back financially from legal fees and lost revenue, which effectively stopped any further exploration effort.

As a result, and in conjunction with the sale of our other family vessel and building of a new one, I have not actually fished scallops during the last 4 years. However, I have continued to follow what was happening and help others in the fishery. During this time, we have also bought and processed thousands of pounds of Alaskan Scallops each year in our Alaskan Seafood family business, developing a small scale market for Alaskan Scallopers while keeping the money in Alaska.

Fish and Game finally opened the Kamashak fishery back up this last fall, and I assisted one of my friends with gear and information to fish that season, while working on and gearing up our new family vessel for next season. The documented poundage (20,125 lbs.) that came out of the Kamashak area shows that the scallop stock there has restored itself and that there should be a sustainable fishery from now on if fishing is kept to one six foot dredge per vessel and current guidelines are followed. This fishery could probably withstand a larger quota, but that should only be initiated after close monitoring.

I will continue to participate and assist in the Alaska Scallop Industry because I believe in its potential as a sustainable, long term fishery for all Alaskans in the years to come.

**COMMENTS ON NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL'S
PROPOSED MORATORIUM AND FISHERIES MANAGEMENT PLAN FOR THE
ALASKAN SCALLOP INDUSTRY**

1. PROPOSED MORATORIUM PERMIT CRITERIA

Based on my past experience and knowledge, I basically agree with the principal of a moratorium for new fisherman coming into the Alaskan Scallop Fishery until further research and exploration can be done, but with certain reservations. With the problems that they are having in the East Coast Scallop Fishery, many will look towards moving into the Alaska area. If the Kodiak boom and bust proved anything, it was that the Alaskan Scallop fishery cannot sustain a large influx of vessels, especially if they are all allowed to use large 15' dredges in all areas.

A. Consider Vessel "Owners" rather than "Vessels" and their total history of participation in the Alaskan Scallop Industry as criteria for granting Interim permits.

Determination of who can fish during the moratorium based on *one years recent vessel participation rather than owner history is not fair*. Under this scenario, a vessel that came up from the East Coast and scalloped during the last year in Alaska would be able to fish, but I would not, because in spite of having had two vessels participating during the qualifying period, one fishing seven years, the other three, I do not now own the original vessel(s) that we scalloped with. Using the criteria of "vessel" participation rather than "owner" participation also presents situations such as ours, where we would not be able to scallop, but the current owner of our old vessel "F/V Wayward Wind" would be able to obtain a permit, even though he has never fished a single scallop nor contributed anything towards the development of the Alaskan Scallop Industry!

Although I do not know all the legalities involved in establishing such a moratorium criteria, in essence, **this criteria applies a regulation ex post facto: we had no way of knowing that this criteria would be proposed when we sold our family boat and started building a new one, and therefore, we would be penalized by a regulation that didn't exist at the time of sale!** I will pursue all legal avenues to insure that a **Vessel Owner's** total Alaskan scallop fishing participation is counted in granting of these permits. I was involved in this fishery during lean years. And I will still be involved in trying to assist, develop and explore this industry in years to come, after others have come, made money, and gone, even if the industry never gets bigger than it currently is, because I believe in its potential as a sustainable Alaskan resource.

B. QUALIFYING PERIOD, Page 24, B.

Use owner participation as the qualifying criteria rather than vessel participation for a minimum of three years total during the qualifying period, not just one year of recent vessel participation.

C. CROSSOVERS TO OTHER FISHERIES DURING MORATORIUM SHOULD BE ALLOWED (p. 25, (3))

Cross over to other fisheries during the moratorium has to be allowed. If this fishery is to become a sustainable one, it must be developed on a small scale basis (please see point 2, Page 5 later in this outline). Small vessels cannot support themselves solely on proceeds from scalloping alone: preventing them from fishing other species dooms the Alaska Scallop Fishery to becoming solely a large scale, large vessel industry, which defeats any possibility of self sustaining, long term, local fisheries.

D. VESSELS SOLD BEFORE THE MORATORIUM SHOULD ALSO BE CONSIDERED REPLACEABLE FOR QUALIFYING (Guideline, P. 26, B.)

If the Board makes the decision to use Vessel Participation rather than Owner Participation as the criteria for moratorium permits, Page 26, Item B should include Vessels Sold before the moratorium as replaceable for qualifying as well, and exclude the sold vessel from participation during the moratorium unless the vessel fished under the new ownership for the required qualification time.

E. LENGTH OF REPLACEMENT VESSELS (Guideline P. 26, B.)

In our situation, again, based on a decision made before the above criteria was proposed, we exceed the proposed allowable length increase of replacement vessels by only a few feet. Consider changing wording to "Qualifying vessels can be replaced with non qualifying vessel up to 90' or a maximum of 20% increase in vessel length, whichever is larger" We propose a 90' specification because of my experience in near shore scalloping with small quotas. A vessel any larger than 90' would have trouble financially making it in small scale, small dredge(s) fisheries that I would like to see developed around coastal areas, but allowing someone the choice of going up to 90' from a smaller vessel could increase their safety in rough Alaskan waters.

2. CONSIDER STRONGLY PROMOTING SCALLOPING IN ALASKA AS A SMALL SCALE FISHERY NEAR SHORE BY REGULATING WITH LIMITED DREDGE SIZE AND POUNDAGE. RESTRICT MORE LARGE VESSELS FROM ENTERING INTO THE FISHERY EXCEPT FOR OFF SHORE.

The point that all of my past scalloping experience has brought home to me is that ultimately, the way to explore and develop the Alaskan Scallop Industry must be on a small local scale. I strongly urge you to **consider permanent dredge size restrictions in some areas, especially all near shore beds.** Although this will still allow all vessels to participate in scallop fishing, it will prevent the situation where one vessel with two 15' dredges quickly fishes a small bed down to non-profitable levels, with the result of the area having to be closed for a number of years.

You could still allow large vessels/dredges in offshore areas, but keeping near shore open only to small dredges/small quotas will help prevent boom/bust situations where sizable beds are discovered close to port, the entire fleet descends, makes mega-bucks until they have "wiped out" most of the easily reached areas for several years, and then departs the state, leaving a legacy of many closed areas, and devastation of a fishery for several years that could have supported small scale Alaskan vessels on a continuous basis.

3. EXCLUDE AREA FISHERIES REGULATED BY LIMITED DREDGE SIZE AND POUNDAGE QUOTA FROM MORATORIUM

Areas that are regulated by limited dredge size and poundage quota do not need to be covered by a moratorium, simply because the fishing there is already strictly controlled and is by nature self-limiting.

4. THE ALASKA SCALLOP INDUSTRY MUST BE PROMOTED AS A SUSTAINABLE, LONG TERM FISHERY. PROMOTE CONTROLLED EXPLORATION AND CLOSE MONITORING TO HELP PREVENT THE PROBLEMS OF THE PAST FROM RESURFACING

The past roller coaster boom/bust history of the Alaska Scallop industry must be controlled. It must become of tantamount importance to develop this fishery as a sustainable, long term fishery through gaining a clear idea of how much resource there is in each different area, and considering the type of pressure that different areas can take. The fisheries management plan as proposed is a good basic start, but I feel it could go even further: The following are some points that could be helpful in finalizing a management plan.

A. Insure adequate knowledge of the resource in any area under consideration for opening by requiring good survey data. This could be accomplished through allowing one volunteer vessel to go into area under consideration, and using not more than two 6' or 8' dredges (or even only one!), do a grid survey throughout the area being considered. In exchange, they keep all scallops caught, and in addition, after the initial survey is complete, allow them to fish the most concentrated area for a certain amount of time and/or poundage. This will at least give a clearer idea of what and how much is there, how big the beds are, etc. I am more than willing to participate and cooperate with my vessel to address this need.

B. Allow only short seasons (for example 3 months long/per year) allied with quotas for each specific area. The area is closed for the rest of the year when either the time period has elapsed or the quota has been met, whichever comes first. **Short seasons will also help the scallop industry more peacefully coexist with other fisheries and species.**

C. Potentially, close all the old areas that are currently open for awhile, or at least cut current seasons considerably.

D. The following are some currently closed near shore areas that should be considered for opening sometime in the future, but **only for small-scale, limited dredge fisheries.** Although there are definitely good scallop beds in them, allowing any large vessels and big dredge fishing in these areas at any time in the future would rapidly deplete the stocks and defeat the purpose of trying to develop a sustainable scallop fishery.

ALASKA PENINSULA AREA:

Unimak Bight, and waters on a straight line from Cape Lutke and Enton Point, on Sanak Island, and then on a straight line from Enton Point to Kupreanof Point, and all waters inside these lines, including but not limited to Stepovak Bay, Morozhovoi Bay, Belkofski Bay, Pavolf Bay, Beaver Bay, Balboa Bay, Unga Strait, West Nagai Strait, Stepovak Bay.

DUTCH HARBOR AREA

There are several near shore areas around and south of Dutch Harbor that should be considered for small scale limited fisheries.

KODIAK ISLAND AREA

Chiniak Bay

South end of Kodiak Island and surrounding bays

COOK INLET AREA

Kachamak Bay, from a straight line from Anchor Point to Point Adams, all inside waters to the Spit

E. Closely monitor all Alaskan scallop fishing—require poundage reports every two weeks and mandatory on-board Fish and Game observers placed at Fish and Game's discretion, but only if local observers are used. I only support using local Fish and Game employees for observation for several reasons. First is that most of us cannot afford to fly specially contracted observers in from Seattle or elsewhere and pay all of their expenses out of our pocket as has been the case recently. The second reason is that local professionals have a much stronger vested interest in taking good care of their own fish/game areas! Consistent monitoring along with opening up new areas, would definitely discourage the illegal fishing that has been such a problem in this fishery.

Utilizing all of the above ideas would allow a good number of vessels to participate in the Alaskan Scallop industry, but also allow for stock replenishment, fine tuning and refinement of the management plan based on concrete data, and preservation of the economic and ecological health and stability of this commercial fishery.



PORT / HARBOR

4350 HOMER SPIT RD.

HOMER, AK 99603-8005

FACSIMILE (907) 235-3152

(907) 235-3160

APR - 6 1994

North Pacific Fisheries Management Council
Anchorage AK

To Whom It May Concern:

In response to your latest proposal concerning the Scallop Moratorium, I feel the information received that you had to act on was biased, unreliable, and inaccurate. As for bias, to think only 10 or even only 8 boats may qualify, I feel people who outlined the proposal were feathering their personal nest. As for unreliable information, the price quoted for scallops was far lower than I experienced last summer as I fished and marketed meats from the Kamishak Bay opener August-September 1993. As for inaccurate, the mere fact that an oversight of the Cook Inlet fishery even happened showed that people who fished out of the Homer District were never credited for being conservative and cooperative with Fish and Game management efforts.

We fished for the first time in six years out of lower Cook Inlet. Six years ago some large boats from Kodiak came over to our district after it was closed and ran through it with 15-foot dredges.

In case you may not know, Kamishak District has always been a single 6-foot dredge fishery, people from Homer who always fished it were very sensitive towards other fisheries and always went to extreme measures not to interfere with those fisheries. I plead with you not to exclude the boats trying to fish our district for scallops. I feel that if anything we are model examples of fishermen with good conservative fishery methods and habits and should not be penalized by being shut out.

I feel that the credit should go to the boat owners, not the boat. There are bank-repossessed boats lying around that fished scallops years ago that have not been in the fisheries for some time. Under your proposal they qualify. Furthermore, a bank repossesses a boat and takes the fishing credit with it? That can't be right. Please correct me if I misunderstand. I know of two qualifying boats that are lying on the bottom of the ocean this very moment. Please I urge you to reconsider proposal 2 and change the qualifying date through September 1993, which is when the Kamishak Bay District is open, thus allowing the small 6-foot dredgers from Homer to continue to fish.

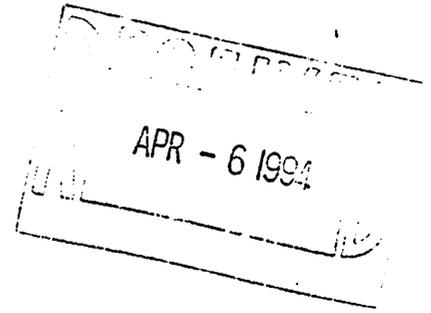
Exempting us from the Moratorium and perhaps treating us as an exclusive area would be fair to everyone. Just another idea.

Sincerely,

Ernest E. Beile, Jr.

A handwritten signature in cursive script that reads "Ernest E. Beile".

F/V FORUM STAR
Post Office Box 8245
Kodiak, Alaska 99615



April 6, 1994

Mr. Richard B. Lauber
Chairman
North Pacific Fishery Management Council
Post Office Box 103136
Anchorage, Alaska 99510

COPY SENT VIA FAX
ORIGINAL SENT VIA MAIL

Re: Scallop Moratorium

Dear Mr. Lauber:

After reviewing the Scallop Moratorium FMP draft dated December 22, 1994, there are several points that I would like to comment on, including moratorium qualification, crossovers during the moratorium, state observer requirements, conservation, crew-size limitations, active area management, and the break even analysis from an actual working, functioning scalloper's point of view.

PERSONAL HISTORY

I began building my vessel, the Forum Star, in 1988, and construction continued through 1989. From the beginning, my vessel was designed to be utilized as an East or West Coast scallop combination vessel. All the necessities for this fishery were built in from the start, not added on as an after-thought. In 1989, I made the decision to fish in Alaska and brought the F/V Forum Star up to Kodiak, arriving here in 1990. I planned to fish and scallop, not as a trend, but for the long-term and bought a home in Kodiak.

Other vessels, such as the F/V Venture, made only 6 or 7 landings before returning to the East Coast; vessels Barbara Lee and Emerald Sea participated only in the 1989 and 1990 scallop seasons and have not taken part in any Alaskan scallop fisheries since. Starting from 1990, my vessel made scallop deliveries in 3 out of 5 years to present. The F/V Provider made its first landing in 1989, and made only eight landings prior to my first scallop landing in Kodiak in 1990. In 1991 and 1992 the price of scallops fell to a point that I had to leave scalloping

Mr. Richard B. Lauber
April 6, 1994
Page 2

and enter the bottom fishery to make boat payments and support me and the crew. We returned to scalloping in 1993 and 1994.

QUALIFYING YEARS

In the Scallop FMP draft, the Council has before it two options concerning initial qualification. One option ("Option A") states that a qualifying vessel must have participated in either of the 1991 or 1992 seasons, or must have participated for at least four years between 1980 and 1993. Option B requires that a qualifying vessel must have made landings in any one of the years 1990 through July 31, 1993. My vessel would qualify under Option B, but not under Option A. I am asking that you adopt Option B of this proposal or modify Option A to include 1990 as a qualifying year.

Given my participation in the fishery and the reliance I have placed on it to make my living, it would be unfair to exclude my vessel on the basis of the two years I spent pursuing other income in other Alaskan fisheries. On the other hand, structuring the moratorium so that the Forum Star qualified would not significantly increase the number of qualifying vessels, and certainly would not result in the overcapitalization that the Council is concerned about. By adding the year 1990 as a qualifying year in this plan, only four additional vessels would be eligible to enter the fishery.

CROSSOVERS DURING MORATORIUM

The Council has before it a proposal that would prevent crossovers. I believe crossovers between scalloping and other fisheries should be permitted. To my knowledge, there is no other fishery that restricts boats to participate in only one fishery, nor should there be. In Alaska, cross-rigging is a way of life--the average vessel will participate in 2-3 fisheries per year. I look at cross-rigging as one more step to aid in the conservation of scalloping. Under certain conditions, there may be boats who choose to forego a scallop opening in order to fulfill obligations or commitments in other fisheries. It is virtually guaranteed that not all vessels will choose to fish at all times considering that two of the long-standing participants in the scallop industry are relatively small boats and scallop part-time.

Mr. Richard B. Lauber
April 6, 1994
Page 3

STATE OBSERVER REQUIREMENTS

The benefits of the state observer requirement proposal far outweigh the disadvantages. Although I think the observer program at some point will be less-than-100% coverage, we are at a very crucial point right now in the Alaskan scallop industry. Until more data is gathered on the scallop industry, I would not consider dropping this program. In order to determine what regulations must be implemented in this relatively new fishery, each vessel should have mandatory 100% observer coverage, as outlined on page 34 of the moratorium FMP draft.

CONSERVATION

Closed Areas. Until sufficient scientific data concerning scallop stock strength and potential bycatch problems has been gathered and additional confidence has been gained in the observer program, scallop areas such as the south of Kodiak and Unimak Bite should remain closed. In the event of an opening in the future, catch and by-catch should be monitored on a day-to-day basis.

Crewsize Limitations. The scallop fishery would see the most long-term benefits if the maximum crew size were decreased from 12 to 9 persons per vessel. This requirement would take pressure off captains to keep large numbers of crew working. Captains would not have to remain on their highest level of productivity throughout the day, but would have more time to explore new areas while crewmembers dealt with built up shell stock scallops. As we have heard in public testimony from previous meetings, it is essential to have adequate time to look for productive beds of scallops. East Coast Scalloping regulations limit crew size to no more than 9 personnel per vessel, and a 7-person crew policy is currently being proposed. In an effort to spare the highly concentrated juvenile stock and allow them time to mature, the 9-person crew limit should be implemented in Alaska.

Active Area Management. As a way to develop the scallop resource and to force scalloping vessels to explore for larger beds, I would like to see a new active area management plan. In open areas scallopers would be allowed to harvest 75% of the catch or by-catch, whichever comes first. At that point the most highly-concentrated areas of fishing would be defined and closed by Fish and Game. And the balance of 25% of the catch or by-catch would have to be harvested from the remaining open areas. This management system would force industry to explore for other lucrative beds while not under a derby fishery.

Mr. Richard B. Lauber
April 6, 1994
Page 4

BREAK EVEN ANALYSIS

Attached is a copy of my vessel's financial break-even analysis. After analyzing the 114' scalloper/12 person crew statement included in the FMP draft, I felt compelled to submit my own. As you will see, there is a large contrast between the Forum Star and the FMP vessel's break-even point. Please keep in mind, my vessel was built in 1988 and 1989 and is one of the newest scallopers in the fleet, with more than 1200 horsepower. This data was based on our 1993 harvest numbers and current mortgage, insurance, and interest rates. Considering these much more realistic numbers, it is obvious the fishery can support more than the 5 or 6 boats that have been mentioned.

I have been a dedicated scallop fisherman in Alaska and would consider it an injustice if I were not able to continue participating in this fishery because of a manipulation of dates that would exclude me in an effort to eliminate three other vessels, which have had no lasting and current participation and dedication to the scallop fishery. Thank you for your time. I hope that you look at this issue objectively and acknowledge my dedication to the scallop fishery with a modification of Moratorium Option A, or the acceptance of Option B.

Sincerely,



Jim Chase
F/V FORUM STAR

BREAK EVEN ANALYSIS

98' Scalloper/9 Crew
1993

Annual Vessel Expenses

Operating Cost (crew, fuel, food)	60%
*Fish Tax (1.25%)	1.25%
Fixed Costs:	
Mortgage Principal & Interest	\$108,024.00
Insurance Hull and P&I	\$84,100.00
Moorage and Storage	\$2,600.00
Licenses and Permits	\$1,100.00
Business Administration	\$2,000.00
Professional Fees	\$5,200.00
Travel	\$3,000.00
Dues & Licenses	\$1,000.00
Repairs and Maintenance	\$22,000.00
Gear and Supplies	\$10,000.00
Observer Fees (140 days @ \$210.00 per day)	<u>\$29,400.00</u>

TOTAL FIXED COSTS:

\$278,424.00

Break Even Point

(\$278,424.00 ÷ .40) 1.0125 =\$704,760.75

Average net price to vessel after
shipping (1993-94)\$6.14
per pound

Break Even Poundage114,782

This analysis assumes no income other than scalloping.

*This percentage represents processing a portion of the catch
in State waters, and a portion in the EEZ.

Seaside Seafoods
Address
April 5, 1994

APR - 6 1994

Clarence Pautzke
Executive Director
North Pacific Management Council
PO Box 103136
Anchorage, AK 99510

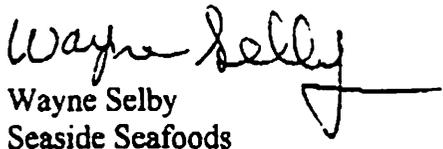
Dear Mr. Pautzke:

I am writing concerning the possible loss of one of my fish markets best selling products, alaska sea scallops.

I am a cannery owner in Kodiak with an advertised retail \ wholesale market for the public. Seaside Seafoods is a small, Kodiak-based company that markets mainly for Kodiak and Anchorage. In the two years that Jim Chase, Owner/Manager of F/V Forum Star has sold scallops to my cannery, he has been a major contributor to business.

Jim understands that there is a possibility of his license being revoked under the current Scallop FMP draft. The loss of the F/V Forum Star's deliveries would have a large impact on my business and would equal a considerable loss to Seaside Seafoods.

Sincerely,


Wayne Selby
Seaside Seafoods

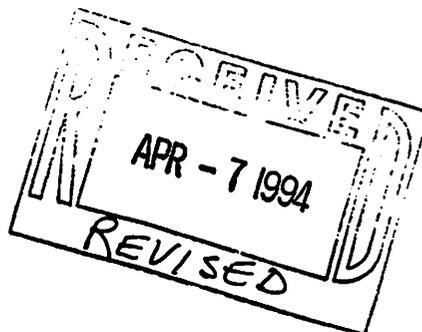
Kodiak Fish Company



F/V Alliance F/V Provider
P.O. Box 469, Kodiak, Alaska 99815
907-486-6002
Fax 907-486-2617

April 4, 1994

Mr. Richard Lauber
Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510



Dear Mr. Lauber:

Our comments on the draft FMP for the scallop fisheries of the North Pacific follow.

We support Alternative 3 Option 2 calling for the establishment of a separate FMP for Alaskan scallops deferring most of the management of the fishery to the State. Under Category 1 and 2, we support the allocation of authority for the proposed management measures as listed on page 20 of the draft FMP.

We support a federal moratorium on new entry to the fishery with qualifying periods as identified under Option (a) in which 10 vessels would be qualified to participate in the fishery during the moratorium period. Under length of moratorium, we support Option (a). Under crossovers during moratorium, we support Option (b). Under reconstruction of vessels during moratorium, we support Option (a)(3). Under replacement of vessels during moratorium, we support Option (b). Under Replacement of vessels lost or destroyed during the moratorium, we support Option (b). Under replacement of vessels lost or destroyed before the moratorium, we support Option (b). Under small vessel exemption, we support Option (a). Under appeals process, we support Option (a). All of these options are those listed as *Preferred* in the draft FMP.

The Board of Fish recently met and deliberated upon regulations regarding the State's management plan for sea scallops. They adopted, for the most part, those regulations recommended by ADF&G. The scallop industry as a group did not have a unified position on the State's management plan. The majority of the industry, in fact, opposed many of those measures the State deemed essential in controlling the fishery. Chief among these is the setting of quotas for the scallop fishery. Unlike virtually every other fishery in the North Pacific, the scallop fishery has never had established quotas - relying instead on the natural fluctuation of the fleet as the scallop resource waxed and waned to control effort. The imposition of quotas on the scallopers, therefore, has been a shock to our system. However, though equally unpalatable to us and unlike much of the industry testifying, we accepted the necessity of quotas. We believe, after extensive research of our own, that the nature of the scallop is one classed as irregular and sporadic. Without a quota system, we have years where we do very well - and then we see many new entrants to the fishery. These good years, however, have always been followed by years of low

abundance and financial hardship. A quota system, particularly with the long-lived weathervane scallop, can serve to even out those fluctuations in abundance. We would forgo those years of abnormally high catches; but we would also forgo those years of financial hardship.

All of this means little if the fleet is allowed to grow without restraint or is restricted to a number in which none of the participants can expect to break-even. Though restriction of the fleet to a size in which economic success is probable is not possible, it is possible to restrict the fleet to a size in which the participants have at least a chance to break even. Further, in an ITQ environment, the industry might consolidate to a size that is economically most rational.

The selection of qualifying periods which permit the fewest number of participants would be fully in compliance with the edicts of the Magnuson Act in regard to limiting access. Historical fishing practices, social and economic dependence on the fishery, economics of the fishery, the capability of the vessels in the fishery to engage in other fisheries or other pursuits as well as present participation are all key factors in the selection of Option (a) for the qualifying period. To permit those who have entered the fishery after the initial control date was established would be to permit speculative entry under the guise of fairness. To permit those who made even a few limited landings three years prior to the control date and then none or very few after the control date would also permit speculative entry under the guise of fairness. The issue appears to be one of dependence on this fishery in the North Pacific in the present - meaning prior to the control date of January 20, 1993. The record is clear that these discussions of moratorium control dates began in the fall of 1991 and were noticed to the public at least three times in 1992 by ADF&G - the first time in March of 1992. This series of public notices was sufficiently widespread to attract participation in an ADF&G meeting in Juneau in August of 1992 by several fishermen who were currently not participating in the Alaskan sea scallop fishery at that time. (Minutes of this meeting are available from ADF&G). At least four attendees at this meeting reside on the East Coast. Claims of not being aware of the issues at stake are difficult to believe given these facts.

Assertions that the resource is underexploited and underutilized are only being made by those inexperienced in the Alaskan fishery. Clearly there has been a lack of biomass information on the weathervane scallop. However, during the past 20 years the fishery has been prosecuted, there were several crashes in harvest levels. In 1983, landings dropped to 20% of the level recorded in 1982. This was not a function of price - product prices actually had increased 30% from the previous year. Also, it was not a function of better opportunities elsewhere as in 1983 the king crab fishery was in its death throes and groundfish was still dominated by the foreign fishing fleets. There was very little else to do.

The recent increase in landings from the Yakutat area have been offset by a decrease in landings in the Central Gulf. Though size frequency and aging data collected by the State scallop observer program has not yet been analyzed, a report recently published by Dr. William DuPaul of the Virginia Institute of Marine Science describes size frequency of sea scallops harvested in two different beds in the Yakutat area in 1993. This data shows the animals, though relatively abundant, are basically made up of one year class.

This fluctuation in abundance, which is not consistent from area to area within Alaska, is typical of the scallop as a species. Given that and the fact that year class success for the scallop can

depend on tight and consistent circular currents; consistent wind and current conditions when the larval scallop are drifting; and appropriate bottom type, condition and substrate when the spat finally settle; make it clear why the sea scallop fishery worldwide has its ups and downs. To point to one or two good years and believe that the only reason that all years were not as good is because the fishermen at those times weren't as accomplished as those in the good years is not only egotistical, but patently ridiculous.

The limitation of effort, then, must reflect the reality of Alaska's scallop resource - not the dreams of new participants coming from an area so overfished that some species there may never recover. If we allow their pleas to prevail, the Secretary of Commerce will be seeking federal aid for the scallop industry in Alaska as well as the \$30 million he has recently promised to the beleaguered and bankrupt fishermen of the North Atlantic.

Option B would allow 17 vessels to participate during a moratorium on scallops. At a price of \$5.50/lb and at the top end of the GHR, vessels would gross \$423,500. This is more than \$170,000 less than the lowest break-even exvessel value (\$600,000) about which we have heard or seen testimony. Since prices are not expected to remain at these historically high levels (see Seafood Business April, 1994 issue), and since landings may not reach 1.3 million pounds due to bycatch triggered closures or closures triggered by low catch rates, it is reasonable to assume that even 10 vessels will reduce the individual catch to a level below the lowest alleged break even point.

At the recent Board of Fish meeting, an owner of two vessels currently participating in the Alaska scallop fishery testified that one of his vessels needed to stock \$1 million annually in order to break even and that he would be financially devastated if the State were permitted to close the scallop fishery Statewide until July 1. This owner also testified that the Alaskan scallop fishery could support 40 vessels just as well as the New England scallop fishery can support 300 vessels.

To illustrate the relative economics of the Atlantic sea scallop fishery, it is interesting to look at the contrast between the Canadian limited entry system and the U.S. open access fishery. These figures are from 1989.

	<u>U.S.</u>	<u>Canada</u>
Pounds meats landed	31,561,054	22,844,065
Value of Harvest (U.S. \$)	\$125,700,000	\$72,320,000
No. of vessels (Full-time)	300	56
Exvessel value per vessel	\$419,000	\$1,291,428
Condition of 1994 fishery	Poor(1)	Excellent(2)
Fishery Management	No Quota	Quota
	Open Access	Limited Entry

(1) Secretary of Commerce Ron Brown recently promised \$30,000,000 in economic aid for Atlantic sea scallop and groundfish fishermen. NMFS 1994 scallop resource assessment stated the Georges Bank sea scallop biomass was at an all time low.

(2) Canadian scallopers are having one of their best years ever due to high prices and an abundant resource.

These numbers are particularly compelling when you consider that the scallop resource in the North Atlantic is shared by the U.S. and Canada - the stocks are separated merely by a line on the map.

We hope you will consider our response favorably. Thank you for the opportunity to comment.

Sincerely,

Teresa Kandianis

Mark Kandianis

Mark Kandianis

Teresa Kandianis

To: North Pacific Management Council

From: Max G. Hulse and Scott D. Hulse, F/V La Brisa

Comment Outline

- 1. Our qualifying to fish during the moratorium --- as it now reads, a vessel qualifies to fish, not the owner.**
- 2. We owned the F/V Wayward Wind which we fished during the qualifying period for six years (1982-1987).**
- 3. We sold the Wayward Wind in 1988, (unaware of the future moratorium), and began building a new aluminum vessel in 1990. Our plans were to reenter the fishery as soon as the new vessel was completed.**
- 4. The recommendation by your advisory panel, if adopted, would qualify us to fish during the moratorium.**

We thank you for consideration of our past history of involvement in this fishery and ask you to adopt your advisory panel's recommendation.

Mr. Chairman and Council Members

I fished scallops from 1982-1988. During that time I fished and owned a 47'150' vessel using 15', 8' and 6' dredges in Kodlak, Lower Cook Inlet and Bering Sea area.

After talking in front of the **Board of Fisheries** and the **Advisory Council** and listening to their concerns and wants for the future of Alaska scallop industry, I feel from my experience using large and small dredges, that areas need to be looked at for developing a fishery in **near shore** areas close to **Coastal Communities** for small vessels.

Areas like Lower Cook Inlet (Kamashak area) should be developed for small vessels around 65' limited to (1) 6' dredge.

There seems to be some concern about expense in exploring (Survey) new areas that are closed. The way the Lower Cook Inlet (Kamashak) area was developed would work just as well in other areas.

In 1983 I proposed to open Cook Inlet by using the fishermen and their vessels involved to accomplish a survey of the area. Using a small 6' dredge with an observer on board I went in and surveyed the agreed upon area using a square mile grid approach. Upon **finishing** the survey, I was allowed to go back in and fish the most concentrated area found during the survey for an agreed upon amount of pounds, to help cover my effort and expenses.

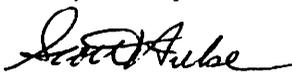
Using this same scenario in other areas would insure that we know what is there before simply opening the area, at little cost to the Government.

SETTING UP SMALL SCALE FISHERIES FOR NEAR COASTAL COMMUNITIES: WEATHERVANE SCALLOPS

- a) Would **PROMOTE A SUSTAINABLE, LONG TERM FISHERY.**
- b) Would allow more individual owner/vessel participation.
- c) With **limited dredge size and short seasons**, would help the scallop fishery **peacefully coexist** with other species in these areas.
- d) Most of all, would put **revenue in Coastal Communities** and thereby **help the Alaskan economy.**

Thank you ever so much for listening and your time.

Respectfully,



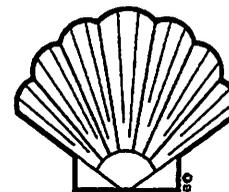
Scott Hulse

COMMENTS RECEIVED

ON

DRAFT SCALLOP FMP

Kodiak Fish Company



F/V Alliance F/V Provider
P.O. Box 469, Kodiak, Alaska 99615
907-486-6002
Fax 907-486-2617

April 4, 1994

Mr. Richard Lauber
Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

Dear Mr. Lauber:

Our comments on the draft FMP for the scallop fisheries of the North Pacific follow.

We support Alternative 3 Option 2 calling for the establishment of a separate FMP for Alaskan scallops deferring most of the management of the fishery to the State. Under Category 1 and 2, we support the allocation of authority for the proposed management measures as listed on page 20 of the draft FMP.

We support a federal moratorium on new entry to the fishery with qualifying periods as identified under Option (a) in which 10 vessels would be qualified to participate in the fishery during the moratorium period. Under length of moratorium, we support Option (a). Under crossovers during moratorium, we support Option (b). Under reconstruction of vessels during moratorium, we support Option (a)(3). Under replacement of vessels during moratorium, we support Option (b). Under Replacement of vessels lost or destroyed during the moratorium, we support Option (b). Under replacement of vessels lost or destroyed before the moratorium, we support Option (b). Under small vessel exemption, we support Option (a). Under appeals process, we support Option (a). All of these options are those listed as *Preferred* in the draft FMP.

The Board of Fish recently met and deliberated upon regulations regarding the State's management plan for sea scallops. They adopted, for the most part, those regulations recommended by ADF&G. The scallop industry as a group did not have a unified position on the State's management plan. The majority of the industry, in fact, opposed many of those measures the State deemed essential in controlling the fishery. Chief among these is the setting of quotas for the scallop fishery. Unlike virtually every other fishery in the North Pacific, the scallop fishery has never had established quotas - relying instead on the natural fluctuation of the fleet as the scallop resource waxed and waned to control effort. The imposition of quotas on the scallopers, therefore, has been a shock to our system. However, though equally unpalatable to us and unlike much of the industry testifying, we accepted the necessity of quotas. We believe, after extensive research of our own, that the nature of the scallop is one classed as irregular and sporadic. Without a quota system, we have years where we do very well - and then we see many new entrants to the fishery. These good years, however, have always been followed by years of low

abundance and financial hardship. A quota system, particularly with the long-lived weathervane scallop, can serve to even out those fluctuations in abundance. We would forgo those years of abnormally high catches; but we would also forgo those years of financial hardship.

All of this means little if the fleet is allowed to grow without restraint or is restricted to a number in which none of the participants can expect to break-even. Though restriction of the fleet to a size in which economic success is probable is not possible, it is possible to restrict the fleet to a size in which the participants have at least a chance to break even. Further, in an ITQ environment, the industry might consolidate to a size that is economically most rational.

The selection of qualifying periods which permit the fewest number of participants would be fully in compliance with the edicts of the Magnuson Act in regard to limiting access. Historical fishing practices, social and economic dependence on the fishery, economics of the fishery, the capability of the vessels in the fishery to engage in other fisheries or other pursuits as well as present participation are all key factors in the selection of Option (a) for the qualifying period. To permit those who have entered the fishery after the initial control date was established would be to permit speculative entry under the guise of fairness. To permit those who made even a few limited landings three years prior to the control date and then none or very few after the control date would also permit speculative entry under the guise of fairness. The issue appears to be one of dependence on this fishery in the North Pacific in the present - meaning prior to the control date of January 20, 1993. The record is clear that these discussions of moratorium control dates began in the fall of 1991 and were noticed to the public at least three times in 1992 by ADF&G - the first time in March of 1992. This series of public notices was sufficiently widespread to attract participation in an ADF&G meeting in Juneau in August of 1992 by several fishermen who were currently not participating in the Alaskan sea scallop fishery at that time. (Minutes of this meeting are available from ADF&G). At least four attendees at this meeting reside on the East Coast. Claims of not being aware of the issues at stake are difficult to believe given these facts.

Assertions that the resource is underexploited and underutilized are only being made by those inexperienced in the Alaskan fishery. Clearly there has been a lack of biomass information on the weathervane scallop. However, during the past 20 years the fishery has been prosecuted, there were several crashes in harvest levels. In 1983, landings dropped to 20% of the level recorded in 1982. This was not a function of price - product prices actually had increased 30% from the previous year. Also, it was not a function of better opportunities elsewhere as in 1983 the king crab fishery was in its death throes and groundfish was still dominated by the foreign fishing fleets. There was very little else to do.

The recent increase in landings from the Yakutat area have been offset by a decrease in landings in the Central Gulf. Though size frequency and aging data collected by the State scallop observer program has not yet been analyzed, a report recently published by Dr. William DuPaul of the Virginia Institute of Marine Science describes size frequency of sea scallops harvested in two different beds in the Yakutat area in 1993. This data shows the animals, though relatively abundant, are basically made up of one year class.

This fluctuation in abundance, which is not consistent from area to area within Alaska, is typical of the scallop as a species. Given that and the fact that year class success for the scallop can

depend on tight and consistent circular currents; consistent wind and current conditions when the larval scallop are drifting; and appropriate bottom type, condition and substrate when the spat finally settle; make it clear why the sea scallop fishery worldwide has its ups and downs. To point to one or two good years and believe that the only reason that all years were not as good is because the fishermen at those times weren't as accomplished as those in the good years is not only egotistical, but patently ridiculous.

The limitation of effort, then, must reflect the reality of Alaska's scallop resource - not the dreams of new participants coming from an area so overfished that some species there may never recover. If we allow their pleas to prevail, the Secretary of Commerce will be seeking federal aid for the scallop industry in Alaska as well as the \$30 million he has recently promised to the beleaguered and bankrupt fishermen of the North Atlantic.

Option B would allow 17 vessels to participate during a moratorium on scallops. At a price of \$5.50/lb and at the top end of the GHR, vessels would gross \$423,500. This is more than \$170,000 less than the lowest break-even exvessel value (\$600,000) about which we have heard or seen testimony. Since prices are not expected to remain at these historically high levels (see Seafood Business April, 1994 issue), and since landings may not reach 1.3 million pounds due to bycatch triggered closures or closures triggered by low catch rates, it is reasonable to assume that even 10 vessels will reduce the individual catch to a level below the lowest alleged break even point.

At the recent Board of Fish meeting, an owner of two vessels currently participating in the Alaska scallop fishery testified that one of his vessels needed to stock \$1 million annually in order to break even and that he would be financially devastated if the State were permitted to close the scallop fishery Statewide until July 1. This owner also testified that the Alaskan scallop fishery could support 40 vessels just as well as the New England scallop fishery can support 300 vessels.

To illustrate the relative economics of the Atlantic sea scallop fishery, it is interesting to look at the contrast between the Canadian limited entry system and the U.S. open access fishery. These figures are from 1989.

	<u>U.S.</u>	<u>Canada</u>
Pounds meats landed	31,561,054	22,844,065
Value of Harvest (U.S. \$)	\$125,700,000	\$72,320,000
No. of vessels (Full-time)	300	56
Exvessel value per vessel	\$419,000	\$1,291,428
Condition of 1994 fishery	Poor(1)	Excellent(2)
Fishery Management	No Quota	Quota
	Open Access	Limited Entry

(1) Secretary of Commerce Ron Brown recently promised \$30,000,000 in economic aid for Atlantic sea scallop and groundfish fishermen. NMFS 1994 scallop resource assessment stated the Georges Bank sea scallop biomass was at an all time low.

(2) Canadian scallopers are having one of their best years ever due to high prices and an abundant resource.

These numbers are particularly compelling when you consider that the scallop resource in the North Atlantic is shared by the U.S. and Canada - the stocks are separated merely by a line on the map.

We hope you will consider our response favorably. Thank you for the opportunity to comment.

Sincerely,

Teressa Kandianis

Mark Kandianis

Mark Kandianis

Teressa Kandianis

Scallop moratorium

Anyone wishing to approve or disapprove a petition that seeks to place a four-year moratorium on new entrants into the state-wide scallop fishery must do so before March 13.

If the Alaska Board of Fisheries approves the petition it will be submitted to the Commercial Fisheries Entry Commission for review.

CFEC has the authority to establish a four-year moratorium on new entrants to a fishery while the commission is investigating the need of limiting entry to that fishery.

Copies of the proposed petition may be obtained by writing to the Alaska Department of Fish and Game, Division of Commercial Fisheries, Box 25526, Juneau, Alaska 99802-5526.

*Prior to
3-9-92
Kodiak Daily
MIRROR*

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Bob ~~Bob~~ Crosby -

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 465-4100

March 10, 1992

Board of Fisheries
1255 West 8th Street
Juneau, AK 99801

Attention: Michael Martin, Chairman

Dear Board Members:

Recently some participants in the scallop fishery submitted information to me they are anticipating large increases in effort that could have serious negative effects on the state's scallop stocks. They also requested me, under authority granted in AS 16.05.050(20), to petition the Commercial Fishery Entry Commission to impose a moratorium on new entrants to the statewide scallop fishery to protect the resource and to stabilize the economic health of the commercial fishery.

Statute requires the board to approve or disapprove the petition before it is submitted to the Commercial Fisheries Entry Commission.

AS 16.05.050. POWERS AND DUTIES OF THE COMMISSIONER. The commissioner has, but not by way of limitation, the following powers and duties:

(20) to petition the Alaska Commercial Fisheries Entry Commission, unless the Board of Fisheries disapproves the petition under AS 16.05.251(g), to establish a moratorium on new entrants into commercial fisheries

(A) that have experienced recent increases in fishing effort that are beyond a low, sporadic level of effort;

(B) that have achieved a level of harvest that may be approaching or exceeding the maximum sustainable level for the fishery; and

(C) for which there is insufficient biological and resource management information necessary to promote the conservation and sustained yield management of the fishery.

March 10, 1992

AS 16.05.251. Regulations of the Board of Fisheries

(g) The Board of Fisheries shall consider a request of the commissioner for approval of a petition to the Alaska Commercial Fisheries Entry Commission to establish a moratorium on new entrants into a commercial fishery under AS 16.43.225 at the board's next regular or special meeting that follows the receipt by the board of the request for approval of the petition and that allows time for the notice required under this subsection. The board may consider the request of the commissioner for approval of the petition only after 15 days public notice of the board's intention to consider whether the commissioner, in support of the request for approval of the petition, has adequately shown that the fishery meets requirements for a moratorium on new entrants under AS 16.05.050. The board by a majority vote of its members at the meeting when the petition must be considered shall approve or disapprove the petition.

There is little information available on the scallop fishery. Fish ticket data has been collected since 1969. Limited work has been done on life history. The department has limited information on distribution, no solid data on abundance, recruitment rates, exploitation rates, and other knowledge necessary to properly manage a fishery. The limited information available indicates scallop populations may be easily overfished.

A moratorium on new entrants to the fishery could enable the department to develop a statewide scallop fishery management plan that would conserve the resource and stabilize the fishery.

In sum, I believe that present circumstances in the scallop fishery meet all three of the requirements of AS 16.05.050(20). I therefore request the board to approve the enclosed petition to the Commercial Fisheries Entry Commission.

Sincerely,


Carl L. Rosier
Commissioner

Enclosed: Petition to Commercial Fisheries Entry Commission

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 465-4100

SCALLOP MORATORIUM PETITION

Under authority of AS 44.62.220, the Department of Fish and Game hereby petitions the Commercial Fisheries Entry Commission to establish, under AS 16.43.225, a moratorium on new entrants into the Alaskan scallop fishery. The Board of Fisheries has approved this petition under AS 16.05.251(g).

There are three statutory criteria that must be met before the department can request a moratorium:

- (1) the fishery must have experienced recent increases in fishing effort that are beyond a low, sporadic level of effort;
- (2) the fishery must be at a level of harvest that may approach or exceed the maximum sustainable level for the fishery; and
- (3) there must be insufficient biological and resource management information necessary to promote the conservation and sustained yield management of the fishery.

Interest in an Alaskan scallop fishery has existed since the early 1950's when the Bureau of Commercial Fisheries began systematic surveys to determine if commercial quantities were available. It was not until 1967 that the first commercial deliveries were made. Since then the commercial harvest of scallops has fluctuated greatly, ranging from a high in 1969 of 1,850,187 pounds of shucked meats by 19 vessels in 157 landings to no fishing effort being reported in 1978. Table 1. shows the variation in vessels, landings and pounds harvested by year.

A dramatic increase in the number of landings during the two most recent seasons is of concern to the department. Effort may continue to intensify and may threaten the conservation of the state's scallop resources if new management measures are not implemented. Additionally, as a result of a pending moratorium and other management efforts in the east coast scallop fishery, it is possible that some scallop vessels from that area could migrate to Alaska.

Large variations in effort and landings may indicate maximum sustainable levels for the fishery are being exceeded. However, at the present state of knowledge it is not known what level of harvest the state's scallop populations can withstand.

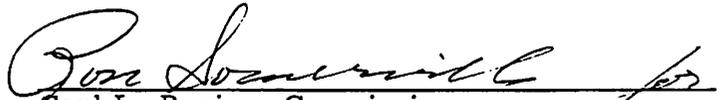
There is certainly not sufficient biological and resource management information available to promote the conservation and sustained yield of the fishery. The department issued a report in 1968, Informational Leaflet 125, that summarized the

Scallop Moratorium Petition

state of scallop knowledge. Since that time there has been little additional information acquired on Alaskan scallop stocks, although the fishery has been prosecuted in every year except 1978. The department has a fair idea of the distribution of scallops in Alaskan waters, but no solid information on, abundance, recruitment rates, exploitation rates, and other knowledge necessary to properly manage the fishery. The limited information available indicates scallop populations may be easily overfished.

The Department of Fish and Game finds that the Alaskan scallop fishery meets the statutory criteria necessary for a moratorium under AS 16.05.050(20). Such a moratorium on new entrants would give department time to develop a management plan that would conserve the resource and stabilize the fishery. Expected increases in fishing effort may adversely impact the health of the resources which could result in a complete closure of the fishery. A moratorium would promote the orderly development of the state's scallop fishery and is necessary to protect Alaska's scallop stocks from over-exploitation, and to preserve the economic health and stability of the commercial fishery.

DATE: 3/13/92


Carl L. Rosier, Commissioner
Alaska Department of Fish and Game

PROPOSED INTERIM MANAGEMENT MEASURES
FOR COMMERCIAL SCALLOP FISHERIES
IN ALASKA

By
Gordon H. Kruse
Paul R. Larson
and
Margaret C. Murphy

Regional Information Report¹ No. 5J92-08
Alaska Department of Fish & Game
Division of Commercial Fisheries
P.O. Box 25526
Juneau, Alaska 99802-5526

July 27, 1992

¹The Regional Information Report Series was established in 1987 to provide an information access system for all unpublished divisional reports. These reports frequently serve diverse ad hoc informational purposes or archive basic uninterpreted data. To accommodate timely reporting of recently collected information, reports in this series undergo only limited internal review and may contain preliminary data; this information may be subsequently finalized and published in the formal literature. Consequently, these reports should not be cited without prior approval of the author or the Division of Commercial Fisheries.

EXECUTIVE SUMMARY

The commercial fishery for weathervane scallops (*Patinopecten caurinus* Gould, 1850) in Alaska began in 1967. Since then, harvests of scallops have ranged from 1,850,187 pounds of shucked meats in 1969 to zero in 1978. Currently, maximum sustainable yield may be exceeded. Recent harvests are the highest since early exploitation on virgin stocks and shifts in effort to new fishing areas have occurred to achieve these harvests. Worldwide, scallops are vulnerable to overharvest, and recovery of depressed stocks may be very slow.

To address conservation concerns, the Alaska Department of Fish and Game is considering adoption of an interim management plan and associated regulations to manage the scallop fisheries in Alaska. To date, no comprehensive set of regulations exists to address issues of conservation, allocation, and conduct of an orderly fishery. If approved, the interim plan will be implemented, and the Alaska Board of Fisheries will be petitioned to consider adoption of a permanent management plan and regulations at its meeting in February 1993. Also, with the approval of the Alaska Board of Fisheries, the department is considering an option to submit a petition to the Commercial Fisheries Entry Commission to establish a four-year moratorium on new entrants into the Alaska scallop fishery.

The purpose of this document is to provide a profile of the proposed scallop management strategy and associated regulations for public review. Although these management provisions are intended for all scallop species, most discussion focusses on weathervane scallops, the species of greatest commercial importance. The document provides a summary of the management goal and objectives, commercial fishery and existing regulations, biology and life history of the species, outlook for future fishery yields, conservation concerns, proposed management alternatives and regulations, evaluation of potential effects on users, and a note on subsistence use. The department is soliciting comments on management alternatives and proposed regulations, including the possibility of a moratorium on new fishery participants.

The management goal for scallop fisheries is to maximize the overall long-term benefit of scallop resources to residents of the State of Alaska and the nation, while providing for conservation of scallop populations and their habitats. Within the scope of this goal, there are five specific objectives that address: (1) biological conservation of scallop stocks; (2) bycatch of other species and gear-induced habitat alteration; (3) sustainable and orderly fisheries that promote long-term economic and social benefits; (4) maintenance of resource availability to subsistence users; and (5) conduct of fishery research to increase the information base for future management decisions.

The draft interim management plan is designed to attain the management goal and objectives. Although a wide range of management approaches and regulations are being considered, at a minimum, the department is favoring the adoption of four new regulations in addition to those already in place: (1) closure of the commercial fishing season during the spawning period; (2) establishment of a minimum size for retention of scallops; (3) requirement for onboard observers; and (4) establishment of guideline harvest levels or optimum yields from each stock. Agency staff analyses and public comments on the proposed interim management plan and

regulations will be thoroughly considered by the department before adoption of a final interim management plan and implementation of associated fishing regulations.

INTRODUCTION

The Alaska Department of Fish and Game (ADF&G) is considering adoption of an interim management plan and associated regulations for the scallop fisheries in the State of Alaska until such time that the Alaska Board of Fisheries (BOF) can adopt permanent regulations. The interim management plan and regulations may be adopted under authority of the Alaska Administrative Code (AAC): 5 AAC 39.210 (ADF&G 1992), Management Plan for High Impact Emerging Fisheries (See chapter 39: "general provisions" in Appendix 1).

current The purpose of this document is to provide a draft framework of the proposed interim management plan and associated regulations for public review. Although most discussion focusses on the weathervane scallop (*Patinopecten caurinus* Gould, 1850), the management framework is intended to apply to all scallop species in Alaska. Specifically, the following are reviewed in this report: (1) goal of the interim fishery management plan; (2) management objectives; (3) brief description of the Alaskan scallop fishery and current regulations; (4) overview of biology and life history of weathervane scallops; (5) outlook of future fishery productivity and sustained yield; (6) possible fishery impacts and resource conservation concerns; (7) proposed management alternatives and regulations; (8) evaluation of potential effects on existing users; and (9) customary and traditional subsistence use patterns.

The department is soliciting comments and suggestions on the interim management plan and regulations described in this document. Interested persons may present written comments relevant to the proposed actions in this document and legal notice (see Appendix 2) no later than 5:00 p.m. September 4, 1992. Written comments should be addressed to: Commissioner Carl L. Rosier, Alaska Department of Fish and Game, P.O. Box 25526, Juneau, Alaska 99802-5526.

GOAL OF FISHERY MANAGEMENT PLAN

The management goal for scallop fisheries is to maximize the overall long-term benefit of scallop resources to residents of the State of Alaska and the nation, while providing for conservation of scallop populations and their habitats.

MANAGEMENT OBJECTIVES

Within the scope of the management goal, five specific objectives have been identified. These objectives concern biological conservation, habitat, sustainable and orderly fisheries, subsistence, and fishery research.

Biological Conservation Objective

The biological conservation objective is to ensure the long-term reproductive viability of scallop populations. The maintenance of adequate reproductive potential in each scallop population takes precedence over other economic, social, management and research considerations. To ensure continued reproductive viability of scallop stocks, management measures will be designed to prevent recruitment overfishing by preventing the spawning stock from being reduced to too low a level to ensure adequate production of recruits to future fisheries. Management measures that could be used to attain the biological conservation objective include: (1) closures during spawning seasons; (2) minimum shell height; (3) size limits on dredge rings; and (4) guideline harvest levels (GHLs) or optimum yields (OYs).

Bycatch and Habitat Objective

The impacts of scallop dredges on other fish and shellfish populations and the quality and availability of habitat supporting populations of scallops and other species are of concern. The bycatch and habitat objective is to minimize adverse effects of this gear on incidental harvest of other species and on bottom habitat needed for recruitment and survival of scallops and other bottom-dwelling organisms, particularly those of commercial importance. Management measures that could be used to attain this objective may include onboard observers and closed areas. Research studies on bycatch and habitat may promote this objective, as well.

Look at research on other fisheries

Sustainable and Orderly Fishery Objective

The sustainable and orderly fishery objective is to ensure the conduct of manageable, steady-paced scallop fisheries that provide stable employment opportunities and maintain supplies of high quality scallops to seafood markets. Toward this end, populations of large scallops will be perpetuated to enhance product marketability, favorable prices, and stability in landings, personal income, and employment. It is recognized that this objective will promote long-term economic and social benefits over and above short-term gains associated with "boom-and-bust" fisheries. Therefore, management measures will be designed to sustain scallop fisheries over the long-term despite sporadic recruitment events. Applicable management measures may include: (1) GHLs; (2) time/area closures; (3) observers; (4) trip limits; (5) rotational harvest areas; (6) quarterly fishing periods with separate quotas; (7) moratorium on new entrants; and (8) measures that reduce harvest/processing rates, such as minimum dredge width or crew size limits.

Subsistence Objective

Where appropriate, the subsistence objective is to ensure that scallop harvest requirements by traditional users in coastal communities are met, as required by law. Abundance and availability of local scallop stocks to subsistence users must be protected from deleterious effects of

What is traditional use - must define this now so it does not become a problem.

Benefits under moratorium limited by minimum crew size & automated shuckering.

commercial fisheries. Management must assure that traditional subsistence users are not adversely impacted by commercial harvest of scallops. This objective could be attained by closing subsistence harvest areas to commercial harvest. ID now - so can't use as pretend later to close comm. use -
Research Objective

The research objective is to gather and analyze data relevant to attaining fishery management objectives and to ensure that management plans are adjusted to reflect this new knowledge. Priority research topics may include: (1) new gear designs to increase efficiency, reduce bycatch, and minimize adverse effects on bottom habitat; (2) estimation of comparative mortality associated with regulations for minimum dredge ring size or minimum shell height; (3) estimation of population abundance and size/age structure; (4) scallop biology, life history, and stock production parameters; (5) analyses of reproductive potential, population thresholds, and recruitment overfishing; (6) investigations into exploitation rates and alternative management strategies; (7) genetic stock structure; and others. This objective may be attained by the institution of an observer program and the conduct of scallop research, perhaps paid by test fishing receipts, State of Alaska general fund appropriations, federal aid funds, or research grants.

THE ALASKA SCALLOP FISHERY AND CURRENT REGULATIONS

Interest in an Alaskan scallop fishery has existed since the early 1950's when the Bureau of Commercial Fisheries began systematic surveys to determine if commercial quantities were available. It was not until 1967 that the first commercial deliveries were made. The numbers of vessels, numbers of landings and harvest (weight of shucked meats) have varied annually (Table 1). Generally, approximately two-thirds of the harvest has been taken off Kodiak Island and about one-third has come from the area between Cape Spencer to Cape St. Elias; other areas have made minor contributions to overall landings. Total commercial harvest of scallops has fluctuated from a high of 157 landings totalling 1,850,187 pounds of shucked meats by 19 vessels in 1969 to no landings in 1978. Harvests in 1990 and 1991 were the highest on record since the early 1970's.

Economic trends of the fishery depend upon the performance measures considered. For example, vessels averaged 212,000 pounds each during the early "fishing-up period" (1970-1973) of the fishery. During 1974-1986, landings per vessel averaged only about one-third (66,000 pounds) of the 1970-1973 average, but increased to about one-half (114,000 pounds) of the original level during the 1987-1991 period (Table 1). On the other hand, average gross receipts (exvessel value) per vessel reveal a different trend due to price effects during these same three time periods: \$234,000, \$178,000, and \$400,000, respectively (Table 1).

The department's current scallop fishery management efforts are very minimal and passive in nature. In general, area specific regulations have been designed to address crab bycatch issues and not scallop fishery management directly. With the exception of recent actions that closed a portion of Prince William Sound (PWS), the department has not taken an active role in

inseason management of scallop resources. In the long term, more active scallop fishery management may be needed to ensure resource conservation.

The Alaskan commercial scallop fishery is currently being managed under miscellaneous shellfish regulations, contained in Chapter 38 of the Alaska Administrative Code; these regulations (Appendix 1) authorize management within five statistical areas (5 AAC 38.005). The state extends its management authority beyond Alaska's territorial sea to include the adjoining waters of the Exclusive Economic Zone (EEZ, 5 AAC 38.010). Because there is no federal fishery management plan, clearly the state has authority to regulate the scallop fishery in the EEZ.

For miscellaneous shellfish, the entire State of Alaska is considered as a single registration area (5 AAC 38.020). Therefore, an individual can fish scallops in all areas under a single Commercial Fishery Entry Commission (CFEC) Permit (commercial fishing license). However, in addition to an entry permit, a commissioner's permit is needed to take scallops commercially (5 AAC 38.062). The commissioner's permit may:

- (1) stipulate location and duration of harvests;
- (2) limit gear and other harvest procedures; and
- (3) require periodic or annual reporting.

The allowable commercial gear is limited to scallop dredges (5 AAC 38.055). Scallop dredges are required to have rings with minimum inside diameters of four inches; except for vessels fishing west of Sanak Island (in the Aleutian Islands), where three inch rings may be used. The department is authorized to require observers aboard vessels fishing dredges with less than four inch rings. However, no existing regulations authorize the department to require observers aboard vessels operating dredges with standard four inch rings.

The current regulations in the Southeastern Alaska and PWS areas specify that there is no closed season for scallops (5 AAC 38.120 and 38.220). In the Yakutat area, the waters of Yakutat Bay are closed to scallop fishing (5 AAC 38.180). In these three areas, the scallop fishery is generally managed under the authorities provided in the existing statewide miscellaneous shellfish regulations, discussed above.

In the Cook Inlet and Westward areas, limited area-specific regulations are stipulated in addition to existing statewide regulations. These include fishing seasons (5 AAC 38.400) and area closures (5 AAC 38.424) in the Westward area and fishing seasons (5 AAC 38.280), area closures (5 AAC 38.324), a six foot wide dredge restriction (5 AAC 38.322), and a guideline harvest range (5 AAC 38.330) for portions of the Cook Inlet area.

MORATORIUM ON NEW ENTRANTS

In 1991, the Alaska Statutes were amended by the Alaska Legislature to authorize the Commercial Fisheries Entry Commission to establish a four-year moratorium on new entrants into new and emerging commercial fisheries. The statute [AS 16.43.325 (a)] allows a moratorium in a new and emerging commercial fishery:

- 1) that has experienced recent increases in fishing effort that are beyond a low, sporadic level of effort;
- 2) that has achieved a level of harvest that may be approaching or exceeding the maximum sustainable level for the fishery; and
- 3) for which there is insufficient biological and resource management information necessary to promote the conservation and sustained yield management of the fishery.

The enabling statutes (see Appendix 1) require the Commissioner of the Department of Fish and Game to petition the Commercial Fisheries Entry Commission to establish a moratorium before CFEC can take any action. Further, the statutes specify that the Board of Fisheries needs to approve the petition in a public meeting prior to submission to CFEC.

A moratorium on new entrants would stabilize fishing effort while the scallop fishery management plan is being developed and implemented. Additional increases in fishing effort could adversely impact the health of the resources, and could lead to a complete closure of the fishery by ADF&G. Rather, a moratorium would promote the orderly development of the state's scallop fishery, may be necessary to protect Alaska's scallop stocks from over-exploitation, and could preserve the economic health and stability of the commercial fishery. ADF&G is considering the possibility of seeking approval of the BOF to petition the CFEC to establish such a moratorium on new entrants.

REVIEW OF SCALLOP BIOLOGY AND LIFE HISTORY

Weathervane scallops are distributed from Point Reyes, California, to the Pribilof Islands, Alaska. The highest known densities in Alaska occur off Kodiak Island and along the eastern gulf coast from Cape Spencer to Cape St. Elias (Foster 1991). Scallops are found from intertidal waters to depths of 300 m (Foster 1991), but abundance tends to be greatest between depths of 45-130 m on beds of mud, clay, sand, and gravel (Hennick 1973). Similar to patterns documented for other scallop species (Caddy 1989; Robert and Jamieson 1986), beds are elongated along the direction of current flow, and aggregations often represent different age or size groups.

Mature males and females are distinguishable: female gonads are pink or orange-red whereas gonads of males are creamy white (Haynes and Powell 1968; Robinson and Breese 1984). Although spawning time varies with latitude and depth (Robinson and Breese 1984; MacDonald

and Bourne 1987), in Alaska weathervane scallops appear to mature in mid-December to late January and spawn in May to July depending on location (Hennick 1970a).

Scallops develop through egg, larval, juvenile, and adult life stages (Hennick 1973). Eggs and spermatozoa are released into the water, and fertilized eggs settle and become fixed to the bottom. After a few days, eggs hatch, and larvae rise into the water column and drift with ocean currents for about 3 weeks. Then, the larvae transform, and "post-larvae" settle and attach to a hard surface on the bottom with strings called "byssal threads." Young juveniles may remain attached, or they may become mobile by use of a "foot," or they may swim. Within a few months the shell develops pigmentation, and juveniles then resemble the adult in appearance.

Weathervane scallops are long-lived and natural mortality rates are low; individuals may live 28 years old or more (Hennick 1973). Generally, many juvenile scallops mature by age 3 at about 7.6 cm (3 inches) in shell height (SH), and virtually all scallops are mature by age 4 (Haynes and Powell 1968; Hennick 1973). Growth is most rapid during the first 10-11 years (Hennick 1973). However, growth, maximum size, and size at maturity vary significantly within and between beds and geographic areas. For example, on average, maximum size tends to be about 190 mm (7.5 inches) SH for Marmot Flats off Kodiak Island and only 144 mm (5.7 inches) SH for the Cape Fairweather - Cape St. Elias area (Kaiser 1986). The largest recorded specimen measured 250 mm (9.8 inches) SH and weighed 340 g (12 ounces, Hennick 1973). Although increasing with age and size, weight varies seasonally; meat yield declines during the spawning season and increases during the growing season.

OUTLOOK OF FISHERY PRODUCTIVITY AND SUSTAINED YIELD

Only limited information on biological productivity is available for weathervane scallops to promote the conservation of stocks and sustained yield of the fishery. Much of this information (Haynes and Powell 1968; Hennick 1970b, 1973) was collected during the early years of the fishery, but has been summarized more recently by Kaiser (1986). Although the fishery has been prosecuted every year since 1967 except 1978, the only assessment survey since 1972 was conducted in 1984 in lower Cook Inlet (Hammarstrom and Merritt 1985). Likewise, there have been no routine biological or fishery sampling programs conducted on weathervane scallops. The distribution of scallops in Alaskan waters is rather well-known, but insufficient information on abundance, exploitation rates, recruitment, mortality, and other key population dynamics parameters hampers fishery management.

It is widely accepted that fishery harvest levels should be prescribed in ways to prevent "recruitment overfishing" -- the condition that occurs when stocks are reduced to levels too low to produce adequate numbers of young scallops -- the future recruits to the fishery (Gulland 1983). Recruitment is a prerequisite for maintenance of viable populations, and is needed for sustainable harvests that support long-term economic benefits from the fishery.

The rate of natural mortality is one of the biological reference points commonly used in management of other fisheries to establish appropriate exploitation rates (Clark 1991). The longevity of weathervane scallops in Alaska implies that they experience very low natural mortality rates, and this requires that conservative commercial harvests of weathervane scallops may be necessary to maintain healthy stocks and sustainable fisheries. Unfortunately, other benchmarks that would bear on the choice of appropriate exploitation rates for weathervane scallops are not presently available; there is inadequate information on other biological production parameters, uncertainty in scallop population dynamics, and a lack of fishery yield models for Alaskan scallop fisheries.

Recent large variations in harvest (Table 1) and shifts in effort to new fishing areas may indicate that the maximum sustainable yield of the fishery is being exceeded. Further, it has been well-established that scallop populations worldwide are vulnerable to overharvest, and stock recovery may be slow (Aschan 1991; Bannister 1986; Bourne 1986; McLoughlin et al. 1991; Orensanz 1986). For these reasons, significant increases in scallop harvests in Alaska beyond historic levels should be avoided as they may jeopardize stock health and sustained fishery yield.

But do this upmoratorium not GtTL due to all other fisheries being limited.

POSSIBLE FISHERY IMPACTS AND RESOURCE CONSERVATION CONCERNS

The Alaska Department of Fish and Game has a mandate to *manage, protect, maintain, improve, and extend the fish ... resources of the state in the interest of the economy and general well-being of the state* (State of Alaska 1987). Therefore, the impact of scallop fisheries on resource conservation is an important issue to the department, and fishery management plans must address these concerns.

Although not thoroughly investigated in Alaska, numerous studies elsewhere have examined the impacts of dredges on scallop stocks, other bottom-dwelling species, and habitat. Aside from appropriate levels of directed harvest discussed earlier, incidental mortality is another area of concern about fishery impacts with respect to scallop populations. Both direct and indirect sources of mortality must be considered in the fishery management plans that ensure long-term maintenance of healthy scallop stocks and productive fisheries.

Incidental mortality may occur by two mechanisms. The first is associated with the capture of small scallops that are handled and discarded at sea due to size regulations or economic considerations. Although many undamaged sea scallops that are quickly returned to the sea may experience no side effects (Naidu 1988), mortality may be significant when scallop catches containing rocks are dumped on a vessel's deck (Naidu 1988) or when scallops experience prolonged exposure to unfavorable onboard conditions (Medcof and Bourne 1964), such as extreme air temperatures or prolonged desiccation.

The second source of mortality is associated with "inefficiency" of scallop dredges. This type of fishing gear typically harvests only 5-35% of the scallops in their path, depending on dredge design, target species, bottom type, and other factors (McLoughlin et al. 1991). Of those 65-95%

incidental mortality

size limits
harvest limits
inefficient gear
large size
will result in biological overfishing
with about economic overfishing

Sorting
fish on board

that come in contact with the dredge but are not captured, some elude the passing dredge and recover completely from the gear interaction. But, others experience injuries that lead to immediate or subsequent mortality (Caddy 1968; Naidu 1988). Some scallops experience damage and death due to crushing by the dredge (Naidu 1988), the body cavities of others become impacted with sediment or shell fragments (Naidu 1988), and others may experience increased vulnerability to disease (McLoughlin et al. 1991) or predators (Elner and Jamieson 1979).

Not all injuries lead to subsequent death. Sublethal injuries occur, as evidenced by occurrences of shell deformities on live specimens (Naidu 1988; Caddy 1989). These injuries may occur during onboard handling of undersized scallops that are returned to the sea or during gear interactions on the sea floor.

Scallop dredges may adversely affect other organisms comprising benthic communities and these effects must be considered in the fishery management plan. Effects of scallop dredges on benthic communities in Alaska are not known, but limited data are available on incidental catches. In some areas, the catches of king and Tanner crabs may be high, and many captured crabs may be lethally damaged (Haynes and Powell 1968; Hennick 1973; Kaiser 1986). Some catches contain other species of crabs, shrimps, octopi, and fishes such as flatfishes, cod, and others (Hennick 1973). Seasonal and area-specific differences in bycatch rates exist. For example, in some areas incidental catches of king crabs may increase in spring as adult crabs migrate inshore for molting and mating, whereas other areas of dense scallop concentrations may possess few king crabs (Hennick 1973) and bycatch may be of little concern in these locations.

The last area of conservation concern is the alteration of bottom habitat by dredges. Dredging places fine sediments into suspension, buries gravel below the surface and overturns large rocks that are embedded in the substrate (NEFMC 1982). For some scallop species, it has been demonstrated that dredges may adversely affect substrate required for settlement of young to the bottom (Fonseca et al. 1984; Orensanz 1986). In fact, dredges have been banned in some parts of the world for these reasons (Orensanz 1986).

Conservation impacts of the scallop fishery in Alaska depend upon the particular suite of management measures adopted. An active management strategy may include stock assessment surveys, calculation of optimal exploitation rates, estimation of key biological production parameters (e.g., growth, mortality, recruitment, etc.), an observer program to monitor the incidental catches of other species, use of exploratory fisheries as a research tool to refine time/area closures, a catch sampling program, and evaluations of gear effects on habitat. As knowledge accrues from such an active program and conservation concerns are dealt with fittingly, new areas could be opened to fishing, higher exploitation rates may be specified, and overall fishery productivity may increase.

On the other hand, a passive management strategy may not contain a program to increase knowledge through data-gathering and analysis. A passive management program may be designed with a limited set of restrictive regulations to try to ensure resource conservation despite uncertainty about stock status and fishing effects. For example, grounds may be closed to scallop

passive
fishing due to the possibility of crab bycatch, other areas may be closed to create scallop refuges that serve as "seed" stock, conservative minimum dredge ring sizes may be chosen in an attempt to ensure adequate escapement of juvenile and adult scallops for future growth and reproduction, and broad summer seasonal closures may be selected to cover the range of possible spawning seasons in Alaska. In addition, conservative estimates of OY based on historic catch may be prescribed to cap the harvest in an attempt to prevent boom-bust fisheries, recruitment overfishing, and stock collapses.

An optimal management plan strives to achieve a balance of factors, such as cost-effectiveness, enforceability, resource conservation, and positive economic benefits that accrue from commercial harvests. Ideally, the plan would provide mechanisms to gain information that can be used to improve the management plan without being too costly, and would provide for resource conservation without being overly restrictive to the fishery. Management alternatives and measures, articulated as follows, are being considered by the department in an attempt to achieve this balance.

PROPOSED MANAGEMENT ALTERNATIVES AND REGULATIONS

Management Alternatives

Management options for the scallop fishery cover a wide spectrum from very passive ("hands off") regulations to an active inseason management program. Passive regulatory measures require a minimum of inseason management activities while active regulatory measures require maximum inseason attention. The department is considering both active and passive measures to improve scallop management capabilities.

At one end of the spectrum, a passive management plan may consist of basic elements that include limited open seasons, closures of high bycatch areas, conservative minimum size limits to provide for near-maximal growth and high reproductive potential, and restrictive gear configurations. These elements would require very limited monitoring, and could be accomplished with minimal annual operating expenditures. However, to protect the health of scallop resources while lacking adequate data on stock status and fishery biology, management measures must be conservative.

On the other end of the spectrum, an active management program may permit more liberal management measures and higher harvest levels, but would require an increase in annual and inseason management activities. For example, an active management program may include such elements as a stock assessment survey, perhaps funded through a test fishing program; management to obtain a GHL based on a fixed exploitation rate strategy; inseason adjustments based on fishery-based assessments of local stock status; annual adjustments to time/area closures to minimize bycatch and to increase the numbers of scallop beds available to harvest; and

onboard observers to monitor fishery performance, enumerate bycatch, and to collect biological data, such as size, age, and spawning condition.

The examples of passive and active management, just provided, can be considered as "bookends" of the spectrum of possible management strategies. Obviously, a fully active management program may be very costly and may be unwarranted, given the present economic value of the scallop fishery in Alaska. Conversely, a fully passive management program designed to satisfy resource conservation concerns, given limited data, may be too restrictive to conduct a viable fishery. Therefore, it is likely that a blend of active and passive management measures are necessary to build a cost-effective program that attempts to maximize long-term benefits to the extent possible, while achieving resource conservation requirements.

Regulatory Options

The following are potential regulations that could be implemented by ADF&G in association with an interim fishery management plan:

1. *weatherwanes only* registration requirements for scallop fishing vessels to identify and monitor fishing effort; ✓
2. closure of the commercial season during the spawning season, which occurs approximately from May through July; ✗
3. establishment of fishing periods to allow inseason monitoring of catch and effort by area; ✗
4. establishment of an OY that caps annual harvest or a specification of annual GHGs; ✗
5. measures to curtail harvesting/processing rates, such as specification of maximum size for scallop dredges or maximum crew sizes; ✓
- ✗ 6. an increase in the legal minimum size for scallop dredge rings; ✗
- ✓ 7. specification of a minimum size limit for scallops, as measured by shell height; ✓
- ✓ 8. establishment of closed waters to minimize bycatch or establishment of new closed areas to create scallop refuges for seed stocks; ✗
- ✗ 9. establishment of a rotational harvest system; ✗
- ✓ 10. requirement of onboard observers; ✓
- ✗ 11. establishment of trip limits; and ✗
- ✓ 12. establishment of crew size limits. ✓
13. *NO machine strollers*
14. *incubatorium*

✓ In addition, the department is considering submitting a petition, with the approval of the Alaska Board of Fisheries, to the Commercial Fisheries Entry Commission to establish a four-year moratorium on new entrants to the Alaskan scallop fishery.

Preferred Actions

Agency staff analyses and public comments on the proposed interim management plan and regulations will be thoroughly considered by the department before adoption of a final interim management plan and implementation of associated fishing regulations. However, to meet the stated objectives, it should be noted that at the present time the department is favoring the adoption of at least four new regulations in addition to those already in place: (1) closure of the commercial fishing season during the spawning period; (2) institution of a minimum size for retention of scallops; (3) requirement for onboard observers funded by the industry; and (4) establishment of GHs or OYs. Regardless of the regulations included in the interim management plan (assuming one is adopted by the commissioner of ADF&G), other regulations could be proposed for adoption at subsequent meetings of the BOF. For example, analyses of observer data on size composition of the catch may reveal that a need for greater ring sizes to increase yield per recruit by minimizing discard mortality of sublegal-sized scallops.

- ✓ Once an interim management plan is adopted by the commissioner of ADF&G, the BOF will be notified that the scallop fishery is being managed as a high impact emerging fishery. Also, the department will petition the board to consider formal adoption of the scallop management plan
- ✓ and associated regulations at its next scheduled meeting (probably February 1993). Thereafter, the next planned BOF meeting to address scallops regulations will occur during spring 1994.

EVALUATION OF EFFECTS ON EXISTING USERS

Effects of an interim fishery management plan on existing users depends upon the particular suite of management measures and regulations adopted. Because this document only provides a mechanism for public comments and subsequent board evaluation, the exact set of regulations to be adopted cannot be specified at this time. For these reasons, it is not possible to estimate precise impacts of the management plan and regulations on existing users. However, insights are provided into potential impacts of the four new management measures currently favored by the department.

Potential *closures during the scallop spawning season* may impose costs to those vessels that would have otherwise fished during closed periods. Marginal costs will be nil for vessels fishing in those areas (e.g., Kamishak district of lower Cook Inlet) where fishing is not permitted currently during the spawning season, whereas costs may be greater for areas (e.g., Southeast Alaska, Yakutat, etc.) where there are no closed seasons at present. However, given available fishing effort during the balance of the year, it is unlikely that total harvest will be significantly affected by seasonal closures alone.

Establishment of a minimum size limit will reduce catch rates. Increased costs will occur due to avoidance of high density areas of undersized scallops or due to additional onboard sorting of sublegal scallops. On the other hand, catch rates of larger scallops may increase in the future as more young scallops survive and grow to legal size. Additionally, to the extent that a minimum size limit acts to prevent recruitment overfishing, long-term fishery productivity may be higher than levels that would occur without this regulation.

New requirements for onboard observers would impose a cost to existing users. As a benchmark, it was recently estimated that observers in the ADF&G shellfish observer program cost an average of about \$7,400 per month. This estimate includes salary, benefits, insurance, travel, and other taxes and fees. In the crab and groundfish fisheries in the EEZ off Alaska, such costs have been widely accepted as necessary to enumerate harvests, discards, and bycatches and for enforcement considerations.

Establishment of an optimum yield or annual guideline harvest levels may have differential effects on existing users, depending on the level of yield specified, productivity of scallop stocks, and future changes in numbers of participants. If the number of participants exhibits historic patterns in the future, then total harvest per vessel may reflect historical values, as well. In such case, higher exvessel value would be realized only through increases in exvessel price. On the other hand, if more vessels participate in the fishery in the future, then existing users will capture smaller harvest shares. Establishment of OYs or GHs may increase long-term future harvest above those levels that would occur in the absence of these management measures, if OYs and GHs help prevent overharvest and promote sustainable fisheries, as planned.

CUSTOMARY AND TRADITIONAL SUBSISTENCE USE PATTERNS

Scallops do not comprise a major component of subsistence harvest. However, under the current management system, commercial fishing permits for weathervane scallops have not been issued for inside waters of Southeast Alaska (Statistical Area A), because these stocks are considered too limited to sustain a commercial fishery in addition to existing harvests by subsistence, personal use and sport fishermen.

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Table 1. Historic number of vessels, number of landings, landed weight of shucked meats, price per pound, exvessel value, landings per vessel, and exvessel value per vessel for the weathervane scallop fishery in Alaska during 1967-1991. All data for 1967-1968, and prices and exvessel values for 1967-1975 and 1979 were taken from Kaiser (1986); all other data were summarized from fish tickets. The 1991 data are preliminary. In years when only one or two vessels participated in a fishery, the harvest statistics are confidential.

Year	No. of Vessels	No. of Landings	Landings Wt. (lbs)	Price (\$/lb)	Exvessel Value (\$)	Landings (lbs) per Vessel	Value (\$) per Vessel
1967	-----Confidential----->						
1968	19	125	1,677,268	0.85	1,425,678	88,277	75,036
1969	19	157	1,850,187	0.85	1,572,659	97,378	82,772
1970	7	137	1,440,338	1.00	1,440,338	205,763	205,763
1971	5	60	931,151	1.05	977,709	186,230	195,542
1972	5	65	1,167,034	1.15	1,342,089	233,407	268,418
1973	5	45	1,109,405	1.20	1,331,286	221,881	266,257
1974	3	29	504,438	1.30	655,769	168,146	218,590
1975	4	56	435,672	1.40	609,941	108,918	152,485
1976	-----Confidential----->						
1977	-----Confidential----->						
1978	0	0	0	-	0	0	0
1979	-----Confidential----->						
1980	8	56	632,535	4.32	2,732,551	79,067	341,569
1981	18	101	924,441	4.05	3,743,986	51,358	207,999
1982	13	120	913,996	3.77	3,445,765	70,307	265,059
1983	6	31	194,116	4.88	947,286	32,353	157,881
1984	10	61	389,817	4.47	1,742,482	38,982	174,248
1985	9	54	647,292	3.12	2,019,551	71,921	224,395
1986	9	86	682,622	3.66	2,498,397	75,847	277,600
1987	4	55	583,043	3.38	1,970,685	145,761	492,671
1988	4	47	341,070	3.49	1,190,334	85,268	297,584
1989	7	54	525,598	3.68	1,934,201	75,085	276,314
1990	9	144	1,488,642	3.37	5,016,724	165,405	557,414
1991	10	125	1,006,332	3.75	3,773,745	100,633	377,375

SELECTED ALASKA STATUTES

SEC. 16.05.050. POWERS AND DUTIES OF THE COMMISSIONER. The commissioner has, but not by way of limitation, the following powers and duties:

(20) to petition the Alaska Commercial Fisheries Entry Commission, unless the Board of Fisheries disapproves the petition under AS 16.05.251(g), to establish a moratorium on new entrants into commercial fisheries

(A) that have experienced recent increases in fishing effort that are beyond a low, sporadic level of effort;

(B) that have achieved a level of harvest that may be approaching or exceeding the maximum sustainable level for the fishery; and

(C) for which there is insufficient biological and resource management information necessary to promote the conservation and sustained yield management of the fishery.

SEC. 16.05.251. REGULATIONS OF THE BOARD OF FISHERIES.

(g) The Board of Fisheries shall consider a request of the commissioner for approval of a petition to the Alaska Commercial Fisheries Entry Commission to establish a moratorium on new entrants into a commercial fishery under AS 16.43.225 at the board's next regular or special meeting that follows the receipt by the board of the request for approval of the petition and that allows time for the notice required under this subsection. The board may consider the request of the commissioner for approval of the petition only after 15 days' public notice of the board's intention to consider whether the commissioner, in support of the request for approval of the petition, has adequately shown that the fishery meets requirements for a moratorium on new entrants under AS 16.05.050. The board by a majority vote of its members at the meeting when the petition must be considered shall approve or disapprove the petition.

SEC. 16.43.225. MORATORIUM ON NEW ENTRANTS INTO CERTAIN FISHERIES. (a) Subject to (b) of this section, the commission may establish a moratorium on new entrants into a fishery

(1) that has experienced recent increases in fishing effort that are beyond a low, sporadic level of effort;

(2) that has achieved a level of harvest that may be approaching or exceeding the maximum sustainable level for the fishery; and

(3) for which there is insufficient biological and resource management information necessary to promote the conservation and sustained yield management of the fishery.

(b) The commission may establish a moratorium on new entrants into a fishery described in (a) of this section if

(1) the commissioner of fish and game, subject to AS 16.05.251(g), petitions the commission under AS 44.62.220 to establish a moratorium on new entrants into the fishery; and

(2) the commission finds that

(A) the fishery has reached a level of participation that may threaten the conservation and sustained yield management of the fishery resource and the economic health and stability of commercial fishing; and

(B) the commission has insufficient information to conclude that the establishment of a maximum number of entry permits under AS 16.43.240 would further the purposes of this chapter.

(c) The commission may establish a moratorium under this section for a continuous period of up to four years. A fishery that has been subject to a moratorium under this section may not be subjected to subsequent moratorium under this section unless five years have elapsed since the previous moratorium expired.

(d) While a moratorium is in effect, the commission shall conduct investigations to determine whether a maximum number of entry permits should be established under AS 16.43.240 by

(1) conducting research into conditions in the fishery;

(2) consulting with the Department of Fish and Game and the Board of Fisheries, and

(3) consulting with participants in the fishery.

(e) The commission shall establish by regulation the qualifications for applicants for an interim-use permit for a fishery subject to a moratorium under this section. The qualifications must include the minimum requirements for past or present participation and harvest in the fishery. The commission may not issue an interim-use permit for a fishery subject to a moratorium under this section unless the applicant can satisfy the qualifications established under this subsection and establish the present ability and intent to participate actively in the fishery.

APPENDIX 2. NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE ALASKA DEPARTMENT OF FISH AND GAME

Notice is given that the Alaska Department of Fish and Game, under authority of AS 16.05.050, AS 16.05.251, AS 16.05.270 and 5 AAC 39.210, proposes to adopt regulations in Title 5, of the Alaska Administrative Code, Chapter 38, Miscellaneous Shellfish Fishery.

Specifically, the department proposes to adopt an interim management plan and associated regulations to manage the scallop fisheries of the state until the Board of Fisheries adopts permanent regulations.

The interim management plan and regulations may be adopted by the commissioner under authority of 5 AAC 39.210, Management Plan for High Impact Emerging Fisheries.

Subjects and topic areas that may be addressed include registration of vessels, fishing season closures, fishing periods, guideline harvest levels, maximum size of dredges, minimum size for dredge rings, minimum scallop size, closed waters, rotational harvest system, onboard observers, trip limits, and crew size limits.

In addition to the above proposed regulatory options, the department, under AS 16.05.050(20), may petition the Commercial Fisheries Entry Commission to establish a moratorium on new entrants to the scallop fishery.

This action is not expected to require an increased appropriation.

Copies of the proposed interim management plan and regulations may be obtained from the Alaska Department of Fish and Game, Division of Commercial Fisheries, P.O. Box 25526, Juneau, Alaska, 99802-5526. (907) 465-4210

The department is soliciting comments and suggestions on the proposed interim management plan, potential regulations, and the advisability of petitioning for a moratorium. Notice is also given that anyone interested may present written comments or arguments relevant to the proposed actions in this notice. Written comments must be received by the department at the above address no later than 5:00 p.m. September 4, 1992.

Anyone interested in or affected by these proposed changes is hereby informed that, by publishing this legal notice, the commissioner may consider all of the subjects covered by the proposed changes contained in this notice. The commissioner is not limited by the specific language of the proposed regulations. The commissioner's actions are limited to the subject matter given in this legal notice, but pursuant to AS 44.62.200(b), the full range of activities appropriate to any of the subjects listed may be reviewed.

The commissioner may adopt regulations that fall within the range of subjects and topic areas identified in this legal notice. Unless otherwise specified, references to such topics as areas,

seasons, species, gear, and harvest levels apply to all or portions of the specific topic. The commissioner may adopt regulations that apply to all gear types used in a fishery or to selected gear types. On his own motion, after considering all relevant matter presented by the public, the commissioner may adopt, amend, reject, supplement, or take no action on these matters. In addition, the commissioner may adopt other regulations necessary to implement, administer, or enforce the regulations adopted. Anyone interested in or affected by the subject matter contained in this legal notice should make written comments if they wish to have their views considered by the commissioner.

Date: 7/27/92
Juneau, Alaska


Ron Somerville, Deputy Commissioner
Alaska Department of Fish and Game

DEPARTMENT OF FISH AND GAME
DIVISION OF COMMERCIAL FISHERIES

STATE OF ALASKA
MEMORANDUM

Gordon

TO: Carl L. Rosier
Commissioner
Department of Fish and Game

DATE: September 17, 1992

THRU: Paul Larson *PL*
Deputy Director
Division of Commercial Fisheries

FILE: 082792cr.mem

PHONE: 465-4210

FROM: Ken Imamura
Assistant Shellfish Biologist
Division of Commercial Fisheries
Douglas Office

SUBJECT: Notes from scallop
meeting

Thank you for the invitation to attend your scallop meeting. I am forwarding these notes and comments for reference. A copy of the attendance list is attached to this memo.

The meeting started shortly after 1530 hours, on August 25, in the large conference room at headquarters. It was attended by about seven members of industry and the following staff: you, Chuck Meacham, Paul Larson, Earl Kreiger, and me. You left the meeting at about 1615 hours and the meeting adjourned at about 1715 hours.

After your welcoming introduction, Mike Daniels (F/V Tradewinds fishing under the Hiwall corporate name, and F/V Mr. Big) stated that the industry, at least the Daniels group (represented by Mike, Malcolm, and Billy Daniels) had problems with the proposed scallop management plan. Industry would like to see more field data as the basis for any decision on our part to more restrictively manage the fishery. They do not feel that the scallop fishery is a high impact emerging fishery as defined in our regulations. He noted that a moratorium might be preferable to restrictive regulations. He also indicated that many of the vessel owners would allow observers on their vessels to collect more scientific data. Foremost, industry wants better scallop distribution and bycatch information, especially from the areas currently closed to dredges. Mike said that he had contacted Sea Grant on the east coast and that they (a Mr. Depaul?) would be willing to help us with methodology, but only if asked to do so by the department.

Your reply to this opening statement was that while you realized that there were data limitations, our primary policy and intent was to avoid boom and bust exploitation of the scallop resource. While our stocks are remote and costly to exploit, it was your understanding that the fishery was viable because of its reputation for large meat size. You reiterated that our primary concern was for stability in the fishery, better information would be preferred, and the state was open to suggestions or assistance from

such agencies and individuals as it deems appropriate. Mike concurred that shipping scallops from Alaska to the "other side", possibly the east coast(?), was a major problem and implied that at least some of the product is currently going to Japan. He then asked if the department could reopen Cordova. This was an interesting question from out of the blue.

Paul replied that he understood Cordova to mean grounds around Kayak Island. He said reopening Kayak Island would probably depend on criteria and conditions to be developed in the management plan. Kayak Island is currently an area closed after harvest of about 200,000 pounds by four vessels. It was closed because it had not been previously harvested and management staff had conservation concerns.

There was some discussion at this point regarding the commissioner's authority to reopen areas and this was the apparent motive for the original question. Paul elaborated on the difference between a regulated closure and an emergency closure. He also explained the present management of this fishery, which is by permit. He noted the shortcomings of management by permit when a fishery starts to expand and offered the recent sea cucumber problem as an example. Paul then suggested that these were the kinds of issues that demonstrate the need for a statewide management plan.

Gunnar Svindland (F/V Jacqueline and Joseph), who has fished in Alaskan waters intermitently since the late 60s, interjected to ask how long a temporary closure was supposed to remain in effect. He noted that some areas were temporarily closed in the late 60s and have yet to reopen. It was evident that the closures bother him and that he has given them some thought. This was largely in response to Paul's reply on the Kayak Island closure.

Paul replied that the original closures in many cases were based on perceived bycatch problems, generally with crabs. Some research on the past intent of the Board would need to be conducted to determine whether there was a significant basis for their decision back then. Paul further said that some of these areas could possibly be dredged again if the plan could accommodate stock conservation and bycatch problems.

Mike added that the field work to study the bycatch problem needed to be done by people who are familiar with the fishery and the gear. He made a point of emphasizing that he wanted scientific observers who collected as much pertinent data as possible, not "just observed" the fishery.

Gunnar, and others, wondered why it was that dredges continue to be excluded from areas reopened to bottom trawling.

Mark Kandianis (F/V Provider) noted that the perhaps it was a result of the board process, which discusses these issue once every three years and the lack of representation of the board by scalloping interests.

Paul said that there are means within the process to address emergency issues.

At some point here, there was a small digression from the discussion about the management plan to questions about the fairness or legality of federal exclusion of scallopers from other fisheries in the EEZ. As part of this discussion Earl added that the federal level management is as cumbersome, if not more so, and more restrictive, than the state decision-making process.

Chuck said that scalloping is a small fishery in terms of participants but he felt that the system still accommodates their concerns. A good management plan, outlining the conditions under which presently closed areas could be reopened and discussing other issues, would be more compelling to the board than an unstructured approach.

Mark suggested that the state (and industry?) pursue a moratorium, then obtain the necessary data, then formulate a management plan.

You noted that a support for a scallop moratorium had recently been unsuccessfully requested from the board. Paul said that there were some options still remaining and a request could still be resubmitted to the board, assuming further development of the plan.

Mike asked that the plan address only weathervane scallops, not the pink and "Icelandic" or Chlamys sp. scallops because the fisheries for these are very different from that for weathervanes. He conceded that he had a personal interest in pinks and Icelandics because he was developing a mechanical processing system for them. I don't think we have any experimental or established fisheries for these species in Alaska, so perhaps this is his way of asking us about the prospects for such a fishery.

Paul noted that bycatch potential with these smaller species was a major concern and he felt that a well-conceived plan could address these species and issues as well as weathervanes. It is my understanding that the beds for Icelandics, at least in Southeast Alaska, are much shallower than those of weathervanes and significantly overlap dungeness and Tanner crab habitat.

Earl said that industry should provide data and criticism to the plan.

Gunnar mentioned that scallopers need the May to July proposed closure times to succeed. Weather at other times is a limiting factor. He felt that while some owners could afford to have an observer aboard, the \$7,500 a month it takes to maintain a federal observer or state equivalent would drive smaller vessels or less efficient operations from the fishery if observers were required. Mark noted that heavier winter weather also increases loss of larger scallop through the interstices of the ring mesh. Mike added that dredge operation becomes progressively dangerous in heavy weather and the gear damages itself and the boat more.

Mark said that the proposed spawning closure may not encompass the actual spawning period in Alaska. He suggested that there may be two episodes each year in Alaskan stocks. Teresa Kandianis noted that stocks spawn episodically and are self-triggered. Both she and Mark stated that their observations suggest that the spawn timing varies widely between beds and different areas. They also informed us of some videotape footage showing the actual operation of a dredge and their surprise at how much the dredge skips, rather than digs, across the bottom.

You said that while the plan has a long ways to go, the state intends to move ahead, either with a moratorium incorporated or a plan that stands by itself. However, the state will not formulate a plan unilaterally nor without hearing and considering the concerns of the industry. You felt that the Board would be sympathetic to the concerns of the scallopers. At this point, I believe you left the meeting to attend to other commitments. Chuck took over to chair the meeting.

Mike went on to say that proposed limitations on crew size should be specific to cutters, or those who shuck meats. This was a consideration because on larger vessels, there are a number of technical support personnel who are USCG or otherwise required but do not participate in the fishing or processing part of the operation.

Mark supported this, noting that it had been shown that a smaller cutting crew retains fewer small scallops. He mentioned a study which demonstrated this. I will try to find a copy for our records. In return for smaller cutting crews, he felt that presently closed areas which have larger scallops should be reopened because fewer small scallops would be retained. The logic of this is still somewhat vague to me.

(Since this meeting, I have heard that the F/V Arctic Rose, a larger vessel based in Seattle and fishing on the Yakutat grounds, is using or experimenting with an automated shucker that permits retention and use of previously uneconomical smaller scallops. There is the possibility of successfully utilizing these smaller

NOA.

weathervanes, pinks, and possibly Icelandics, in the near future. This may be a motive behind opposition to lumping all species under a single management plan, pressure to reopen presently closed areas, and a moratorium to keep competition out of the Alaskan fisheries.)

Paul elaborated that while bycatch was originally an issue in the closure of some areas, further research may find seasons when the problem is minimized and harvest of scallops could occur.

Teresa said the state should manage the bycatch, like it does in other fisheries, rather than curtail the scallop fisheries completely.

Mike wanted to discuss rotating observers from vessel to vessel. He felt that the state should talk to the industry about this.

Chuck stated that a successful plan would require such industry participation.

I think Earl stated at some point in this discussion that an observer causes discernible changes in fishing patterns and practices. He flatly noted that it had been proven that observed operations were more likely to be conducted in ways and areas to minimize bycatch and other problems known to be associated with specific fisheries. There was some tacit agreement to this observation. There was an informal conclusion that observer coverage would have to be fairly complete to obtain data that truly represented the makeup of the catch.

Mark stated that an open fishery does not support more lenient application of regulations. He supported some kind of moratorium while planning goes on. It was fairly evident that, at least for his operation, a moratorium would provide a competitive edge. Another possible motive is that he feels that the east coast fisheries are becoming more restrictive at a time when construction continues on at least six more large scallop dredge vessels on the east coast.

Frank Weckesser (F/V Venture, F/V Forum Star) rebutted, saying that a moratorium was an "inside-outside" issue and whether you supported it depended on whether you were currently actively fishing or not. He said that people like him who had fished at some time in the past may want to get back in someday. Jim Chase, as associate of Frank's, concurred.

Mark and Frank had a mildly heated discussion about the whys and whereofs associated with Frank's present absence from the fishery. It appears that Frank has economic reasons and Mark (and others)

felt little sympathy because they blame Frank for the Yakutat Bay closure.

By this time, most of the points the reps wanted to make appear to have been made. The rest of the meeting dealt with an extension of about two weeks for their written comments, a general discussion of how moratoria are conducted by the state, and the willingness of most vessels to have observers aboard. All parties agreed that the standard gear, two fifteen-foot dredges fished simultaneously from a vessel, was an acceptable limit. Apparently, this is the dredge size that has evolved over time as the best compromise and two are the most that can be practically deployed at a time.

I concluded from the discussion and comments that the reps did not have a very clear understanding of the legal basis for fisheries moratoria in Alaska. Copies of the state's enabling statute for moratoria, the regulations developed with its authority, and the timetable for the dungeness moratorium is attached for reference and possible forwarding to industry reps.

Earl also asked if I would be interested in doing some on-board observer work on scallop vessels. My supervisor, Tim Koeneman, is reluctant to expend staff time unless a formal observer program is developed for this fishery. While I am sure that more information about this fishery would be worth the transient seasickness, I concur that a plan that includes comprehensive coverage will be necessary to collect unbiased data.

It was interesting to note that many of the reps do not fish their vessels themselves and that they came from the east coast and Kodiak to spend two hours with us. It was also very evident that the people in the room represent a large segment of the currently or recently operating vessels in this fishery. This level of interest, attendance, and general concurrence by people who are probably bitter rivals is pretty rare in my experience. Perhaps this bodes well for this plan.

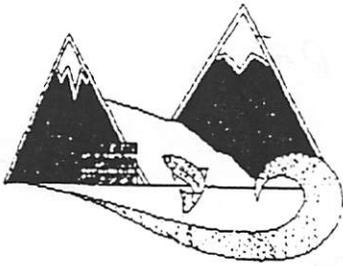
It may also indicate that there is a widespread recognition that the fishery will expand and provoke the state to implement much more restrictive management. This meeting might have been perceived as an opportunity to influence the direction of future management.

cc: Earl Krygier
Gordon Kruse
Robert Clasby

Scatter Meeting 8/25/92 ADF&G

1. Paul Larson ADF&G
2. Jim Chase Co Box 6245 Kodiak, AK.
3. GONNAR SVINDLARA P.O. BOX 992 KODIAK 99615
4. Ken Imamura Comm Fish - Douglas
5. MARK KANDIANIS PO 469 Kodiak AK. 99615
6. TERESSA KANDIANIS P.O. Box 469 Kodiak, AK 99615
7. Billy Daniels P.O. Box 223, Manteo, NC 27954
8. MALCOLM S DANIELS
9. Michael P. Daniels P.O. 443 Wanchese N.C 27981
10. FRANK WECKESSER 16 Randall Rd. Rochester MA 02770
11. Carl L. Rosier ADF&G
12. Charles P. Meacham
13. Earl E. Krygier ADF&G Extended Jurisdiction

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M E M O

TO: Dr. Gordon Kruse, ADF&G
FROM: Dr. Tom Shirley, JCPOS
DATE: 4 August 1992
RE: Scallop Management Plan

Thank you for the review copy of the "Proposed Interim Management Measures for Commercial Scallop Fisheries in Alaska" by Kruse, Larson and Murphy.

The plan is well written and appears to thoroughly cover the pertinent literature with but a few exceptions. The proceedings of the 1989 international meeting on scallops held in Maine resulted in a comprehensive text edited by Sandra Shumway (1991) and is in the UAS library (I have it checked out; currently in Susan's hands). This text contains the newest and most comprehensive reviews of life history and fisheries of the commercial scallops of the world, including several which address weathervane scallops.

Managing a fishery in the absence of abundance and distribution data, and without knowledge of recruitment consistency, represents a challenge I would not care to undertake. I concur with your concerns about weathervane scallops expressed in the interim management plan: continued higher harvests are no doubt the result of exploitation of new fishing areas, rather than successful recruitment; the harvest gear type (benthic dredge) is one of the more nonselective and potentially most damaging to sublegal conspecifics, nontarget bycatch species and benthic habitats; and the weathervane scallop appears to have life history traits rendering it more susceptible to overfishing than most species.

Any action to limit fishing effort that has minimal effect on current fishermen and the fishery, e.g., your proposed moratorium on new entrants to the fishery, would appear to be prudent.

At the Statewide Fisheries Colloquium held in Fairbanks 28 July 1992, management concerns were expressed for many as yet unexploited species which are abundant in Alaskan waters. It is only a matter of time before many species of shellfish (spiny and reddish scallops, many snail species, other bivalves) for which we have few data pertinent to management become the objects of commercial fisheries.



Chartered 1693

Virginia Institute of Marine Science
School of Marine Science

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Gloucester Point, Virginia 23062
804/642-7000, Fax 804/642-7097, Scats 842-7000

August 20, 1992

Dr. Gordon H. Kruse
Marine Fisheries Scientist
Department of Fish and Game
P. O. Box 3-2000
Juneau, Alaska 99802-2000

Dear Dr. Kruse:

Thank you for sending your proposed interim management plan for the scallop fisheries in Alaska. After reading the plan, I'm struck by the diversity of your proposed regulatory options. If I may I would like to address each one individually as some have significant pluses and minuses.

1. Registration requirement...no problem here and a good mechanism to track fishing effort and establish track record of fishing vessels. You may want to consider using some of these commercial vessels for stock assessment and research.

2. Closure of the commercial season during the spawning season...In reality this management mechanism does not support your stated objective of preventing requitment overfishing and to insure long-term reproductive viability. Until you can establish a spawner-recruit relationship and/or establish a spawning stock biomass definition of overfishing, closure mechanisms probably cause more economic damage than anything else. I suggest you concentrate on effort and age-at-entry controls.

3. and 4. Fishing periods...OY caps...Both these mechanisms really do nothing for you until you can establish what your OY really is. MSY and OY are losing favor as realistic management measures.

5. Curtail harvesting/processing rates...This approach is seen in the Alternatives in Amendment #4 of the Atlantic Sea Scallop Fisheries Management Plan. Based on some of our recent research, crew size does limit productivity and the culling behavior of the crew. As such it can act as an age of entry control as smaller crews tend not to cull and shuck small scallops. One issue that surfaced relative to limiting crew size was the factor of vessel safety. Limiting dredge size really serves as a cap and not knowing the limitations of your vessels and the nature of the scallops beds, I can not really comment on what may be useful to Alaska. This certainly is an area for future research.



Dr. Gordon H. Kruse
August 20, 1992

Page Two

6. Increase scallop dredge ring size...First of all let me say that I'm a fan of larger rings. I think that the 3" ring used on the east coast is too small. With regard to the Alaska situation, I question what would happen to dredge performance with rings greater than 4" and I'm not sure if it is really needed with an on-board observer program coupled with a minimum shell size. Again, a good age-at-entry control but also a topic for future research. In Amendment #4 of the Sea Scallop Fisheries Management Plan, there are two alternatives that increase ring size and, based on my research, I think it's a good move lacking any other age-at-entry control.

7. Minimum shell size...This mechanism is only good if you have full-time observers. Our research of sea scallop shell size/meat count relationships indicate that variability between seasons, fishing areas, water depth, etc. make a meat count standard a poor choice as an age-at-entry control. The recent experience on the East Coast is proof of the weakness in a meat count standard. In addition, a shell size restriction has to take into account scallop growth in various fishing areas. However, with an observer program, shell size restrictions can be very effective.

8. Closed waters...Scallop seed stock refuges..Unless you have good biological information and justification, these mechanisms are characterized as "feels good so it must be good" types of restrictions.

9. Rotational harvest systems...I don't quite understand what you mean here.

10. On-board observers...Needed if you impose a shell height restriction or have a by-catch problem. Also the observers would be able to collect valuable catch effort data.

11. Trip limits...Our work with the Sea Scallop FMP Plan Development Team clearly indicates that trip limits are inefficient and impose additional costs to industry. I'll send you a copy of the report to the PDT.

12. Crew size limitations...already discussed in item #5.

By-in-large, I think you interim plan is on-track. However, it is clear that much additional information is needed. I strongly support your research program and I suggest you involve industry in the process. Our experience with the sea scallop industry in Virginia has been very rewarding and the information obtained has been directly used in developing portions of Amendment #4.

Dr. Gordon H. Kruse
August 20, 1992

Page Three

The only real problem I have with the proposed management plan is with the closure of the commercial fishing season during spawning. There is no biological documentation that this measure would meet the stated management objectives. I suggest that you obtain the documents from the New England Fishery Management Council on the definition of overfishing for the Atlantic Sea Scallop. You may want to make an approach using SSB. I suggest that you stay tight on age-at-entry controls and link that approach into some mechanism to control effort such as a yearly day at-sea restriction.

In any event, if you have additional questions or wish to discuss these matter further, I will be back in my office around September 10th. I will be at-sea for the next 15 days - on a scallop boat. I have this last trip to make to finish our work on culling behavior of crew members under various regulatory restrictions.

Thanks for the opportunity to review your plan. Good luck with it and I wish you success.

Sincerely,



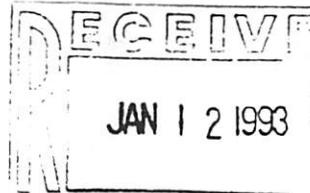
William D. DuPaul, Ph.D.
Associate Director for
Advisory Services

WDD:ch+

cc: Ron Dearborn



ALASKA CRAB COALITION



AGENDA C-5
JANUARY 1993
Supplemental

NPFMC AGENDA ITEM C-5, January 1993
SCALLOP MANGEMENT

3901 Leary Way (Bldg.) N.W., Suite #6 • Seattle, WA 98107 • (206) 547-7560 • FAX (206) 547-0130

August 27, 1992

TO: Mr. Carl Rosier, Commissioner
Alaska Dept. of Fish & Game
P.O. Box 25526
Juneau, Alaska 99802-5526

FROM: Arni Thomson, Executive Director *Arni Thomson*

RE: COMMENT ON ADF & G PROPOSED INTERIM MANAGEMENT PLAN
FOR THE SCALLOP FISHERIES OF THE STATE OF ALASKA

The Alaska Crab Coalition has reviewed the document "Proposed Interim Management Measures for Commercial Scallop Fisheries in Alaska" and wishes to provide its comments on the proposed regulations for the scallop fisheries.

The ACC is aware that the State of Alaska recognizes that the scallop fisheries are high impact fisheries and as such the interim management plan must follow special guidelines as recently adopted under Authority of the Alaska Administrative Code (AAC): 5 AAC 39.210 (ADF&G 1992) Management Plan for High Impact Emerging Fisheries (See chapter 39: "general provisions" in Appendix 1). The intent of the plan is clear: "to guide management of high impact emerging commercial fisheries a plan is needed that ensures resource conservation, minimizes impacts on existing users, and provides orderly development of new fishery resources."

The ACC has been following the development of scallop fisheries in the Bering Sea and Aleutian Islands the past few years. The ACC is particularly concerned about the potential impacts of scallop dredging to king crab and their benthic habitats in the Petrel Bank and Bristol Bay areas. On June 4th, 1991, the ACC provided your office with a written comment endorsing a permanent closure of the Petrel Bank area to scallop dredging. A copy of that comment is provided as an attachment to these current recommendations.

During the summer of 1991, the ACC also provided a copy of a report by M.M. Aschan to ADF & G staff, "Effects of Iceland

Scallop Dredging on Benthic Communities in the Northeast Atlantic," 1991. This paper is referenced in the proposed interim plan measures and it is one of the most current research papers on the impacts of scallop dredging. In addition to the use of dredging to collect samples, the research team used underwater photography quite extensively which leads to definitive conclusions about disruption of benthic habitats and organisms.

The ACC has also reviewed an industry paper on the proposed regulations, presented by a Kodiak scallop fisherman and notes that the recommendations parallel a number of the ADF & G staff recommendations.

Historically the scallop fisheries in Alaska have represented only a small part of the total economic value of fisheries since 1967. The exvessel value of the fisheries has varied from no season to a high of \$5 million dollars in 1990 and currently provides an exvessel value of \$3.7 million dollars for 10 vessel entities. This relates to the need to weigh the resource conservation risks this relatively small fishery presents to large scale crab and bottomfish fisheries. Scallop dredges impact not only immature scallops, but other organisms comprising the benthic communities and the alteration of bottom habitats upon which other commercial species depend.

Scallops have been vulnerable to overharvesting, not only in Alaska, but other areas in the world. Depressed stocks are very slow to recover. Characteristically, localized depletion requires scallop fishermen to frequently shift effort to new areas to maintain harvest levels. Bering Sea crab fishermen view recent efforts by scallop fishermen to move into the Bering Sea as a major threat to long term sustained king and tanner crab harvests.

The threat of scallop dredging in the Petrel Bank area and Bristol Bay king crab registration area T remain of intense concern to the members of the Alaska Crab Coalition.

COMMENTS AND RECOMMENDATIONS:

1. A "passive management" plan is recommended overall for the scallop fisheries, as described on page 10 of the Proposed Interim Measures. ADF & G is experiencing significant budget reductions in several regions. The Westward Shellfish Division which will have the primary responsibility for managing the scallop fisheries is already severely lacking in management funds for the \$350 million dollar Bering Sea king and tanner crab fisheries. The scallop fishery will add an additional financial burden to the Department for research and management of a fishery that pales in economic comparison to the value of the crab fisheries.

The Interim Management Measures document notes that "in the long term, more active scallop fishery management may be needed to ensure resource conservation." (Page 5).

The public notice of proposed changes in scallop regulations (July 27, 1992) states that the proposed "action is not expected to require an increased appropriation."

It seems apparent that under the constraints of no increase in appropriation for management and statutory mandates to ensure conservation of the scallop resources and to minimize impacts to existing user groups, a conservative passive management plan is necessary.

The basic elements of a passive management plan include limited open seasons with closures during spawning periods, closures of high bycatch areas, conservative size limits to provide near-maximal growth and high reproductive potential and dredge width and ring size gear restrictions.

2. Continuation of existing areas closed to scallop dredging in the Gulf of Alaska and adjacent to the south side of the Alaska Peninsula is recommended.

In addition, it is requested that new closed areas be established for the entire Petrel Bank area in the Aleutians and Bristol Bay king crab registration area T, to minimize the bycatches of depressed king crab stocks and to prevent disruption of benthic organisms and habitats.

3. Requirement for onboard observers: 100% observer coverage for scallop catcher processors and catcher vessels 125' (LOA) or more in length; and 30% observer coverage for vessels 60' to 125' in length. These levels of coverage are consistent with the federal groundfish observer program.

4. Establishment of GHs or OYs, based on historic levels, are recommended to prevent overharvests and to promote sustainable fisheries. Resource assessment surveys will require an increase in appropriations.

The ACC has no comment on the proposed moratorium for new entrants into the scallop fisheries at this time.

State prepares to tighten the screws

Look Out for New Scallop Regs

Moratorium may be necessary to prevent New Bedford migration
by Laine Welch

Alaska scallopers could see some big changes in the coming year. New regulations are expected to go before the Board of Fisheries in February. The Alaska Department of Fish and Game (ADF&G) may also submit a petition to the Commercial Fisheries Entry Commission for a four-year moratorium on new entrants to what's now classified as a "high impact emerging fishery."

Since the commercial fishery for weather-vane scallops began in 1967, it's been minimaly managed under "miscellaneous shellfish" regulations. The number of vessels, landings and harvests have varied annually. In 1969, 19 boats landed a har-

ADF&G is proposing four new regulations for the scallop fishery: closures during the spawning period from May through July; a minimum scallop retention size; guideline harvest levels and optimum yields; and use of onboard observers.

Other options may include limits on crew size, limits on the size of dredge rings, time-and-area closures, trip limits, rotational harvest areas and quarterly fishing periods with separate quotas.

"We need some changes in place to better develop and control this resource," said ADF&G Deputy Director of Commercial Fisheries Paul Larson. He added that interim regulations are likely to be implemented even before they get a permanent nod of approval from the Board of Fisheries.

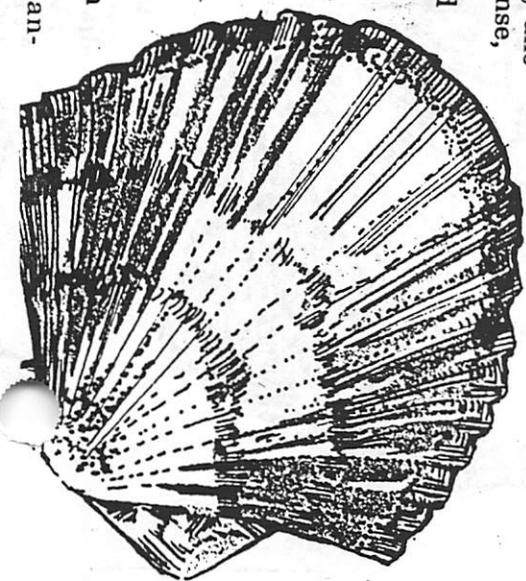
Gunnar Svindland, who has scalloped in Alaska waters "off and on" since 1969, agreed that some new regulations might be in order. But he also believes biologists should learn more about the Alaskan scal-

lopers. "Now Kodiak is closed from April 31 to June 1. It would close that area down five months of the year."

Svindland suggested that time/area closures might work if they served to keep fishing from ceasing altogether. Trip limits "could be OK," he added, with trepidation. In his view, quarterly allocations don't make much sense, and if ADF&G considers rotating areas "they should find out from fishermen when is the best time to work certain areas."

The long-time Alaska scalloper worried that full-time observer coverage would eat up every bit of a boat's profit. Svindland would, however, go along with 30-percent observer coverage. "Observers can be a good idea because a lot can be learned from it," he said.

Svindland insisted that man-



**You've got
put in a lot
time, and May
through July is
the best time
weather-wise.**

1969, 19 boats landed a harvest—which is measured according to the weight of shucked meats—that approached nearly 2 million pounds. A low catch of just under 200,000 pounds was recorded by ADF&G in 1983. In the past two years, harvests by 10 vessels have been at or above the million-pound mark.

Two thirds of the state's scallop catch have traditionally been taken off Kodiak Island, with the remainder coming from areas between Cape Spencer and Cape St. Elias. Fishing trips usually last 10 days "dock-to-dock" for smaller vessels that deliver scallops fresh ashore. Those boats usually carry a crew of about nine. Larger freezer vessels with up to 15 crewmembers can be at sea for more than a month. Fishermen last year got \$3.75 a pound for scallops making the catch worth \$377,375 per vessel.

Because the recent catches are the highest since the early 1970s, biologists fear that current scallop harvests may be exceeding sustainable yields. They admit their decisions are hampered by a dearth of data. That same lack of information has also led to growing concerns about the impact scallop dredges might be having on other species and habitat as fishermen seek out new areas. Although effects of scallop dredges on ocean bottom areas in Alaska aren't really known, the limited data show some bycatch of king and Tanner crabs, as well as shrimp, octopi and flatfishes.

In hopes of maximizing the long-term benefit of the resource,

he also believes biologists should learn more about the Alaska scallop stocks before they make sweeping, permanent changes.

To illustrate his point, Svindland described an incident last fall near Cape St. Elias: "Some boats found a big bed of scallops and worked the area for three or four weeks. Then with just 24 hours notice, everything was shut down. Fish and Game said we'd taken 10 percent of the scallops that were there. But when I asked them how they knew we had taken 10 percent, they said they really didn't know. They admit they have very little knowledge of what's out there," he said.

As further substantiation, Svindland described another confusing management scenario: "In 1969, the southern end of Kodiak Island and the Cook Inlet area were 'temporarily' closed to scalloping. There were a lot of scallops there and probably still are. Well, it's been 23 years now, and bottom trawlers can go in there but we still can't. How long is a temporary closure supposed to last?" he wondered. No one seems to have an answer.

Svindland also questioned the wisdom behind the proposal to close the scallop fishery from May through July, which is what biologists claim is the prime spawning time for scallops. "That would put us out of business because those are the best months," Svindland lamented. "Scalloping isn't like dragging where you go out and fill up in 24 hours. You've got to put in a lot of time, and May through July is the best time weather-wise. Also, the yields and meats are good during that time. Those months should be open."

Svindland added that he is very sure scallops spawn at different times in different places, and that managers know too little about spawning scallops in Alaska to

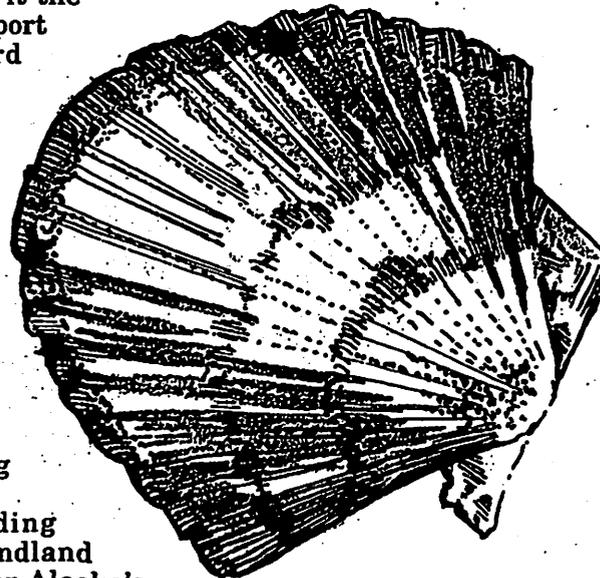
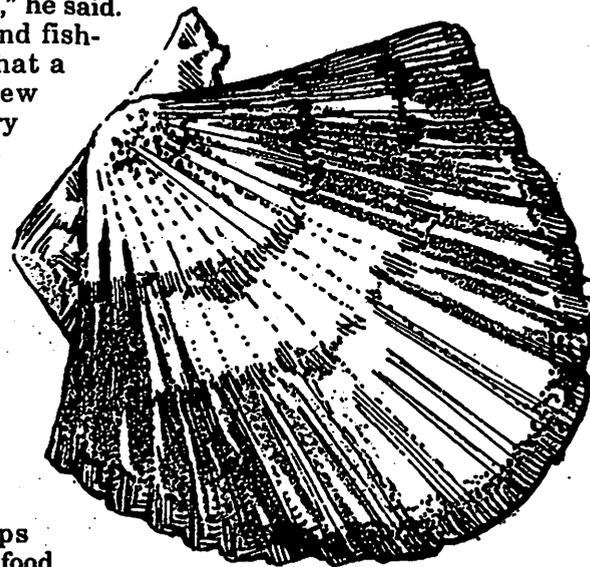
Svindland insisted that managers could learn a lot by requiring scallopers to use log books, and by coming aboard once in awhile to take samples. "That would help them learn more about the spawning and things like that," he said.

Current scallopers and fishery managers agree that a moratorium on new entrants into the fishery is a timely idea. Right now, stringent management changes that include a moratorium and ITQs are being proposed for the Atlantic scallop fishery. If they take hold, it's feared that many of the big boats from New Bedford, Mass. might point their bows toward Alaska.

Last year scallops boosted the value of seafood landings in New Bedford to \$158 million, making it the nation's number-one port in value for the third year in a row.

"Alaska's scallop fishery can only stand so many boats," said Svindland. "If a scallop ITQ law passes back East, 30 to 35 boats built after the cut-off date will have nowhere to go. If Alaska is open, they'll come up here and put everyone out of business, including themselves."

Despite the pending changes, Gunnar Svindland believes the future for Alaska's scallop fishery is hopeful. "Yes, sure!" he said without hesitation. "As long as you don't have too many boats. That's the key." □



WELLS *Scallop* COMPANY

POST OFFICE BOX 800 SEAFORD, VIRGINIA 23696-0600

(804) 898-8512

Bill Wells, Jr.
Bill Wells III

January 22, 1993

Mr. Earl E. Krygier
Dept. of Fish & Game
P. O. Box 3-2000
Juneau, AK 99802

Dear Mr. Krygier:

Thank you for allowing me the opportunity to comment on your proposed interim management plan for the scallop fisheries in Alaska. My comments are the following:

1. Registration requirements - good way to document fishing effort and we support it.
2. Gear specifications - We support a maximum dredge size of 30 feet per vessel with 4" rings and no chaffing gear, cookies or donuts in the top of the bag. We support banning the harvesting of scallops with any other gear type.
3. Fishing seasons - we support it.
4. Observer Requirements - Will enable you to document catch per unit of effort data, and level of bycatch. We support them, however, they must be reasonable so that the burden, if borne by industry, is not cost prohibitive.
5. Guideline harvest ranges - we support a GHR with the following reservations:
 - a. What is the rationale for the division of harvest between areas?
 - b. With so little population abundance information, mortality figures, this range should be liberal enough to sustain the industry as you analyze the results of your survey data.

I would also suggest implementation of the following measures:

1. Limit on crew size - This, along with dredge size restrictions will cap effort. Vessels who process should be permitted a larger crew size. I would suggest eleven for a fresh boat, 13 for a frozen boat.



WELLS *Scallop* COMPANY

POST OFFICE BOX 600 SEAFORD, VIRGINIA 23696-0600

Bill Wells, Jr.
Bill Wells III

(804) 898-8512

2. Ban mechanical shucking or sorting equipment - measure to cap existing effort.
3. Moratorium - implement with these provisions:
 - a. date - May 15, 1993
 - b. landings required by above date
 - c. individual must have possessed a permit to scallop and have landed scallops by above date.
4. Vessel moratorium using May 15, 1993 date.
5. Mandatory logbooks
6. Dealer licensing
7. Develop mechanism to trace landings to insure compliance with GHR's and closed areas.
8. Mandatory use of transponders.

In general, I would like to remind the state that there are suggestions being made that benefit certain segments of the industry. The anecdotal information supplied by elements of industry who would be protected under a moratorium is too self-serving and it is no substitute for scientific research. The use of surveys that are 23 years old is only valid when compared to recent surveys, which don't exist. With proper research, effective management will result. Industry must cooperate in the effort and Alaska must be less naive regarding anecdotal information. The goal is to maximize the use of this resource to the state of Alaska, not to create a gold mine for a select few. An expanding industry which supports more boats, crews, and shoreside support facilities will result as areas closed to scalloping are opened when no adverse bycatch effects are discovered.

If there are any questions on my comments, please call 1-804-898-8512.

Thank you,

William S. Wells

+

OPIES IN ORBIT

CRAB: The fast and furious Alaska opilio snow crab season had lasted just two months, when Fish & Game told crabbers to get their pots out of the water by March 15. The final haul from this year's fishery was almost 90,000 tons, down substantially from last year's near record catch of 140,000 tons, but still well above the 5-year average production.

While increased competition for the reduced supply was not unexpected, the feeding frenzy—especially from U.S. buyers—caught nearly everyone by surprise. By the end of March, one Alaska processor said he had been paid *cash* for containerloads of bulk crab. With bulk crab selling for almost \$3/lb., and 8-oz. sections for \$3.50/lb., processors were ecstatic.

"Everybody's quite happy with opilio," said a Dutch Harbor processor, who estimated that since ex-vessel prices averaged less than \$.75/lb. most packers were enjoying much-needed margins.

ALTHOUGH ALASKA PROCESSORS ARE HAPPY, RETAILERS IN THE LOWER 48 ARE NOT. SOME LARGE CHAINS THAT BOUGHT CRAB AT \$3/LB. IN JANUARY ARE REPORTING THAT SALES ARE "VERY SLOW."

Although Alaska processors are happy, retailers in the Lower 48 are not. Some large chains that bought crab at \$3/lb. in January are reporting that sales are "very slow."

"At \$4.99 retail, snow crab's not a mover," explained a Seattle trader. "The past few years retailers could put it out on ad at \$2.99 and move huge volumes.

They can't do that this year."

Does that mean the market is headed for a fall? "I'd be nervous if I owned crab," said one processor who had sold all of his. Still, a lot of packers who have held onto inventory are confident that demand from foodservice buyers will keep the market at its current levels. Stay tuned.

Dungeness fishermen had a pretty good season, although it would have been a lot better if prices weren't so low. Total West Coast production should come in at about 14,000 tons, slightly higher than last year. Whole cooks averaged about \$2/lb., while meat sold for about \$8/lb. Look for prices for frozen product to strengthen through the summer, as most of this year's production was sold fresh.

The **king crab** market remained fairly quiet this spring. Prices held steady as no new supplies were available from either Alaska or Russia. Small golden king crab was selling for \$4.25/lb., while large red crab was

BEST BUY

CLAMS AND OYSTERS

Prices are the lowest they've been in years.

selling for about \$10/lb. There may be some downward pressure on prices this summer when more Russian crab should hit the U.S. market.

SCALLOPS: Fishing for sea scallops on the U.S. portion of Georges Bank is the slowest it's been in years, report boats out of New Bedford. While bad weather is partly to blame, scallopers acknowledge the resource is in trouble. With no quota and no limit on the number of boats that can fish, it's easy to see why.

The light landings sent scallop prices up above \$6/lb. for dry packs. In late March, one supplier was selling dry, plate frozen 10/20s for \$6.30/lb. and he didn't see any price relief in the near future. In spite of the high prices, though, processors say sales have been good.

CANADIAN SCALLOPERS, WHO HAVE LIMITED ENTRY, A QUOTA AND A HEALTHY RESOURCE, ARE HAVING THEIR BEST SEASON IN A LONG TIME.

High sea scallop prices have been one of the few bright spots in the Maritimes. Canadian scallopers, who have limited entry, a quota and a healthy resource, are having their best season in a long time.

For the first time in more than five years, Florida fishermen have found a good bed of calico scallops. Look for prices to stay at about \$24/gal. (\$3/lb.) as long as the bed lasts—which is anybody's guess.

LOBSTER: With economies in Europe, Japan and the U.S. still suffering, demand for American lobster remains far from robust.

"Sales have not been good," reported a large Massachusetts dealer. As a result, lobster pounds in Maine and Canada remained full. In spite of the slow sales, lobster prices stayed high. In late March, "quarters" were selling for \$6/lb. Look for prices to plummet in May, when the new season opens in the Maritimes.

Our
Our

Take a close look at our new Select packaging (for Fresh Cargo). You see that it better represents the quality and high standards you've come to expect from Cargill. Standards such as our HACCP approved plant products (we're a seafood company, after all) — and strong, overall commitment to product safety. Next time you think of catfish or shrimp on this: Cargill? Catch delivers superior product quality, unmatched safety assurances. And quite a package more information 1-800-CARGILL (227-445)



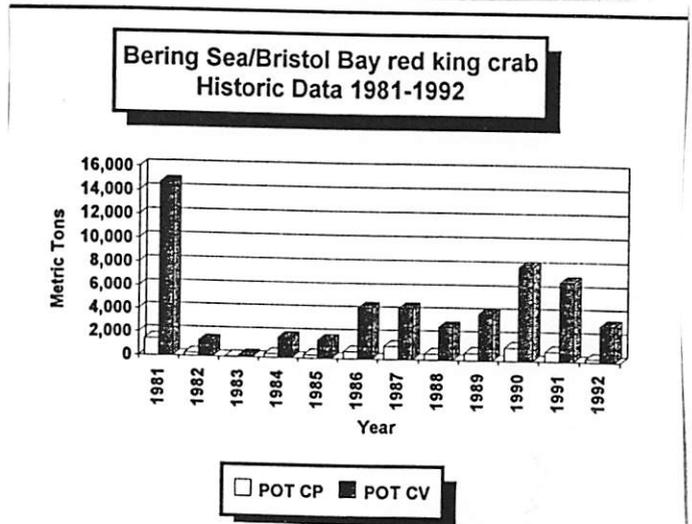
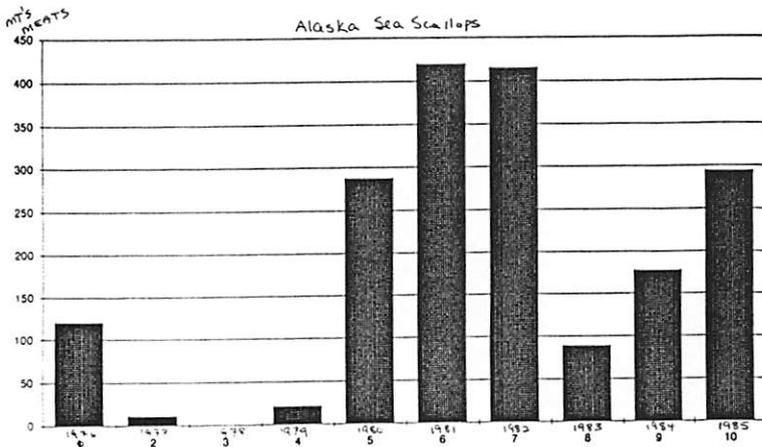
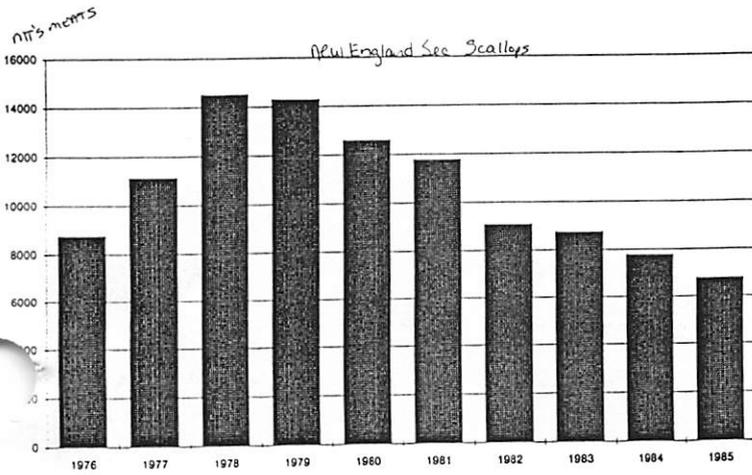
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Seafood Leader Vol 13 No.3 May/June 1993

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mtrn options
to other pty's*

YEAR	SEA SCALLOP LANDINGS - MEATS			
	NW ATLANTIC		NE PACIFIC	
	USA	MT'S	ALASKA	MT'S
1976		8721		120
1977		11104		10
1978		14483		0
1979		14256		20
1980		12566		287
1981		11742		419
1982		9044		415
1983		8707		88
1984		7739		177
1985		6742		294



PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
	DANIEL J. RUGGS	PO 3850 Kodiak	486 8291- ^{m25}
	SCOTT M. ALAMEDA	308 Mumford ^{Average} AK	907-272-9421
	MURIEL A. LEBECK	7410 east Hill Schoolhouse	807 53 5222
	John Kelley	"	"
	Linda Getz	P.O. Box 144 Kodiak	486-3575
	Stormy Levenson	Box 4441 Kodiak	6-3907
	Deborah Sturgeon	P.O. 8373 "	6-2799
	Rex Erickson	1018 Hillside	6-1929
	PAUL BROWN	PO 3114 Kodiak	6-8129
	DON L. JOHNSON	P.O. BOX 17 KODIAK	486-5903
	Mark Elie	P.O. Box 1257 Kodiak AK 99541	486-4429
	ROBERT KUWANA	PO BOX 144 KODIAK AK	486-8721
	Anni Taggart	Box 1103	486-5486
	Kathy Cole	Box 2498 Kodiak	6-6192
	RICHARD NUGENT	PO Box 8393	486 3575
	Bill Bissett	305 center st #44	486-2930
	Jane Bueris	P.O. Box 2202 Kodiak	486-1948
	DALE E. HAE	P.O. Box 8321	486 9490
	NADINE BAE	Box 8321	486-9490
	Frank Harrison	624 Dec	
	W. J. Pally	P.O. Box 141	
	Mike Hankin	659 Foxglove	486-2007
	#7 Carole	Box 947	486-3043
	Kelly L. D. H.	Box 702	486-4801

PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Andy Fink</i>	Andy Fink	Box 55 Old Harbor AK	None
2. <i>Terry Murphy</i>	TERRY MURPHY	326 SHERIDAN ^{ROAD} KODIAK	—
3. <i>David Taylor</i>	DAVID TAYLOR	Box 801 KODIAK AK	—
4. <i>James McCollam</i>	James McCollam	Box 2483 Kodiak	486-4292
5. <i>Michael Bigley</i>	MIKE BIGLEY	Bx 8194 KODIAK	
6. <i>Kathy Beersma</i>	KATHY BEERSMA	Bx 8194 KODIAK	
7. <i>Norbert V. Adamitz</i>	NORBERT ADAMITZ	G.D. 99615 KODIAK	
8. <i>John Mckerley</i>	John Mckerley	Box 3634 KODIAK	487-2325
9. <i>Glenn W. Ingure</i>	Glenn W. Ingure	PO 13068	486-5540
10. <i>Diane Mckerley</i>	Diane Mckerley	Box 3634 Kodiak	487-2325
11. <i>Michael Andrew</i>	Michael Andrew	Box 2805 Kodiak	
12. <i>Michael Carroll</i>	Michael Carroll	Box 990	486-5385
13. <i>J. Stephenson</i>	J. Stephenson	PO Box 2355	486-3263
14. <i>David Rulka</i>	DAVID RULKA	P.O. Box 2153	—
15. <i>James Wells</i>	James Wells	PO Box 8335	—
16. <i>Bobbi Wilken</i>	Bobbi Wilken	1718 Selief	486-6365
17. <i>Michael Wilken</i>	Michael Wilken	1718 Selief	486-6365
18. <i>Doreen Leaven</i>	Doreen LEAVEN	9520 SECKING DR. ANCHORAGE, AK 99515	243-2117
19. <i>Laura S. ...</i>	Laura S. ...	305 Center #14 KODIAK AK	486-5720
20. <i>Patsy Hering</i>	Patsy Hering	305 Center St #14 KODIAK, AK 99615	486-5720
21. <i>Sandra McGarry</i>	Sandra McGarry	Box 8393 Kodiak	486-2475
22. <i>Janice Nixon</i>	Janice Nixon	Box 2867 Kodiak	—
23. <i>Rita Nixon</i>	Rita Nixon	P.O. Box 2288 Kodiak AK	—
24. <i>John Hapaid</i>	JOHN HAPPAID	2949 SPRUCE CREEK	—
25. <i>Jim ...</i>	Jim ...	Box 1807	486-6310

PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Greg Richmond</i>	<i>Greg Richmond</i>	<i>Box 3561</i>	<i>486-8282</i>
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PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Jeff McDaniel</i>	Jeff McDaniel	1314 Mill Bay	—
2. <i>Charlie Febener</i>	Charlie Febener	301 Teal way	486-3539
3. <i>Jerome Alcande</i>	Jerome Alcande	2949 Spruce Ave	—
4. <i>Jay Dack</i>	Jay Dack	Box 988	486-8301
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PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Loris Allread</i>	LORIS ALLREAD	P.O. Box 1498	486-4750
2. <i>Kenneth M. Allread</i>	KENNETH M. ALLREAD	P.O. Box 1498	486-4750
3. <i>Dan Waitel</i>	DAN WAITEL	1526 Kouskou Kodak	486-5828
4. <i>Frank Waitel</i>	FRANK WAITEL	1526 Kouskou	486-5610
5. <i>Betty Waitel</i>	BETTY WAITEL	1526 Kouskou Kodak	486-5610
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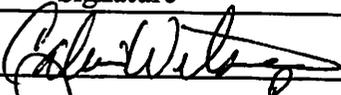
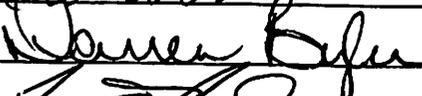
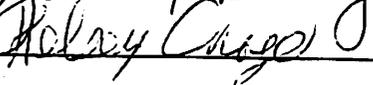
PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Fred Jahns</i>	FRED JAHNS	20632 DAVEN RD LYNNWOOD WA 98036	206 776-0451
2. <i>Marilyn Hildebrand</i>	Marilyn Hildebrand	5403 21 st S.W. 98106	767-4856
3. <i>Colleen Nickolte</i>	Colleen Nickolte	3004E Yesleraby C	324-3637
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PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. 	Cal Wilson	332 E Manor Anchorage	279-6338
2. 	DARREN BYLEK	Box 1551 Kodiak	486-5461
3. 	LARRY C. NELSON	P.O. Box 240365 ANCH. 99524	522-4182
4. 	Kathy Nicklas	SR12844 Noke Dr Kodiak	487-2222
5. 	Marilyn LaKings	1121 LAKE ORBIN DR Kodiak	487-4305
6. 	Kim M. Berry	3337 Spruce Cp Rd	486-2411
7. 	Kelsey Crago	Po box 289	6-2408
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PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. Laura Sullivan	Laura Sullivan	P.O. Box 4326 Kodiak	6-6510
2. Curtis Smith	Curtis Smith	P.O. Box 4326 Kodiak	6-6510
3. STAN Tenny	STAN TENNY	PO BOX 469 Kodiak	6-6002
4. Michael F. Fogg	MICHAEL F. FOGG	P.O. Box 122 Kodiak	6-2269
5. Angeliwe Junkov	ANGELIWE JUNKOV	PO BOX 502 Kodiak	6-2416
6. Linda M. McCool	Linda M. McCool	PO. BOX 4196 Kodiak	7-4022
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8. Morgan O'Brien	Morgan O'Brien	123 1/2 Lockle Brenton	706 474 7765
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To accompany Steve Davis's testimony

Scallop Fishery Fact Sheet

Prepared by LGL Alaska Research Associates

Agenda C-3
2/22/94

- The scallop fishery has had a sporadic history with fluctuating harvests. Fluctuations can be attributed to changes in stock condition (on the East Coast), market price, and the decision to fish for other species in Alaska. Other than a lone fisherman, the Alaska resource didn't attract the attention of full-time professional scallop fishermen until the late 1980s.
- The current fleet is mostly comprised of fishermen solely dependent on scallops for their livelihoods. Over 150 fishermen and their families are affected by the Council's moratorium decision.
- In 1993 the State of Alaska licensed 24 vessels to fish scallops but only 14 of these vessels actually participated in the fishery. Only 11 vessels have chosen to fish in the first half of 1994.
- Since 1980 fleet size has ranged from 4-18 vessels.
- Resource assessment of Alaskan scallop species is nonexistent. Relative abundance, based on commercial catch, suggests stocks are currently healthy. Scientific analysis of the Yakutat stock indicates that this stock is currently underharvested.
- No increase in the number of vessels beyond that estimated in January 1993 (14) has occurred. The invasion of 70 boats has been proven false.
- The scallop resource lies predominately in federal waters. FMP quotas on scallop catch, as well as bycatch limits, will protect both scallop and crab species.
- Current market demand and new fishing and processing technology has resulted in the Alaskan scallop fishery reaching all-time highs in terms of value both to the fishermen and to the consumer.
- New break-even analyses illustrate high degree of variability in assumptions. The SSC stated that such analysis is difficult to defend. Optimum fleet size cannot be readily determined without better knowledge of the resource. As a result, the authors of the EA/RIR could not prepare a break-even analysis on their own. Use of submitted break-even analysis should be used with caution.
- The Council's July 30, 1993 control date eliminates need for "pipeline criteria". All those fishermen who testified in January 1993 that they were in the pipeline have successfully completed their plans and were fishing by July 30, 1993.

JUN 17 1988



NATIONAL MARINE FISHERIES SERVICE
1326 East-West Highway
Silver Spring, MD 20910
THE DIRECTOR

MEMORANDUM FOR: Regional Directors
Regional Fishery Management Councils

FROM: Nancy Foster
(Acting)

SUBJECT: Control Date Notices

Regional Fishery Management Councils (Councils) establish control dates to discourage speculative entry into fisheries while alternative management measures are developed and analyzed. Control date announcements inform the public through the Federal Register that a Council has begun deliberations that may affect investments in the fisheries and that landings made after a date certain may not count toward allocations of catch under potential future Federal management programs. Establishment of a control date does not prevent a Council from proposing or implementing any other date for eligibility in these fisheries or another method of controlling fishing effort. A Council may recommend additional criteria for qualifying fishermen or vessels as participants in these fisheries. The control date announcement does not commit a Council to any particular management regime or priority criteria for access to the fisheries. A Council may choose to take no action to control entry or access to these fisheries or select another date.

The Office of Management and Budget (OMB) reviews NMFS control date notices as part of the normal review cycle for fishery management actions. Recently, OMB reviewed several control date actions where time (e.g., over 3 months) had elapsed between the effective date of the action (control date) and submission of the action to OMB for review. Although adoption of control dates is frequently well publicized by a Council, OMB has expressed its concern over the delay between a Council's approval of a control date and publication of a control date notice in the Federal Register. Prompt issuance of a control date is necessary so that the affected public will have the opportunity to include this information in its business plans.

NMFS has been informed that OMB's guidance related to control date notices is as follows: (1) a control date should be the date of publication of the notice in the Federal Register, or (2) if a date certain has been approved by a Council, a control date action should be received by OMB within 30 days of the Council's control date. In order to ensure that control date

THE ASSISTANT ADMINISTRATOR
FOR FISHERIES



notices are announced in a more timely and consistent manner, NMFS is adopting OMB's guidance related to control date notices. This policy is effective immediately. The preferred alternative is to make the control date the date of publication in the Federal Register; however, NMFS recognizes a Council's prerogative to select a date certain. Once an action is received in Headquarters, NMFS will expedite its review and clearance to conform to OMB's guidance. Please provide Headquarters with a minimum of 2 weeks processing time to ensure submission of the action to OMB on a timely basis.

Please share this information with your staff and others responsible for preparing or processing control date actions.

PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. Kim Cornwell	Kim Cornwell	Box 3575	—
2. Ann	JOHN F. MOSS	1113 LARCH	—
3. James	James Stephenson	PO Box 2335	486-3263
4. Philip	Philip Becker	Box 2163	—
5. James Cole	James Cole	Port Lions AK Box 102	454-2454
6. Paul	PAUL SEASTMAN	PO BOX 102	457-2196
7. Arnie Sutherland	Arnie Sutherland	PO Box 7706	—
8. Jane Williams	Jane Williams	Box 3223	907-86-4453
9. Lisa Hoffman	Lisa Hoffman	Box 8231 Kodiak	436-5496
10. Keith Broder	Keith Broder	Box 4383 Kodiak	—
11. Coyote Bowers	COYOTE BOWERS	VILLAGE IS UGANIK	NONE
12. Lana	LANAJANE CLODFELTER	PO. Bx 1072, KODIAK	486-4636
13. Cathy Klinkert	CATHY KLINKERT	Box 1374 Kodiak	486-5903
14. Pat Brady	Pat Brady	4806 B Lauderdale Va. Bch, Va.	202-804-3630
15. Robert Dean	Robert Dean	B+B Bch	—
16. Nick Ketchum	Nick Ketchum	Box 170 Ouzinkie Alaska	—
17. Bob McGarry	BOB MCGARRY	P.O. BOX 8545 KODIAK, AK 99615	486-2475
18. Roy Riggan	ROY RIGGAN	3195 FOXLEIGH ANCHORAGE AK	561-8867
19. Frank	FRANK FORTERON	3308 KITTILUKE KODIAK AK 99615	486-4465
20. Doreen	Doreen Christiansen	2815 Wally Way Apt. 305 Kodiak AK 99615	486-5102
21. Olga McCormick	Olga McCormick	1P36 Pellaeid	486-4541
22. Jeff Shmitt	Jeff Shmitt	1237 Pellaeid	486-4852
23. John Cheney	JOHN CHENEY	GEN DEL	486-6252
24. Ann Shankle	Ann Shankle	GEN DEL Kodiak	—
25. Jim Belland	Jim Belland	Cow Pal Kodiak	—

PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	NiKiski AK	Telephone
1. Shane Wik	Shane Wik	P.O. Box 8445		
2. Jeff King	Jeff King	P.O. Box 8605		
3. [unclear]	[unclear]	[unclear]		
4. Jude Lynch	Jude Lynch	411 CEDAR Kodiak		486-5610
5. Mike Proctor	MIKE PROCTOR	411 CEDAR Kodiak		486-5600
6. ADA Berry	ADA BERRY	P.O. Box 8401 Kodiak		486-5599
7. Ken Benson	Ken Benson	P.O. Box 2220		9,77-9720
8. Michelle Benson	Michelle Benson	P.O. Box 2220 Kodiak		486-5610
9. [unclear]	[unclear]	[unclear]		486-5610
10. Raymond Benson	Raymond Benson	P.O. Box 1174 Kodiak		486-5585
11. [unclear]	[unclear]	P.O. Box 1700 Kodiak		486-5575
12. [unclear]	[unclear]	P.O. Box 1700 Kodiak		486-5570
13. Kenneth J. Keithcar	KENNETH J KEITHCAR	575 Tucker Ave. Kodiak	FRI AKL WA.	206-375-5597
14. Cleo A. Chernoff	Cleo A. Chernoff	P.O. Box 2961 Kodiak		486-2857
15. Lisa Waldron	LISA WALDRON	1407 Koustak Kodiak		486-9496
16. Tim Rasmussen	Tim Rasmussen	Box 118 S Kodiak		486-11217
17. Steven M. Pruitt	Steven M. Pruitt	Box 1816 Ch. Kodiak		486-4932
18. Glenn Dick	Glenn Dick	Box 2182 Kodiak		AK 48666
19. [unclear]	[unclear]	[unclear]		
20. [unclear]	[unclear]	[unclear]		
21. [unclear]	[unclear]	[unclear]		
22. Tom Miller	Tom Miller	7734 [unclear]		
23. [unclear]	[unclear]	[unclear]		
24. [unclear]	[unclear]	P.O. Box 2307		486-5507
25. [unclear]	[unclear]	P.O. Box 1602		

PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. [Signature]	[Name]	[Address]	[Telephone]
2. HANS C MORLEY	HANS C MORLEY	870 Penamdruff	7-7531
3. James L. Pickett	James L. Pickett	Box 448 Kodiak AK	6-6213
4. Ruth M. Pickett	Ruth M. Pickett	Box 448 Kodiak	6-6213
5. Tom Enriksen	TOM ENRIKSEN	BOX 3046 Kodiak	6-2041
6. Rosie McCrell	ROSIE MCRELL	Box 8506 Kodiak	6-2041
7. CHRISTINE GRAY	CHRISTINE GRAY	910 Rezanoff #7	6-2839
8. [Signature]	[Name]	[Address]	[Telephone]
9. [Signature]	[Name]	[Address]	[Telephone]
10. [Signature]	[Name]	[Address]	[Telephone]
11. Barbara J. Cve	Barbara J. Cve	Box 4295, Kodiak	6-7048
12. [Signature]	[Name]	[Address]	[Telephone]
13. Sandra E. Witter	Sandra Witter	2995 B Spruce Cape	6-2374
14. Ronald White	RONALD WHITE	1526 Kouskou	486-2409
15. [Signature]	[Name]	[Address]	[Telephone]
16. [Signature]	[Name]	[Address]	[Telephone]
17. [Signature]	[Name]	[Address]	[Telephone]
18. [Signature]	[Name]	[Address]	[Telephone]
19. [Signature]	[Name]	[Address]	[Telephone]
20. Russell Horner	Russell Horner	1036 Lakeview Pr	6-3276
21. Tom Minio	Tom Minio	P.O. Box 1758 Kodiak	6-2603
22. Dave Harmon	Dave Harmon	P.O. Box 1001, Kodiak	6-2603
23. Shirley Minio	Shirley Minio	P.O. Box 1758, Kodiak	6-2603
24. [Signature]	[Name]	[Address]	[Telephone]
25. Dexter Hopkins	Dexter Hopkins	3725 Starbucke Anch Ak	338-2981

PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. Blair Culter	BLAIR CULTER	SEATTLE, WA 98105 3847 46th AVE N.E.	206 824-4663
2. Klaus Holzer	KLAUS HOLZER	329 N.E. 76th STREET SEATTLE, WA 98115	(206) 523-5375
3. Bob Simon	Bob Simon	4507 Shilshole Ave NW Seattle 98107	(206) 322-5212
4. Kerri Anderson	KERRI ANDERSON	5404 21st St SW MOUNTLAKETERRACE, WA 98043	206-776-7197
5. Andrea Peterson	Andrea Peterson	3314 WETMORE AVE EVERETT, WA 98201	(206) 259-2971
6. Luci Nigro	Luci Nigro	23968 SE 46th CT ISSAQUAH, WA 98027	(206) 391-1380
7. Delbert Ventur	DELBERT VENTUR	1017 CRESTWOOD LN	(206) 504-1702
8. Carrie Cooper	CARRIE COOPER	1952 E MOONLIGHT DR FREELAND WA 98249	206 720-1830
9. Melissa Kerber	Melissa Kerber	5003 16th AVE NE SEATTLE, WA 98105	206 523 8601
10. Ann Marie Simms	Ann Marie Simms	2645 NW 45th AVE SEATTLE WA 98107	(206) 782-5164
11. Ann L. Hill	Ann L. Hill	4137 4th Ave NE SEATTLE WA 98105	206 542-6817
12. Sherrill H. Gerich	Sherrill H. Gerich	512 N. 71st St Seattle WA 98103	(206) 784-6078
13. Dee Scurry	DEE SCURRY	2052 Crescent Dr. East Seattle 98102	(206) 643 2050
14. Heather Kittelson	HEATHER KITTELSON	15533 DENSMORE AVEN. SEATTLE, WA 98133	(206) 440-0739
15. Kim Seltzer	Kim Seltzer	7220 173rd S.W. Edmonds WA 98026	(206) 743-3671
16. Kimberly Pius	Kimberly Pius	3701 204th St SW Lynnwood WA 98036	(206) 670-7183
17. Vicki Jacob	VICKI JACOB	1627 44th St	206 437 8078
18. Nick Barta	NICK BARTA	32916 2nd Ave SW Federal Way WA 98003	206 979 1707
19. Michelle Hills	MICHELLE HILLS	1461 Roosevelt Way Sea Seattle WA 98105	368-3708
20. Patricia Thomas	PATRICIA THOMAS	2431 SE 225th St MAPLE VALLEY WA	206 431-5001
21. Deborah Koebler	Deborah Koebler	8414 24th St SW Edmonds WA 98026	612-3433
22. Richard E. Malin	Richard E. Malin	6000 NE Windermere Rd Seattle WA	
23. Ty Hutchinson	Ty Hutchinson	3850 N.E. 95th St Sea 98115	522-6102
24. Jeff Sagen	Jeff Sagen	10729 9th N.W. St Seattle WA 98107	367-0826
25. Taddy Haug	TADDY HAUG	11114 34th Pl. S.W. Seattle WA 98148	433-6024

57,000

Post-It Fax Note	7671	Date 4/19	# of pages 1
To	Blair	From	Karina
Co./Dept.	Nova	Co.	Kodiak Fish Co.
Phone #		Phone #	907-486-3309
Fax #		Fax #	907-486-3076

PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Wes Hillman</i>	WES HILLMAN	1316 BARNOF	6-4507
2. <i>Keri Berg</i>	Gerri Berg	#37 Alderwood	6-8722
3. <i>Terry Hilt</i>	TERRY HILT	320 Shelkof	6 6027
4. <i>Frank Forman</i>	Frank Forman	P.O. Box 223	6-6257
5. <i>Robert Stevenson</i>	Robert Stevenson	PO Box 3283	6-2622
6. <i>Danny K. Blair</i>	Danny K. Blair	Box 816 Thorsheim	6-5535
7. <i>Tim Furgione</i>	Tim Furgione	Box 1021	6-3938
8. <i>George Magnusen</i>	GEORGE MAGNUSEN	374-BENNY BENSON	6-5562
10. <i>Arthur L. Carlson</i>	ARTHUR L. CARLSON	1321 MISSION RD	6-5750
11. <i>Goyk M. Madick</i>	Goyk M. Madick	BX 2157	486-4739
12. <i>John L. Kallioinen</i>	John Kallioinen	104 Pepler Kediak	486-4234
13. <i>Karl W. Kessler</i>	KARL W. KESSLER	13135 STEPHENSON ANCH AL	345-7209
14. <i>Mike Stoll</i>	Michael R Stoll	SRA BOX 52912 Was. 119	373-1425
15. <i>Kathy Olsen</i>	KATHY OLSEN	810 Willow St.	486-3895
16. <i>Sharon Monk</i>	SHARON MONK	5117 N. MONTANA	282-1154
17. <i>Suzanne MacLennan</i>	SUZANNE MACLENNAN	433 W. PORTLAND ST.	609-884-7610
18. <i>Andrew Kerner</i>	Andrew Kerner	1313 Selief Apt 4A	486-2191
19. <i>Larry T. Amokte</i>	LARRY T. AMOKTE	727 Thorsheim	486-4960
20. <i>Douglas F. Payette</i>	Douglas F. Payette	1313 Selief 4A	486-4960
21. <i>Craig D. Nalanda</i>	CRAIG D. NALANDA	414 SELIEF 2 STEPHENSON	486-1955
22. <i>Donna Amox</i>	Donna Amox	Box 8203	486-10437
23. <i>Debra Klinefelter</i>	Debra Klinefelter	Box 309 S	486-5076
24. <i>Ellen Valley</i>	ELLEN VALLEY	BH 2138	486-5577
25. <i>RANDALL F. Lopez</i>	RANDALL F. LOPEZ	949 Spence Cir	---

PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. Mary Ellen Hillman	MARY ELLEN HILLMAN	1316 Durang ^{Kodiak}	486-4507
2. Kriss D. Gunderson	KRISS D. GUNDERSON	P.O. Box 344 Kodiak	486-4302
3. Robert J. Gunderson	ROBERT J. GUNDERSON	P.O. Box 314 Kodiak	486-4302
4. Ann Bezova	ANN BEZOVA	P.O. Box 2794 Kodiak	486-8222
5. Robert C. Deeg	ROBERT C. DEEG	PO Box 359 Kodiak	486-4895
6. Linda L. PuertMoser	LINDA L. PUERTMOSER	Box 4147 Kodiak	486-4555
7. Bill Weyer	BILL WEYER	Box 1603 Kodiak	486-5099
8. M. Culbertson	M. CULBERTSON	Box 3916 Kodiak	487-5112
10. L. Lawrence	L. LAWRENCE	Box 256 Kodiak	486-4767
11. S. Bundy	S. BUNDY	Bx 4025	6-8238
12. Sonny Basuel	SONNY BASUEL	PO Box 4144	487-4014
13. Linda Seifert	LINDA SEIFERT	2610 Mill Bay Rd A-19	6-6468
14. Terri Enley	TERRI ENLEY	916 Willow St.	486-2524
15. Bernard R. Abbott, Jr.	Bernard R. Abbott, Jr.	P.O. Box 1378 Kodiak	486-3045
16. Rhonda F. Kiefer	Rhonda F. Kiefer	113 Mission # 35	486-4610
17. Joyce K. Gregory	Joyce K. Gregory	Box 104 Kodiak	486-5381
18. Geri Wilcheck	GERI WILCHECK	HCR 12962 Noch DR	487-4540
19. Michael W. Wilcheck	MICHAEL W. WILCHECK	HCR 12962 NOCH DR	487-4540
20. Duan Hubbard	DUAN HUBBARD	3629 Rozanof Dr #32	486-8547
21. Richard Henson	RICHARD HENSON	3629 Rozanof #32	486-8547
22. Karen McDaniel	KAREN MCDANIEL	Box 3246	486-3101
23. Amaralys Aspgren	AMARALYS ASPGREN	508 Marine Way	6-3101
24. Roberto Luna	ROBERTO LUNA	2209 McKinley (ANCH)	2430245
25. John Clark	JOHN CLARK	422 E. Marineway	6-6409

PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Anthony Wallen</i>	ANTHONY WALLER	712 Willow Cir.	
2. <i>Gerty Tveit</i>	GERTY TVEIT	2304 Beaver Lake Loop	486-4050
3. <i>Wilson Cook</i>	WILSON COOK	PO 1815	486-2800
4. <i>Jeffrey W. Perkins</i>	Jeffrey W. Perkins	810 Willow Rd, Kodiak	486-3938
5. <i>Larry Amos Sr.</i>	LARRY AMOS SR.	727 Thorstein	486-4960
6. <i>Walt Hansen</i>	WALT HANSEN	201 KASHEVAROFF #201	486-4348
7. <i>Edna Hansen</i>	EDNA HANSEN	201 KASHEVAROFF #201	486-4348
8. <i>Matthew M. Murney</i>	MATTHEW MURNEY	PO 3050 KODIAK	6-6791
10. <i>Ronald C Seaman</i>	RONALD C SEAMAN	P.O. Box 4415 Chiniak	6-9458
11. <i>Dan A. Hadley</i>	DAN A. HADLEY	P.O. Box 1103 Kodiak AK	6-5486
12. <i>Keith Rivier</i>	KEITH RIVIER	PO Box 2890 Kodiak AK	6-7629
13. <i>Dawn Horner</i>	DAWN HORNER	P.O. Box 2890 Kodiak	6-7629
14. <i>Renee Reenstra</i>	RENEE REENSTRA	PO Box 2890 Kodiak	6-3276
15. <i>JAMES L RIPPY</i>	JAMES L RIPPY	PO Box 2038	487-2379
16. <i>Willie Roberts</i>	WILLIAM ROBERTS	Box 5516 CHINIACK	486-6976
17. <i>Kiela Pickett</i>	KIELA PICKETT	Box 521 Kodiak	486-41030
18. <i>Tonia Valerio</i>	TONIA VALERIO	Box 8318 Kodiak AK	
19. <i>Mike Gates</i>	MIKE GATES	1751 MYLARK #34	486-1432
20. <i>Rick Rene Bundy</i>	RICK RENE BUNNY	Box 1882, Kodiak	6-3620
21. <i>Mandy Hagedorn</i>	Mandy HAGEDORN	1110 Hillside	6-6578
22. <i>BALLAD, BERNIE</i>	professor	1111 LARCH ST.	6-4202
23. <i>Jim Collins</i>	Jim Collins	814 3 GRAND	6-3271
24. <i>Richard Landis</i>	RICHARD LANDIS	32 74 ARTIC. TERN	6-6459
25. <i>Donald Barber</i>	DONALD BARBER	1712 SELF	6-6848

PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Scott Cummings</i>	Scott R. Cummings	1524 BARANOF	486-2347
2. <i>James Venable</i>	James Venable	1210 Relief #5	6-6420
3. <i>Tammy Hulsey</i>	Tammy Hulsey	1221 Purtoy	6-8100
4. <i>Tera Gilkey</i>	Tera Gilkey	Bx 1121 Kodiak	6-5064
5. _____	Eggar Berges	P.O. Box 8198	62229
6. <i>Adam Hehl</i>	Adam Hehl	P.O. Box 3667 Kodiak	486-2936
7. <i>Linda Hehl</i>	Linda Hehl	Box 3667, Kodiak	486-2936
8. <i>M.J. Marchulsky</i>	M.J. MARCHULSKY	1395 Annapolis Way Kodiak	487-2700
10. <i>Jolie Riedel</i>	Jolie Riedel	P.O. Box 793 Kodiak	486-2756
11. <i>Delia Gonzalez</i>	Delia Gonzalez	P.O. Box 1874 Kodiak	487-2700
12. <i>Kim Stocker</i>	Kim Stocker	824 Lake Louise Kodiak	487-4986
13. <i>Erika Csathre</i>	ERIKA CSATHRE	P.O. Box 41173 Kodiak	6-7542
14. <i>Charles Dawson</i>	CHARLES DAWSON	P.O. Box 2097 Kodiak	6-3846
15. <i>Judy Trousil</i>	Judy Trousil	P.O. Box 242 Kodiak	6-2330
16. <i>Ruth Donohoe</i>	RUTH DONOHOE	6160 South Nippon - Punahoa, HI	766-8392
17. <i>Lola Horvay</i>	Lola Horvay	1014 Rozanna	486-4777
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PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Jermat Myers</i>	Jermat Myers	Box 1948 Kodiak	486-6117
2. <i>Tim Maffet</i>	Tim Maffet	Box 8818 Kodiak	486-4521
3. <i>Bill Osborne</i>	Bill Osborne	717 Willow St Kodiak	486-4580
4. <i>Donald Fields</i>	Donald Fields	Box 2695 Kodiak	486-4671
5. <i>Elinor Pou Ramos</i>	ELINOR POU RAMOS	Box 3089, Kodiak	486-6152
6. <i>David Heuman</i>	DAVID HEUMAN	SR 11536, Kodiak AK	487-2770
7. <i>Tom Watson</i>	TOM WATSON	POB 228/Kodiak	6-2604
8. <i>Cindy Moffet</i>	Cindy Moffet	POB 8818 Kodiak	486-4521
9. <i>Morion Royall</i>	Morion Royall	PO Box 8645 Kodiak	486-5251
10. <i>Pete Snolden</i>	Pete Snolden	P.O. Box 1433 Kodiak	486-8125
11. <i>Linda Sargent</i>	LINDA SARGENT	1830 Mission Bldg Kodiak	486-3371
12. <i>Paul Alexander</i>	PAUL ALEXANDER	1020 Pezand Dr. Kodiak	486-8543
13. <i>Ronald Horner</i>	Ronald Horner	1326 Ismailov #B Kodiak	486-2423
14. <i>Mary S. Abalos</i>	MARY S. ABALOS	426 TEHL KODIAK	486-3615
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PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Lorita Anderson</i>	Lorita Anderson	Kodiak, AK	_____
2. <i>Keith Broder</i>	Keith Broder	Kodiak AK ^{PO Box} 4383	_____
3. <i>Michelle Van Tine</i>	Michelle Van Tine	PO BOX 874	6-2910
4. <i>Michael T. Fricco</i>	Michael T. Fricco	Box 2187	6-5942
5. <i>Arthur S. Kacalski</i>	Arthur S. Kacalski	Box 2014	6-4994
6. <i>WANDLER JOHANSON</i>	WANDLER JOHANSON	BOX 874	6-2910
7. <i>JEFF KNAUF</i>	JEFF KNAUF	P.O. BOX 3702	6-6003
8. <i>Ezra Christensen</i>	Ezra Christensen	3836 Sweet	6-4839
10. <i>James E. Johnson</i>	James E. Johnson	Box 2592 Kodiak	6-6998
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PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. Eric R. McCart	Eric R. McCart	POB 1966 KONA	486-4431
2. Gunnar Svindland	GUUNAR SVINDLAND	PO BOX 992	486-8128
3. Keith Broderick	Keith Broderick	P.O. Box 4383 Kona	—
4. Julian Kanho	Julian Kanho	P.O. BOX 8141	—
5. Michael Sorekel	Michael Sorekel	P.O. Box 1262	486-4336
6. Kathleen D. Janz	Kathleen D. Janz	10674 Chinide Dr.	487-4055
7. Jesse White	Jesse White	P.O. Box 67 Kona	486-3197
8. Jim Cole	Jim Cole	P.O. Box 8278 Kona	486-2463
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PETITION

We, the undersigned, are in favor of the council acting with utmost speed to implement the scallop moratorium.

Signature	Name	Address	Telephone
1. <i>Janice Ure</i>	Janice Ure	Box 2361 Kodiak	486-3844
2. <i>Cheryl E. Kay</i>	CHERYL E. KAY	1414 ZENTNER Kodiak	486-8560
3. <i>Louis R. Shou</i>	LOUIS R. SHOU	3761 SUNSET DR.	486-5826
4. <i>Christy L. Moore</i>	Christy L Moore	1312 Selief # 25	486-2954
5. <i>Clay R. Koplin</i>	Clay R. KOPLIN	Box 3454	486-6409
6. <i>Kathleen D. Heglin</i>	Kathleen D. Heglin	PO Box 1043 Kodiak	486-5639
7. <i>George M Wilson</i>	George M Wilson	P.O. Box 124 Kodiak	486-2482
8. <i>Jeanne Miller</i>	Jeanne Miller	P.O. Box 1264 Kodiak	486-6253
10. <i>Teresa Kacalski</i>	TERESA KACALSKI	PO Box 2014 Kodiak	486-4994
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