


MEMORANDUM

TO: Council and Commission Members

FROM: Clarence G. Pautzke  
Executive Director 

DATE: September 30, 1998

SUBJECT: Halibut Individual Fishing Quota Program

## ACTION REQUIRED

- (a) Review discussion paper on NMFS weighmaster program.
- (b) Receive staff update on joint NMFS/IPHC halibut logbook.
- (c) Receive staff update on NMFS overage/underage policies.

## BACKGROUND

(a) NMFS Weighmaster Program

In October 1996, Icicle Seafoods brought a proposal for a weighmaster system similar to the Canadian validator system to the Council's IFQ Industry Implementation Team. The Team supported the weighmaster concept, but not all the details of the Icicle proposal. In April 1997, the Council asked IPHC to prepare a discussion paper on advantages and disadvantages of a weighmaster system. In September 1997, the Council reviewed a discussion paper prepared by the IPHC staff on a possible IFQ weighmaster program for monitoring IFQ offloadings. The conclusions of that report are attached.

Concurrently, the Council reviewed a report in April 1997 by Dayna Mathews on IFQ enforcement in the halibut and sablefish fisheries off Alaska. On May 14, 1997, the Council sent a letter to Secretary Baker expressing concern over the current level of enforcement in Alaska's IFQ fisheries. The Secretary responded on June 30, 1997 that five additional officers were being trained for the 1998 IFQ season.

Steve Meyer, NMFS Enforcement, will present a paper describing a proposal for a weighmaster program for the halibut and sablefish IFQ programs in Alaska.

(b) Joint NMFS/IPHC Halibut Logbook

In 1998, IPHC and NMFS worked together to revise the catcher vessel logbook so the format would meet both agencies' requirements. The logbooks are for vessels equal to or greater than 60 feet in overall length. In 1999, there will be separate catcher vessel logbook formats for non-trawl and trawl vessels. The non-trawl logbook has been revised to include data necessary for IPHC stock assessment including; halibut catch by set and detailed gear information. The additional gear information will assist NMFS scientists in sablefish stock assessment. The non-trawl logbook will include a fourth tear-out page for distribution to either NMFS scientists at Auke Bay or IPHC staff. Also attached for your information is a Coast Guard report on IFQ enforcement efforts for 1998.

(c) Receive Staff Update on NMFS Overage/underage Policies

The provision of a 10 percent overage allowance has caused enforcement difficulties for several years. The problem has been that an administrative adjustment of up to 10 percent of any particular IFQ overage violation, plus the legal prosecution of overages above that amount placed the alleged overage offender in a situation of receiving penalties in two venues, one being an administrative adjustment and the other as a potential fine or other penalty for violation of the rules. For example, a fisherman who exceeded his IFQ catch by 12 percent would receive the administrative adjustment (deduction) to his succeeding year's IFQ of 10 percent and be vulnerable to prosecution for a violation for the remaining 2 percent.

A potential policy option would resolve this problem by allowing the 10 percent administrative adjustment policy to stand for amounts of overage of 10 percent or less. This would result in an equivalent percentage deduction in the succeeding year's IFQ of overage amounts up to 10 percent. In the 12 percent overage example above, however, under the potential policy the fisherman would not receive a 10 percent administrative adjustment automatically, but the overage would be referred to NOAA GC for possible prosecution of an IFQ overage violation for the full 12 percent.

## Discussion Paper for an Alaskan Weighmaster Program

Robert J. Trumble, Heather Gilroy, Morris Wade  
International Pacific Halibut Commission

Draft 9/8/97

### SUMMARY AND RECOMMENDATIONS

A weighmaster program for the IFQ fisheries in Alaska is designed to counter the incentive for fishermen or processors to misreport halibut and sablefish landings. AED determined during planning for IFQs that its enforcement plan was adequate to assure compliance with reporting requirements. To date, no substantial evidence has surfaced to suggest that significant cheating has occurred. Reduced enforcement staffing in the years since the original plans led concerns for a potential increase in misreporting.

Canadian halibut and sablefish fishermen insisted on a comprehensive monitoring program that resulted in the validator system. In contrast, much of the Alaska industry, especially processors, opposes the weighmaster program on the grounds that the system works well now, and that weighmasters just add cost and complexity to the system, and that excessive delay results from the 6-hour check-in requirement. Supporters recognized that underreporting will be more difficult with a weighmaster. Some supporters also felt that weighmasters will counter charges that the IFQ system should be abolished because enforcement is inadequate. Opponents of the weighmaster program answered questions on the design of the system.

**Recommendation:** Any future analysis of a weighmaster program should address present and future enforcement levels, present and future landing data quality, and effect on the politics of IFQs. The analysis should also consider waiving the 6-hour check-in if a weighmaster is present.

The IFQ fisheries presently land fish in a variety of ports, ranging from large ports with high proportions of landings, to small ports that have a few landings per year. Size of landings range from a few pounds to many tens of thousands of pounds. Opinions varies on requiring weighmasters for all ports and all landings. Those who supported limitations pointed to cost savings and maintaining competition as justification. Those who supported weighmasters for all ports and all landings pointed to fairness for all participants and an opportunity to prevent illegal activities as justification.

**Recommendation:** Any future analysis of a weighmaster program should address market competition and fish prices that may result from a weighmaster program against the potential for increased misreporting of landings.

Opponents of the weighmaster concept, especially processors, generally did not want to pay for the system. Some respondents felt that fishermen should pay, others that processors should pay, and some favored sharing. Funding may be a serious obstacle to the weighmaster concept if no funds for IFQ may be collected above the 3% of ex-vessel price.

**Recommendation:** In addition to weighing the advantages and disadvantages of processor, fishermen, or shared payments, any future analysis of a weighmaster program should address sources of funding available.

Administration of a weighmaster program had modest support for NMFS involvement and strong opinion that NMFS should not be involved. Maintaining consistency with other programs was the predominant reason for supporting NMFS, while inefficiency, slow response, and bureaucracy were identified as problems. Administration by IPHC, or PSMFC to a lesser degree, received support on the basis of prior successes, low

costs, and the established port sampling network of the IPHC. Private contractors received support because of free enterprise and the lack of vested interest. A single contractor and multiple contractors both received support if the choice is for contractor administration. NMFS oversight is less for IPHC and PSMFC than for contractor administration.

**Recommendation: Any future analysis of a weighmaster program should address the advantages and disadvantages of administration by NMFS, IPHC, PSMFC, and private contractors.**

Duties of the weighmasters could range from simple monitoring of scale weights and monitoring transmission of data to NMFS to complex para-enforcement activities. While a strong segment wanted a simple program for efficiency and to save costs, others wanted more production if the weighmasters were required.

Validation of Canadian vessels is more complex than envisaged for the Alaska weighmaster program. The weighmaster program may not be able to require Canadian vessels to undergo monitoring more stringent than for U.S. vessels.

Most landings occur with certified scales, but possibilities of uncertified scales occur with sales to the public off the dock, and transfers to freighters from freezer longliners. A requirement for certified scales on at-sea processors may solve part of this problem.

**Recommendation: Any future analysis of a weighmaster program should address the tradeoffs of simple versus complex duties and the relationship with enforcement, the desirability of and limitations on reciprocal validation with Canada, if scale certification sufficiently covers IFQ landings, and the number of potential weighmasters available in the ports.**

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SEP 29 1998

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RECEIVED

SEP 29 1998

Dear Mr. Chairman,

N.P.F.M.C

This is to provide you an update on our IFQ enforcement efforts for 1998. Earlier this year the Halibut Commission expressed concern about the level of our enforcement efforts for 1997 and noted a declining trend in our boardings and patrol days.

To facilitate comparison I have provided our patrol numbers for calendar years 1996, 1997, and year to date 1998. I am pleased to report we have been able to increase them in most categories from 1997. We have a large number of Coast Guard units assisting in doing dockside checks; this program has been closely coordinated with NMFS Alaska Region Enforcement. Also of note is the low violation rate. Despite our increased efforts we have not detected any major violations this year, indicating a high rate of compliance with the program by industry.

We have received isolated complaints of increased enforcement (compared to last year, they are probably well founded) and no reports or complaints of large scale cheating. Any feedback we receive from the Council, the Commission, and the industry would be very helpful to us in planning and prioritizing our enforcement plans for 1999. I will be available during our meeting with the Commission to answer any questions you, Council members or the Commissioners might have.

Sincerely,

J. V. O'SHEA  
Captain, U.S. Coast Guard  
Chief, Maritime Operations Plans and Policy Branch  
17<sup>th</sup> Coast Guard District  
By direction of the Commander

Encl: (1) Coast Guard IFQ Enforcement Efforts

