

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke
Executive Director *Clarence G. Pautzke*

DATE: September 23, 1998

SUBJECT: Halibut and Sablefish IFQs

ESTIMATED TIME
2 HOURS

ACTION REQUIRED

- (a) Final action on IFQ amendments
- (b) Receive status report on hired skippers
- (c) Receive status report on weighmaster program
- (d) Receive status report on cost recovery fee collection program

BACKGROUND

(a) Final Action on IFQ Amendments

Final action is scheduled at this meeting on five proposed changes to the IFQ program. Amendments 54/54 address four separate actions. Supporting analyses were mailed to you on September 3.

Removed
Action 1 would reinstate a ten-percent leasing provision to allow B, C, or D category QS holders to lease ten percent of their IFQ holdings across all areas. The original leasing provision for individual reporting areas sunsetted on January 2, 1998. The alternatives are:

Alternative 1: Status quo: allow no leasing of IFQ.

Alternative 2: Allow leasing of up to 10% of a QS holder's total IFQ.
Option A: Renew leasing provision for all areas.
Option B: Renew leasing for the Bering Sea area only.

Action 2 would revise FMP language to allow a QS holder's corporate association to a vessel owner to substitute for a QS holder's vessel ownership for purposes of hiring a skipper to fish the QS holder's IFQ. Interpreted literally, current FMP language requires the person holding the QS to be the documented owner of the vessel. The alternatives are:

Alternative 1: Status quo: require that the QS holder wishing to hire a skipper be the named owner of the vessel on USCG vessel documentation.

Alternative 2: Revise FMP language to allow QS holders wishing to hire skippers to establish indirect vessel ownership through corporate ties.

Action 3 would revise the FMP definition of "a change in the corporation or partnership" to include a dissolution of the corporation. A "change" in a corporation or partnership is currently defined as the addition of a shareholder to the corporation or partnership. Nothing in the plan language or regulations explicitly defines a dissolution of the corporation or partnership as a change. As a result, corporations which lose their status as legitimate corporations under applicable laws of incorporation may, unless NMFS is notified that such change has occurred, be erroneously issued annual IFQ deriving from the corporate QS. The alternatives are:

Alternative 1: Status quo: "a change in the corporation or partnership" will continue to be defined as the addition of a shareholder or partner.

Wrongly worded
Alternative 2: Redefine "a change in the corporation or partnership" to include "a dissolution of the corporation or partnership." *Specific to estates*

Related to this issue is the question of whether a partnership dissolves when a partner is bought out by the remaining partner. Item C-8(a) is a request for clarification of Council intent.

Action 4 would change sablefish use limits from percentage of the total number of QS units to a specific number of QS units. The alternatives are:

Alternative 1. Status quo: sablefish use limits will remain expressed as a percentage of the QS pool.

Alternative 2. Revise the methodology of calculating use caps for fixed gear sablefish from percent to QS units based on 1996 QS units.

The fifth issue involves an action approved by the Council in June 1997 and subsequently withdrawn by the Secretary in January 1998 because it conflicted with aspects of the emergency transfer provisions to spouses in the FMPs. The Regulatory Impact Review now adds a third alternative to the status quo and rejected alternatives that would allow QS holders to provide NMFS/RAM with the name of an immediate family member as a beneficiary to whom the existing survivorship transfer privileges will be granted in the absence of a surviving spouse. The alternatives under consideration for final action are:

Alternative 1: Status Quo. Provide IFQ transfer privileges for a period of three years to a deceased QS holder's surviving spouse only.

Alternative 2: Revise regulations to extend transfer privileges of QS and IFQ to an heir of a deceased QS holder who receive QS by right of survivorship.

Alternative 3: Allow QS holders to provide NMFS/RAM with the name of an immediate family member as a beneficiary to whom the existing survivorship transfer privileges will be granted in the absence of a surviving spouse.

(b) Status Report on Hired Skippers

In September 1997, the Council recommended a change to require a 20% minimum interest in vessels for quota share (QS) holders wishing to hire skippers. The Council also grandfathered QS holders who had employed a hired skipper on or before April 17, 1997 to continue to use a hired skipper at the ownership level they had used prior to April 17, 1997. Any QS holder grandfathered under this provision will lose those grandfather rights if they purchase or otherwise acquire ownership or control of additional QS after September 23, 1997. In June 1998, the Council requested a brief report on the incidence of "hired skippers" in the halibut/sablefish IFQ program during the 1998 season, as compared with earlier seasons. Agenda C-8(b) is a RAM Division report on this issue.

(c) Review Discussion Paper for a Weighmaster Program for the Halibut and Sablefish IFQ 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 as Agenda C-8(c).

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.

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

(d) Receive Agency and Committee Reports on Cost Recovery Fee Collection Program

NMFS has continued to develop the cost recovery program (IFQ/CDQ fees) mandated by the Magnuson-Stevens Act, with the input of the Council's IFQ/CDQ Fee Committee established in April. The reports of the Council's Committee, chaired by Kevin O'Leary, are contained under Item C-8(d). That Committee met with NMFS staff four times over the summer to discuss the details of the cost recovery program. While a myriad of issues was discussed, two of the most significant were (1) whether to assess the fee on IFQ permit holders, or on registered buyers (processors), and (2) whether to base the fee on actual or standardized exvessel prices. The Committee was divided on the first issue, but agreed that actual prices should be used whenever possible, recognizing that standardized prices were necessary in many cases. An additional issue was bifurcation of the CDQ fee program, in order to expedite implementation of the IFQ fee program. While the Committee recognized the rationale for this bifurcation, they did urge NMFS to incorporate at least the halibut CDQ fisheries in the first year implementation.

NMFS will provide a written report which summarizes the current status of the program, the decisions made with regard to the two issues above, and time table for further development, comment, and implementation.

PROWLER PARTNERSHIP, an Alaska Partnership
John Winther, Managing Partner
Box 1364
Petersburg, Alaska 99833

July 27, 1998

Mr. Richard B. Lauber, Chairman
NORTH PACIFIC FISHERIES
MANAGEMENT COUNCIL
605 West 4th Avenue, Suite 306
Anchorage, AK 99501-2252

RE: *Council Clarification that a Freezer Vessel Partnership Does Not Dissolve When the Remaining Partners Merely Buy Out a Partner and Continue the Partnership Business.*

Dear Rick:

Action 3 of NMFS' housekeeping memorandum to be considered at the October 1998 NPFMC meeting proposes revising the definition of "a change in the ownership of a corporation or partnership" to include "a dissolution of the corporation or partnership". NMFS' proposal raises the fundamental issue of the Council's intended meaning of "dissolution" of partnerships for IFQ purposes.

NMFS acknowledges that "the IFQ regulations do not define or explain what is meant by a dissolved partnership." Silver Ice, NMFS Appeal #95-0114, at page 3. In the absence of any clarification, NMFS decisions have referred to "dissolution" and "change in partners" interchangeably and have held that the mere buy out of a partner by the remaining partners "dissolves" a partnership even if the remaining partners continue the partnership business. Silver Ice, at 3-4. This technical definition of partnership "dissolution" does not reflect the Council's intent and must be clarified.

The legislative history and the IFQ regulations themselves show that the Council intended partnerships and corporations, and particularly freezer vessel corporations and

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intended partnerships and corporations, and particularly freezer vessel corporations and partnerships, to be treated the same. To do otherwise would constitute "industry discrimination." Unfortunately, NMFS' current interpretation of "dissolution" does not treat them the same. As a result, the undersigned *requests the Council clarify that a freezer vessel partnership does not "dissolve" under the IFQ program when the remaining partners buy out a former partner and continue the partnership business.*

Under NMFS' present interpretation a partnership "dissolves" merely upon the buyout of a partner by the remaining partners even if the remaining partners continue the partnership business in the partnership name. This unintended outcome results from unique technical definition of "dissolution" which under some partnership law differs significantly from common understanding of the term and from the law of corporations.

The common understanding is that an entity "dissolves" when that the entity divests its assets and ceases to exist. This common understanding of the meaning of the term "dissolution" mirrors the meaning under the law of corporations. Under corporate law a corporation dissolves when the assets are sold and/or distributed to the shareholders and articles of dissolution are filed with the State. In other words, the fishing business ceases to exist. *We suggest that such was the concept envisioned when the Council approved the IFQ draft implementation plan. As long as the entity continued in business, it did not "dissolve".*

Clearly, the buyout of a corporate shareholder by the remaining shareholders and the continuation of the business does not "dissolve" a corporation. The corporation continues to exist with just one less shareholder. Yet, under NMFS' interpretation, the buyout of a partner by the remaining partners automatically "dissolves" the partnership *even if the remaining partners retain all the assets and continue the partnership business in the partnership name.*

This was not the Council's intent. The Council intended partnerships and corporations to be treated the same; particularly freezer vessel partnerships and corporations. We suggest it intended the term "dissolution" to be used in the common or corporate sense - if the remaining partners or shareholders continue the business after the buyout of a partner or shareholder, the entity does not "dissolve".

Applying the corporate concept of "dissolution" to freezer vessel partnerships is particularly justified. The Council treated catcher vessels differently from freezer vessels. The Council identified freezer vessels as "industrial fishing components"; recognizing that freezer vessels were not only held and operated by entities, but that any interests in freezer

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vessels were likely to be held by entities. It anticipated that interests would be bought and sold by entities. Unlike with catcher vessels, the Council did not impose transfer restrictions on freezer vessels. Freezer vessel entities are neither required to divest their QS to individuals nor lose their right to hire skippers upon a "change in ownership".

Accordingly, the undersigned respectfully requests that the Council clarify its intended meaning of "dissolution" of partnerships; and, specifically, advise NMFS that a freezer vessel partnership does not dissolve when the remaining partners buy out a partner and continue the partnership business in the partnership name. NMFS' current interpretation does not allow this result. We would like this issue clarified.

Very truly yours,


JOHN WINTHER
Prowler Partnership

June 10, 1994/NPFMC meeting
Tapes 36-37/3:30pm - 3:49pm

Bud Samuelson: Mr. Chairman, members of the Council. My name is Bud Samuelson, I was born in Alaska and fished commercially my entire working life, much of it longlining. My testimony today is as much a question to the Council as testimony. I was a 1/3 partner in a fishing vessel bought in 1985; we converted the vessel into a freezer longliner in the winter of '85 and started fishing for blackcod in January of '86. During the time of the partnership I was the owner/operator and caught a larger percentage of the fish landed on the vessel during those years. In fact, one of my partners didn't land one blackcod during the time we were together, the other partner only made one blackcod trip that I recall. I sold my 1/3 interest in 1989. Since then, IFQs have been implemented and I have applied for my 1/3 share of the quota landed on the vessel during the time I owned and operated it. I've been told that since the partnership is still alive, less me, that I don't deserve to be included in any quota shares allotted to the vessel, at least that is how my former partners perceive the ruling, and possibly National Marine Fisheries Service. When I sold my 1/3 interest in the vessel, IFQs were not yet in place, so I have a problem understanding how I sold my share of something that was not yet in effect. It looks to me like some of us have a chance of falling through the cracks if something isn't done to change this perception. I'm still fishing blackcod, but of course will have considerably less IFQs if my former partners are allowed to acquire 100% of the quota shares for that vessel, considering the years I was involved turned out to be the qualifying years for IFQs.

My question for the Council is, if when you were adopting the guidelines of who would become for IFQs, it was your intent for fishermen with my type of situation to be eliminated and, if not, is there anything that can be done to include those of us in this predicament. Again, I would like to stress I had a financial commitment, was actively fishing during the qualifying years, I was involved in this partnership, I'm still making my living fishing. Again, was it the Council intent to eliminate people in my situation? Thank you for your time.

Council member Linda Behnken: As I understand it, it's a pretty similar situation to Fred's [Fred File, immediately prior testimony] in that if the quota share. . . [tape changeover, rest of Ms. Behnken's comments lost]

Council member Bob Alverson: According to our regulations I interpret it significantly different because the regs identify corporation as a person, whereas a partnership, where in your case you have three different individuals in the partnership. I think technically they are significantly different issues because one is, you could have a hundred members in a corporation but the way we voted on it, it is one entity whereas you've got a different. . . at least the way I interpret the action we took.

Samuelson: Mr. Alverson, I did apply for my 1/3 of the quotas on that particular vessels, on the partnership, and when I got my packet back, the vessel I own now I had quota shares allotted to me, but not one share was allotted to me on the other vessel and the reason I got for that is because the partnership is still in existence and that I sold my share of that partnership when I sold the vessel in 1989, and so I guess the RAM Division perceives that the same as a corporation in that. . .

Alverson: If you sold out of the partnership, you heard the question I asked Phil Smith, about. . . I call it the Olson situation. . . but how is yours much different than that?

Samuelson: It's as far as I can tell, the same, it's just the situation I'm in.

Alverson: That's what I think.

Council Chairman Lauber: Sounds like they're treating you like a corporation, not a partnership.

[end of testimony]

Council Discussion/Motion

June 11, 1994

Tape 42

7:25am-7:45am

Council member Linda Behnken: Mr. Chairman. . .my sense is that the intent of the Council through this whole process of putting together this program was that the history for quota share would accrue to the vessel owner at the time landings were made during that qualifying period and if that intent is clear from this Council it may help in resolving some of the issues that have come up regarding partnerships. I don't know whether it can apply to the corporation problems that have come up or whether corporate law precedes our intent, but possibly it can help those people that I feel have been sort of left out of this process inappropriately if the Council clarifies that that's its intent, that the quota share go to the people who owned the vessel at the time landings were made.

Council member Bob Alverson: Mr. Chairman, there's a simplistic scenario I asked Phil (Smith, RAM Division) in regards to a three-way ownership and that's how most of the people I talked to are being told by his office how they're handling those concerns on partnerships and everybody I know of thinks that's the right way and that was the intent of the Council and I don't quite understand why Mr. Samuelson's having a problem even though his past partners claim they haven't changed the nature of their partnership, he's obviously out, I think that should be immaterial to his situation; he ought to be treated like the way other people are being treated down below and around on partnership issues. I think the corporate situation, you sell shares, you sell shares, it's a whole different ball game. I don't see how we can trace each shareholder around town, that was just a whole different. . .a corporation's a whole entity in itself, but I would agree with Linda on the partnership issue.

Chairman Rick Lauber: I'm glad you came up, Phil, . . .In listening to Mr. Samuelson yesterday, it appeared from his side that he had been almost like a corporate stockholder rather than a partnership and I thought maybe. . .some indication from you. . .have you had a chance to discuss this with him or do you have any comments you could give us on this as to how this is handled.

Phil Smith, RAM Division: Just a couple, Mr. Chairman, and thanks for asking. The answer to the first part of your question is yes, I've had a long conversation with both Mr. Samuelson and Mr. File and I think I understand the situations fairly clearly. I think I'd like to clarify for the record, however, that nobody has been denied anything at this point. Mr. Samuelson received an application in response to his request for application. On the face of that application it indicated that according to the recomputed data in the system he was not eligible, but he was also invited to make a claim which will be evaluated when it's submitted. The larger question of whether or not a partnership dissolves when one member leaves that partnership even though the partnership maintains its legal integrity with the partnership ID number as far as taxes are concerned and so forth, the remaining members, has been placed before General Counsel and there's two issues there. One of them is Mr. File's situation where the corporation continued on and the stock was sold, that issue also has been placed before General Counsel. The Division will, of course, perform according to the legal advice that we get as to what is most appropriate. I have a personal opinion, but I would prefer not to state that on the record pending clarification of some of the legal issues from General Counsel and no matter which way these come down, the aggrieved party I'm sure will be appealing within the RAM Division system and I would not be surprised if both of these issues at some point ended up before a District Court Judge. What we're trying to do is get the process started correctly and in order to do that, as I mentioned we've sought advice and pending that advice there's not too much more I can say except that I understand the issues.

Behnken: I guess I'm still a little unclear. In our regs a dissolved partnership is handled where all three, or all two, whatever, involved have claim to their percentage of that partnership in terms of history or translate into quota share history and is the fact that that's not the case, if the partnership still exists, you're

saying is something you think possibly stipulated by law the Council has no control over, or just that we didn't put it in our regs therefore that's the way it is.

Smith: The question centers. . .if you and I had a partnership and we split it up and took our different directions, then clearly that partnership would have been dissolved and clearly both of us would have been successors-in-interest to that partnership. The question I think raised by the situation that was presented to the Council yesterday is where you had a multiple-member partnership that was legally put together, has a partnership ID and filed partnership taxes on an annual basis, one member of the multiple-member partnership was bought out by the other members and the partnership's legal identity did not change as far as the documents are concerned except that one partner is no longer a partner and one argument that can be made is that it's no different than a stock buy-out if this were a corporation. And it's one of these things where, as I say, I have an opinion which is no more instructed than probably anybody else's around the table. I think I understand Council intent, but as I mentioned, this may well end up in front of a District Court judge and I would like the agency's position to be to the extent that initiate it by denying one or the other, I would like that to be as defensible as possible which is why I put the question to General Counsel for some guidance.

Behnken: I guess I would just restate and if I need to, in way of a motion, that if the Council can have any effect over the way this shakes out, I believe Council intent is that whether or not that partnership is changed or still in existence, corporations, individuals, that the person who owned the vessel when they were making those landings during that qualifying period is the person who should receive the quota share and I would move that.

Lauber: This is just to clarify the issue. . .any further discussion?

?: Repeat the motion:

Behnken: To clarify that Council intent is the quota share accrue to the person who owned the vessel, except where a qualified lease existed, during the qualifying period, whether it be a partnership, corporation or individual.

[The motion was seconded and subsequently carried without objection.]

**REPORT TO THE NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
ON THE USE OF HIRED SKIPPERS IN THE HALIBUT/SABLEFISH
INDIVIDUAL FISHING QUOTA (IFQ) FISHERIES**

Restricted Access Management
NMFS/Alaska Region - September 1998

Background

At its meeting in Dutch Harbor (June 1998), the Council requested a brief Report on the incidence of "hired skippers" in the halibut/sablefish Individual Fishing Quota (IFQ) program during the 1998 season, as compared with earlier seasons.

This inquiry was prompted by an apparent concern that the ownership "loophole" that allowed a QS holder to acquire a nominal ownership interest in a vessel was not completely closed by the Council when it decided last year that a QS holder must demonstrate a vessel ownership interest of at least 20% before NMFS/RAM would issue an IFQ landing card to a person other than the named QS/IFQ holder.

At the outset, it is important to note that the regulation that will result from the Council's September 1997 action **has not yet been published in the Federal Register**. In fact, as of this writing, the **Proposed Rule has not yet been published**. Therefore, there is still **no regulatory requirement** that QS holders be held to the Council's intended requirements. Nevertheless, RAM (through a "Special Notice" to the IFQ fleet published in January, and in subsequent discussions with QS holders) has made it clear that the Council's intent **would be implemented**, probably during the 1998 season; accordingly, it is fair to say that the Council's intent has, with few exceptions, been followed, even absent the requisite Regulatory requirement.

To prepare this information, the Restricted Access Management (RAM) Program of the Alaska Region of NMFS reviewed the file(s) of every Quota Share (QS) holder who had retained the services of a skipper to fish his/her catcher vessel (Category B, C, and D) Individual Fishing Quota (IFQ) during the 1998 season. The data displayed herein are current through August 1, 1998 (a period of time that is roughly comparable to the 1997 data presented to the Council last fall).

Discussion

As the table below shows, it appears that the Council intent to constrain QS holders who hold less than a 20% ownership interest in a vessel from hiring skippers appears is being followed, even though (as noted above) the regulation to implement that intent has not been published. The numbers of vessels upon which hired skippers received cards to fish, and in which QS holders demonstrated less than 20% ownership, has declined over the last few years from 97 to 84 to 36 (in 1996, 1997, and 1998 respectively). Overall, this represents a decline of 62.5% (from 1996) and 42.8% (from 1997).

**PERCENT OF VESSEL OWNERSHIP DEMONSTRATED
BY QS HOLDERS FOR PURPOSES OF HIRING SKIPPERS
1996, 1997 (through July 23) and 1998 (through August 1)**

Percent of Vessel Ownership Interest	1996 Vessels (Entire Season)	1997 Vessels (as of July 23)	1998 Vessels (as of August 1)
< 5%	87	70	46
5 - 19%	10	14	2
Subtotal of < 20%	97	84	48
20 - 48%	16	19	35
49 - 50%	24	39	16
51 - 100%	100	186	176
Total Vessels	237	328	275

Notes to Table:

1. There were 245 unique QS holders who, in 1998 (through 8/1), retained skippers to fish their IFQ; 19 of those QS holders held an ownership interest in, and designated skippers to operate, more than one vessel.
2. 1996 and 1997 data are derived from the EA/RIR prepared in support of the Regulatory Amendment.

Although these data show some compliance with Council intent is occurring, we note that the compliance is voluntary - absent a regulation, RAM lacks authority to deny an otherwise eligible QS holder the privilege of hiring a skipper upon a showing of any level of ownership interest.

It would seem, therefore, that a more reliable index of the numbers of QS holders hiring skippers under the "20% ownership requirement" may be obtained at the end of next year's season (1999), during which the regulation is expected to be in full force and effect.

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.

Summary of IFQ/CDQ Fee Collection Committee Meeting

May 19, 1998

In April 1998 the Council established an industry Committee to provide input to NMFS regarding development of the IFQ/CDQ fee program (cost recovery program) mandated by the Magnuson-Stevens Act. While this is a Secretarial program, and requires no formal Council action, NMFS is keeping the Council closely involved in its development through regular updates to the Council and now through the Council's IFQ/CDQ Fee Committee. This committee will address details for both the IFQ and CDQ aspects of the cost recovery program. The Council also has a separate CDQ Implementation Committee, which is dedicated to resolving implementation details of the multi-species CDQ program slated for 1998 implementation. The Fee Committee met on May 19, 1998 in Juneau - the following is a list of attendees and summary of that meeting.

Committee members: Kevin O'Leary (Chair - NPFMC/KVOA), Joe Kyle (NPFMC/APIICDA), Gerry Merrigan (PVOA), Krys Norosz (Icicle Seafoods), Bob Alverson (FVOA), John Sevier (Sitka Sound Seafoods), Paul Peyton (BBEDC)

NMFS staff: Joe Terry, Kim Rivera, Shawn Carey, Jessie Gharrett, Jay Ginter

Other: Chris Oliver (NPFMC), John McNair (ADF&G), Elaine Dinneford (CFEC), Vince O'Shea (USCG), Heather Gilroy (IPHC), Rick Lauber (NPFMC)

Determination of Exvessel Value

The majority of this initial meeting was devoted to this issue - how the annual fees will be established/collected, and the use of actual vs standard prices upon which to base the fee. While NMFS' initial preference was to base the fee on standardized exvessel prices for each species, the current NMFS position (supported by the Committee) is to pursue the use of actual exvessel prices where possible, and assign a standard price where necessary (for example, where there is no actual sales transaction, such as at-sea processing).

The Committee discussed the difficulties with determining actual prices at time of landing, due to post-season settlements or 'in-kind', non-monetary compensations. The resolution is to try and structure the program such that registered buyers would report in September the aggregate number of pounds bought by species and the amount paid. NMFS would use this information to calculate standard exvessel prices from the industry reported actual prices paid. On an annual basis, registered buyers would submit collected fees (from March through September), based on the total actual amount they paid for fish. If actual exvessel transactions did not occur, the registered buyer would use NMFS' standard prices, based on that year's current prices. Registered buyers would also be responsible for paying fees on 'retros', or post-season adjustments. These payments would be submitted along with the annual fee return payment.

As noted above, the registered buyers would be the collectors of the fee and would be responsible for payment to NMFS, and reporting of the price information. Timing of this reporting is not

finalized, though the Committee suggested such reports would be made from March 15 through September 30, with final report due by October 20 - post-season adjustment reports would come later. NMFS has proposed that, while the registered buyer would collect the fee at the time of the landing, the buyer would be provided adequate time to complete the fee return and submit, with payment, by the end of the year or by January 31 of the following year. The following additional issues were identified by the Committee as important considerations in the establishment of the exvessel values:

*NMFS would use the net weight pounds of halibut and the round weight pounds of sablefish, as reported on the IFQ landing report, as the fee basis.

* Standardized prices should reflect regional/geographic differences, and would essentially reflect a weighted average of the prices experienced over the season, in each major regional landings port.

*IFQ holders who act as their own registered buyer would be responsible for the fee, unless there is another registered buyer involved in an actual sales transaction. If, for example, a fisherman delivered to a Canadian buyer, that fisherman would be the responsible 'registered buyer'.

* The analyses prepared by NMFS should attempt to quantify how much of the IFQ fish will fall into each category - for example, how much will likely be covered by actual prices, how much be standard prices, how much remains unresolved until year's end (how much of the total IFQ harvest will be subject to post-season adjustments), etc.

The Committee had further discussions regarding exvessel value determinations for the CDQ portion of the fee program. Because of the additional species involved, the treatment may not necessarily be the same as for the IFQ fisheries which are limited to sablefish and halibut. To the extent possible the CDQ fees would also be based on actual prices, though it is recognized that there will be more reliance on standardized prices for the CDQ fisheries. Actual transaction prices are unavailable, or of very limited use, for some species. One suggestion was to use the State of Alaska standards as used for the landings tax (or 80% of that number) as a basis, and adjust the price as appropriate at year's end when relevant price information may be available. The issue of using royalties as the fee basis (instead of exvessel value) was also raised, but discussions among the Committee and staff indicated that such an approach was unlikely to be viable.

General CDO Issues

In addition to the above, some general themes became apparent in regard to the CDQ portion of this program. In essence, the CDQ cost deductions allowed by the Act may equal or exceed the fees collected on CDQ landings. This is not definitively established yet, and will depend on further resolution of exactly which costs are deductible, and which agency expenses are attributable to the CDQ portion of the program. Future price variability and other uncertainties will also affect whether or not the CDQ cost recovery is 'a wash'. It was also raised that a 3% fee could make some groundfish or crab fisheries economically unviable to the CDQ groups, and therefore those fisheries may not take place. Further discussion of these issues is expected at the next Committee/staff meeting.

IFQ COST RECOVERY FEE COLLECTION COMMITTEE

Option II Discussion

By means of a conference call, on July 24th, the Committee met to discuss various options for implementing the IFQ cost recovery program.

During the meeting, a request was made to analyze the use of actual ex-vessel prices with Option II. This would require each IFQ permit holder to state actual value received for all landings for which there was a transaction at the ex-vessel level as defined for Option I. It was also suggested that processors supply to NMFS a summary of a fisherman's landings and value received to be used as verification of the fee return. The Committee requested NMFS to "re-examine the possibility of using actual prices to the extent possible" under Option II.

The following analysis addresses this request. This review will be submitted to the Committee for use at its next meeting (August 12th). It is intended to help the Committee finalize its recommendations and concerns with respect to the options being discussed for the cost recovery fee collection program.

By late August, it is anticipated the Committee's recommendations and concerns will be documented by Council staff and submitted to NMFS for consideration as it rapidly moves forward in developing the program's proposed rule for public comment.

Strengths of Option II using actual prices:

- Most IFQ permit holders will pay the annual fee based on the amount they receive for the pounds of IFQ halibut and sablefish they land.

Weaknesses of Option II using actual value.

- NMFS's management costs would grow significantly in order to verify value received by over 4000 IFQ permit holders.
- Verifying value of and auditing large numbers of fee returns is significantly problematic and would increase potential for system error.
- NMFS will use non-issuance of the following season's IFQ permits as a payment compliance measure. However, there will not be enough time to verify the value on the number of fee returns received in order to get IFQ permits issued in time for the IFQ seasons. Therefore, the effectiveness of this compliance measure would be decreased substantially.

- The reports generated by registered buyers will base value on pounds from fish ticket entries. These weights often do not reflect the Official IFQ Management Weight as collected by NMFS IFQ landing reports. This difference will add to the administrative burden of processing fee returns.
- When registered buyers land fish that is not sold, there is no value to report. These pounds, as well as many other landings for which no ex-vessel transaction occurs, will require the use of **average actual prices** (improved standard ex-vessel prices) to establish prices, similar to fee collection under Option I. It would be difficult to process the number of fee returns with different methods of landings valuation.
- Under a self-reporting fee collection system (with minimal auditing), the incentive to understate actual value is increased. This would lead to a decrease in revenue collected and a payment disparity between those who report their ex-vessel value accurately and those who under-report.

Conclusion:

After thorough consideration, we maintain that Option II remains operationally viable only when the system is based on use of average actual prices.

Subsequently, a series of subtle but significant changes to Option II are suggested. These changes are in response to the Committee's specific objective of improving proposed Option II with respect to the use of actual versus average actual prices. The modifications proposed by NMFS are directed at ensuring that the average actual prices would accurately reflect the prices received by fishermen.

Under the original version of Option II, fees would be submitted by each IFQ permit holder based on pounds landed. NMFS proposed this fee collection option using standard ex-vessel prices to place a value on landed pounds. This approach was taken in an attempt to simplify the fee collection process. This approach would be improved by collecting more detailed price and landings data. Specifically, the resulting average actual prices would be established using current year's pricing information, by port or port group, and by season. Furthermore, there would also be after season adjustments to the average actual prices to reflect the actual prices for the fourth quarter and post season price adjustments. We are confident that these average actual prices will closely reflect the prices received by fishermen and subsequently improve Option II's viability.

Summary of 2nd IFQ Fee Collection Committee Report

July 10, 1998

The Committee met for the second time to provide input to NMFS regarding the fee collection (cost recovery) program being developed by NMFS. Following is a list of attendees and summary of that meeting which took place in Juneau on July 10.

Committee members: Kevin O'Leary (Chair - NPFMC/KVOA), Kris Norosz (Icicle Seafoods), Bob Alverson (FVOA), John Sevier (Sitka Sound Seafoods), Paul Peyton (BBEDC)

NMFS staff: Joe Terry, Kim Rivera, John Sproul, Shawn Carey, Jessie Gharrett, Phil Smith, Sally Bibb, Sue Salvesson

Other: Chris Oliver (NPFMC), Earl Krygier (ADF&G), Heather Gilroy (IPHC)

Bifurcation of CDQ fee program

NMFS has bifurcated development of the CDQ fee collection program from the IFQ fee collection program, primarily in order to focus efforts on the IFQ portion for potential implementation in 1999. The Committee discussed this bifurcation, and noted their support for expeditious implementation of the IFQ fee collection, but expressed their concern that (1) all sectors should expect to pay the necessary fees eventually, and (2) that NMFS should examine the potential for collecting at least the CDQ fees for halibut and sablefish in 1999. While the Committee recognizes the difficulties associated with the multi-species program (and the difficulties associated with determining CDQ deductions) they recommend that NMFS explore the possibility of including halibut and sablefish CDQ fisheries in the initial fee collection program. The remainder of the Committee's discussion focussed on the IFQ aspect of the program.

Setting the annual fee percentage

NMFS staff reviewed for the Committee the revised process for setting the annual fee percentage, which has now incorporated recommendations from the previous Committee meeting. Included in this will be an annual review process through the Committee and the Council, including review of cost budgets from NMFS and other agencies as appropriate (some State agency and IPHC costs may be covered by the fee). Actual prices will be used where possible, and standardized prices for others, including a process for incorporating post-landing payments. The Committee recommended supplemental payments the following year based on adjusted standard exvessel prices that reflect the post-landing price adjustments. The Committee recognized that seasonal price differences would be adequately reflected by across-year averaging, noting that standard prices would be established by species and major port.

Who is responsible for the fee?

While the fee is on the landings from IFQ permit holders, the 'status quo' option is that responsibility for collecting and submitting the fee will be on the registered buyers (processors). The Council, NMFS, and the Committee received correspondence requesting that this be reconsidered, and that perhaps the fee be collected directly from the QS/IFQ holder. There are pros and cons associated with both, including administrative considerations, cost considerations, impacts to small entities, and potential delinquency considerations. NMFS default position (to collect from registered buyers) was predicated on consideration of these factors. An additional consideration is that such a collection method would require the use of standardized prices across the board, and the industry has so far been largely opposed to the use of standardized prices unless absolutely necessary. However, a key difference between standardized prices as currently proposed by NMFS and the standardized prices used with the Research Plan is that the standardized prices would now be based on current year-to-date actual prices, rather than the prior year's price information. This method would effectively establish standards that more closely mirror actual prices.

A follow-up question would be whether to impose the fee on IFQ holdings, or on actual landings. The Committee recommends that NMFS explore this issue through NOAA GC, as well as to make a general inquiry to NOAA GC regarding all other proposed provisions of the fee collection plan (one specific additional issue relates to collection of fees vs promulgation of regulations - i.e., can fees be based on IFQ held at the end of that year?).

Whether to collect the fee from the registered buyers or the IFQ holder is a critical question and will affect many of the other provisions of the fee collection program. NMFS will ultimately decide this issue, and it must be decided by early this fall. **The Committee has scheduled a teleconference for Friday, July 24 at 3:00 pm (Alaska time) to further discuss this issue and see if the Committee can come to a consensus for NMFS' consideration. Please call into the conference line (907-271-2896) at 3:00 pm.** A related point of Committee discussion is whether registered buyers (assuming this course of action) could be allowed to make pre-payments of the fee. NMFS has been requested to look into this option.

Budgets and cost estimates

Preliminary cost figures were provided by NMFS for the IFQ portion of the program - these are primarily costs associated with the NMFS RAM Division and Enforcement (though other agencies and divisions have relatively minor costs included). Recognizing that more refined cost estimates will be available later this year, and that additional review opportunities will be available to the Committee, the primary focus at this time was on process, rather than the actual cost figures. One point raised by the Committee was that the projected costs for Enforcement cover a very broad range at the moment and need to be refined considerably to allow an informed decision on the actual associated fee percentage. Consistent with previous Committee recommendations, the annual fee setting process will incorporate a review each fall by the Committee - the process for year one implementation may be slightly different time-wise, but will also incorporate Committee and Council input.

IFO/CDO Fee Committee Teleconference

August 12, 1998

Committee Members: Kevin O'Leary, Gerry Merrigan, Kris Norosz, Joe Kyle, Bob Alverson, John Sevier

Staff: Chris Oliver (NPFMC), John Sproul (NMFS), Joe Terry (NMFS), Shawn Carey (RAM), Heather Gilroy (IPHC), Jessie Gharrett (RAM), Elaine Dinneford (CFEC)

Other: Sherri Gross (HANA), Jeff Stephans (UFMA)

Subject: Primary purpose of this teleconference was to provide a recommendation to NMFS on the issue of whether to assess the fee on (1) registered buyers (processors), or (2) IFQ permit holders. Other issues were discussed as noted below.

Who pays the fee?

At our July 24 teleconference the Committee discussed this issue and recommended elimination of Option 3 which would have assessed the fee on QS holders. This still left two options as described above, each with associated pros and cons. At that time the Committee requested NMFS to give additional consideration to the use of actual prices (as opposed to standard prices) under Option 2, which would assess the fee on IFQ permit holders. Attached is a discussion of this issue provided by NMFS, and summarized for the Committee at this teleconference. In summary, NMFS has proposed a revised approach which would still utilize a standard price (termed 'average actual price'), though it would collect more seasonally and geographically detailed price and landings data. Average actual prices would also take into account post season adjustments when appropriate. The net effect is a revised standard price that should more closely reflect actual prices paid to each fisherman.

Nevertheless, Committee members still feel that the use of actual prices paid to individual fishermen, whenever possible, should be a priority. Recognizing that Option 1 (processors would collect and pay the fee) also relies on standard prices to some extent, and taking into account the other pros and cons, the Committee is divided in terms of a recommendation to NMFS - three members prefer Option 1 and three members prefer Option 2 (1 absent). At least one member still feels that actual prices could be used under Option 2, and that the administrative and auditing requirements expressed by NMFS were largely unnecessary.

In essence, processor representatives expressed reluctance to be burdened with the administrative, and potentially legal, liabilities associated with Option 1. Other members feel that Option 2 may be inequitable in the sense that some individuals will actually pay more than 3% (and some less than 3%) if standard prices are used. The Committee recognized that NMFS will make a decision on which Option to use, taking into account the issues raised during Committee discussions, and that individuals may provide input to NMFS on that decision during the Proposed Rule comment period.

Other Issues

While the Committee recognizes that bifurcation of the CDQ fee program for multi-species is necessary, the Committee still urges that the fee be assessed on halibut and sablefish CDQ fisheries (or at least on halibut) simultaneously with the IFQ fee assessments. Potential foregone revenues by not including those in the first year are estimated to be approximately \$127,000 ('ballpark' figure) as shown below:

Halibut (2,292,000 lbs @ \$1.20/lb X .03 = \$ 82,512)

Sablefish (742,590 lbs @ \$2.00/lb X .03 = \$ 44,555)

The multi-species groundfish and crab CDQ program could generate as much as another \$1.5 million in fees when implemented (again, that is a very rough estimate based on current quotas and exvessel prices). These estimates represent gross potential revenue and do not take into account allowable deductions.

The Committee still has not seen revised budget figures for agency costs, and specifically requests that projected enforcement costs be further refined, noting the potential interactions with the proposed weighmaster program. It is still understood by the Committee that we will have the opportunity to review and comment on the agency budgets and the associated fee percentage, both in the initial year and in subsequent years. For year one, this will likely occur after publication of the Proposed Rulemaking, sometime this fall. Because the Proposed Rule may not be published by early October, a progress report will likely be all that is available for Council comment at the October 1998 meeting in Seattle.

NMFS Budget Issues

A major goal of the next Committee meeting is a review of the NMFS budget projections of the costs that this program will attempt to recover. These include RAM Division cost estimates and Enforcement Division cost estimates for administering the IFQ program, and NMFS and State costs (including observers and enforcement) for administering the CDQ program. The Committee would like an opportunity to review, and comment on, the detailed breakdowns of each of these major cost categories. This budget review would also feed into the issue of cost deductions for the CDQ portion of the program, and ultimately help determine the feasibility of the CDQ cost recovery program.

The Committee also discussed the desire to stay involved in the annual budget and fee percentage setting process, much as the OAC would have done under the Research Plan. While the IFQ/CDQ fee program is a Secretarial program, and does not include a formal review role for the Council, NMFS staff advised the Committee that such a process was acceptable to the agency. Under this scenario we would expect an annual review (likely each fall) by the Committee, a report to the Council (at the October meeting), and Council recommendations to the agency regarding budgets and fee percentages for the upcoming year.

Timing of Implementation

Several issues were discussed regarding timing of implementation. The major aspects are summarized as follows:

* Initial advice from NOAA GC is that a final rule must be in place before fees can be assessed; therefore, for fees to be assessed on 1999 landings, a rule must be in place by March of 1999 (for the IFQ fisheries). NMFS staff advised that this is still possible, but would be tight.

* Mid-year implementation is not likely a viable option, due to fairness issues - only fishermen making landings after the rule is promulgated would be subject to the fee in this instance.

* It may be necessary to bifurcate the CDQ program from the IFQ program in order to get the IFQ portion implemented in time for the 1999 fisheries.

* Council review and comment on the proposed rulemaking for this program could occur in October, or possibly in December of 1998.

* If in place for the 1999 fisheries, fees would be first collected by NMFS at the end of 1999, or the beginning of the year 2000.

* The North Pacific Loan Program will continue to require separate Congressional appropriation to remain functional in 1999.

*The next meeting of the Committee is tentatively scheduled for July 7, 1998 in Juneau. Primary focus of that meeting will be on NMFS budget review and related issues, including a review of cost estimates from the CDQ groups (related to allowable deductions), and reimbursement of State costs.

IFQ/CDQ Fee Committee Teleconference

July 24, 1998

Committee Members: Kevin O'Leary, Gerry Merrigan, Kris Norosz, Paul Peyton, Joe Kyle, Bob Alverson

Staff: Chris Oliver, Joe Terry, John Sproul, Shawn Carey, Heather Gilroy, Jessie Gharrett

Other: Jeff Stephans and other (unidentified) persons were on-line.

Subject: Recommendation to NMFS on whether to assess fee on (1) registered buyers (processors), (2) IFQ permit holders, or (3) QS holders.

As a follow-up from the July 10 meeting, the Committee requested this teleconference to see if they could reach consensus on a recommendation to NMFS on this issue. For this teleconference, NMFS staff presented revised comparisons of the three alternative approaches. Major discussion points are as follows:

* As currently envisioned, Option 2 or 3 would use standardized prices across the board, due to accounting and auditing difficulties to check individual transactions - use of actual prices would impose greater burden on fishermen and the agency.

* The Committee is not convinced that Option 2 or 3 must be limited to the use of standardized prices - they feel that NMFS should explore using actual prices under either of these options.

* Under Option 2 or 3, landings and price information still have to be collected from the registered buyers in order to derive standardized prices.

* The Committee has concern with Option 3, in that the fee would be imposed on QS holdings as opposed to actual landings - **the Committee consensus is to eliminate Option 3 from further consideration.**

* Option 2 may be acceptable alternative, if NMFS can re-examine the possibility of using actual prices to the extent possible - **the Committee consensus (6-1) is that the use of actual prices, wherever possible, should be an overriding goal in this program.**

* A new Option was suggested whereby the registered buyers (processors) would issue a summary report to the fishermen (summarizing transactions, prices, etc.), but the fishermen would be responsible for paying the associated fee. Processor representatives on the Committee have been tasked with further research on this alternative.

* The Committee requested one more meeting to address this issue, after allowing NMFS some time to consider the potential use of actual prices under Option 2. **The Committee will meet via teleconference again on Wednesday, August 12, at 2:00 pm Alaska time (3:00 pm Seattle time). Please call into the conference line (907-271-2896) at that time.** This will likely be the Committee's final opportunity to provide input on this specific aspect of the cost recovery program.

IFQ COST RECOVERY PROGRAM STATUS REPORT

by

John T. Sproul, NMFS - Alaska Region
Joe Terry, NMFS, Alaska Science Center
Shawn Carey, NMFS-RAM, Alaska Region

The Magnuson-Stevens Fisheries Conservation and Management Act (MSA) Public Law 94-265 as amended through October 11, 1996, establishes the federal authority and mandate for the Secretary of Commerce (Secretary) to establish an IFQ Cost Recovery Program. Section 304(d)(2)(A) of the MSA articulates the requirement that "the Secretary shall collect fees to recover the actual costs directly related to the management and enforcement of any individual fishing quota program." Section 304(d)(2)(B) of the MSA goes on to specify "such fees shall not exceed 3 percent of the ex-vessel value of fish harvested under any such program, and shall be collected at either the time of landing, filing of an landing report, or sale of such fish during a fishing season or in the last quarter of the calendar year in which the fish is harvested."

As a Secretary of Commerce initiative, the proposed IFQ Cost Recovery Program regulatory action is being prepared by the National Marine Fisheries Service. However, development of this program involved extensive discussions and reviews of NMFS proposed implementation options by the North Pacific Fishery Management Council's (Council) IFQ/CDQ Fee Collection Committee (Committee), Council staff and International Pacific Halibut Commission (IPHC) staff. The alternatives, elements and options being considered and the preferred alternative are presented in Appendix 1.

Regional Administrator Decision: Preferred Alternative

On August 26, 1998, the Regional Administrator identified the preferred alternative and options.

Two of the key elements of the preferred alternative are as follows:

1. The cost recovery program fees will be collected annually by IFQ permit holders and submitted annually to NMFS.
2. The IFQ landings of each permit holder and average actual (standard) ex-vessel prices by species, port group and landing period will be used in calculating the IFQ ex-vessel value and fee liability of each IFQ permit holder.

Proposed Rule Development

A proposed rule for the cost recovery program is currently being prepared by the NMFS and should be available for a 30 day public

comment period about the end of October 1998. At that time an Environmental Assessment, Regulatory Impact Review and Initial Regulatory Flexibility Analysis (EA/RIR/IRFA) will also be available for public consideration.

A final rule is expected to be in place by March 15, 1999; the start of next years IFQ fishing season off Alaska.

How We Got Here

On October 11, 1996, the MSA was amended including provisions for the establishment of fees by the Secretary of Commerce to recover actual direct costs related to the management and enforcement of any individual fishing quota program (MSA§304(d)(2)(A)(i)).

Although the MSA established the legislative mandate for the program, it did not articulate implementation details. Development of such details became a NMFS responsibility. Subsequently, NMFS-AK immediately established a core-group of staff members to begin identifying program implementation issues. These issues included the following; how soon the program could start, what representatives would provide the appropriate stakeholder input during conceptual design of the program as it relates to impacts on the public, what forum would best facilitate such input from those stakeholders, and what administrative and operational mechanisms would be established to enable a functioning program.

NMFS pursued a strategy of first preparing a draft proposal that would then be presented before a stakeholder review committee. The Council was determined to be an appropriate forum for stakeholder review during the program's conceptual design period. In 1997, priority of the IFQ/CDQ Cost Recovery Program competed with other regulatory mandates that were more time-sensitive in nature. However, by April 20, 1998 the Draft Proposal for an Alaska IFQ/CDQ Cost Recovery Program was completed and presented to the Council at its April meeting.

To assist in developing the cost recovery program, the Council established the IFQ/CDQ Fee Collection Committee (Committee). Seven individuals representing various stakeholder groups, including processors and fishers, are Committee members. In addition, agencies participants included NMFS, International Pacific Halibut Commission (IPHC), Alaska Department of Fish and Game (ADF&G), and the Alaska Commercial Fisheries Entry Commission (CFEC). The Committee meetings were open to the public and there was public participation at some of the meetings. This Committee met on May 19, July 10, July 24, and August 12 to review various issues associated with the cost recovery program. This Committee was the mechanism through which stakeholder comment was received by NMFS during the preliminary drafting of alternative implementation options.

During the course of these Committee meetings, a total of three options concerning who would collect the fees and submit them to the Department of Commerce and the basis of the fee liabilities were developed by NMFS and presented for consideration to the Committee. The fee collection and submission responsibility would be imposed on the registered buyer, the permit holder, or quota share holder, respectfully.

On May 19, 1998, NMFS presented the initial draft proposal (April 20 Draft) to the Committee. Option I included a fee liability imposed on registered buyers and was part of that proposal. It also proposed using standard prices based on the ex-vessel value of the previous year's IFQ/CDQ landings. Standard prices would be determined by NMFS from actual landing and price data submitted by registered buyers. (The IFQ Registered Buyer's Report is a new federal record keeping requirement.) These standard prices would be by species, port group, and perhaps landing period and would be published annually by NMFS and used by registered buyers to determine the amount they would be required to withhold from fishers at the time IFQ/CDQ pounds were landed. The Committee generally disagreed with using such standard prices and encouraged NMFS to use actual prices wherever possible in determining fee liability values. However, the Committee acknowledge the potential use of standard prices and requested such standard prices take into account harvest seasonality and landing regionality.

Committee review of the revised NMFS proposal was scheduled for July 10, 1998.

Prior to the July scheduled Committee meeting, the Regional Administrator authorized separation of the cost recovery programs associated with the CDQ and IFQ fisheries. The Council was notified of this "bifurcation" in a letter from the Regional Administrator on June 2, 1998. At that time, the following reasons were cited for separating these two cost recovery programs.

1. Unresolved CDQ fee collection and revenue distribution issues would require more time than is available to meet a preferred target implementation date of early 1999.
2. Continued development of a CDQ fee program parallel to the development of an IFQ fee program may jeopardize NMFS' ability to collect IFQ fees for IFQ fish harvested in 1999.
3. Given CDQ fee deductions allowed by the MFCMA, it is very possible that no net CDQ fees would be collected for the CDQ fish harvested in 1999.

In June, the NMFS Option I proposal was revised to address some of the Committee's previous concerns as well as remove CDQ cost recovery issues from the IFQ program development process. The revised NMFS proposal was entitled "Revised Draft Proposal for an IFQ Cost Recovery Fee Program." Furthermore, prior to the July 10th Committee meeting, the NMFS introduced Option II and Option III.

On July 10, 1998, the Committee met in Juneau, Alaska and reviewed Options I, II, and III.

Revised Option I developed an approach where actual prices were used when possible. Standard prices would be used when actual prices were not known at the time of landing. Standard prices were to be based on ex-vessel value of pounds landed during that same calendar year and options for accounting for post-season price adjustments were included. Post-season payments and price adjustments would be documented by registered buyers in their annually submitted Registered buyer report. The revised Option I mainly addressed changing the emphasis from standard prices to actual prices.

Option II presented an implementation scenario that imposed the fee liability on IFQ permit holders based on their IFQ landings and on standard ex-vessel prices. It also required registered buyers to annually submit Registered Buyer Annual Reports.

Option III presented an implementation scenario that imposed the fee liability on IFQ quota share holders based on the IFQs each QS holder was issued and the actual ex-vessel value of IFQ landings per pound of IFQ issued by IFQ area and species. Options I and II, this option established the requirement for registered buyers to annually submit Registered buyer reports.

Given the numerous changes in implementation options presented to the Committee on July 10, the meeting produced more questions than answers. To adequately generate guidance opinions on these new options, the Committee requested NMFS to respond back in a few weeks regarding several specific issues associated with the information presented. These requests included the following:

1. Ask Alaska Region General Counsel to review the alternative implementation Options I, II, III;
2. Consider feasibility to assess fees to CDQ halibut and sablefish fisheries within the framework of the IFQ fee system;
3. Provide expanded chart comparing attributes of each option under consideration;
4. Compare options for their impacts on small entities;
and

5. Consider possibility of pre-payment of fee liability.

NMFS agreed to respond to the Committee's questions in detail and a conference call meeting for July 24, 1998 was scheduled and organized by Council staff.

On July 24, 1998, the Committee met by means of a conference call to review and discuss materials prepared by NMFS in response to the issues raised by the Committee at its July 10th meeting. A summary of these responses is provided here. All three options were considered by NMFS General Counsel and viewed as being consistent with the MFCMA. NMFS also considered the practicality of accessing fees from the CDQ halibut fishery simultaneously with the IFQ cost recovery program but found reasons not to do so, as articulated in the Regional Administrator's June 2, 1998 letter to the Council. Materials were prepared by NMFS staff on the impact each presented option could impose on small entities and are elaborated upon in the EA/RIR associated with the upcoming proposed rule and available for public review.

By consensus, the Committee recommended that Option III be eliminated from further consideration.

The Committee went on to use the new information provide by NMFS staff to more closely debate Options I (fee liability on registered buyers) and Option II (fee liability on permit holders). The Committee agreed that the revised version of Option I was preferable to its previous iteration. This committee opinion was based on the fact that the more recent iteration used actual prices whenever possible rather than standard prices. In the same light, the Committee went on to consider Option II with interest and concern. Committee members were interested in a system that more directly linked NMFS management and enforcement cost recovery efforts with IFQ fishers. However, Committee members were concerned that throughout the year and for all landing ports, this proposed implementation option used standard prices rather than actual prices. As a result, the Committee requested NMFS to consider the use of actual prices in Option II as a means of more accurately reflecting price seasonality and regionality.

NMFS staff agreed to review the possibility of using actual ex-vessel prices with Option II and report back to Committee at the next meeting during which Committee members would vote on their preferred alternative implementation option. The next meeting for this review of a revised Option II and Committee vote was set for August 12, 1998 by means of a conference call.

On August 12, 1998, the Committee reconvened with six of its seven members present. Other participants included staff from the

Council, NMFS, and other participating agencies. NMFS staff presented the group with a documented review of strengths and weaknesses associated with potentially using actual prices under Option II.

For Option II, the NMFS review revealed there would be far more weaknesses than strengths with using actual prices. The one main advantage of actual prices was that most IFQ permit holders would pay the annual fee based on the amount they receive for the pounds of IFQ halibut and sablefish they land. However, drawbacks to using actual prices include the following:

1. NMFS management costs would grow significantly in order to verify value received by over 4000 IFQ permit holders.
2. Verifying value and auditing large numbers of fee returns is significantly problematic and would increase potential for system error.
3. NMFS will use non-issuance of the next season's IFQ permit as a payment compliance measure. Therefore, the NMFS will not have enough time to verify the value on the number of fee returns received in order to get IFQ permits issued in time for the IFQ seasons. As a result, the effectiveness of this compliance measure would be decreased substantially.
4. The reports generated by registered buyers will base value on pounds from fish ticket entries. These weights often do not reflect the Official IFQ Management Weight as collected by NMFS IFQ landing reports. This difference will add to the administrative burden of processing fee returns.
5. When registered buyers land fish that is not sold, there is no value to report. These pounds, as well as many other landings for which no ex-vessel transaction occurs, will require the use of average actual (standard) prices to establish ex-vessel values and fees, similar to fee collection under Option I for the same types of landings. Processing the number of fee returns with split methods of landings valuation would be difficult.
6. Under a self-reporting fee collection system (with minimal auditing), the incentive to understate actual value is increased, leading to a decrease in revenue collected and a payment disparity between those who report their ex-vessel value accurately and those who under-report.

The NMFS review concluded that Option II would not be operationally viable when the IFQ cost recovery program is based on actual prices. However, the NMFS review indicated that Option

II could be improve to more closely reflect actual prices by using improved standard prices based on seasonality and port-group landing areas. These revised standard prices were termed "average actual prices".

At the August 12, 1998 meeting, after reviewing and discussing NMFS recommendations, the Committee voted on their preferred alternatives; Option I and the revised Option II using average actual (standard) prices. The vote was split 3 to 3. One committee member was absent. In addition, all six committee members present recommended that the cost recovery program be extended at least to the CDQ halibut fishery.

After concluding this phase of the consultative process and after reviewing the information prepared by NMFS staff, the Regional Administrator identified the Preferred Alternative which includes Option II. Agency staff currently are writing the proposed rule and Environmental Assessment, /Regulatory Impact Review and Initial Regulatory Flexibility Analysis for the IFQ cost recovery program.

The proposed rule and analysis are scheduled to be available for public review and comment by late October.

APPENDIX 1:
IFQ COST RECOVERY PROGRAM ALTERNATIVES, ELEMENTS AND OPTIONS

The two alternatives being considered are defined below.

Alternative 1: Status quo: no cost recovery program would be implemented.

This alternative would require no action by NMFS.

Alternative 2: Implement a cost recovery program by revising pertinent regulations.

This alternative would implement a cost recovery program that is defined by a specific set of elements. Options were considered for many of the elements of the cost recovery program. The elements and the options considered are discussed below. Where options are considered, the preferred option is identified and typically it is presented first.

The appropriateness of a specific element or option is dependent on the other elements and options that are selected for a cost recovery program. A fully consistent set of elements was not developed for each option discussed below. Therefore, in some cases, the selection of other than the preferred option for an element would require that other elements be changed.

The following topics are addressed by the elements of the proposed IFQ cost recovery program.

1. Scope of cost recovery program
2. Program objectives
3. Identification of IFQ fishery
4. Annual determination of the fee percentage
5. Catch subject to IFQ fee
6. Calculating ex-vessel values of IFQ halibut and sablefish
7. Accounting for post-season ex-vessel price adjustments and other corrections to ex-vessel value
8. Ex-vessel value and landings reports
9. Recoverable program costs
10. Limited Access System Administration Fund (LASAF)

deposits and accounts

11. Treasury deposits for IFQ loan program and annual LASAF report by NMFS
12. IFQ fee collection and submission mechanisms and schedules
13. Compliance incentives
14. Dispute resolution process
15. Implementation date

With respect to who would be regulated under the IFQ cost recovery program and the basis of the fee liabilities, the elements and options discussed below can be combined into the following three options.

1. Preferred option. The fee collection responsibility resides with each permit holder, the fee would be based on IFQ pounds landed and average actual (standard) ex-vessel prices, and there is a new ex-vessel value report requirement for registered buyers.
2. The fee collection responsibility resides with each registered buyer, typically the fees would be based on the payments by registered buyers for IFQ landings, and there is a new ex-vessel value report requirement for registered buyers.
3. The fee collection responsibility resides with each IFQ quota share holder, the fees would be based on the IFQs each QS holder was issued and the actual ex-vessel value of IFQ landings per pound of IFQ issued by IFQ area and species, and there is a new ex-vessel value report requirement for registered buyers.

Elements and Options for Alternative 2

1. Scope of cost Recovery Program

Four options were considered, they are initially to implement the cost recovery program(s) for:

1. the IFQ program (preferred option);
2. the IFQ program and the halibut CDQ program;
3. the IFQ program and the halibut and sablefish CDQ programs; and

4. the IFQ program and the multi-species CDQ program, including BSAI halibut, groundfish and crab.

2. Program Objectives

The objectives of the IFQ cost recovery fee program are:

1. to meet the MFCMA requirements to implement a program to recover the management and enforcement costs of the IFQ program;
2. to do so in a manner that is equitable, effective, and efficient; and
3. to avoid delays in implementing the program.

3. Process to Establish Annual Fee Percentage

a. Identification of IFQ fishery

For the purposes of establishing the fee percentage and separate accounts in the Limited Access System Administration Fund (LASAF), the halibut and sablefish IFQ fishery would be defined as one IFQ fishery.

b. Annual determination of the fee percentage

NMFS would set the fee percentage in regulations equal to three percent (3%) and annually determine if the fee percentage would be changed. The initial fee percentage and any subsequent changes would be based on projections of the following:

1. the catch subject to the IFQ fee;
2. the ex-vessel value of that catch;
3. the costs directly related to the management and enforcement of the IFQ program;
4. the IFQ program balance in the LASAF; and
5. nonpayment of fee liabilities.

After consulting with the Council concerning those projections, NMFS would publish the fee percentage and the projections on which it is based in the Federal Register.

The fee percentage for the IFQ fishery would be set equal to which ever is less, the fee percentage calculated using the following equation or 3 percent.

$$\text{Fee percentage} = [100 \times (\text{DPC} - \text{AB}) / \text{V}] / (1 - \text{NPR})$$

where DPC is the projection of the direct program costs for the IFQ fishery for the coming year, AB is the projected end of the year LASAF account balance for the IFQ program, V is the projected ex-vessel value of the catch subject to the IFQ fee for the coming year, and NPR is the fraction of fee assessments that are expected to result in nonpayment.

c. Catch subject to IFQ fee

The following options were considered:

1. All halibut and sablefish IFQ landings would be subject to the fee (preferred option).
2. All halibut and sablefish IFQ catch, including landings and discards, would be subject to the fee.
3. All halibut and sablefish IFQ landings and all associated groundfish landings would be subject to the fee.

With Option 1, the IFQ fees would be based on the ex-vessel value of the retained catch of the IFQ species harvested under a Federal IFQ program whether the catch is taken in the EEZ or State waters. And, for each IFQ species, the fee would be the product of the fee percentage and the ex-vessel value of the IFQ landings.

d. Calculating ex-vessel values of IFQ halibut and sablefish

Three options were considered; they are as follows:

1. Ex-vessel value is the product of the IFQ landings and average actual price by species, port group and landing period for that year (preferred option).
2. Ex-vessel value is the product of the IFQ landings and standard price by species, port group and landing period, where the standard prices are based on average actual prices for the previous year and projected changes in actual prices.
3. When ex-vessel transactions occur, the ex-vessel value is the amount fishermen receive from registered buyers, including any post-season adjustments.

For each of the options, "ex-vessel value" would be defined to exclude value added by processing. Net weights and round weight equivalents, respectively, and the corresponding ex-vessel prices

for halibut and for sablefish would be used to calculate ex-vessel value.

The port groups and landing periods to be used in establishing the average ex-vessel prices would be established initially and changed annually, if necessary. The following two objectives would be used in determining the groups and periods.

1. Ensure that the difference between the price for an individual port and landing month and the price of the port group and landing period they are grouped into does not exceed 10 percent.
2. Include at least three registered buyers and three permit holders in each port group and landing period.

The latter objective is to maintain confidentiality with respect to average actual prices when there is a small number of registered buyers or permit holders. The latter objective will take precedence if both objectives cannot be met. Information provided by registered buyers in the annual ex-vessel and landings report would be used to determine the port groups and landing periods.

- e. Accounting for post-season ex-vessel price adjustments and other corrections to ex-vessel value

Four options were considered. They are defined below in terms of 1998 and 1999 IFQ landings to simplify the explanation of each option. With each option, the average actual ex-vessel prices established in late 1999 would be the basis of fee payments due by January 31, 2000 for 1999 IFQ landings.

1. Use January - September 1999 landings and ex-vessel value data to establish average actual prices for 1999 and have a supplemental fee payment due January 31, 2001 based on adjusted average actual prices for 1999 that would be calculated using data on the following:
a) actual post-season payments made in 2000 for 1999 landings and b) average actual prices for October - December 1999 (preferred option).
2. Use January - September 1999 landings and ex-vessel value data to calculate the average actual ex-vessel prices for 1999 and ignore subsequent post-season payments for landings in 1999.
3. Use January - September 1999 landings and ex-vessel value data and an estimate of what later post-season price adjustments will be for 1999 landings to calculate the average actual ex-vessel prices for 1999.

4. Use January - September 1999 landings and ex-vessel value data and data on 1999 post-season price adjustments for 1998 landings to calculate the average actual ex-vessel prices for 1999.

f. Ex-vessel value and landings reports

Each registered buyer who purchases IFQ halibut or sablefish from an IFQ permit holder would be required to submit a report to NMFS. The report would be submitted by October 15 each year and contain the following information:

1. January - September IFQ landings and ex-vessel value data for the current year by species and landing period;
2. October - December IFQ landings and ex-vessel value data for the previous year by species;
3. post-season payments not reported in previous annual ex-vessel value and landings reports.

The ex-vessel value data in item 1 would include post-season adjustments made for the landings reported for January - September of the current year. These reports would provide the data used to estimate average actual prices. The feasibility of requiring electronic reporting of these data will be evaluated.

g. Recoverable program costs

The recoverable costs for the IFQ program include Federal management and enforcement costs that would not occur in the absence of the IFQ program. They would not include either Federal overhead costs or stock assessment and observer program costs that would occur in the absence of the IFQ program.

The NMFS projections of recoverable costs and of the other variables that are used in determining the annual fee percentage would be available for review and comment by the Council, participants in the IFQ fisheries, and other interested parties prior to being used to establish or change the IFQ fee percentage. Further, the actual recoverable costs of the IFQ program for each calendar year would be included in an annual report by NMFS referred to below.

4. LASAF: System for Deposits and Disbursements

a. LASAF deposits and accounts

LASAF deposits: With the exception of the IFQ fees that are deposited in the Treasury and available to cover the costs of the new IFQ loan obligations and loan guarantee program, all IFQ fees

would be deposited in the Limited Access System Administration Fund (LASAF).

LASAF accounts: Within the common LASAF, separate accounts would be created to ensure that: 1) the funds from the IFQ fishery are used only to pay for the direct management and enforcement costs of the IFQ program and 2) the funds from the permit registration and transfer fees are used only to pay for the cost of administering the central registry system.

b. Treasury deposits for IFQ loan program and annual LASAF report by NMFS

The percent of the IFQ fees, up to the 25 percent limit, to be deposited in the Treasury for the IFQ loan obligations and loan guarantee program would be determined annually by the Secretary based both on the IFQ fees actually collected and on an estimate of the funds required for the loan program that year. Given that the fees for one year would be submitted to the Department of Commerce (DOC) by January 31 of the following year, the Secretary would be expected to make the annual determination by March 1. At that time, an annual report would be issued by NMFS. It would provide information concerning the amount of the fees received by DOC, the disposition of those fees, the status of the IFQ account in the LASAF, and the IFQ program costs for the previous calendar year.

c. IFQ fee collection and submission mechanisms and schedules

The following three fee collection and submission options were considered.

1. The fees would be collected from fishermen by the registered buyers at the time of the sale of the fish to the registered buyer and the collected fees would be submitted by the registered buyers to DOC by January 31 of the following year. When an ex-vessel transaction occurs between the registered buyer and fisherman, the fee would be based on the actual payment to the fisherman. However, when such transactions do not occur, average actual (i.e., standard) prices and the IFQ weight of the landed fish would be used to calculate ex-vessel value.
2. The fees would be collected by the IFQ permit holders for NMFS in the last quarter of the calendar year in which the fish is harvested and submitted by the IFQ permit holders to DOC by January 31 of the following year (preferred option). The fee liability of an IFQ permit holder would be based on the fee percentage, average actual prices by port group and landing period,

and the IFQ landings of the permit holder.

3. The fees would be collected by the quota share (QS) holders for NMFS in the last quarter of the calendar year in which the fish is harvested and submitted by the QS holders to DOC by January 31 of the following year. The fees collected from each QS holder would be based on the IFQs issued for the QSs held by that person.

With each option, pre-payment of estimated fee liabilities would be permitted but not required.

With Option 2, NMFS would, by December 15, provide each permit holder with an estimate of that person's fee liability and the basis for the estimate. The following information would be used to estimate the fee liability:

1. the person's IFQ halibut and sablefish landings by landing period and port group for the current year through November 15;
2. average actual prices by species, landing period and port group for the current year;
3. adjustments to the average actual prices for the previous year based on average actual prices for October - December and on post-season price adjustments that were not included in the initial average actual prices for the previous year;
4. the person's IFQ halibut and sablefish landings by landing period and port group for the previous year; and
5. that person's IFQ halibut and sablefish landings by port group for November 15 - December 31 of the previous year.

With Option 3, NMFS would by December 15 of each year would:

1. Estimate the ex-vessel value by IFQ species and area;
2. Calculate the fee liability by IFQ species and area (fee percentage x ex-vessel value);
3. Calculate the fee liability per IFQ pound by species and area (fee liability/IFQ pounds issued that year);
4. Calculate the fee liability of each QS holder by IFQ species and area (IFQ fee liability per pound x IFQ pounds issued to the QS holder); and

5. Send each QS holder a bill for that persons IFQ fee liability.

d. Compliance incentives

The following incentives would be used to increase compliance with the fee submission requirements:

1. late payment charges and interest charges; and
2. requiring an adequate payment record to complete the annual application process to become a registered buyer, IFQ permit holder or QS holder or to transfer QS and IFQ, depending on the collection option used.

e. Dispute resolution process

If a permit holder disagrees with the fee liability estimate provided by NMFS, the permit holder would be required by January 31 to submit to the DOC full payment of the undisputed amount of the fee liability and submit to NMFS evidence in support of the person's claim that the NMFS estimate was incorrect. NMFS would review any disputed fee liability calculations and correct the calculations if an error had been made. If this does not resolve the dispute, the permit holder can file an appeal. NMFS would determine which if any of this person's IFQ permits would be issued or made transferable on an interim basis during the appeal process.

Late payment and interest charges would be applicable to any fee liability that had not been paid by January 31 and that the dispute resolution process determined to be valid.

5. Implementation Date

Three alternative implementation dates are considered. They are:

1. March 15, 1999;
2. later in 1999; and
3. January 1, 2000.

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U.S. Department
of Transportation



United States
Coast Guard

Commander
Seventeenth Coast Guard
District

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SEP 29 1998

16214

Mr. Richard Lauber
Chairman
North Pacific Fisheries Management Council
605 W. 4th Avenue, Suite 306
Anchorage, AK 99501-2252

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.

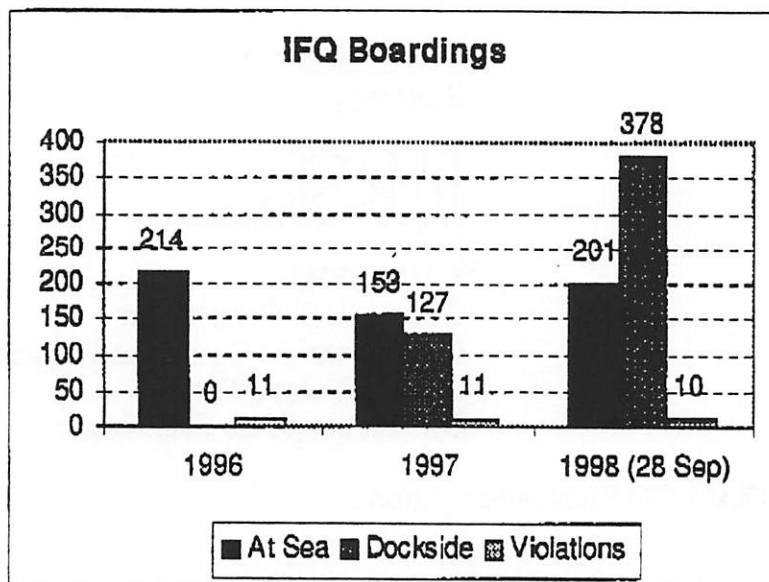
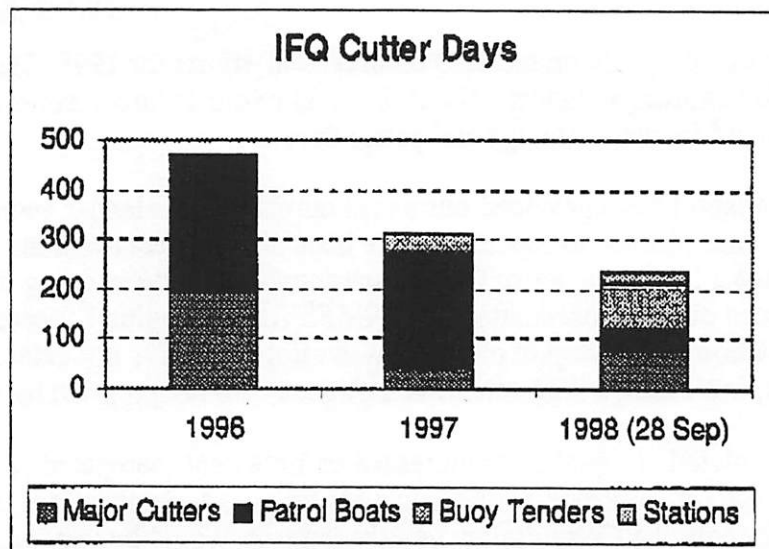
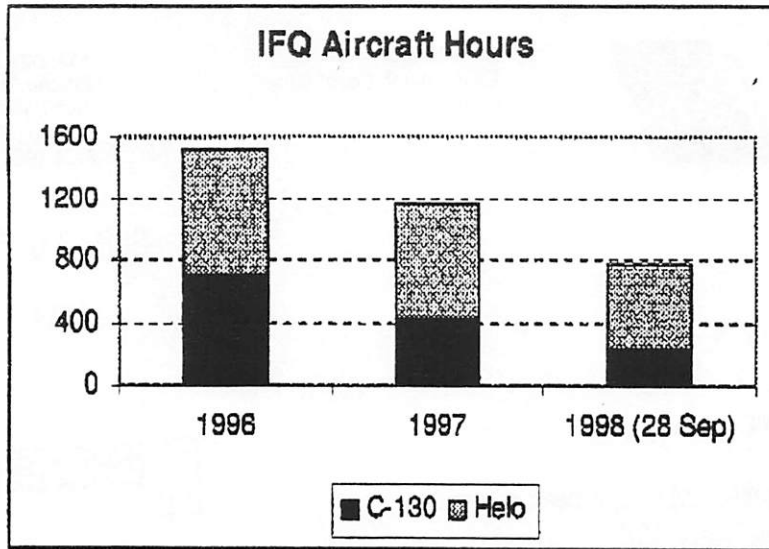
To facilitate comparison I have provided our patrol numbers for calendar years 1996, 1997, and year to date 1998. I am pleased to report we have been able to increase them in most categories from 1997. We have a large number of Coast Guard units assisting in doing dockside checks; this program has been 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. OSHEA
Captain, U.S. Coast Guard
Chief, Maritime Operations Plans and Policy Branch
17th Coast Guard District
By direction of the Commander

Encl: (1) Coast Guard IFQ Enforcement Efforts



9/2/98

DRAFT FOR PUBLIC REVIEW

**ENVIRONMENTAL ASSESSMENT/
REGULATORY IMPACT REVIEW/
INITIAL REGULATORY FLEXIBILITY ANALYSIS**

FOR

**PROPOSED AMENDMENT 54 TO THE
FISHERY MANAGEMENT PLAN FOR
THE GROUND FISH FISHERY OF
THE BERING SEA AND ALEUTIAN ISLANDS**

AND

**PROPOSED AMENDMENT 54 TO THE
FISHERY MANAGEMENT PLAN FOR
GROUND FISH OF THE GULF OF ALASKA**

prepared by

Staff
National Marine Fisheries Service

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EXECUTIVE SUMMARY

Proposed amendment 54 to the Fishery Management Plan of the Groundfish Fishery of the Bering Sea and Aleutian Islands and Amendment 54 to the Fishery Management Plan for Groundfish of the Gulf of Alaska (FMPs) would address several issues pertaining to the Individual Fishing Quota (IFQ) Program for fixed gear Pacific halibut and sablefish fisheries in and off Alaska. The three actions proposed for this plan amendment are:

(1) Revise FMP language to allow a QS holder's association to a vessel owner, through corporate or other collective ties, to substitute for the QS holder's vessel ownership *per se* for purposes of hiring a skipper to fish the QS holder's IFQ. The language of the FMPs and IFQ implementing regulations currently requires that a QS holder who wishes to hire a skipper must own the vessel on which the QS holder's IFQ are harvested. In cases where the QS holder is an individual who is a shareholder or partner in a corporation or partnership which owns a vessel, NMFS has allowed the individual QS holder to hire a skipper to fish his or her IFQ on the vessel owned by the corporation or partnership. Likewise, a corporation, partnership, association, or other entity holding QS has been allowed to hire a skipper to fish the collectively held QS on a vessel owned by an individual shareholder or partner in the collective entity holding the QS. Interpreted literally, the FMP language requires the person holding the QS to be the documented owner of the vessel. This document analyzes a proposal to revise the current FMP language and pertinent regulations to authorize a QS holder's indirect vessel ownership, through corporate or other collective ties, to serve as a substitute for direct vessel ownership *per se* for purposes of the IFQ Program's hired skipper provisions.

(2) Revise the definition of "a change in the corporation or partnership" in the FMPs to include language specific to estates. Estates are included under the definition of the term "Person" in the FMPs and 50 CFR 679.2 as "corporations, partnerships, associations, or other entities." The FMPs and IFQ implementing regulations require that upon any change in a corporation, partnership, or other entity that holds QS the QS transfer to a qualified individual. A "change" in a corporation, partnership, or other entity is defined as the addition of a shareholder or partner to the corporation, partnership, or collective entity. This definition is not applicable to estates, because estates are not collective entities which may acquire additional shareholders, partners, or members. Nevertheless, because an estate's QS would not automatically transfer to an heir once the estate is probated, the FMPs and IFQ regulations need to define the point at which estates must transfer their QS to a qualified individual. This analysis reviews a proposal to specify what constitutes "a change" for estates holding QS.

(3) Change sablefish use limits from percentages of the total number of QS units in the QS pool for each area to a specific number of QS units. In June 1996, the Council approved a regulatory amendment to increase the Bering Sea (Area 4) halibut use caps from 1/2 percent to the QS equivalents of 1 1/2 percent based on 1996 QS pools. This amendment also revised the halibut use limits to be expressed as a fixed number of QS units rather than as a percentage, in order to provide QS holders with a more stable reference for measuring their holdings against area use caps. Sablefish IFQ use limits are set in the FMPs. Consequently, the regulatory change to the halibut use limits could not at the same time change the calculation of sablefish use limits to a fixed number of QS units for consistency. This FMP amendment would effect that revision to calculate the sablefish in QS units based on the appropriate percentage of the 1996 QS pools. This change would standardize the application of use caps for both halibut and sablefish fisheries and would provide the same level of predictability for sablefish QS holdings as currently exists for halibut QS.

Alternatives

Action 1: Revise plan language to authorize indirect vessel ownership for hired skipper provisions.

Alternative 1: Status quo: require that the QS holder wishing to hire a skipper be the named owner of the vessel on USCG vessel documentation.

Alternative 2: Revise FMP language to allow QS holders wishing to hire skippers to establish indirect vessel ownership through ties to a corporation, partnership, association, or other entity.

Action 2: Include language appropriate to estates in the definition of a “change” in the corporation, partnership, association or other entity”

Alternative 1: Status quo: “a change in the corporation or partnership” will continue to be defined as the addition of a shareholder or partner.

Alternative 2: Revise the definition of “a change in the corporation, partnership, or other collective entity” to include language specific to estates.

Action 3: Proposal to express sablefish use limits as a specific number of QS units.

Alternative 1. Status quo: sablefish use limits will remain expressed as a percentage of the QS pool.

Alternative 2. Revise the methodology of calculating use caps for fixed gear sablefish from a percentage of the QS pools to a fixed number of QS units based on 1996 QS pool.

1. INTRODUCTION

The groundfish fisheries in the Exclusive Economic Zone (3 to 200 miles offshore) of the Gulf of Alaska, Bering Sea, and Aleutian Islands are managed under the FMPs. Both FMPs were developed by the Council under the Magnuson-Stevens Fishery Conservation and Management Act, P. L. 94-265, 16 U.S.C. 1801 (Magnuson-Stevens Act). The GOA FMP was approved by the Secretary of Commerce and became effective in 1978; the BSAI FMP became effective in 1982. The Individual Fishing Quota (IFQ) Program, a limited access management system for the fixed gear Pacific halibut and sablefish fisheries, was approved by NMFS in November 1993 and fully implemented beginning in March 1995. The sablefish IFQ Program is implemented by the FMPs and federal regulations under 50 CFR part 679, Fisheries of the Exclusive Economic Zone Off Alaska, under authority of the Magnuson-Stevens Act.

The Northern Pacific Halibut Act of 1982 (NPHA), P.L. 97-176, 16 U.S.C. 773 c (c) authorizes the regional fishery management councils having authority for the geographic area concerned to develop regulations governing the Pacific halibut catch in U.S. waters which are in addition to but not in conflict with regulations of the International Pacific Halibut Commission. The halibut IFQ program is implemented by federal regulations under 50 CFR part 679, Fisheries of the Exclusive Economic Zone Off Alaska, under authority of the Magnuson-Stevens Act and the NPHA.

The Magnuson-Stevens Act authorizes the Council to recommend to NMFS changes to the IFQ Program as necessary to conserve and manage the fixed gear Pacific halibut and sablefish fisheries.

The National Environmental Policy Act (NEPA), Executive Order (E.O.) 12866, and the Regulatory Flexibility Act (RFA) require a description of the purpose and need for the proposed action as well as a description of alternative actions which may address the problem. Section 2 contains information on the biological and environmental impacts of the alternatives as required by NEPA. Impacts on endangered species and marine mammals are addressed in this section. Section 3 contains a Regulatory Impact Review (RIR) which addresses the requirements of both E.O. 12866 and the RFA that economic impacts of the alternatives be considered.

This document is the draft Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis (EA/RIR/IRFA) for proposed changes in the sablefish IFQ Program, through Amendment 54 to the Bering Sea/Aleutian Islands (BSAI) Groundfish FMP and Amendment 54 to the Gulf of Alaska (GOA) Groundfish FMP. Concomitant changes to the halibut IFQ program would be implemented through a regulatory amendment to 50 CFR part 679, Fisheries of the Exclusive Economic Zone Off Alaska, under authority of the Magnuson-Stevens Act.

1.1 Action 1: Corporate association and vessel ownership in the IFQ hired skipper provisions

1.1.1 Purpose of and need for the action

An exception to the owner-onboard provision allows initial recipients and all non-individual holders of B, C, or D category QS to employ hired skippers to fish their IFQ provided that the QS holder owns the vessel on which the IFQ species are being fished. This exception was created to allow fishermen who had operated their fishing businesses in this manner before the IFQ Program was implemented to have some flexibility to continue operating this way under the IFQ Program. While the IFQ Program prohibits leasing of IFQ derived from B, C, or D category IFQ, this exception allows initial recipients of QS to remain ashore while having their IFQ harvested by a hired skipper. By limiting this exception to initial recipients, the Council designed the hired skipper provision to expire with the eventual transfer of all QS out of the possession of initial recipients.

Likewise, a non-individual QS holder such as a corporation or partnership must designate a hired skipper, the individual who will actually fish the QS holder's IFQ. As the regulations require that QS held by a collective entity transfer to a qualified individual upon a change in the collective entity, the hired skipper provision for collective entities will also disappear over time.

The language of the FMP and implementing regulations requires that the QS holder wishing to hire a skipper must be the owner of the vessel on which the hired skipper fishes the QS holder's IFQ:

Persons, as defined below, who receive initial catcher vessel QS may utilize a hired skipper to fish their quota providing the person owns the vessel upon which the QS will be used. (14.4.7.1.5(5) BSAI FMP; 4.4.1.1.5(5) GOA FMP)

50 CFR 679.42(i)(1) An individual who receives an initial allocation of QS assigned to vessel categories B, C, or D does not have to be on board and sign IFQ landing reports if that individual owns the vessel on which IFQ sablefish or halibut are harvested, and is represented on the vessel by a master employed by the individual who received the initial allocation of QS.

50 CFR 679.42(j) Use of IFQ resulting from QS assigned to vessel categories B, C, or D by corporations or partnerships. A corporation or partnership that receives an initial allocation of QS assigned to vessel categories B, C, or D may use the IFQ resulting from that QS and any additional QS acquired within the limitations of this section provided the corporation or partnership owns the vessel on which its IFQ is used, and it is represented on the vessel by a master employed by the corporation or partnership that received the initial allocation of QS.

The regulations and FMPs define the term "person" to mean an individual, corporation, partnership, association, or other entity. Literally interpreted, the regulations require that the person holding the QS, whether an individual or a collective entity, be the owner of the vessel in order to participate in the hired skipper exception to the IFQ Program's owner-onboard requirements. A corporation or partnership would not be allowed to hire a skipper to fish its collectively held QS on a vessel owned by an individual, even if that individual is a member of the corporation or partnership. Nor would an individual be allowed to hire a skipper to fish his or her individually held QS on a vessel owned by a corporation or partnership, even if that individual is a shareholder or partner in the collective which owns the vessel.

During the 1995, 1996, and 1997 IFQ seasons, NMFS has broadly interpreted the FMP and regulatory language to allow persons holding initial allocation QS to hire skippers to fish their IFQ on vessels owned by other "persons," provided that the QS holder could show a corporate association to the owner of the vessel (such as an individual QS holder's membership in the corporation or partnership that owns the vessel, or the collective QS holder's having the owner of the vessel as a shareholder or partner in the corporation or partnership holding the QS). This policy allows individual QS holders to hire skippers to fish their IFQ on vessels owned by corporations or partnerships in which the individual QS holders are shareholders or partners; likewise, the policy allows corporations or partnerships holding QS to fish the collectively held QS on a vessel owned by individuals who are shareholders or partners in the corporation or partnership.

At the beginning of the 1997 IFQ season, NMFS announced to the IFQ fleet that this policy of broadly interpreting the term "person" as it pertains to IFQ hired skipper provisions would continue in effect for the 1997 season, or until the Council makes a determination on whether the policy comports with Council intention. Consequently, in September 1997, the Council requested analysis of alternatives for this issue.

1.1.2 Alternatives considered

Alternative 1: Status quo: require that the person, whether an individual or a collective, hiring a skipper to fish initial allocations of B, C, or D category QS be named as the owner of the vessel on the appropriate documents submitted to NMFS/RAM as proof of vessel ownership for purposes of obtaining a hired skipper card.

This alternative would require only that NMFS policy in implementing the hired skipper provision be amended to comport with the existing FMP and regulatory language.

Alternative 2: Revise the FMP language and pertinent regulations to allow, for purposes of the hired skipper provisions only, that a QS holder wishing to hire a skipper possess ownership interest in a vessel either directly, as a documented owner of the vessel, or indirectly, through corporate or other such collective ties to a documented owner of the vessel.

This alternative would revise the FMPs and regulations to support NMFS's past policy of allowing QS holders to substitute for vessel ownership a corporate link to a vessel owner, solely for purposes of the hired skipper provision.

NMFS/Restricted Access Management Division (RAM) estimates that instances where corporation association to a vessel owner has been allowed to substitute for the QS holder's vessel ownership amount to fewer than 25% of the approved applications for hired skipper cards. Since the inception of the IFQ Program in 1995, RAM has recorded 68 instances of such practices. "Corporate association" comprises a variety of relationships between QS holder and vessel owner. For example, an individual QS holder may hire a skipper to fish his IFQ on a vessel owned by a corporation in which he is a shareholder; an individual QS holder who is also a shareholder in a corporation may hire a skipper to fish his IFQ on a vessel owned by another individual in that same corporation; a corporate QS holder may hire a skipper to fish the corporation-held QS on a vessel owned by a shareholder in the corporation or by another corporation in which the corporation holding the QS holds an interest.

The number and types of indirect vessel ownership within the 69 instances of indirect ownership are as follows:

- 15 QS holders were individuals who employed hired skippers on vessels owned by corporations or partnerships;
- 10 were corporations or partnerships whose vessels were owned by individuals;
- 11 were non-individuals whose vessels were owned by other non-individuals;
- 6 were individuals whose vessels were owned by multiple "persons," i.e., a variety of individual and collective owners;
- 18 were non-individuals whose vessels were owned by multiple "persons";
- 3 were estates whose vessels were owned by the estate representative;
- 1 was an estate whose vessel was owned by a corporation;
- 1 QS holder received QS as a surviving spouse; vessel owned by an estate;
- 3 QS holders had an unknown ownership link to vessel.

Table 1 exhibits the amount of IFQ pounds landed by QS holders of B, C, or D category QS who employed hired skippers on vessels owned by other persons to whom the QS holders had corporate ties.

1.2 Action 2: Revise the definition of "a change in the corporation or partnership."

1.2.1 Purpose of and need for the action.

To prevent excessive consolidation of QS and promote an owner-operator IFQ fleet, the FMPs and IFQ regulations restrict the extent to which corporations, partnerships, and other collective entities can hold B, C, or D category QS. One manner for regulating corporate QS holdings is to require that corporations or partnerships transfer the collectively held QS to a qualified individual upon the addition of a shareholder or partner to the collective entity. The pertinent regulations at 50 CFR 679.42(j)(1)-(2) read as follows:

(1) A corporation or partnership, except for a publicly held corporation, that receives an initial allocation of QS assigned to vessel categories B, C, or D loses the exemption provided under paragraph (j) of this section on the effective date of a change in the corporation or partnership from that which existed at the time of initial allocation.

(2) For purposes of this paragraph (j), "a change in the corporation or partnership" means the addition of any new shareholder(s) or partner(s), except that a court appointed trustee to act on behalf of a shareholder or partner who becomes incapacitated is not a change in the corporation or partnership.

By specifying the exact nature of "a change in the corporation or partnership," the regulatory language excludes other possible changes in non-individual entities holding QS which, to effect the general intent of the FMPs in regards to QS held by other than individuals, should also require the transfer of the QS to a qualified individual. Specifically, NMFS would revise the definition of "a change in the corporation or partnership" to include language specific to estates. An estate is not a collective entity such as a corporation or partnership and would not acquire additional "partners" or "shareholders." Nevertheless, an estate may change in such a way as to require the transfer of estate-held QS to a qualified individual. QS held by an estate does not automatically transfer upon the determination by probate of a legal heir and the subsequent disposition and dissolution of the estate. Such estates holding QS but dissolved by disposition to an heir would continue to receive annual allocations of IFQ derived from the estate-held QS, unless NMFS/RAM Division is notified of the change and such change is defined in the IFQ implementing regulations as the point at which the estate-held QS must transfer to a qualified individual. At the point of the determination of an heir and the legal disposition and dissolution of an estate, the estate would lose its eligibility to hold QS in the same way that a corporation or partnership loses eligibility to hold QS by the addition of a shareholder or partner.

1.2.2 Alternatives considered

Alternative 1: Status quo. No revision would be made to the definition of "a change in the corporation or partnership" currently in the FMPs and IFQ implementing regulations.

An estate which is dissolved by the legal determination of an heir may technically continue to receive annual allocations of IFQ derived from QS held by the estate will not technically be in violation of the regulations, because a "change" in the corporation is narrowly defined as "the addition of a shareholder or partner."

Alternative 2: Revise the definition of "a change in the corporation or partnership" to include the dissolution of an estate by the legal determination of an heir to the estate. Estates so dissolved would be required to transfer any estate-held QS to a qualified individual.

By adding "dissolution of the estate by the determination of a legal heir by probate" to the definition of a change which requires the consequent transfer of estate-held QS to qualified individuals, NMFS will be able to ensure more effectively that such entities not hold QS in violation of the intent of the IFQ Program to promote an owner-operator fleet in the fixed gear fisheries for Pacific halibut and sablefish.

1.3 Action 3: Sablefish use limits

1.3.1 Purpose of and need for the action

One important feature of the IFQ Program is a limitation of the amount of quota shares (QS) an individual may control, also known as a "use cap." The use cap was created to address concerns that an unrestricted market for QS could result in a few powerful interests controlling most of the landings and result in excessive decreases in the number of vessels and fishermen participating in the fixed gear halibut fishery. While QS holders are allowed to harvest the QS received from an initial issuance, the one-percent cap limits consolidation among QS holders who were not initial issues to no fewer than 100 participants in either: (1) Areas 2C through 4E; or (2) Area 2C alone. A more detailed description of the management goals of the use cap, the Council action that recommended revising the halibut cap in the Bering Sea, and the conversion from percent to halibut QS units can be found in the Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis for a Regulatory Amendment to Increase Halibut QS Use Caps in the Bering Sea/Aleutian Islands (NPFMC 1996).

Current regulations restrict sablefish use, such that:

- (1) No person, individually or collectively, may use an amount of sablefish QS greater than 1 percent of the combined total sablefish QS for the GOA and BSAI IFQ regulatory areas, unless the amount in excess of 1 percent was received in the initial allocation of QS.
- (2) In the IFQ regulatory area east of 140° W. long., no person, individually or collectively, may use more than 1 percent of the total amount of QS for this area, unless the amount in excess of 1 percent was received in the initial allocation of QS.

In June 1996, the Council approved a regulatory amendment to increase the Bering Sea (Area 4) halibut use caps from 1/2 percent to the QS equivalents of 1 1/2 percent based on 1996 QS pool. This amendment was approved beginning with the 1997 IFQ season. Current regulations specify that unless the amount in excess of the following limits was received in the initial allocation of halibut QS, no person, individually or collectively, may use more than:

- (1) IFQ regulatory area 2C. 599,799 units of halibut QS.
- (2) IFQ Regulatory areas 2C, 3A, and 3B. 1,502,823 units of halibut QS.
- (3) IFQ Regulatory areas 4A, 4B, 4C, 4D, and 4E. 495,044 units of halibut QS.

This plan amendment proposes to revise the sablefish use caps such that the caps will be calculated in QS units based on the 1996 QS pool. This change will standardize the application of use caps for both halibut and sablefish fisheries.

1.3.2 Alternatives considered

Alternative 1. Status quo.

Alternative 1 would result in no action to standardize the calculation of use caps for the fixed gear halibut and sablefish fisheries. Under this alternative, sablefish use caps will continue to be calculated as a percentage of the combined total sablefish QS pools for: (1) the GOA and BSAI IFQ regulatory areas; and (2) east of 140° W. longitude (Southeast Alaska).

Alternative 2. Revise the methodology of calculating use caps for fixed gear sablefish from percent to QS units based on 1996 QS units.

Alternative 2 would standardize the methodology of calculating use caps in QS units recommended by the Council in 1996 and implemented by NMFS for the 1997 halibut IFQ season. Note that this alternative would not adjust the amount of QS that an individual could use. It simply proposes to set those caps in the regulations in QS units, instead of percent. Using the proposed method, sablefish use caps would be:

(1) IFQ Regulatory areas 2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E. 3,229,721 units of sablefish QS.

(2) IFQ regulatory area 2C. 688,485 units of sablefish QS.

2.0 NEPA REQUIREMENTS/ENVIRONMENTAL IMPACTS OF THE ALTERNATIVES

An environmental assessment (EA) is required by the National Environmental Policy Act of 1969 (NEPA) to determine whether the action considered will result in a significant impact on the human environment. The environmental analysis in the EA provides the basis for this determination and must analyze the intensity or severity of the impact of an action and the significance of an action with respect to society as a whole, the affected region and interests, and the locality. If the action is determined not to be significant based on an analysis of relevant considerations, the EA and resulting finding of no significant impact (FONSI) would be the final environmental documents required by NEPA. An environmental impact study (EIS) must be prepared if the proposed action may cause a significant impact on the quality of the human environment.

An EA must include a brief discussion of the need for the proposal, the alternatives considered, the environmental impacts of the proposed action and the alternatives, and a list of document preparers. The purpose and alternatives are discussed in Sections 1.1 and 3, and the list of preparers is in Section 6. This section contains the discussion of the environmental impacts of the alternatives including impacts on species listed as threatened and endangered under the Endangered Species Act (ESA).

The environmental impacts generally associated with fishery management actions are effects resulting from: 1) overharvest of fish stocks which might involve changes in predator-prey relationships among invertebrates and vertebrates, including marine mammals and birds; 2) physical changes as a direct result of fishing practices affecting the sea bed; and 3) nutrient changes due to fish processing and discarding fish wastes into the sea.

2.1 Environmental Impacts of the Alternatives

No biological or environmental changes will occur by adopting any of the alternatives for the separate issues. The issues and proposed alternatives all pertain to IFQ transfer and use privileges and would have no biological impact.

2.2 Impacts on Endangered, Threatened or Candidate Species Under the ESA

Species that are listed as threatened or endangered, or are candidates or proposed for listing under the Endangered Species Act (ESA), may be present in the BSAI and GOA. Additionally, nonlisted species, particularly seabirds, also occur in those areas and may be impacted by fishing operations. A list of species and a detailed discussion regarding life history and potential impacts on marine species can be found in the EA/RIR/IRFA for Amendments 31/35 (Block Program) (NPFMC 1994). Since these proposed changes strictly address IFQ transfer and use privilege, fishing activities under either of the alternatives would not be expected to cause any adverse effects.

2.2.1 Salmon

Listed species of salmon, including the Snake River sockeye salmon (*O. nerka*), fall chinook and spring/summer chinook salmon (both *Oncorhynchus tshawytscha*) may be present in the BSAI. These areas are believed to be outside the range of another listed species, the Sacramento River winter-run chinook salmon. A Biological Opinion conducted on effects of the groundfish fisheries concluded that groundfish fisheries are not likely to jeopardize the continued existence of endangered or threatened Snake River salmon species (NMFS 1994a). None of the alternatives for any of the actions comprised by this analysis is expected to adversely affect any listed salmon species.

2.2.2 Seabirds

Listed or candidate species of seabirds include the endangered short-tailed albatross (*Diomedea albatrus*), the threatened spectacled eider (*Somateria fischeri*), and the candidate (category 1) Steller's eider (*Polysticta stelleri*), or (category 2) marbled murrelet (*Brachyramphus marmoratus*), red-legged kittiwake (*Rissa brevirostris*) or Kittlitz's murrelet (*Brachyramphus brevirostris*). A formal consultation conducted by the U.S. Fish and Wildlife Service (USFWS) on the potential impacts of groundfish fisheries and subsequent informal consultation on impacts of 1994 groundfish fisheries on these species concluded that groundfish fisheries adversely affect, but do not jeopardize, the existence of the short-tailed albatross (USFWS 1989, 1994) if the incidental take allowance of up to two short-tailed albatrosses per year was not exceeded. The informal consultation also concluded that groundfish fisheries were not likely to adversely affect the spectacled eider, Steller's eider, or marbled murrelet. The USFWS did not comment on remaining candidate species at that time. None of the alternatives for any of the actions comprised by this analysis is expected to adversely affect any listed or candidate seabird species.

2.2.3 Marine Mammals

As with salmon and seabirds listed under the ESA, fishing activities under this proposed action are not likely to impact the threatened Steller sea lion (*Eumetopias jubatus*), in a manner, or to an extent, not previously considered in informal Section 7 consultations for 1994 groundfish fisheries (NMFS 1994b, c). The 10-nm annual trawl exclusion areas around Steller sea lion rookeries would be in place regardless of which alternative is chosen. These create refuges where no trawling can occur in areas important for sea lion breeding and foraging.

Other listed marine mammals include the endangered fin whale (*Balaenoptera physalus*), sei whale (*Balaenoptera borealis*), humpback whale (*Megaptera novaeangliae*), and sperm whale (*Physeter catodon*). None of these species is anticipated to be adversely affected by these proposed changes because total harvests and overall fishing effort would not change. The impacts of marine mammals is further detailed in the EA/RIR/IRFA for Amendments 31/35 (Block Program) (NPFMC 1994).

2.3 Impacts on Marine Mammals not listed under the ESA

Marine mammals not listed under the ESA that may be present in the BSAI or GOA include cetaceans, [minke whale (*Balaenoptera acutorostrata*), killer whale (*Orcinus orca*), Dall's porpoise (*Phocoenoides dalli*), harbor porpoise (*Phocoena phocoena*), Pacific white-sided dolphin (*Lagenorhynchus obliquidens*), and the beaked whales (e.g., *Berardius bairdii* and *Mesoplodon* spp.)] as well as pinnipeds [northern fur seals (*Callorhinus ursinus*), and Pacific harbor seals (*Phoca vitulina*)] and the sea otter (*Enhydra lutris*). A list of species and detailed discussion regarding life history and potential impacts of the 1995 groundfish fisheries of the BSAI and GOA on those species can be found in an EA conducted on the 1995 Total Allowable Catch Specifications for the GOA and BSAI (NMFS 1994a). None of the issues or alternatives proposed in this document is expected to adversely affect any listed or candidate marine mammals in a manner not already considered in previous consultations.

2.4 Coastal Zone Management Act

Each of the alternatives would be conducted in a manner consistent, to the maximum extent practicable, with the Alaska Coastal Zone Management Program within the meaning of Section 307(c)(1) of the Coastal Zone Management Act of 1972 and its implementing regulations.

2.5 Finding of No Significant Impact

None of the issues or alternatives is likely to significantly affect the quality of the human environment; preparation of an environmental impact statement for selection of any of the alternatives proposed would not be required by Section 102(2)(C) of the National Environmental Policy Act or its implementing regulations.

3.0 REGULATORY IMPACT REVIEW

The Regulatory Impact Review (RIR) provides information about the economic and sociological impacts of the alternatives including identification of the individuals or groups that may be affected by the action, the nature of these impacts, quantification of the economic impacts if possible, and discussion of the trade-offs between qualitative and quantitative benefits and costs.

An RIR is required by NMFS for all regulatory actions or for significant Department of Commerce or NOAA policy changes that are of significant public interest. The RIR: (1) provides a comprehensive review of the level and incidence of impacts associated with a proposed or final regulatory action; (2) provides a review of the problems and policy objectives prompting the regulatory proposals and an evaluation of the major alternatives that could be used to solve the problems; and (3) ensures that the regulatory agency systematically and comprehensively considers all available alternatives so that the public welfare can be enhanced in the most efficient and cost effective way.

Executive Order 12866, "Regulatory Planning and Review," was signed on September 30, 1993 and established guidelines for promulgating new regulations and reviewing existing regulations. While the order covers a variety of regulatory policy considerations, the benefits and costs of regulatory actions are a prominent concern. Section 1 of the order describes the regulatory philosophy and principles that are to guide agency development of regulations. The regulatory philosophy stresses that, in deciding whether and how to regulate, agencies should assess all costs and benefits of all regulatory alternatives. In choosing among regulatory approaches, the philosophy is to choose those approaches including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity) that maximize net benefit to the nation.

The regulatory principles in E.O. 12866 emphasize careful identification of the problem to be addressed. The agency is to identify and assess alternatives to direct regulation, including economic incentives, such as user fees or marketable permits, to encourage the desired behavior. When an agency determines that a regulation is the best available method of achieving the regulatory objective, it shall design its regulations in the most cost-effective manner to achieve the regulatory objective. Each agency shall assess both the costs and benefits of the intended regulation and, recognizing that some costs and benefits are difficult to quantify, propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs. Each agency shall base its decisions on the best reasonably obtainable scientific, technical, economic, and other information concerning the need for, and the consequences of, the intended regulation.

An RIR is required for all regulatory actions that either implement a new FMP or significantly amend an existing FMP. The RIR is part of the process of preparing and reviewing FMPs and provides a comprehensive review of the changes in net economic benefits to society associated with proposed regulatory actions. The analysis also provides a review of the problems and policy objectives prompting the regulatory proposals and an evaluation of the major alternatives that could be used to solve the problem. The purpose of the analysis is to ensure that the regulatory agency systematically and comprehensively considers all available alternatives so that the public welfare can be enhanced in the most efficient and cost-effective way. The RIR addresses many of the items in the regulatory philosophy and principles of E.O. 12866.

Executive Order 12866 requires that the Office of Management and Budget review proposed regulatory programs that are considered to be "significant." A "significant regulatory action" is one that is likely to:

- (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;
- (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- (3) Materially alter the budgetary impacts of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

A regulatory program is "economically significant" if it is likely to result in the effects described in item (1) above. The RIR is designed to provide information to determine whether the proposed regulation is likely to be "economically significant."

3.1 Action 1: Indirect Vessel Ownership

3.1.1 Management Action Alternatives

- Alternative 1: Status quo: require that the QS holder wishing to hire a skipper be the named owner of the vessel on USCG vessel documentation.
- Alternative 2: Revise FMP language to allow QS holders wishing to hire skippers to establish indirect vessel ownership through ties to a corporation, partnership, or other such collective entity.

3.1.2 Identification of the Individuals or Groups That May Be Affected by the Proposed Action

This action would potentially affect all corporations or partnerships or other collective entities holding B, C, or D category QS and all individuals holding such QS who are also members of corporation or partnership. NMFS/RAM records 241 corporations, partnerships, or other such non-individual entities holding QS. All 241 would be affected by the proposed alternative B. However, NMFS/RAM has on record only 68 instances in which hired skipper cards were issued to a person (whether an individual or collective QS holder) who claimed corporate association with a vessel owner in lieu of vessel ownership *per se*.

3.1.3 Administrative, Enforcement, and Information Costs

No additional administrative, enforcement, or information costs would be incurred under either alternative or option.

3.2. Action 2: Revise definition of “a change in the corporation, partnership, or other collective entity.”

3.2.1 Management Action Alternatives

Alternative 1: Status quo. A “change” in a corporation, partnership, or other collective entity holding QS will continue to be defined solely by the addition of a shareholder or partner to the entity.

Alternative 2: Revise the definition of “a change in the corporation or partnership” to include the dissolution of an estate by the legal determination of an heir to the estate. Estates so dissolved would be required to transfer any estate-held QS to a qualified individual.

3.2.2 Identification of the Individuals or Groups That May Be Affected by the Proposed Action

Thirty-three estates currently hold QS. Of those estates, the number which since the award of QS have been dissolved through the legal determination of an heir is unknown.

3.2.3 Administrative, Enforcement, and Information Costs

No additional administrative, enforcement, or information costs would be expected under the proposed alternative to the status quo.

3.3 Action 3: Revise sablefish use limits

3.3.1 Management Action Alternatives

Alternative 1. Status quo.

Alternative 2. Revise the methodology of calculating use caps for fixed gear sablefish from percent to QS units based on 1996 QS units.

Alternative 2 would revise the sablefish use limits for consistency with the halibut use limits which were revised by regulatory amendment in 1996 to read in a specific, fixed number of QS units rather than as a percentage of the QS pools.

3.3.2 Identification of the Individuals or Groups That May Be Affected by the Proposed Action

This proposed action would affect all QS holders holding sablefish QS. At the end of the 1997 IFQ season, 1,029 persons held sablefish QS. Alternative 2 would benefit all 1,029 sablefish QS holders by establishing the use limit as a stable number of QS units that will enable a QS holder to determine more accurately his or her QS holdings' proximity to known and predictable limits.

3.3.3 Administrative, Enforcement, and Information Costs

No additional administrative, enforcement, or information costs would be incurred under either alternative or option.

4.0 INITIAL REGULATORY FLEXIBILITY ANALYSIS

The objective of the Regulatory Flexibility Act is to require consideration of the capacity of those affected by regulations to bear the direct and indirect costs of regulation. If an action will have a significant impact on a substantial number of small entities, an Initial Regulatory Flexibility Analysis must be prepared to identify the need for the action, alternatives, potential costs and benefits of the action, the distribution of these impacts, and a determination of net benefits.

NMFS has defined all fish harvesting businesses that are independently owned and operated, not dominant in their field of operation, with annual receipts not in excess of \$2 million as small businesses. In addition, seafood processors with 500 employees or less, wholesale industry members with 100 members or less, not-for-profit enterprises, and government jurisdictions with a population of 50,000 or less are considered small entities. A "substantial number" of small entities would generally be 20% of the total universe of small entities affected by the regulation. A regulation would have a "significant impact" on these small entities if it resulted in a reduction in annual gross revenues by more than 5%, annual compliance costs that increased total costs of production by more than 5%, or compliance costs of small entities that are at least 10% higher than compliance costs as a percent of sales for large entities.

If an action is determined to affect a substantial number of small entities, the analysis must include:

- (1) description and estimate of the number of small entities and total number of entities in a particular affected sector, and total number of small entities affected; and
- (2) analysis of economic impact on small entities, including direct and indirect compliance costs, burden of completing paperwork, or record keeping requirements, effect on the competitive position of small entities, effect on the small entity's cash flow and liquidity, and ability of small entities to remain in the market.

4.1 Action 1: Indirect Vessel Ownership--Economic Impact on Small Entities

The maximum number of affected fishermen would be the approximately 5000 QS holders who either continue to hold initial allocations of category B, C, or D QS or who, by virtue of having received initial allocations, remain eligible hire skippers. The impact of Alternative B would be to allow such QS holders, whether collective

entities or individuals who are partners or shareholders in collective entities, an additional option in using the hired skipper provisions of the IFQ Program.

These impacts do not appear to be significant within the meaning of the Act. They are not likely to lead to a reduction in the gross revenues received by the small business sector of the fleet.

4.2 Action 2: Redefine a change in the corporation, partnership, or collective entity--Economic Impact on Small Entities

The maximum number of affected entities would be the 33 estates currently holding unrestricted B, C, or D category QS. The purpose of the proposed Alternative B is to make IFQ Program regulations governing estate-held QS responsive to situations in which such entities cease to exist as such and thus may no longer appropriately hold QS that generates annual IFQ.

As the proposed Alternative B would simply make IFQ regulations consonant with laws governing the existence and dissolution of estates, its impacts do not appear to be significant within the meaning of the Act. They are not likely to lead to a reduction in the gross revenues received by the small business sector of the fleet.

4.3 Action 3: Revise Calculation of Sablefish Use Limits to QS Units--Economic Impact on Small Entities

The proposed Alternative B would affect all holders of Sablefish QS, but would not have any economic impact other than to allow QS holders a more accurate measure of when their sablefish QS holdings are approaching the use limits and thus to allow for better planning and to prevent constant ratcheting-up of grandfathered amounts of QS when the pools increase--although the pools change only slightly at this time.

These impacts do not appear to be significant within the meaning of the Act. They are not likely to lead to a reduction in the gross revenues received by the small business sector of the fleet.

5.0 Summary

Proposed amendment 54 to the Fishery Management Plan of the Groundfish Fishery of the Bering Sea and Aleutian Islands and Amendment 54 to the Fishery Management Plan for Groundfish of the Gulf of Alaska (FMPs) would address three issues pertaining to the Individual Fishing Quota (IFQ) Program for fixed gear Pacific halibut and sablefish fisheries in and off Alaska:

(1) Revise FMP language to allow a QS holder's corporate association to a vessel owner to substitute for a QS holder's vessel ownership for purposes of hiring a skipper to fish the QS holder's IFQ;

(2) Revise the definition of "a change in the corporation or partnership" in the FMPs to include language specific to the dissolution of estates holding QS.

and (3) Change sablefish use limits from percentage of the total number of QS units to a specific number of QS units.

None of the issues or alternatives is likely to significantly affect the quality of the human environment; preparation of an environmental impact statement for selection of any of the alternatives proposed would not be required by Section 102(2)(C) of the National Environmental Policy Act or its implementing regulations. No additional administrative, enforcement, or information costs would be incurred under any of the proposed alternatives. The impacts projected for the proposed alternatives do not appear to be significant within the meaning of the Regulatory Flexibility Act. They are not likely to lead to a reduction in the gross revenues received by the small business sector of the fleet or to have a significant impact on a substantial number of small entities.

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Table 1:

**Summary of Catcher Vessel IFQ
Landed by Hired Skippers for QS holders
on Vessels Owned by Other Persons**

IFQ Regulatory Area	1995	1996	1997
2C	19,140	47,304	76,995
3A	4,009,048	4,639,301	7,741,741
3B	1,155,775	1,123,682	5,669,970
4A	1,070,445	1,228,010	2,874,214
4B	222,336	567,968	2,228,675
4C	0	76,394	163,612
4D	56,132	125,053	271,609
AI	137,800	228,410	234,933
BS	265,406	153,904	89,520
CG	1,286,873	4,346,247	3,832,210
SE	300,418	387,587	198,565
WG	562,372	792,452	630,224
WY	362,626	1,615,854	1,646,986

69 "Persons" who received catcher vessel QS by initial issuance hired skippers to fish their Individual Fishing Quota (IFQ) on a vessel or vessels that they did not directly own. The table above is a summary of the total IFQ pounds landed by the hired skippers employed by those 69 "persons" by year and by area.

NMFS/RAM stores only end-of-year data with regard to annual IFQ Permits. Therefore, we are unable to provide information regarding the total amount of catcher vessel IFQ held by these QS holders in relation to the amount of IFQ that was fished by hired skippers.

With regard to the type of indirect vessel ownership:

- 15 of these 69 QS holders were individuals whose vessels were owned by non-individual.
- 10 of these 69 QS holders were non-individuals whose vessels were owned by individuals.
- 11 of these 69 QS holders were non-individuals whose vessels were owned by other non-individuals.
- 6 of these QS holders were individuals whose vessels were owned by multiple "persons."
- 18 of these QS holders were non-individuals whose vessels were owned by multiple "persons."
- 3 QS holders were estates whose vessels were owned by the estate representative.
- 1 QS holder was an estate whose vessel was owned by a corporation.
- 1 QS holder who received QS as a surviving spouse; vessel owned by deceased spouse.
- 3 QS holders had an unknown ownership link to vessel.

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IPHC Staff Statement on Weighmaster Program October 8, 1998

During development of the IFQ fishery program, the staff of the International Pacific Halibut Commission (IPHC) supported a program similar to the Canadian "validator" system to observe landing weights of individual fishermen (Weighmaster Program). We deferred to and supported the enforcement and monitoring programs for the halibut IFQ fishery developed by the NMFS Alaska Enforcement Division (AED). The AED program called for substantially more enforcement personnel than currently exists. Only nine of 18 proposed Fishery Enforcement Officers and zero of seven proposed Enforcement Aids are on staff in Alaska. We do not know the actual staffing in Bellingham, proposed as four FEOs.

The existing NMFS enforcement program is currently inadequate for the halibut (and sablefish) IFQ program. In spite of the hard work of individual officers, the program cannot cover all necessary duties. In absence of the fill-in support provided by the U. S. Coast Guard in 1998, the situation would be even worse. At this time, we are aware of only limited violations of the IFQ requirements, as reported by AED. However, as the lack of enforcement becomes known throughout the fleet and the probability of detection decreases, the potential for unreported or misreported landings will increase. This potential is of strong concern to the IPHC and it should be to the industry as well. Stock assessment is a difficult enough science with complete data and increasing the proportion of poor data can only degrade our ability to assess the stock correctly.

The IPHC staff strongly recommends development of increased monitoring and enforcement. We believe that this increase can take the form of a Weighmaster Program or the form of an increased number of fishery officers. Enhancement of monitoring/enforcement should occur as quickly as practicable. If the North Pacific Fishery Management Council and NMFS determine that a Weighmaster Program has the highest probability of success, then the IPHC staff will work with them to assure the data quality that is so important to us. The IPHC staff may also be interested in contracting a Weighmaster Program. Our interest will depend on our evaluation of the criteria developed for the Program.

Replaces Table 1 in Analysis

Summary of Catcher Vessel IFQ Landed
by Hired Skippers on Vessels Not Directly Owned by QS Holder
Prepared by RAM 4/27/98

IFQ Regulatory Area	1995	1996	1997
2C	6,711		
3A	648,996	15,465	39,487
3B	176,592	883,336	1,682,902
4A	610,448	1,017,357	2,556,745
4B	15,763	143,009	399,953
4C	0	97,466	294,708
4D	14,033	2,369	21,605
	1,472,543	19,140	53,807
		2,178,142	5,049,207
AI			
BS	6,040		
CG	28,605	38,584	38,903
SE	382,331	28,214	14,920
WG	68,072	1,299,855	1,376,166
WY	98,750	30,361	108,355
	158,171	174,060	172,428
	741,969	371,896	535,213
		1,942,970	2,245,985

69 "Persons" who received catcher vessel QS by initial issuance hired skippers to fish their Individual Fishing Quota (IFQ) on a vessel or vessels that they did not directly own. The table above is a summary of the total IFQ pounds, by year and area, landed by the hired skippers employed by those 69 "persons" on vessels that they did not directly own.

NMFS/RAM stores only end year data with regard to annual IFQ Permits. Therefore, we are unable to provide information regarding the total amount of catcher vessel IFQ held by these QS holders in relation to the amount of said IFQ that was fished by hired skippers.

With regard to the type of indirect vessel ownership:

- 15 of these 69 QS holders were individuals whose vessel was owned by a non-individual
- 10 of these 69 QS holders were non-individuals whose vessel was owned by an individual
- 11 of these 69 QS holders were non-individuals whose vessels were owned by other non-individuals
- 6 of these QS holders were individuals whose vessels were owned by multiple "persons"
- 18 of these QS holders were non-individuals whose vessels were owned by multiple "persons"
- 3 QS holders were estates whose vessels were owned by the estate representative
- 1 QS holder was an estate whose vessel was owned by a corporation
- 1 QS holder who received QS as a surviving spouse; vessel owned by deceased spouse
- 3 QS holders had an unknown ownership link to vessel

A Proposal for a weighmaster program in the
Alaska Halibut and Sablefish IFQ program

NOAA Fisheries Office for Law Enforcement
Alaska Enforcement Division
Stephen A. Meyer
Special Agent-in-Charge
September 1998

EXECUTIVE SUMMARY

The concept of a so called "weighmaster program" has been discussed for the Alaska Halibut and Sablefish IFQ program since it's inception. The primary reason for the author's re-examination of this issue is to offer a fix to the current monitoring situation. The Alaska Enforcement Division (AED), within the National Oceanographic and Atmospheric Administration (NOAA) Fisheries has reported to the NPFMC an increasing difficulty in maintaining a 20% monitoring rate for IFQ landings. The difficulty in maintaining this rate has stemmed directly from staffing problems in AED. During this time of staffing difficulty, the United States Coast Guard has stepped forward and provided assistance by conducting dockside monitoring inspections in a number of ports around Alaska. This effort has kept the boarding percentage higher then it would have been if AED had been operating alone. Even so, the boarding rate has continued to drop over the past couple of years. An increase in unpermitted fishing and fishing in unauthorized areas has been detected in the 1997 and 1998 seasons. This was predicted in the Matthews report (pp 69-72) and in AED's annual and NPFMC IFQ reports. The same trend was seen to occur in the world literature on IQ programs.

During the past few seasons, industry has also expressed growing concern with several aspects of the current monitoring program for the IFQ program (Matthews 1997). Anecdotal information, from several large and small processors alike, indicate concerns with misreporting of accurate IFQ weights from the species landed. Another major area of industry concern is the limitations on landing hours (6 a.m. to 6 p.m.) and the six-hour prior notice of landing. These limitations were part of the enforcement plan based upon the concept that NOAA would not limit ports as in other IQ programs. The primary reason for not limiting ports was to accommodate existing industry infrastructure and maintain the traditional aspect of the fishery. Without limiting ports and without "weighmasters or validators", hours of operations had to be limited. Numbers of law enforcement personnel are inadequate to accomplish all facets of the enforcement plan and work "around the clock". Inspections on demand (validation of any particular offload) was never a part of the enforcement plan. Surprise inspections and their threat was all part of the concept of deterring violations. Although most fishermen and buyers have learned to work within these programmatic limitations, there is growing interest in wider hours of operation and more flexibility in waivers.

A modified weighmaster system, based upon the Canadian model currently in use in their West Coast Halibut IVQ program, can be accomplished for enough landings, in most ports, to clearly document landing activity in the fishery. Such a program would document 94% of all landings by weight. The biggest benefit gained by industry would be a program that would give greater flexibility in offloading hours and wide spread verification of actual scale weights, two issues which have been repeatedly voiced as major industry concerns (Matthews 1997, Meyer 1998).

Weighmasters would check the required IFQ permits of all individuals associated with a particular landing prior to off loading commencement. Upon satisfactory documentation of all associated permittees, all IFQ species would be off loaded for verification. If documentation problems exist,

weighmasters would contact an Authorized Officer for investigative purposes. Upon completion of off loading, the weighmaster would board the vessel and verify that no IFQ species remain onboard. This verification would include inspection of the holds, bait lockers, lazarettes and any other location reasonably expected to be able to hold or conceal IFQ species. Landing reports would be made by each permit holder prior to movement of the IFQ species from the landing location or departure of the landing vessel. Contrary to the Canadian system, the Contractor would not be responsible for the data base of landing information and weighmasters would not be responsible for the actual entry of data. This leaves the permittee responsible for the entry and gives the government a person to deal with who has a large vested interest in making sure the entry is correct.

Adequate coordination of the weighmasters would be performed by the Fishery Patrol Officers (FPOs) already in the major landing ports around Alaska and the Pacific Northwest. This is a key feature to having the weighmaster program associated with AED. Personnel experienced in weight validation would be in the direct loop of weighmaster duties which already call for close coordination with L.E. personnel.

Evaluation of landing records indicates that by exempting halibut landings of 500 pounds and less, 29.9 percent of all landings would not be subject to mandatory validation yet 96.5% of the weight of all halibut landed would still be verified. In exempting halibut landings of 1000 pounds and less, 43.5 percent of all landings would not be subject to mandatory validation yet 93.3% of the weight of all halibut landed would still be verified. For Sablefish, in exempting all landings of 1000 pounds and less from mandatory monitoring, 16.4% of the number of landings would be exempted but 99% of the weight of all required sablefish landings would be validated.

Based upon the information provided above a total of 110 part time weighmasters and four data clerks would be located in 37 locations. This list has been adjusted for 1998 landing information and some ports that were excluded may have to be added in the future due to shifts in landing effort. Likewise, some ports on this list may be excluded if they remain on the edge of needing weighmasters.

Total costs of the weighmaster program is estimated at \$743,979. The proposed weighmaster program is very cost effective for the amount of fish that would be validated when compared to the 70 or 80 million pounds of IFQ species landed and their ex-vessel value. The proposed program costs less proportionately than the Canadian program because we would not monitor every landing (still validating approximately 70% of landings and approximately 94% of the poundage), and we will not be tagging fish. Dayna Matthews (1997) reported that industry placed a high value on verifying weight at the dock and so does the author. Howard McElderry, AMR Ltd. commented that fishers in Canada felt this was a necessary part of showing the government and the public that they valued the IVQ program and that they would be responsible and honest in catching the public's resource. The author believes that US fishers are equally dedicated to demonstrating their integrity and to maintaining a management program which operates as effectively as possible.

INTRODUCTION

The National Oceanic and Atmospheric Administration's (NOAA) Fisheries Office for Law Enforcement has been involved with the development of the Alaska Halibut/Sablefish IFQ program (IFQ) since its initial inception in the late 1980s. In particular the Special Agent-in-Charge and the IFQ coordinator of NOAA Fisheries' Alaska Enforcement Division (AED) have played a direct role during all phases of planning, regulation development, and implementation. This is reflected in the minutes of the North Pacific Fishery Management Council (NPFMC) as well as independent documentation such as the Beyond IFQ Implementation report written by Dayna Matthews (1997).

A key component to making the IFQ program succeed, is adequate monitoring of fishing effort, landings and shipment of IFQ products. Plans to accomplish this monitoring have varied not only on a nation by nation basis, but region by region here in the United States where several IFQ programs currently exist (Squires 1994, Matthews 1997).

In the late 1980s and early 1990s, AED developed several versions of a law enforcement component of the IFQ program. These implementation plans were vetted through the NPFMC process and included, in part, in various NPFMC documents. All plans need periodic review and modification both in the development and implementation process. AED's enforcement plan is no exception. Since 1995, when the IFQ program was first implemented, several modifications have occurred. These modifications have included minor changes in forms; the relaxation of some shipping documentation requirements; increased dockside monitoring by United States Coast Guard (USCG) personnel; and several other changes.

Through out the life of the IFQ program, the AED, in conjunction with the USCG, has kept our respective Agencies, the NPFMC, the International Pacific Halibut Commission (IPHC), and the general public advised of the law enforcement monitoring and investigative efforts. Over time, the AED has expressed its concerns that maintaining adequate levels of compliance monitoring was becoming difficult for a variety of reasons primarily associated with personnel staffing.

In light of these concerns and those expressed by industry, a variety of proposals have been considered including the so called "weighmaster programs". One form of a weighmaster program was offered for consideration by Icicle Seafoods. This proposal was originally aired in the IFQ implementation working group in October 1996 (see appendix 1).

The International Pacific Halibut Commission staff presented a well written document at the September 1997 NPFMC meeting (here after, the IPHC report). This document was broadly written and included many ideas that form the basis for this proposal and is appended herein (see appendix 2).

In addition this proposal also includes many aspects of the Canadian IVQ program, of which a

synopsis is included in the 1997 halibut management plan and the DFO Canada Request for Proposals on a validation program which are also attached (appendix 3).

COMPLIANCE CONCERNS

Compliance was an issue of concern expressed by all parties when the concept of an IFQ program was first discussed in the late 1980s before the North Pacific Fisheries Management Council for the Halibut and Sablefish fisheries of Alaska. It has remained an issue throughout the development and implementation of the program. Many records exist of those expressing mild to wild concern for a wide variety of issues. Concerns included, but were not limited to: quasi ownership of the public resource; various fraudulent activities in applications and daily practices; and claims of widespread non-compliance by unauthorized fishermen and quota busting activity (Crothers 1993, Squires 1994, Anderson 1994, and Matthews 1997).

Since the IFQ program's implementation in March of 1995, AED has provided annual reports to the Agency, NPFMC, IPHC, State of Alaska and the general public at the end of each season. These reports have documented general compliance with the goals of the program along with repeated warnings that the program was in a "honeymoon period", a time of happiness and harmony. These reports have stressed that other individual quota programs around the world have seen similar results during their initial 5 years, on average. In addition, AED's reports have indicated an increasing difficulty in maintaining a 20% monitoring rate for IFQ landings (based upon information from law enforcement compliance studies, a 20% contact rate is the minimum level of participant interaction needed to affect group behavior). The difficulty in maintaining the 20% rate has stemmed directly from staffing problems in AED. These problems have been the result of a reduction in full time positions within the division, promotions, transfers, resignations, terminations, and a variety of other employment turnover issues. During this time of staffing difficulty, the United States Coast Guard has stepped forward and provided assistance by conducting dockside boardings in a number of ports around Alaska. This effort has kept the boarding percentage higher than it would have been if AED had been operating alone. Table 1 shows that total dockside boardings have continued to drop over the past couple of years.

Table 1. - Dockside boardings by NMFS personnel in the Alaska H/S IFQ program.

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
2,262	1,540	1,561	818*

*includes 387 dockside boardings by the USCG

An increase in unpermitted fishing and fishing in unauthorized areas has been detected in the 1997 and 1998 seasons. This was predicted in the Matthews report (pp 69-72) and AED's annual and NPFMC IFQ reports. The same trend was seen to occur in the world literature on IQ programs (Boyd 1992, Parsons 1993, Squires 1994) and in personal discussions with law enforcement personnel from a variety of state, national, and international sources where more mature IFQ type

systems have been and are being used. The gloves are beginning to come off and the "honeymoon period" is rapidly waning.

INDUSTRY CONCERNS

During the past few seasons, industry has expressed growing concern with several aspects of the current monitoring program for the IFQ program (Matthews 1997). Anecdotal information, from several large and small processors alike, indicate concerns with misreporting of accurate IFQ weights from the species landed. Some of this concern focused on what appeared to the complainants as unbelievably high percentage rates for slime and ice deductions. It was suggested that high deductions, 4%, 5%, 6% and more were really covers for buying more fish than was actually being reported in IFQ landing reports. The agency agreed that this was a real possibility and instituted a set percentage of 2% for slime and ice deductions as in the Canadian IVQ system (see appendix 3). This regulation has now closed the loophole for artificially inflating ice and slime deductions.

Another weight concern centered on not having enough personnel to monitor a significant portion of all IFQ landings coming into port. The author has also shared this viewpoint with growing concern. Although in the first two years there were adequate personnel to meet the minimum percentage of landings to affect behavior, government downsizing led to reduced numbers in the permanent staffing in AED. This resulted in a very costly "rotational assignment" program during the 1997 season (third year). The rotational assignment program required other enforcement divisions from around the country to provide personnel on a 30 day assignment basis to staff undermanned ports around Alaska. These assignments alone cost approximately \$300,000. Further, these assignments allowed for only minimal inspection of landings due to the complexity of the regulations. Visiting agents and officers, unfamiliar with the IFQ system and armed with only rudimentary training, simply could not provide the same level of coverage permanent staff could. At best it was a stop gap measure that allowed business to continue during the season but left many problems both here in Alaska and back in the visiting officer/agent's home town. Here (in Alaska) industry members were only able to get the most rudimentary questions answered about the program or their individual situation. Back in the visiting personnel's home area, work was not getting done and this caused a noticeable problem in the local fisheries. This problem was large enough to cause an end to using rotational assignments to fill the staffing void here in Alaska.

This year (1998) United States Coast Guard (USCG) personnel have taken an even larger role in conducting dockside inspections than in previous years. With this increase we have once again made it through the season to date. AED and USCG personnel are working hard to conduct as many boardings and inspections as possible. The USCG has conducted this effort as an added responsibility to its already busy workforce and recognizes this is a stop gap measure until adequate levels of monitoring can be conducted as envisioned in the initial implementation of the program.

Another major area of industry concern is the limitations on landing hours (6 a.m. to 6 p.m.) and the six hour prior notice of landing. These limitations were part of the enforcement plan based upon the concept that NOAA Fisheries would not limit ports as in other IQ programs. The primary reason for not limiting ports was to accommodate existing industry infrastructure and maintain the traditional aspect of the fishery. Without limiting ports and without "weighmasters or validators", hours of operations had to be limited. There are not enough law enforcement personnel to accomplish all facets of the enforcement plan and work "around the clock". Inspections on demand (validation of any particular offload) was never a part of the enforcement plan. Surprise inspections and their threat was all part of the concept of deterring violations. Waivers to the 6 to 6 landing window or the 6 hour prior notice of landing were included for emergencies or when law enforcement personnel could be present to monitor the landing for which the waiver is being sought. AED established policy on when such waivers would be granted to avoid inequity. Although most fishermen and buyers have learned to work within these programmatic limitations, there is growing interest in wider hours of operation and more flexibility in waivers. But how would we accomplish this goal?

THE PROPOSAL

The IPHC staff did an excellent job in framing the issue and setting out a variety of important factors for consideration (see appendix 2). Within the first paragraph of the Alternatives section, the IPHC report states, "The goal of the program would be to maintain high quality records of IFQ landings, which are essential to stock assessment and management for halibut and sablefish. The critical duty of a weighmaster would be to validate the offloading weight and to ensure that the actual landing weight is recorded with NMFS" (pp2). The author agrees with this concept and believes that this can be accomplished for enough landings, in most ports, to clearly document the activity in the fishery. Such a program would document 93% of all IFQ landings by weight. The biggest benefit gained by industry would be a program that would give greater flexibility in offloading hours and wide spread verification of actual scale weights, two issues which have been repeatedly voiced as major industry concerns (Matthews 1997, Meyer 1998).

After careful review of the IPHC report (based upon 1996 data) and RAM division annual reports for 1996 and 1998 (year to date) the following program is suggested.

[Note - Program is based on landings of halibut and sablefish under 1000 pounds being exempted from mandatory validation (although they would be validated at the request of a weighmaster or authorized officer)].

A Contractor will provide and maintain a core of NOAA certified observers (NCOs) to monitor all legally required landings of Pacific halibut (*Hippoglossus stenolepis*) and/or Sablefish (*Anoplopoma fimbria*). Validations would be conducted within 24 hours of notification from an IFQ permit holder of a pending landing. NCOs may be required to serve as witnesses in legal proceedings in civil and/or criminal court matters. Authorized Officers will conduct investigations of alleged violations of applicable laws and carry special authority to achieve their responsibilities that are separate and beyond those of NCOs. A Contractor will provide adequate NCOs to perform all necessary work to verify the weight of all Pacific halibut and/or Sablefish caught and

retained by the permittees, including the hiring (if necessary), training, and deployment of NCOs to a standard satisfactory to NOAA. Further technical details would be specifically spelled out in a request for proposals similar to that which is included in synopsis of the Canadian IVQ program (see appendix 3).

The Author intends that the Contractor will work for the NOAA Fisheries who would be viewed as the primary client and industry members as the secondary client. This is in direct contrast to the situation that currently exists in NOAA Fisheries' North Pacific Groundfish Observer Program (NPGOP). The multiple supplier aspect of that program has led to a situation where contract observer suppliers are more accountable to industry than to the government. This is due to the nature of payment for observer services which is directly between industry and the observer provider. This issue is openly and clearly discussed in the paper, A Review of the Proposed Multi Supplier Model for Fishery Observer Programs in Canada by Howard McElderry (unpublished 1997). In his paper, McElderry specifically describes the schism caused when industry directly pays for observer services. He cites these problems in the current NPGOP as described by Dr. William Aron, past Director of the Alaska Fisheries Science Center which has management responsibilities for the NPGOP. In his paper, McElderry quotes Dr. Aron,

A recent discussion paper (Aron, 1996), outlining a proposed restructuring of the NMFS Alaskan observer program, stated: "Even though certified contractors are responsible for assuring that NMFS data integrity standards are met, they also have direct responsibilities to the fishing companies with whom they contract and provide observers. Owners of fishing vessels and processors make arrangements with certified contractors of their choice to meet observer requirements and pay contractors directly for providing observers. Thus contractors and observers are employed directly by vessel and plant owners even though they are responsible to NMFS for collecting data according to agency standards. Under this arrangement opportunities arise for owners and operators to influence the work performance of observers and the quality of data collected. Since objectivity and independence are fundamental to the effectiveness of the observer program, the potential for conflict of interest that arises through these business relationships is of serious concern.

The process of negotiation among vessel and plant owners and observer contractors provides a mechanism for controlling overall observer costs through competition. Unfortunately, pressure on contractors to reduce costs and remain competitive has impacted observer compensation negatively. In general, base salary rates are low and compensation for time spent in training, briefing, debriefing, and transit has also been reduced. In some cases fringe benefits have also been eroded. This situation has undermined observer morale and influenced work performance such that NMFS is concerned about data integrity."

McElderry also points out other problems seen with the current contact situation in the NPGOP,

“A problem that quickly surfaced was that fishing participants could use their right to choose a supplier as a tool of power in order to control both observers and the observer supplier. For example, if a vessel skipper was not satisfied with the performance of an observer they would threaten to cancel their supplier contract, effectively causing the observer to lose their job. Loefflad and Bearden (1993) in evaluating the observer sampling activities in the Alaskan community development quota fisheries, stated: *“Observers were pressured to adopt methods which resulted in lower catch estimations. Others were criticized when their estimations were considered by the processor to be too high. These criticisms at times became contentious challenges to the observer work.”*

The threat of service cancellation could also be used by a fishing group to manipulate the observer supplier. Observer companies have a reduced ability to deal with issues such as safety, observer treatment and delayed payment where bringing the fishing group to task could result in losing the opportunity to continue providing observer services. One supplier claimed they were unable to pay observer salaries, totalling about \$150,000, as they had not been paid by the fishing company. The supplier closed their business leaving about twenty-five observers unpaid for the work performed (Credle *et al.* 1994).

The problem with reduced observer morale has resulted in NMFS program staff directing more attention to monitoring fraud (Fitzgerald, pers. comm.). ‘Dry lab data’, a term referring to artificially contrived sample data, has become a concern as it is often difficult to detect many situations where observers simply make up sample data. Observers may be motivated to produce large quantities of dry lab data to create the impression of quality performance. In 1995 an observer was tried and sentenced to prison for altering data to prolong the opening of a fishery for the purposes of personal financial benefit. This is the first case of its kind in almost 20 years and many tens of thousands of days that NMFS has been putting observers to sea.”

This information is included to clearly show the potential problems of not having a program where the government is the primary client. In this proposal, it is the author’s intent that payment for services would be between the Agency and the contract provider. Consideration should be given to a contract with the State of Alaska to serve as the contractor. This would avoid the aforementioned problems and maintain a sole contractor with close interest in the commercial fisheries off the shores of Alaska.

Specific Duties

NCOs would be required to respond to a request for verification of a landing within 24 hours of receiving notification of the landing. Although this time frame seems more onerous than the currently required 6 hours prior notification, personal discussion with Howard McElderry of Archipelago Marine Research, Ltd (AMR), contract provider of validators in the Canadian IVQ program, has indicated that invoking this provision has been extremely rare in light of the number of people that work in the program. With the appropriate ratio of NCOs for Alaskan landings,

invoking the 24 hour landing notice would be equally rare. NCOs will have full waiver authority for the prior notice of landing within policy parameters.

NCOs will be required to check the IFQ permits of all individuals associated with a particular landing prior to commencement of the off loading. Upon satisfactory documentation of all associated permittees, all IFQ species would be off loaded for verification. If documentation problems exist, the NCO would contact an Authorized Officer for investigative purposes. Upon completion of off loading, the NCO would board the vessel and verify that no IFQ species remain onboard. Verification would include inspection of the holds, bait lockers, lazarettes and any other location reasonably expected to be able to hold or conceal IFQ species. Off loading of all IFQ species is the preferred alternative. This makes the job easier and more straight forward for validation of IFQ weights. This is a change from current regulatory requirements as there can be a splitting of off loads between halibut and sablefish. Under current regulations, once one species has begun to be off loaded, even one fish, then all fish of that species must be off loaded. Halibut and sablefish may go to different markets thus the current ability to "split" an offload. This concept may be important enough for industry that splitting between the two IFQ species could be maintained.

All weights of IFQ species would be recorded by the NCOs on a weight verification sheet at the time of off loading. Ideally this would be achieved using a certified "hanging or brailer scale" used in line with the fish removal crane or on a certified platform scale for "remote landing locations" used for small skiff landings at launch ramps, on beaches, etc. The idea of using the certified hanging scale would be to speed the process of getting verified weights and eliminate variability caused by various register buyer's special needs for partial processing or cleaning. This would be a significant change from current industry practices for some buyers and the concept has not been tested with any sector of industry. This suggestion needs to be carefully analyzed in the cost benefit sense. Some current off loading practices cause sever delay in verifying weights and use of certified "hanging or brailer scale" is viewed as a practical solution to this issue. This could lead to some concern for the head on and slime and ice aspects of weighing but these issues have been resolved both in Canada and in the U.S. Further, the weight for the IFQ program may be different from a fish buying ticket as the former is for the management of fish removals and the later is primarily a tax document. This suggestion is not fixed, current usage of certified platform scales in most situations could be continued. Cost to the program would simply have to be adjusted in accordance to the methods used.

Landing reports would be made by the permit holder prior to movement of the IFQ species from the landing location or departure of the landing vessel. Contrary to the Canadian system, the Contractor would not be responsible for the data base of landing information and NCO's would not be responsible for the actual entry of data. This leaves the permittee responsible for the entry and gives the government a person to deal with who has a large vested interest in making sure the entry is correct. Over harvesting and fraudulent activity would lie with the appropriate party, the harvester of the IFQ species. The reporting scheme currently in use would be fully adequate for documentation of the landings under a weighmaster program.

Overages of IFQ detected by the NCO would be transmitted to AED personnel via communication methods described in policy. Overages would be handled within the parameters of the overage policy provided by NOAA Fisheries.

Supervision

Unlike the Canadian validator system, port coordination would be provided by NOAA Fishery Patrol Officers (FPOs). AED already has personnel in the following locations:

SOUTHEAST DISTRICT

AOR - Yakutat to the U.S.- Canadian International Border (Dixon Entrance)

District Office - Sitka

ASAC -1- (District Supervisor)

S/A - 1 - (Complex Civil and Criminal Investigations)

FPOs - 2 - (Primarily Patrol and Inspections with limited assistance in Investigations)

Petersburg

FPOs - 2 - (Primarily Patrol and Inspections with limited assistance in Investigations)

Ketchikan

S/A - 1 - (Complex Civil and Criminal Investigations)

FPO - 1 - (Primarily Patrol and Inspections with limited assistance in Investigations)

Juneau (field officer)

FPO - 1 - (Primarily Patrol and Inspections with limited assistance in Investigations)

CENTRAL DISTRICT

AOR - Central GOA from Eastern end of Kodiak eastward to Yakutat, all of interior AK, and the North Slope.

District Office - Anchorage

ASAC - 1 - (District Supervisor)

S/As - 2 - (One with primary responsibility focused on Observer program issues, e.g. training, liaison, debriefing in cases of potential violations, etc.)(One Complex Civil and Criminal Investigations)

FPO - 1 - (Primarily Patrol and Inspections with limited assistance in Investigations)

Seward

FPOs - 2 -(Primarily Patrol and Inspections with limited assistance in Investigations)

Homer

FPO - 2 - (Primarily Patrol and Inspections with limited assistance in Investigations)

WESTERN DISTRICT

AOR - Kodiak Island and westward in the GOA, the BSAI and coastal villages of western AK.

District Office - Kodiak

ASAC - 1 - District Supervisor

S/As - 1 - (Complex Civil and Criminal Investigations)

FPOs - 2 - (Primarily Patrol and Inspections with limited assistance in Investigations)

Dutch Harbor

S/A - 1- (Complex Civil and Criminal Investigations)

FPOs - 2 - (Primarily Patrol and Inspections with limited assistance in Investigations)

ALASKA ENFORCEMENT DIVISION (Divisional Office)

AOR - All of Alaska

Division Office - Juneau

SAC - 1 - (Special Agent-in-Charge - Primary Leader/Manager focused on external relationships)

DSAC - 1- (Deputy Special Agent-in-Charge - Second in command - Primary Manager/Leader focused on internal relationships - operations)

ASAC - 1 - (District Supervisor and IFQ Coordinator)

S/As - 4 - (One primarily focus on case quality and supplementation, intelligence gathering)
(Three - Complex Civil and Criminal Investigations)

FPOs - 1 - (Primarily focused on Community Oriented Policing and Problem Solving issues)

Support Staff - 4

(One Secretary) (One Computer Specialist) (One Program Management Specialist)
(One Enforcement Technician)

Totals

36 personnel

Adequate coordination of the NCO's would be performed by the Fishery Patrol Officers (FPOs) already in the major landing ports around Alaska and the Pacific Northwest. This would eliminate a layer of contract employees called for in the IPHC report and in the Canadian system (see appendices 2 and 3). This is a key feature to having the weighmaster program associated with AED. Personnel experienced in weight validation would be in the direct loop of NCO duties which already call for close coordination with L.E. personnel. In addition, it would foster regular contact among the NCOs and the FPOs which would likely lessen the probability of interference with their duties or fraudulent behavior on the part of the NCO.

This also focuses discussion on why this program should be administered by AED. Landing verification in an IFQ program has some degree of stress between harvesting personnel, buying personnel, and the NCO. The very nature of this work is compliance oriented and should remain closely aligned with law enforcement. No additional duties are initially contemplated and all the NCO's attention should be focused on the validation of the permittee and the landing weight. No collection of scientific samples, no collection of economic questions, no dilution of the assigned duties. These type of requests would be easily discouraged if the program is administered by AED. Assigning these people to other programs would likely lead to collateral duties that would distract and interfere with landing validation. Another compelling reason to have the program administered by AED would be to discourage and detect fraudulent activities by NCOs working in concert with those who would misreport landings. Direct on site supervision by law enforcement personnel would minimize the likelihood of such collusion. Further, past experience has shown that getting non-enforcement program elements to participate in the compliance function has been difficult at best. Putting the program under enforcement administration makes discussion of NCO participation in the compliance function a moot point. Regardless, the merits of who should administer the program will need to be discussed.

Qualifications to be an NCO

The following are a list of proposed requirements to be eligible to be a weighmaster. [Note - much of the language in this section was derived from the 1996 Canadian DFO Request for Proposal found in appendix 3]

The individual must:

- a) have a high school degree or have a GED;
- b) demonstrate the ability to speak, read and write in the English language;
- c) have visual acuity that allows them to observe fish by species and to verify offloading of fish from a vessel's storage area to the scale used for verification of weight;
- d) have satisfactory health and physical condition to board vessels from a dock, using ladders as necessary, and to climb in and out of fish holds, bait freezers, and lazarettes, as necessary to document complete offloading;
- e) be a U.S. Citizen or have valid and lawful working documents as issued by the US government;
- f) possess a valid driver's license;
- g) demonstrate a basic knowledge and understanding of the Alaska halibut and sablefish fisheries.
- h) have personal suitability in working with fishermen, buyers, processors, and law enforcement personnel and in adverse weather conditions and times, including night shifts, weekends, and holidays, if necessary;
- i) pass a basic security check and NMFS resource violation history check;
- j) not have a conflict of interest in the assigned work or the appearance of a conflict of interest (e.g.; cannot own a permit for the purpose of commercial fishing under the Magnuson-Stevens Fishery Conservation and Management Act [MSFCMA] or the implementing regulations thereunder; cannot purchase fish for the purpose of resale; does not own, operate or manage an enterprise that catches, cultures, processes or transports fish subject to the MSFCMA; is not married to, an immediate family member of, or live with a fisher subject to the MSFCMA; cannot be an employee of a company that offloads or possesses fish subject to the MSFCMA).

The observer candidate would have to successfully demonstrate understanding and proficiency with respect to the duties and responsibilities of dockside monitoring by passing classroom testing and practical examination in the basic training program and on an annual basis. AED personnel would participate in NCO training and administer all tests.

Successful completion of the observer training, including any and all tests, would qualify the candidate for certification as a NCO.

Number and Location of NCOs

The IPHC report proposed weighmasters in 43 Alaska ports, two Washington ports and one Canadian port based upon 1996 landings (pp6). Discussion with the IPHC report's authors indicate that the number of weighmasters was based upon 100% monitoring of landings. Using this assumption the IPHC report postulates that there would be up to 150 to 200 full and part time personnel needed to validate all halibut and sablefish landings (pp7). This report's author meet with the IPHC authors and discussed the pros and cons of 100% monitoring. Although all agreed that 100% monitoring would be ideal, was it necessary? Discussion with industry revealed a mixed bag of answers from strong support for 100% based upon uniformity and fairness to strong support for monitoring the vast majority of weight without unnecessarily inflating programmatic costs for "senseless nit picking" (IPHC 97, Meyer 98, Meyer personal communications with industry representatives).

Analysis of data from the IPHC report and RAM Division IFQ reports reveals a course of action based upon common sense. The IPHC report's Table 5 and 6 are reproduced below. The author has added a totals line and percentage of the total landings are represented by category.

Table 2. - a reproduction of table 5 from the IPHC report showing the number of Pacific halibut landings by Alaskan regulatory areas and weight category (pounds) for 1996 (IPHC report 1997).

Regulatory Area	Number of landings by weight categories for halibut				
	1 to 999	1,000 to 5,000	5,001 to 10,000	10,001 to 25,000	25,001 and over
2C ¹	1,690	1,279	326	161	12
3A	775	1,084	464	386	193
3B	79	196	82	87	31
4A	55	77	48	50	10
4B	268	93	23	28	28
4C	201	184	6	8	0
4D	232	16	13	13	8
4E	481	12	0	0	0

¹ Includes 194 landings from the Metlakatla Reserve Fishery

Totals 3,781 (43.5%) 2,941 (33.8%) 962 (11.1%) 733 (8.4%) 282(3.2%)

GT = 8,699

Table 3. - A reproduction of table 6 from the IPHC report showing the number of sablefish landings by Alaskan regulatory areas and weight category for 1996.
(IPHC report 1997)

Regulatory Area	Number of landings by weight categories (pounds) for sablefish				
	1 to 999	1000 to 5000	5001 to 10,000	10,001 to 25,000	25,001 and Over
SE	141	223	178	236	94
WY	17	61	34	55	89
CG	148	143	74	143	178
WG	6	23	26	40	43
AI	8	22	14	21	19
BS	31	28	21	18	6

Totals 351(16%) 500 (28%) 347(19%) 513 (29%) 429 (24%) GT = 2,140

Table 4. - Data from the RAM IFQ reports for 1996, with combined totals added by the author, appear below.

1996 Individual Fishing Quota (IFQ) Allocations and Landings

From 01-MAR-1996 through 31-DEC-1996

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Tac Remaining Pounds	Percent Remaining
2C	halibut	3,325	8,533,743	9,000,000	466,257	5
3A	halibut	2,952	19,365,600	20,000,000	634,400	3
3B	halibut	498	3,502,377	3,700,000	197,623	5
4A	halibut	243	1,735,509	1,950,000	214,491	11
4B	halibut	82	1,646,879	1,848,000	201,121	11
4C	halibut	137	296,439	385,000	88,561	23
4D	halibut	37	487,140	539,000	51,860	10
4E	halibut	0	0	0	0	0
Total		7,274	35,567,687	37,422,000	1,854,313	5
SE	sablefish	913	9,823,345	10,346,188	522,843	5
WY	sablefish	344	6,096,858	6,366,885	270,027	4
CG	sablefish	746	11,818,813	12,169,392	350,579	3
WG	sablefish	164	3,585,286	3,880,096	294,810	8
AI	sablefish	84	1,168,272	1,587,312	419,040	26
BS	sablefish	116	703,905	970,024	266,119	27
Total		2,367	33,196,479	35,319,897	2,123,418	6

1996 Community Development Quota (CDQ) Allocations and Landings

From 01-MAR-1996 through 31-DEC-1996

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Tac Remaining Pounds	Percent Remaining
4B	halibut	370	425,318	462,000	36,682	8
4C	halibut	294	384,584	385,000	416	0
4D	halibut	248	229,426	231,000	1,574	1
4E	halibut	526	121,241	120,000	(1,241)	0
Total		1,438	1,160,569	1,198,000	37,431	3
AI	sablefish	11	309,207	396,828	87,621	22
BS	sablefish	11	107,479	242,506	135,027	56
Total		22	416,686	639,334	222,648	35

Combined totals

Halibut 36,728,256
Sablefish 33,613,165

Table 5 - Utilizing the data from the tables above, and information on landings less than 500 pounds gathered by the author from the IPHC staff, an examination of the effect of exempting some landings from mandatory verification by weighmasters can be made.

Regulatory Area	Number of landings, less than 500 pounds and as a percentage of total landings, and as a percentage of total weight. (8,699 total landings yielding 36,728,256 pounds of halibut were recorded in 1996)			
	(1-499)	% of area landings	% of all landings	% of all landed pounds *
2C	1,118	32.2%	12.9%	1.5%
3A	455	15.7%	5.2%	.6%
3B	30	6.3%	.3%	.04%
4A	37	15.4%	.4%	.05%
4B	188	42.7%	2.2%	.26%
4C	124	31.1%	1.4%	.17%
4D	207	75.6%	2.4%	.28%
<u>4E</u>	<u>444</u>	<u>90.1%</u>	<u>5.1%</u>	<u>.60%</u>
All	2,603	29.9%	29.9%	3.5%

* individual weights were not available for these landings so the maximum weight of 500 pounds was used for each individual landing. This gives an artificially high number for the calculation but that would be the worse case scenario regarding maximum poundage not verified upon landing.

This information indicates that by exempting halibut landings of 500 pounds and less, 29.9 percent of all landings would not be subject to mandatory validation yet 96.5% of the weight of all halibut landed would still be verified. It is also useful to examine the effect of exempting halibut landings of 1000 pounds and less. In so doing 43.5 percent of all landings would not be subject to mandatory validation yet 93.3% of the weight of all halibut landed would still be verified.

Regulatory Area	Number of landings less than 1000 pounds and as a percentage of area landings, total landings, and as a percentage of total weight. (8,699 total landings yielding 36,728,256 pounds of halibut were recorded in 1996)				
	(1-499)	(500-999)	% of area landings	% of all landings	% of all landed pounds *
2C	1,118	572	48.7%	19.4%	3.1%
3A	455	320	26.7%	8.9%	1.5%
3B	30	49	16.6%	.9%	.2%
4A	37	18	22.9%	.6%	.1%
4B	188	80	60.9%	3.1%	.5%
4C	124	77	50.4%	2.3%	.4%
4D	207	25	82.3%	2.7%	.3%
<u>4E</u>	<u>444</u>	<u>37</u>	<u>97.6%</u>	<u>5.5%</u>	<u>.7%</u>
All	2,603	1178	43.5%	43.5%	6.7%

* individual weights were not available for these landings so the maximum weight of 500 pounds was used for each individual landing in the 1-499 category and 1000 pounds was used for the 500-999 category. This gives an artificially high number for the calculation but that would be the worse case scenario regarding maximum poundage not verified upon landing the actual pounds are likely to be much less.

The same type of analysis is shown below for sablefish landings where all landings of 1,000 pounds and less would be exempted from mandatory validation. [Note - 1,000 pounds was used as that was the lowest figure the author had available. If the weighmaster concept is appealing to the various stakeholders, analysis of a 500 pound option could be included in an EA/RIR/IRFA].

Table 6 - Analysis of sablefish landings

Regulatory Area	Number of landings less than 1000 pounds and as a percentage of area landings, total landings, and as a percentage of total weight. (2,140 total landings yielding 33,613,165 pounds of sablefish were recorded in 1996)			
	1 - 999	% of area Landings	% of all Landings	% of all * Landed pounds
SE	141	16.2%	6.6%	.4%
WY	17	6.6%	.8%	.05%
CG	148	21.6%	6.9%	.4%
WG	6	4.3%	.3%	.02%
AI	8	9.5%	.4%	.02%
BS	31	29.8%	1.4%	.09%
ALL	351	16.4%	16.4%	1.0%

* individual weights were not available for these landings so the maximum weight of 1000 pounds was used for each individual landing. This gives an artificially high number for the calculation but that would be the worse case scenario regarding maximum poundage not verified upon landing. See IPHC report (appendix 3) for total statistics on sablefish landing numbers.

This analysis reveals that by exempting all landings of 1000 pounds and less from mandatory monitoring, 16.4% of the number of landings would be exempted but 99% of the weight of all required sablefish landings would be validated.

It is important to point out that by exempting Halibut landings of either 500 pounds and less or 1000 pounds and less would be most notable in areas 2C (Southeast Alaska) and 4B,C, D, and E (most of the Bering Sea but principally the landings by CDQ groups). These are the small skiff fisherman principally and it may make sense to exempt them from mandatory validation requirements. On slower days, weighmasters could monitor these landings but that would increase the cost of the monitoring program.

As previously stated the author meet with IPHC staff and discussed how they determined the staffing levels that appear in the IPHC report (pp14-23). The staff stated they had based their numbers upon the assumption of 100% monitoring of all halibut and sablefish landings, discussion with Canadians regarding the distribution of validators in British Columbia, and the landing statistics for 1996. The author started at this same point and overlaid two important additional factors: 1) Exempting landings of 1000 pounds and less for Halibut and Sablefish in the Bering Sea and Gulf of Alaska and 2) utilizing NMFS Fishery Patrol Officers as port supervisors. The following table reflects the proposed staffing. This single table represents weighmaster and port supervisor distribution for combined halibut and sablefish landings.

SOUTHEAST DISTRICT

AOR - Yakutat to the U.S.- Canadian International Border (Dixon Entrance)

KETCHIKAN

AOR - The geographic area of responsibility includes the port of Ketchikan, and the outlying ports of Hollis, Thorne Bay, Coffman Cove, Whale Pass, Point Baker, Port Protection, Naukatee, Craig, Klawock, Hydaburg, Waterfall, Port Bazan, Security Cove, Metlakatla, and Hyder.

2FPOs

4 part time NCOs

CRAIG

3 part time NCOs

PRINCE RUPERT

No. depends on reciprocal agreement with Canada

PETERSBURG

AOR - includes the port of Petersburg, and the outlying ports of Kake, and Wrangell.

2 FPOs

4 part time NCOs

KAKE

2 part time

WRANGELL

3 part time

SITKA

AOR - The geographic area of responsibility includes the port of Sitka, and the outlying ports Pelican, Elfin Cove, Tenakee, Angoon, and Port Alexander.

2 FPOs

9 part time

ANGOON

2 part time

ELFIN COVE

2 part time

PELICAN

2 part time

PORT ALEXANDER

2 part time

JUNEAU

AOR - includes the ports of Juneau, Auke Bay, Douglas, and the outlying ports of Yakutat, Gustavus, Excursion Inlet, Hoonah, Haines, and Skagway.

1 FPO

3 part time

HOONAH

2 part time

EXCURSION INLET

2 part time

GUSTAVUS

2 part time

HAINES

2 part time

YAKUTAT

2 part time

CENTRAL DISTRICT

AOR - Central GOA from Barren Islands eastward to Yakutat, all of interior AK, and the North Slope.

ANCHORAGE

AOR - The Northern Cook Inlet, the Prince William Sound eastward to Yakutat, Interior Alaska to the North Slope.
2 part time

WHITTIER	CORDOVA	VALDEZ
2 part time	2 part time	2 part time

SEWARD

AOR - The Upper Kenai Peninsula, including Ressurrection Bay
2 FPOs
7 part time

HOMER

AOR - The Lower Cook inlet and Kenai Peninsula, Gulf of Alask from the Barren Islands to Ressurrection Bay.
2 FPOs
6 part time

KENAI	NINILCHIK
2 part time	2 part time

WESTERN DISTRICT

AOR - Kodiak Island and westward in the GOA, the BSAI and coastal villages of western AK.

KODIAK

AOR - The Gulf of Alaska from the Barren Islands to Unimak Pass and portions of the west coast of Alaska
2 FPOs
9 part time

ALITAK	CHIGNIK	KING COVE	SAND POINT
2 part time	2 part time	2 part time	2 part time

DUTCH HARBOR

AOR - The Bering Sea and Aleutian Islands, and the remainder of western Alaska not covered by Kodiak.
2 FPOs
5 part time

AKUTAN	ST. PAUL	ST. GEORGE	ATKA
2 part time	3 part time	2 part time	2 part time

WASHINGTON STATE AREA

AOR - All landings in Washington, Oregon, California

BELLINGHAM

AOR - All landings in Washington, Oregon, California
2 FPOs
4 part time

SEATTLE
4 part time

In addition to the personnel described above, four data clerks work in Juneau receiving prior notices of landing. These personnel are currently under contract to the AED and they would be a part of the contract for weighmasters. In the Canadian program the task that these personnel support is expanded over what the current staff provides. This leads to discussion of hail out provisions and telephonic messaging of effort and landing data currently provided in the Canadian system not now provided in the US system. The following is a description of IVQ fishing information that could be provided (provided by personal contact with Barry Ackerman, DFO Canada).

The Contractor shall maintain and update the halibut activity information line. This halibut activity shall be updated daily and include the following information: the number of vessels hailed out as of that day, the total number of hail-outs over the last 24 hours, 48 hours, 72 days; the total estimated landed weight to date, and average weight per landing, total landed weight in the last 24 hours, 48 hours, and 7 days, the total number of off-loads scheduled for the next 24 hours and estimated weights, along with any special announcements of information required by DFO.

This fishing information would be available to allow a fisher to decide if he or she would go out fishing or wait for a better time based upon effort data and market conditions. This additional work was not factored into the author's estimate of personnel needed to run the weighmaster program but could likely be handled by the existing data clerk staff.

Based upon the above information a total of 110 part time weighmasters and 4 data clerks would be located in 37 locations. This list has been adjusted for 1998 landing information and some ports that were excluded may have to be added in the future due to shifts in landing effort. Likewise, some ports on this list maybe excluded if they remain on the edge of needing weighmasters. Three examples are Pelican, Angoon, and Elfin Cove. If the Pelican fish plant reopens, it is a major buyer among the smaller ports. Both Elfin Cove and Angoon hover around the 1000 pound average landing and could be included or excluded. The author opted for inclusion based upon the cost of travel in most areas of Alaska argues in favor of including them.

Cost

After reviewing the IPHC report and discussion with it's authors, review of Canadian landing information, discussion with Howard McElderry, AMR Ltd, and knowledge of contracting for data clerks in Juneau, an average cost for weighmasters would be \$15.00 per hour. In addition, call outs for validation services would have a two hour minimum. This is designed to account for travel time, onsite work, telephonic reporting time, faxing, and all facets of daily weighmaster work. There are separate and additional start up costs for supplies, communications, initial training, on-the-job training, and miscellaneous cost. The Canadian validators average approximately 3, 000 pounds per hour for validation time. This pounds/hour number will be used in this analysis to calculate costs. Once again using RAM data form the baseline year (1996) the following calculations are used to derive costs.

Table 7 - Ram division landing information with calculations to show average landing information

Area	Species	Vessel Landings	Total Catch Pounds	Average Pounds Per Landing	Average Hours Per Landing
2C	halibut	3,325	8,533,743	2,567	2.0 *
3A	halibut	2,952	19,365,600	6,560	2.2
3B	halibut	498	3,502,377	7,033	2.3
4A	halibut	243	1,735,509	7,142	2.4
4B	halibut	82	1,646,879	20,084	6.7
4C	halibut	137	296,439	2,164	2.0 *
4D	halibut	37	487,140	13,165	4.4
4E	halibut	0	0	0	0
Total		7,274	35,567,687	4,890	2.0 *
* (No landing would be) (less then two hours)					
SE	sablefish	913	9,823,345	10,759	3.6
WY	sablefish	344	6,096,858	17,723	5.9
CG	sablefish	746	11,818,813	15,843	5.3
WG	sablefish	164	3,585,286	21,862	7.3
AI	sablefish	84	1,168,272	13,908	4.6
BS	sablefish	116	703,905	6,068	2.0
Total		2,367	33,196,479	14,025	4.7

1996 Community Development Quota (CDQ) Allocations and Landings
From 01-MAR-1996 through 31-DEC-1996

Area	Species	Vessel Landings	Total Catch Pounds	Average Pounds Per Landing	Average Hours Per Landing
4B	halibut	370	425,318	1,150	2.0 *
4C	halibut	294	384,584	1,308	2.0 *
4D	halibut	248	229,426	925	0 **
4E	halibut	526	121,241	231	0 **
Total		1,438	1,160,569	807	0 **
AI	sablefish	11	309,207	28,110	9.4
BS	sablefish	11	107,479	8,771	3.3
Total		22	416,686	18,940	6.3

Combined totals * (No landing would be) (less then two hours)
Halibut 36,728,256
Sablefish 33,613,165 ** (no landing <1,000 would be monitored)

Using average numbers from the tables above yields the following:

IFQ

Halibut 7,274 vessel landings X 2.0 hours/validation = 14,548 hours

Sablefish 2,367 vessel landings X 4.7 hours/validation = 11,125 hours

CDQ

Halibut Average landings too small to add hours

Sablefish 22 vessel landings X 6.3 hours/validation = 138 hours

Totals 25,811 hours

25,811 hours X \$15.00/hour = \$387,165

Holiday costs are estimated at 110 people X 4 holidays/person X 8hours/day = 3,520 hours X \$15/hr = \$52,800 (Holidays would be double time and the above calculation figures all hours at single rate)

Overtime costs are calculated at 50 hours per person per year (110 X 50=5,500 hours at time and one half = 5,500 X 7.50 = \$41,250) (again all employees are paid at the single rate and therefore half time must be added).

Training, training travel, equipment, communications, oversight, and witness/court time is calculated to cost \$167,764.

Contractors fee is calculated at \$125,000

Total costs of the weighmaster program is estimated at \$743,979.

CONCLUSION

The proposed weighmaster program is very cost effective for the amount of fish that will be validated when compared to the ex-vessel value of 70 to 80 million pounds of IFQ species landed.

The proposed program costs less proportionately then the Canadian program because we would not monitor every landing (still validating approximately 70% of landings and approximately 94% of the poundage), and we will not be tagging fish. Dayna Matthews (1997) reported that industry placed a high value on verifying weight at the dock and so does the author. Howard McElderry, AMR Ltd. commented that fishers in Canada felt this was a necessary part of showing the government and the public that they valued the IVQ program and that they would be responsible and honest in catching the public's resource. The author believes that US fishers are equally dedicated to demonstrating their integrity and to maintaining a management program which operates as effectively as possible.

Cost of the program will be higher if administered by an entity outside of AED. The dockside coordination aspect can be accomplished with existing resources which would otherwise raise

cost 40 to 60 percent.

The author remains concerned about providing adequate levels of dockside monitoring to ensure a level playing field within the industry. The addition of a weighmaster program would allow the current AED workforce to spend much more time on the higher level investigative issues, check more products in shipment, and generally return to the three remaining aspects of the enforcement plan, monitoring, audits, and investigation.

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Appendix I: Icicle Proposal

The following information is being provided to you for your information and to assist you in your decision-making process. This information is being provided to you in confidence and is not to be disseminated to any other person without the express written consent of the [redacted].

The [redacted] has been reviewed and approved by the [redacted] and the [redacted]. The [redacted] has been reviewed and approved by the [redacted] and the [redacted]. The [redacted] has been reviewed and approved by the [redacted] and the [redacted].

The [redacted] has been reviewed and approved by the [redacted] and the [redacted]. The [redacted] has been reviewed and approved by the [redacted] and the [redacted]. The [redacted] has been reviewed and approved by the [redacted] and the [redacted].

The [redacted] has been reviewed and approved by the [redacted] and the [redacted]. The [redacted] has been reviewed and approved by the [redacted] and the [redacted]. The [redacted] has been reviewed and approved by the [redacted] and the [redacted].

LATE

ROUGH DRAFT - 10/02/96

PROPOSAL FOR NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

Preface: With over 2,500 Black cod and 7,000 halibut landings spread through sixty ports in 1995 and similar numbers expected for 1996, the success of the IFQ program rides on the ability of NMFS to enforce the regulations and ensure that accurate accounting is used to record removals from the respective fisheries. While NMFS has done an excellent job in implementing and monitoring this huge new undertaking, a few leaks are developing, as everyone expected, which need to be plugged.

In order to fix the current problems, the proposal below suggests simplifying the current system and shifting some of the enforcement cost to industry.

It is important for the health of the resource and longevity of the IFQ program that current problems get addressed prior to next season's fishing.

What: IFQ halibut and black cod must be processed in the port where the fish are unloaded. In addition, each buyer must supply, at their own expense, an independently certified observer for the process of unloading, weighing and recording of IFQ pounds to verify that weights going into the IFQ data base are accurate.

Processing is defined as:

1. Halibut

a. Fresh

- Removing heads
- Washing/sliming as required
- Icing/boxing fish for shipment in final form for the next step in distribution

b. Frozen

- Removing heads
- Washing/sliming
- Freezing to a core temperature of 0° or lower
- Glazing/boxing and/or toting

2. Black Cod

a. Frozen

- Dressing/removing heads/washing/sliming as required
- Freezing to a core temperature of 0° or lower
- Glazing/boxing and/or toting

Why: Under the current guidelines, there are too many opportunities for buyers and fishermen to inaccurately report how much halibut and black cod is really landed against the T.A.C., i.e.,

1. There is no set percentage to be deducted for ice and slime.

The industry standard average for decades has been 2%. Currently, buyers manipulate this number upwards which amounts to fewer pounds being bought, allowing a higher price per purchased pounds to be paid, and thus a competitive advantage over other buyers. By creating a standard, and having an approved observer present during the unloading/weighing/fish ticket/processing cycle, all buyers would be forced to play by the same rules and ensure that accurate numbers are used for removals from the T.A.C.

2. There is no verification process with NMFS enforcement authority that guarantees the accuracy of unloading weights. Without this verification, there are too many games that can be played by buyers to gain competitive advantage through "altered weights."

a. For fishermen delivering black cod, buyers can guarantee a product recovery rate higher than NMFS standard of 63% and be under reporting removals against the T.A.C., i.e., a fisherman has finished weights of 30,000 pounds by using for instance, 70%, 42,857 round pounds, gets reported into the system. In reality, his IFQ account should have been charged with 47,619 pounds. The fisherman can catch more pounds than his IFQ allows and probably receive a higher price per pound than is prevailing at the time. The buyer gets fish to process and sell that he would not have gotten without this subterfuge.

- b. For fishermen selling their halibut with the heads on, similar games can be played with the standard allowance for head deduction.
- c. If a fisherman wants to "under hail" what he has on board and the buyer under weighs, one can see the games that might be played with price per purchased pound and the competitive advantage this buyer has over others.
 - 1. The above situation is made much easier when IFQ fish is unloaded in one port and shipped to another (including out of state) for processing.
- d. Other advantages
 - 1. By more closely controlling unloading and processing, NMFS could more easily track shipments, thereby ensuring that other schemes don't develop -- it's a deterrent.
 - 2. By having processing occur where fish are unloaded, the states of Alaska, Washington, Oregon, and California could exert more control over quality, and promote the fact that this fish is being processed in HACCP-approved plants, etc. (similar to what British Columbia does today with its sticker program promoting Canadian fish).
 - 3. Fishermen can choose to support processing workers in whatever community they wish if they know that fish delivered to a port will also be processed at that port.

Throughout the current paper trail system, there is incentive for buyers and sellers to avoid recording all the pounds landed and to make side deals on this "extra fish." By having all fish processed where it is unloaded through an approved observer process, NMFS could ensure that these games are not played and that accurate removals from the fishery are being recorded.

How: Buyers would pay NMFS, or whatever agency supplies this approved observer verification process, on an hourly basis for services rendered.

Discussion Paper for an Alaskan Weighmaster Program

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

September 11, 1997

INTRODUCTION

Background

Prior to development of the Individual Fishing Quota (IFQ) Program for Alaskan waters, fishermen and processors had little incentive to underreport landings. The incentives at that time involved gaining competitive advantage by fishing before and after defined openings and fishing out of area. With only a few, short seasons, fishermen self interest called for monitoring their own landings to ensure total accounting. Also, the International Pacific Halibut Commission (IPHC) confirmed total commercial removals by telephoning the processors after a fishing season to inquire about the amount of pounds they purchased and these totals were cross-referenced with fishing ticket data. As a result, the IPHC felt confident that total halibut landings were generally accurate. NMFS also believes that sablefish landings were generally accurate. A discussion of limited access for the sablefish beginning in 1985 led fishermen to closely monitor their individual landings.

With the advent of IFQs, the incentive shifted to making the most of a limited landing allowance by underreporting landings. With landings spread out over an eight month season, and only a few landings occurring in a port on any day, ample time is available for collusion. No significant underreporting seems to have occurred at present, although by its very nature underreporting is difficult to observe. NMFS enforcement remains confident that landing records are generally accurate, but is concerned with the potential for misreporting.

During development of the IFQ Program, the IPHC and the Halibut Association of North America supported a system of monitoring and reporting halibut and sablefish landings to assure accurate catch records. This system would have been similar to the Canadian "validator" system and would have required individuals independent of the fishermen to observe weights of all halibut or sablefish offloaded from a vessel and to observe reporting of the total weight to the National Marine Fisheries Service (NMFS).

Under a plan prepared by the Alaska Enforcement Division (AED) of NMFS, the reporting integrity was to be achieved by tracking landings from the time of offloading to final distribution. The enforcement plan called for each load of halibut or sablefish to be identifiable at any time back to vessel, processor, and time of landing. Paperwork was to follow the fish; therefore, any fish without the appropriate paper work was presumed illegally-landed. In practice, however, it was not possible to track all individual landings as they were sold to many different buyers and at different times. In 1996 and 1997, the AED staffing decreased, and could not maintain an enforcement presence anticipated in the original plan.

In October 1996, Icicle Seafoods brought a proposal (Appendix I) for a weighmaster system to the North Pacific Fishery Management Council's (NPFMC) IFQ Industry Implementation Team. The weighmaster system, in concept, was similar to the Canadian validator system. The Implementation Team supported the weighmaster concept (Appendix II), but not all the details of the Icicle proposal. At its December 1996 meeting, the NPFMC asked NMFS to prepare a discussion paper on advantages and disadvantages of a weighmaster system. NMFS, however, reported to the NPFMC in April 1997 that demands of the re-authorized Magnuson-Stevens Act prevented any NMFS action on a weighmaster report.

Also in April 1997, the NPFMC received a report from Dayna Matthews reviewing the enforcement issues in the Alaska IFQ Program. Matthews recommended the weighmaster concept. He noted that industry has a strong interest in adequate monitoring of landings; that the Canadian validator system has proved successful; and that AED experiences staffing shortfalls. Matthews reported that underreporting does not currently appear as a serious problem. The potential for underreporting is severe, however, and likely to increase without a prominent enforcement/monitoring presence.

During the April 1997 meeting and following the Matthews report, the IPHC staff reiterated its support of the weighmaster concept as a means of obtaining high quality landing data. NPFMC then asked the IPHC to prepare a discussion paper on the weighmaster concept. This report will define issues, alternatives, and options to help the NPFMC and affected fishermen and processors decide if a weighmaster program should be evaluated in more detail (an EA/RIR/IRFA).

Alternatives

The concept of a Weighmaster Program is fairly simple. The goal of the program would be to maintain high quality records of IFQ landings, which are essential to stock assessment and management for halibut and sablefish. The critical duty of a weighmaster would be to validate the offloading weight and to ensure that the actual landing weight is recorded with NMFS. The IFQ Program has a requirement for reporting weights to NMFS.

The desirability of a weighmaster concept hinges on an evaluation of data quality. If landing-data quality is high and little or no potential exists for data degradation, then little reason exists for the program. If on the other hand, landing-data quality is poor or may be degraded in the future, a weighmaster program would maintain and improve quality. We have identified four general ways that data misreporting may occur: 1) Ice and slime deductions; 2) Don't weigh all totes; 3) Don't record all weights; and 4) Lower final weight. If a weighmaster is conceptually desirable, then additional evaluation must include which ports require a weighmaster; if all landings should require weighmaster monitoring; who should pay for the weighmaster program; who should hire the weighmasters; who should train the weighmasters; and if the weighmaster should have additional duties.

The IPHC staff developed the following alternatives:

Alternative 1. Status quo.—no change

Alternative 2. Weighmaster Program

- Item 1. Landings: Option 1. all IFQ landings
 Option 2. lower weight limit
- Item 2. Ports: Option 1. any port
 Option 2. all current ports
 Option 3. selected ports
- Item 3. Paid for by: Option 1. processor
 Option 2. fishermen (fish tax)
 Option 3. both
 Option 4. federal
- Item 4. Hired by: Option 1. contractor(s)
 Option 2. processor
 Option 3. NMFS
 Option 4. IPHC
- Item 5. Trained by: Option 1. contractor(s)
 Option 2. NMFS
 Option 3. IPHC
 Option 4. other (University of Alaska)
- Item 6. Duties: Option 1. monitor only
 Option 2. additional duties

REVIEW OF CANADIAN VALIDATOR SYSTEM

When the Canadian Department of Fisheries and Oceans (DFO) set up the Canadian IVQ systems for Pacific halibut and sablefish, fishermen were required to pay for the administration of the system, including the requirement for 100% validation of landings. Fisherman payments occur as a per-pound tax on the quantity of IVQ issued. DFO restricted legal landings to all B.C. ports that had received a landing prior to the IVQ fishery and to several chosen ports outside of British Columbia. Additional ports added after the implementation of IVQ fishery could increase costs to fishermen. Before a new port can be added, a fisherman's panel (HAB) must review the addition and decide if a new port is acceptable. A few new ports have been added to the list since the implementation of the program and currently there are 34 legal landing ports (Appendix III). DFO maintains oversight for the Validator Program, but has contracted the operation of the program to a single firm, Archipelago Marine Research Ltd. (AMR).

AMR hires, trains, and monitors personnel who serve as validators, and assembles, edits, and reports data to DFO. Validators are usually residents of communities where landings occur, but employed independently of fishermen and plants. DFO recommends a minimum of 29 individual validators, as some validators can cover more than one port. DFO requires each vessel fishing for halibut or sablefish to check out prior to fishing, and to check in 24 hours prior to a landing.

AMR then arranges for a validator to meet each vessel. AMR also provides and maintains the 24 hour toll-free telephone number for check in-check out.

AMR validators have the primary responsibility for observing and recording the weight of all halibut and sablefish unloaded from each vessel. Validators have a responsibility to ensure that all weights are taken from certified scales. If necessary, the validator calculates net weight (head off, ice and slime removed) of offloaded halibut and round weight of rockfish. If fish are to be transported, the validator will issue a Transmit Slip for each vehicle or vessel that will transport the halibut. The validators also tag each offloaded halibut with uniquely-numbered tags so that each halibut can be tracked back to a specific landing. In addition, the validators or enforcement officers inspect fishholds, lazarettes, baitholds, and other areas where fish might be held to assure that all fish have been offloaded. The program has become so accepted by fishermen and plant managers, that both fishermen and plants often rely on weights recorded by validators rather than record weights themselves.

The 1997-1998 Halibut IVQ budget shows Cdn\$366,000 (US\$264,000) for AMR port validation and tagging. At the 12.5 million pound catch limit for Area 2B in 1997, this is approximately US\$0.021 per pound. Canadian fishermen pay a license fee of Cdn\$365 per mt (US\$263 per mt) or Cdn\$0.166 per pound (US\$0.119 per pound) for all services.

REVIEW OF NMFS OBSERVER PROGRAM

The NMFS Observer Program grew out of the need to monitor catches and discards of foreign fleets fishing in waters adjacent to the U.S. The program began placing observers on foreign fishing vessels operating off the northwest and Alaskan coasts of the United States in 1973. Initially, observers were placed on vessels only upon invitation of host countries. The primary purpose of observers in the early years of the program was to determine incidental catch rates of Pacific halibut in groundfish catches and to verify catch statistics in the Japanese crab fishery. Later, observers collected data on the incidence of king crab, snow (Tanner) crab, and Pacific salmon, and obtained biological data on other important species. Following the implementation of the Magnuson Fishery Conservation and Management Act of 1976, which mandated that foreign vessels accept observers, observer placement was greatly expanded over that of 1973-1976.

Initially, the observers were federal employees, and all costs of the program were paid for by the federal government. With implementation of the FCMA, contractors were employed to place observers. In 1990, the domestic groundfish observer program was implemented through amendments to the North Pacific Fishery Management Council's groundfish fishery management plans for the Gulf of Alaska and the Bering Sea. Mandatory coverage requirements were established and fishing vessel and plant owners were required to obtain certified observers from companies certified by NMFS to provide observers. While NMFS has historically provided all training, briefing, and debriefing of observers, the Observer Training Center (OTC) at the University of Alaska in Anchorage began a pilot groundfish observer training program in 1992. Since that time, OTC has increased its role in training observers and now also conducts briefings.

In contrast to the simple, well-defined duties of the Canadian validators, the NMFS Observer Program assigns a myriad of duties to observers. The primary responsibilities of NMFS

groundfish observers is to collect data required for estimating catch quantity and composition. Other responsibilities include collecting observations on interactions between fishing operations and marine mammals and birds, estimating discards, collecting data for prohibited species bycatch reduction programs, and monitoring for compliance with fishery regulations. The NMFS Observer Program is responsible for editing, processing, and quality control of all data. In most cases, the Observer Program provides data to other agency offices for analysis and interpretation.

EVALUATION OF A WEIGHMASTER SYSTEM

This report is designed to set ranges on some aspects of a weighmaster program, and to identify the key issues that need to be addressed if the NPFMC chooses to proceed with further analysis of the weighmaster program. To help identify the issues, IPHC staff discussed the issue with Steve Meyer of NMFS Enforcement, and interviewed 16 individuals (Appendix IV) in the fishing industry to obtain opinions on a variety of options for the weighmaster program. Many of those interviewed opposed a weighmaster, but answered questions on design of a weighmaster program from the point of view of "what would you prefer if a program goes into effect in spite of your opposition?"

The need for a weighmaster program

Enforcement perspective. The NMFS Enforcement Program has experienced reduced personnel levels below that established as necessary in the initial enforcement plan designed for the IFQ system. Steve Meyer indicated that he is unlikely to receive additional staff. At the present time, the Enforcement Program is five uniformed officers below projected staffing. The Enforcement Program needs to find a permanent solution to the reduced staffing. While exploring options, Steve Meyer met with Canadian officials to discuss the Canadian validator system. He concluded that a combination of uniformed officers and weighmasters comparable to the validators would be the most effective system under the present staffing limitations.

The loss of five officers cannot be made up permanently by rotation of officers from other regions. Enforcement seeks to remedy this problem sooner rather than later. Steve Meyer expects to present to the Council in the near future, after the September Council Meeting, a draft plan that incorporates elements of the Canadian validator system. If possible, he desires that such a system would go into effect in 1999. Enhanced enforcement presence is a high priority for the Program, and Steve Meyer would work toward a funding request in appropriate U.S. budgets to cover all or part of the costs of the program. He envisions that some federal funding would be available for a contract to implement and administer the weighmaster program. NMFS Enforcement prefers to start with the concept of monitoring all landings, and evaluating possible exemptions as more information becomes available. NMFS Enforcement also believes that the weighmasters should have quasi-enforcement responsibilities, but not enforcement power, and that the weighmaster program should fall under administration of NMFS Enforcement.

Industry perspective. The need for a weighmaster program depends on whether data quality is or may be compromised by no reporting or underreporting of landings. The industry view, as represented by those interviewed, shows a strong support for the current data quality, and expectation of continued good quality.

Nearly all processors and some fishermen or fishermen representatives strongly opposed a weighmaster program. These respondents indicated that 1) the system works well now; 2) weighmaster costs are a waste of money, add a layer of bureaucracy, and could put small processors out of business; and 3) if any problem exists, NMFS should do the job it promised by bringing personnel up to the target level. An additional respondent added that the weighmaster would further delay offloading, which is already delayed by the 6-hr check-in requirement. Some commented that it was not worth it for processors to misreport weights as they had too much to lose if they were caught. If misreporting were to occur it was going to be from 'dock sales' or sales to local business.

Industry representatives supporting the weighmaster concept typically felt that the enforcement system worked well, but that the IFQ Program was under attack. Perceptions of an enforcement problem are used by IFQ critics as a justification for canceling the Program, and a weighmaster program would blunt those criticisms. Proponents of the weighmaster acknowledged that data would improve with a weighmaster program. One respondent described a belief that underreporting would be easy to accomplish by changing weights unless verified by an independent person. One proponent noted that enforcement is inadequate and unlikely to improve, that a weighmaster was a cost effective method of maintaining data quality, and the presence of a quasi-enforcement weighmaster would change behavior. One supporter noted that the program should have a provision for landings in case weighmasters were to go on strike.

Another respondent had provisional support for a weighmaster. Conceptually, this respondent preferred a weighmaster presence to enforcement presence, but felt a weighmaster would be unnecessary if a high (adequate) level of enforcement exists.

The general lack of concern for preventing underreporting contrasts with the position of the Halibut Advisory Board (HAB) in British Columbia. The HAB, made up of fishermen, took a strong position advocating the validation system currently used in Canada.

Ports

Landings¹ of halibut caught in Alaska during 1996 occurred in at least 43 Alaskan ports, two Washington ports, and one British Columbia port (Table 1), and over all months and days of the open period (Table 2). The IPHC has not coded several miscellaneous Alaskan ports with low landings, so can not easily identify these ports or report landings. In "Central Alaska," eight landings occurred on eight days in 1996, and in "Bristol Bay," 37 landings occurred on eight days in 1996. The 1996 landings by port ranged from a few total landings and many days with no landings to well over 500 total landings with over 10 landings per day on most days (Table 2). For example, Nome had two landings in August and two in September, and Excursion Inlet totaled five, nine, and 1 landings for May, June, and September. At the other extreme, Sitka had four months with over 100 landings (one month over 200), up to 17 landings in one day, and only 1-5 days a month without at least one landing (except in November).

¹ In Tables 1 and 2, a landing is defined by landing date and vessel. Therefore, in cases where smaller vessels make more than one landing in a day, only one trip is counted. This will be the case in some of the Bering Sea CDQ landings (i.e. in St. Paul).

Landings of sablefish occurred in a smaller number of ports, as many of the smaller ports have no sablefish landings (Table 3). The distribution of landings over months and days (Table 4) was similar to the pattern for halibut, but with a smaller number of landings and a smaller number of days per month with landing.

Industry representatives did not have access to the IPHC data for landings by port. No consensus developed on covering all ports or a subset of ports with a weighmaster. Those who preferred all ports justified the position on the basis of data certainty: a problem in one port means problems in other ports; illegal activities will move to uncovered ports; and a weighmaster will assure data quality. Most acknowledged that costs increase as number of ports increase.

Those preferring limited ports most often pointed to the increased costs to smaller processors in the smaller locations with low landings and to the lack of problems in some ports (usually the port where the fisherman or processor worked). Other suggestions included limiting weighmasters to ports without enforcement, limiting weighmasters to ports with large landings with good transportation systems that make cheating easier, rotating NMFS enforcement among the uncovered ports, and maintaining status quo in ports without weighmasters.

Minimum landing size

Halibut landings were strongly skewed to small quantities (Table 5). Landings smaller than 5,000 pounds accounted for 80% or more of the total landings except in Areas 3A, 3B, and 4A, and landings smaller than 1,000 pounds accounted for 50% or more of the total landings except for Areas 3A, 3B, and 4A. Larger landings dominated the sablefish landings (Table 6). Landings smaller than 5,000 pounds represented over 50% of the total only in the Bering Sea, and ranged from 21-42% in the other regions. Landings under 1,000 made up 30% of the Bering Sea total, but 4-22% in the other regions.

Industry representatives did not have access to the IPHC data for size of landing. The discussion on a minimum landing size, below which no weighmaster coverage would be required, drew comments similar to those for port coverage. Those who preferred coverage of all landings commented that if the industry is viewed as conducting illegal activities, then everyone should be covered.

Those preferring a lower limit pointed out that costs to fishermen with smaller landings are disproportionately higher than for fishermen with large landings. Lower limits recommended by respondents were 500, 2,000, 5,000, and 10,000 pounds.

A lower limit in the range suggested above would eliminate a large fraction of the halibut landings from weighmaster coverage. The poundage subject to a weighmaster, however, would be much higher than the fraction of landings. A lower limit would remove a highly variable fraction of the sablefish landings from a weighmaster requirement, depending on the area.

Weighmaster funding

The number of weighmasters and the number of administrative personnel cannot be accurately determined at this point of the analysis. The IPHC staff estimated the number of weighmasters

(both halibut and sablefish landings) for each port for discussion purposes (Table 2). A more detailed analysis should look at number of plants in a port, distance between plants, distribution of landings among plants, and size of landings to provide a better estimate of weighmaster needs. We assumed that the least-busy ports would need two part time weighmasters, that the busiest ports would need a full time weighmaster-coordinator and a number of part time weighmasters, and that intermediate ports would have a part time weighmaster-coordinator and several part time weighmasters. The total number of weighmasters could be in the 150 to 200 range if all ports are covered. Under this scenario, we estimate a requirement for three regional supervisors and an overall administrator. There could also be several roving weighmasters out of the regional office or the supervisors could visit to assist during busy times. If some ports are excluded or a lower weight limit is set, then weighmaster and administrative requirements decrease. Training would occur regionally. Based on salary ranges for IPHC port samplers, we assumed GS-5.1 to 6.1 salary rates for weighmasters (\$2033-2266 per month; \$11.73-13.08 per hour, including the 25% Alaska cost of living adjustment). We did not estimate total hours for the weighmasters or cost of administration and training.

The IPHC questions asked for preferences for funding by fishermen, processors, or fishermen/processor sharing. No consensus developed on this issue, and preferences for all three options arose. In nearly all cases, respondents realized that fishermen will pay, at least part, regardless of the choice. Processors can account for their payments by lowering prices to fishermen, raising prices to consumers, or reducing profits. Most fishermen expected a significant portion of processor payments to result in lower prices. Processors typically said fishermen or an outside source (NMFS or IPHC, even though these were not choices in the questions) should pay, but fishermen did not uniformly say processors should pay (one also suggested outside funding). Processors were generally opposed to the concept and most did not want any part of the funding. Many felt that fishermen received IFQ for free, were making money, so should pay. Fishermen supported processor funding because processors controlled the scales, had to be party to any illegal activities, and had easier access to weighmaster notification. Fishermen preferring fishermen payment pointed out that the program monitored landings from fishermen, and the fishermen benefit. Cost sharing received support on the basis of benefit to both processors and fishermen.

The Magnuson-Stevens Act amendments allow for a fee collection program, limited to 3% of the ex-vessel value (Section 304D, page 67). For the 1997 halibut fishery (50 million pounds @ \$2.00/pound), 3% is approximately \$3.0 million, and approximately \$2.4 million for the 1995 sablefish fishery (\$80 million, 40 million pounds, the last year available from the Commercial Fishery Entry Commission). The money collected is deposited in the U.S. treasury and is reallocated in a limited access administrative fund to be used for the monitoring and enforcement of IFQ and CDQ programs. This money is currently designated to be used for a lien registry, loan program, the administration of the CDQ program, and for the enforcement program. The amount of the money collected will vary yearly depending on the catch limit and the ex-vessel price for the year. If there is money available it could be used for the weighmaster program as it is for the monitoring and compliance of the IFQ program.

The Magnuson-Stevens Act does not specify to whom the fee collection program applies. One may then make the interpretation that the 3% limitation for fee collection applies to fishermen, processors, and others. Using an alternate interpretation that the 3% limit applies only to

fishermen may lead to a further interpretation that no authority exist to collect fees from others. Jon Pollard of NOAA General Counsel, Juneau AK suggests that this issue receive a full legal review if the NPFMC chooses to proceed with analysis of the weighmaster program.

The Magnuson-Stevens Act further authorizes fees to recover actual costs directly related to the management and enforcement of any individual fishing quota program or community development program, which leads to an interpretation that the fee collection program applies to the halibut fisheries. Fees cannot be collected for management of the commercial fishery by the IPHC under the Halibut Act.

Availability of Potential Weighmasters

Criteria for selection of persons to act as weighmasters will depend on the duties assigned to them. Weighmaster qualifications will likely be lower than those of NMFS-certified observers or of IPHC port samplers. Demonstration of honesty and integrity are the most important minimum qualifications. The IPHC has had difficulty finding qualified port samplers in some ports, which required sending in employees. At this point it is unclear if adequate personnel are available to staff the weighmaster positions. In most cases, weighmasters will have to be local residents. Most of the positions will be part time, with irregular hours. Housing in many ports is difficult to find and expensive. Dutch Harbor, for example, has little transient housing available, residences lease for the year, and cost in the vicinity of \$1,500 per month.

Weighmaster Administration

The weighmaster proposal from Icicle Seafood suggested administration by the processors. However, this report considers only weighmasters independent of processors and fishermen. Options for administration of the program specified a private contractor or contractors, NMFS, or another agency such as IPHC or Pacific States Marine Fisheries Commission (PSMFC).

Opinions ran very strongly, but not unanimously, against federal administration. Respondents mentioned the large bureaucracy and slow response time for NMFS. Those who supported NMFS or a NMFS/IPHC combination pointed out that NMFS is a major player, and will provide consistency. Very few respondents had initially considered IPHC or PSMFC, but most quickly accepted these organizations as viable administrators. Support for administration by IPHC resulted from successful management of the fishery, the successful port sampling network, low cost of administration, and the reputation of IPHC. PSMFC received some support on the basis of its reputation and low costs, but lack of experience in IFQ issues hindered support. Private contractors received support because of the free market and private enterprise, and because they have no vested interest. Opposition to private contractors was not strong, but resulted from problems experienced by observer companies: some went out of business, did not pay observers, or demonstrated uneven quality. Opinion was split between a single contractor and several contractors. A single contractor received support for consistency, simplicity, efficiency, and ease of monitoring. Multiple contractors received support for competition, lower prices, no monopoly, and possible regional or local knowledge.

If the NPFMC chooses NMFS to administer the weighmaster program, no special arrangements need to be made. If the Council chooses IPHC or PSMFC, a working relationship can be

arranged through a Joint Project Agreement. The Joint Project Agreement would identify a common interest in a project, and specify details of the work. A single contractor would be selected through a bid process open to all interested companies. Multiple contractors would operate in the same manner as observer companies under the Observer Program. As the administration shifts from NMFS to IPHC or PSMFC to a single contractor to multiple contractors, the amount of NMFS oversight needed will increase.

Duties

Industry opinions for weighmaster duties mainly favored no extra duties but several favored extensive extra duties. Those who supported no extra duties believed that the program should start simply, that extra duties would add unnecessary costs and bureaucracy, and that extra duties could be added later if necessary. A respondent included checking holds, bait lockers, and lazarettes for halibut and sablefish, but most did not address this duty. Those who supported extra duties felt that if the weighmasters are there, they should be able to other duties. The most common extra duty was performing vessel clearances required for halibut fishing in Area 4. One respondent thought that weighmasters should also be knowledgeable sources of information who can answer questions on regulations and the fisheries. Another thought that weighmasters should have a para-enforcement role and check vessel and crew documents.

Reciprocal validation with Canada

Canadian vessels currently may land IVQ fish in Ketchikan, Bellingham and Blaine, and U.S. fishermen may land in Prince Rupert, Port Hardy, or Vancouver in Canada. Canadian validators cover the U.S. ports, and U.S. fishermen must undergo validation in Canadian ports. If the NPFMC establishes a weighmaster program for Alaska, benefits may accrue from having U.S. weighmasters validate Canadian landings in Alaska. Jon Pollard, NOAA GC, Juneau AK suggested that a U.S. weighmaster program cannot require more rigorous monitoring of Canadian vessels than required of U.S. vessels. Because Canadian validators do more than is currently envisaged for U.S. weighmasters, reciprocal validation may not be feasible. Few Canadian landings occur in Ketchikan, and none occurred in 1996. This issue will require additional study.

Scale certification

The scales of processors on land are currently regulated by the State of Alaska Weight and Measures Department, and the scales are certified. Because most landings occur at processors, virtually all IFQ landings are weighed with certified scales. Landings with non-certified scales may occur when fish are transported from a freezer-longliner to a freighter or if a vessel sells to the public from public docks. A scale certification program for at-sea processors is currently a Proposed Rule, and the public comment period closed on July 16, 1997. Prior to this rule there was no requirement for certified scales on at-sea processors.

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.

Table 1. Commercial landings in 1996 of Pacific halibut by port and country (000s of pounds).

Ports	Canada	United States	Total
California & Oregon		244	244
Seattle		1,021	1,021
Bellingham	54	1,808	1,862
Misc. Washington		346	346
Vancouver	2,435		2,435
Port Hardy	2,560 ¹	1 ¹	2,561
Misc. Southern B.C.	714		714
Prince Rupert	3,748	767	4,515
Misc. Northern B.C.	43		43
Ketchikan, Craig, & Metlakatla		1,080	1,080
Petersburg, Kake		3,012	3,012
Juneau		928	928
Sitka	3 ¹	2,958 ¹	2,961
Hoonah, Excursion, & Pelican		2,004	2,004
Misc. Southeast Alaska		1,034	1,034
Cordova		917	917
Seward		3,296	3,296
Homer		3,983	3,983
Kenai		330	330
Kodiak		7,171	7,171
Chignik, King Cove, & Sand Point		1,230	1,230
Misc. Central Alaska		1,262	1,262
Akutan & Dutch Harbor		3,145	3,145
Misc. Bering Sea		1,248	1,248
Totals	9,557	37,785	47,342

¹Canadian vessel landed research fish in Sitka and Port Hardy from both Regulatory Areas 2B and 2C.

Table 2. Number of halibut landings, maximum number of halibut landings for one day, and total number of landings by port and by month. Estimated number of weighmasters by port, listed under the port.

Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
KETCHIKAN (228) 1 Coord, ½ time 4 part time	March	7	3	10
	April	11	3	15
	May	8	6	20
	June	12	5	20
	July	9	2	13
	August	15	2	17
	September	17	4	27
	October	7	3	13
	November	11	4	16
	METLAKATLA (only IFQ/CDQ landings) (229) 2 part time	April	1	1
May		4	2	4
June		3	1	3
August		4	1	1
September		2	1	1
CRAIG (240) 1 coord. ½ time 3 part time	March	14	6	30
	April	18	2	26
	May	23	8	48
	June	17	3	32
	July	27	5	67
	August	24	4	43
	September	23	5	45
	October	9	2	12
	November	4	1	4
PETERSBURG (288) 1 coord. 4 part time	March	13	17	68
	April	23	6	73
	May	31	9	114
	June	22	10	52
	July	15	3	23
	August	21	7	53
	September	27	5	96
	October	22	6	51
	November	11	5	25

Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
KAKE (289) 1 coord. ½ time 2 part time	April	5	1	5
	May	12	3	18
	June	19	4	42
	July	12	3	18
	August	15	3	26
	September	19	3	33
	October	17	2	22
	WRANGELL (294) 1 coord. ½ time 3 part time	March	8	4
April		22	8	48
May		19	5	35
June		10	5	21
July		11	3	20
August		18	5	39
September		20	5	46
October		8	5	12
ANGOON (325) 2 part time	June	8	3	16
	July	14	5	27
	August	10	1	10
	September	11	3	20
(348) PORT ALEXANDER 2 part time	August	1	1	1
	September	16	3	19
SITKA (378) 1 coord. 9 part time	March	14	17	84
	April	25	9	86
	May	30	15	215
	June	26	9	118
	July	29	11	117
	August	28	6	92
	September	29	13	143
	October	27	8	92
November	14	9	48	

Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
JUNEAU (402) 1 coord. ¾ time 3 part time	March	7	4	12
	April	16	6	34
	May	26	4	50
	June	18	3	25
	July	20	2	27
	August	22	7	42
	September	22	5	52
	October	16	4	31
	November	3	1	3
HOONAH (405) 1 coord. 2 part time	March	14	6	37
	April	27	5	69
	May	30	9	83
	June	20	4	38
	July	20	4	36
	August	24	4	46
	September	25	5	52
	October	22	6	50
	November	8	2	11
EXCURSION INLET (406) 2 part time	May	3	3	5
	June	8	2	9
	September	1	1	1
GUSTAVUS (407) 2 part time	March	2	2	3
	April	5	1	5
	May	2	1	2
	June	6	1	6
	July	5	1	5
	August	6	1	6
	September	11	3	14
	October	5	1	5
	November	5	1	5
MISC. SE ALASKA (225) (Hyder) 2 part time	April	3	1	3
	May	3	2	4
	July	4	1	4
	August	3	1	3

Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
HAINES (410) 2 part time	March	1	1	1
	April	4	1	4
	May	4	2	5
	June	3	1	3
	July	4	1	4
	August	8	2	9
	September	3	1	3
	October	1	1	1
	November	2	2	3
ELFIN COVE (426) 2 part time	June	18	2	23
	August	2	1	2
	September	1	2	2
PELICAN (450) 1 coord. ½ time 2 part time	April	10	1	10
	May	20	4	41
	June	12	3	17
	July	17	3	22
	August	16	4	33
	September	19	4	37
	October	20	4	32
	November	7	3	9
CENTRAL ALASKA (500) 2 part time	May	1	1	1
	June	4	1	4
	August	1	1	1
	September	1	1	1
	October	1	1	1
BRISTOL BAY (501) 2 part time	May	4	11	20
	June	4	9	17
YAKUTAT (504) 1 coord. ¾ time 2 part time	March	14	7	40
	April	13	4	20
	May	25	4	42
	June	19	3	32
	July	16	4	26
	August	17	4	27
	September	17	3	28
	October	9	2	10
	November	5	2	6

Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
CORDOVA (510) 1 coord. 3 part time	March	10	2	15
	April	14	6	27
	May	15	7	35
	June	9	1	9
	July	8	2	10
	August	11	2	15
	September	14	2	24
	October	12	2	15
	November	4	2	5
WHITTIER (512) 2 part time	April	6	3	8
	May	5	9	16
	June	11	1	11
	July	6	2	8
	August	8	2	10
	September	4	1	4
	October	6	2	7
	November	5	1	5
SEWARD (516) 1 coord. 7 part time	March	13	9	38
	April	26	5	73
	May	28	12	96
	June	28	4	53
	July	22	3	34
	August	25	4	45
	September	18	3	29
	October	18	5	28
	November	11	6	20
NINILCHIK (522) 2 part time	May	1	1	1
	June	5	1	5
	August	9	2	10
	September	2	1	2
SELDOVIA (528) 2 part time	June	4	1	4
	July	3	1	3
	August	1	1	1
	October	2	1	2

Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
VALDEZ (534) 2 part time	April	1	1	1
	May	6	2	7
	June	6	2	7
	July	2	1	2
	August	5	2	6
	September	4	3	6
	October	1	1	1
HOMER (546) 1 coord. 6 part time	March	14	6	38
	April	20	8	63
	May	26	10	84
	June	27	10	111
	July	23	8	59
	August	30	19	143
	September	23	9	82
	October	24	8	98
	November	11	6	43
TUNUNAK (548) 2 part time	June	7	11	43
	July	7	18	57
NOME (549) 2 part time	August	2	1	2
	September	2	1	2
SAVOONGA (550) 2 part time	July	22	8	91
	August	26	11	142
	September	3	2	4

Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
ALITAK (557) 2 part time	April	5	1	5
	May	6	1	7
	June	3	1	3
	July	3	1	3
	August	5	1	5
	September	2	1	2
KODIAK (558) 1 coord. 9 part time	March	15	6	48
	April	22	6	55
	May	27	7	91
	June	28	9	89
	July	26	5	69
	August	29	9	141
	September	27	9	111
	October	25	12	95
	November	14	8	49
MEKORYUK (559) 2 part time	June	12	15	104
	July	6	13	37
ST. PAUL (560) 1 coord. ½ time 3 part time	May	1	1	1
	June	14	21	137
	July	18	22	142
	August	14	5	23
	September	11	6	20
	October	6	3	10
	November	3	1	3
ST. GEORGE (561) 2 part time	June	7	1	26
	July	9	8	38
	August	12	1	2
	September	4	1	4
NELSON IS. (562) 2 part time	June	20	18	155
	July	6	15	60

Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
ATKA (563) 2 part time	June	18	7	69
	July	26	8	11
	August	29	8	91
	September	22	7	70
	October	8	3	10
KING COVE (565) 1 coord. ½ time 2 part time	April	3	1	3
	May	10	2	13
	June	2	2	3
	July	9	2	10
	August	12	3	18
	September	14	2	19
	October	6	2	9
	November	3	1	3
CHIGNIK (566) 2 part time	June	4	1	4
	July	2	1	2
	August	4	1	4
	September	2	3	4
AKUTAN (567) 2 part time	May	1	1	1
	June	1	1	1
	July	2	2	3
	August	8	1	8
	September	4	1	4
	October	4	1	4
UNALASKA (569) 1 coord. 5 part time	April	7	1	7
	May	21	3	33
	June	24	4	29
	July	28	4	61
	August	29	6	70
	September	18	5	40
	October	16	3	22
November	7	1	7	

Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
SAND POINT (570) 1 coord. ½ time 2 part time	April	4	1	4
	May	10	3	13
	June	9	2	11
	July	10	3	14
	August	19	6	34
	September	7	3	11
	October	5	2	6
	November	2	2	3
KENAI (572) 2 part time	April	1	1	1
	May	8	2	10
	June	11	5	19
	July	2	1	2
	August	12	6	22
	September	7	2	8
	October	1	1	1
SEATTLE (180) 4 part time	May	2	1	2
	June	1	1	1
	July	6	2	7
	August	6	1	6
	September	4	4	8
	October	4	1	4
	November	4	1	4
BELLINGHAM (198) 4 part time	March	1	1	1
	April	6	1	6
	May	8	1	8
	June	7	2	8
	July	9	1	9
	August	13	3	17
	September	12	2	14
	October	7	2	8
November	3	1	3	

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Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
PRINCE RUPERT (846) No. depends on reciprocal agreement with Canada	April	6	1	6
	May	4	1	4
	June	9	2	10
	July	1	1	1
	August	6	1	6
	September	3	1	3
	October	4	1	4
	November	1	1	1

Table 3. Commercial landings of 1996 Alaskan sablefish by port, number, and pounds.

Port	Vessel Landings	Pounds Landed	% of Total
Alaska			
Chignik	4	238,160	0.72
Cordova	68	1,253,151	3.77
Craig	47	300,021	0.90
Dutch Hbr/ Unalaska	233	3,713,124	11.19
Elfin Cove	2	1,411	0.00
Excur. Inlet	16	192,504	0.58
Homer	157	1,232,451	3.71
Hoonah	133	1,121,910	3.38
Juneau	55	486,253	1.46
Kake	15	266,063	0.80
Kenai	3	6,115	0.02
Ketchikan	35	385,169	1.16
King Cove	36	518,804	1.56
Kodiak	285	3,907,511	11.77
Nikiski	1	1,679	0.01
Pelican	106	898,201	2.71
Petersburg	97	1,701,031	5.12
Pt. Alexander	11	38,913	0.12
Sand Point	29	612,383	1.84
Seward	384	7,881,643	23.74
Sitka	453	4,888,448	14.73
St Paul	6	5,688	0.02
Valdez	4	32,382	0.10
Wrangell	6	18,293	0.06
Yakutat	94	1,556,868	4.69
Oregon			
Astoria	1	143	0.00
Washington			
Bellingham	43	1,213,586	3.66
Seattle	23	471,739	1.42
Canada			
Prince Rupert	21	252,835	0.76
Total	2,368	33,196,479	100.00

Table 4. Number of sablefish landings, maximum number of halibut landings for one day, and total number of landings by port and by month.

Port	Month	No. of days w/landings	Maximum landings for 1 day	Total no. of landings for the month
(9) ALITAK	April	4	1	4
	May	3	1	3
	June	2	1	2
(1) ASTORIA	September	1	1	1
(35) BELLINGHAM	March	1	1	1
	April	4	1	4
	May	3	1	3
	June	6	2	7
	July	5	1	5
	August	5	2	6
	September	4	2	5
	October	2	2	3
	November	1	1	1
(1) CHIGNIK	June	1	1	1
(60) CORDOVA	March	3	2	4
	April	9	2	11
	May	10	2	11
	June	8	1	8
	July	1	1	1
	August	6	2	7
	September	10	2	12
	October	4	1	4
	November	2	1	2
(47) CRAIG	March	4	2	5
	April	4	1	4
	May	10	3	16
	June	4	2	6
	July	5 3	1	5
	August	3	1	3
	September	2 3	1	3
	October		1	2
	November		1	3
(1) DOUGLAS	June	1	1	1

(200) DUTCH HARBOR	April	9	2	10
	May	22	6	39
	June	25	4	42
	July	25	5	52
	August	20	3	29
	September	6	1	6
	October	8	2	11
	November	8	3	11
(2) ELFIN COVE	August	1	1	1
	September	1	1	1
(15) EXCURSION INLET	May	3	2	4
	June	7	1	7
	September	4	1	4
(138) HOMER	March	4	1	4
	April	12	3	15
	May	18	4	32
	June	19	4	30
	July	9	2	10
	August	8	1	8
	September	8	3	13
	October	12	2	17
	November	5	5	9
(122) HOONAH	March	6	2	7
	April	16	3	23
	May	24	3	37
	June	9	2	12
	July	8	1	8
	August	6	2	8
	September	11	2	12
	October	8	2	11
	November	4	1	4
(53) JUNEAU	March	3	1	3
	April	8	2	9
	May	8	3	14
	June	5	1	5
	July	2	1	5
	August	6	1	2
	September	5	2	8
	October	2	1	2
	November	2	1	2

(15) KAKE	April	3	1	3
	May	3	1	3
	June	4	1	1
	July	1	1	1
(4) KENAI	September	1	1	1
	October	3	1	3
(33) KETCHIKAN	March	1	1	1
	August	3	1	3
(34) KING COVE	March	2	1	2
	April	6	1	6
	April	3	1	3
	May	3	1	3
	June	4	2	4
	July	4	1	4
	August	4	1	4
	September	3	2	4
	October	3	1	4
	November	1	1	3
(256) KODIAK	March	8	2	13
	April	21	4	41
	April	24	6	41
	May	16	4	57
	June	12	4	32
	July	16	3	32
	August	15	4	17
	September	16	4	17
	October	9	4	26
	November	9	3	25
(1) NIKISKI	May	1	1	31
	September	1	1	14
(99) PELICAN	April	13	2	14
	May	14	3	23
	June	7	2	10
	July	9	2	12
	August	10	3	14
September	9	3	13	

	October	10	2	12
	November	1	1	1
(84) PETERSBURG	March	5	2	6
	April	11	3	15
	May	18	3	28
	June	12	3	15
	July	1	1	1
	August	2	2	3
	September	10	2	11
	October	4	1	4
	November	1	1	1
(11) PORT ALEXANDER	August	1	1	1
	September	7	2	9
	October	1	1	1
(20) PRINCE RUPERT	April	3	2	4
	May	2	2	3
	June	6	1	6
	August	1	1	1
	September	3	1	3
	October	3	1	3
(27) SAND POINT	April	2	1	2
	May	1	1	5
	June	7	1	7
	July	3	1	3
	August	6	2	8
	September	1	1	1
	October	1	1	1
(15) SEATTLE	May	2	1	2
	June	2	1	2
	July	3	1	3
	August	4	1	4
	September	2	1	2
	October	1	1	1
	November	1	1	1
(319) SEWARD	March	10	3	15
	April	27	7	71
	May	28	7	84
	June	27	4	51
	July	17	3	24
	August	20	4	29

	September October November	15 14 7	2 4 3	17 18 10
(437) SITKA	March April May June July August September October November	12 22 28 24 22 22 19 15 9	12 10 10 5 4 3 5 4 3	49 71 128 46 37 30 33 29 14
(6) ST PAUL	May June July	1 1 4	1 1 1	1 1 4
(7) UNALASKA	May June July October	1 3 2 1	1 1 1 1	1 3 2 1
(4) VALDEZ	May June September	1 1 1	1 1 2	1 1 2
(6) WRANGELL	April May June September	1 1 2 1	1 2 1 1	1 2 2 1
(79) YAKUTAT	March April May June July August September October	3 8 15 7 10 7 9 5	1 2 3 2 2 2 2 1	3 11 19 9 11 9 12 5

Table 5. Number of Pacific halibut landings by Alaskan regulatory areas and weight category (pounds) for 1996.

Regulatory Area	Number of landings by weight categories for halibut				
	1 to 999	1,000 to 5,000	5,001 to 10,000	10,001 to 25,000	25,001 and over
2C ¹	1,690	1,279	326	161	12
3A	775	1,084	464	386	193
3B	79	196	82	87	31
4A	55	77	48	50	10
4B	268	93	23	28	28
4C	201	184	6	8	0
4D	232	16	13	13	8
4E	481	12	0	0	0

¹ Includes 194 landings from the Metlakatla Reserve Fishery

Table 6. Number of sablefish landings by Alaskan regulatory areas and weight category for 1996.

Regulatory Area	Number of landings by weight categories (pounds) for sablefish				
	1 to 999	1000 to 5000	5001 to 10,000	10,001 to 25,000	25,001 and Over
SE	141	223	178	236	94
WY	17	61	34	55	89
CG	148	143	74	143	178
WG	6	23	26	40	43
AI	8	22	14	21	19
BS	31	28	21	18	6

PACIFIC REGION

1997 MANAGEMENT PLAN

HALIBUT

This Halibut Management Plan is intended for general information purposes only. Where there is a discrepancy between this Plan and the regulations, the regulations are the final authority.

A description of Areas and Subareas referenced in this Plan can be found in the Pacific Fishery Management Area Regulations.

1. INTRODUCTION

The purpose of the 1997 Management Plan for the Pacific halibut fishery is to ensure resource conservation and to provide for an enforceable management regime that is simple to administer. The 1997 Plan was developed in consultation with the Halibut Advisory Board (HAB). It reflects industry's desire to continue the Individual Vessel Quota (IVQ) program and bring greater flexibility and long term stability to the fishery. Vessel Owners and Masters are advised to thoroughly read and familiarize themselves with all aspects of the 1997 Management Plan and the Conditions of the 1997 Halibut Licence.

1997 will be the seventh year that the Individual Vessel Quota system is used in the west coast halibut fishery. The plan continues to allow, on a temporary (annual) basis, the transfer of quota shares among the halibut fleet. However, individual vessels are restricted to fishing a maximum of four quota shares in 1997, as was the case in 1996. To address industry's desire for increased flexibility, DFO continues to allow: an unlimited number of quota share transfers; the permanent separation of the commercial Pacific halibut fishing licence from other licences on the vessel; and the transfer of a commercial Pacific halibut fishing licence to a vessel that is not more than 10 feet longer than the original, licensed vessel.

DFO policy will continue to prohibit vessels, holding both a commercial Pacific halibut fishing licence and a rockfish "ZN" licence, from combining their fishing privileges.

The halibut information line (666-2993) provides daily updates on the status of the halibut fishery along with other relevant announcements.

2. NEW FOR 1997

a) New IVQ Formula

The Department has approved a new allocation formula as a guide to determining Individual Vessel Quotas in 1997. The formula used in 1997 is the same as the previous formula without the Current Owner Restriction (COR) that was recently found to be unlawful by the Federal Court. The 1997 formula is based 70% on catch history from the best year between 1986 and 1989 associated with the halibut licence and 30 per cent on vessel length.

b) Reduced Incidental Rockfish Allowances

Incidental rockfish per trip allowances have been reduced in 1997 in response to concerns regarding increasing rockfish bycatch in the halibut fishery, increased targeting on near-shore rockfish species (quillback, copper, tiger and china) and declining rockfish stocks. The maximum percentage weight of fresh round rockfish (all species) that may be retained has been reduced from 20 to 10 per cent of the total net weight of halibut on board. Within the 10% total rockfish allowance, vessels are permitted to retain a maximum weight of fresh round quillback, copper, tiger and china rockfish species equal to one (1%) of the total net weight of halibut on board. An evaluation will be conducted at the end of the fishery to determine if further measures are necessary in the future to reduce rockfish bycatch.

c) Direct Billing Charges for "Excess Bycatch"

At the request of the Halibut Advisory Board (HAB), port monitoring fees have been introduced for landings of non-halibut species having a fresh round weight that is more than 25 per cent of the total net weight of halibut on board. Since the licence fees paid by halibut fishers are not meant to pay for the monitoring of significant quantities of other species, HAB and DFO have developed a process to bill the vessel at the time of the offload for all bycatch of other species (including salmon, rockfish, schedule II species and all other groundfish species) in excess of 25% of the weight of halibut landed. These charges, termed, "excess bycatch fees", will be calculated by applying a \$60.00 hourly rate to the monitoring time attributed to the excess bycatch. The monitoring time for excess bycatch will be calculated from the total offload monitoring time in the same ratio as the weight of the excess bycatch to the total weight offloaded (rounded to the nearest quarter hour, with no charges if time is less than 15 minutes). These monitoring fees will be recorded and invoiced on the Validation Record page. The invoiced amount is to be paid to Archipelago Marine Research Ltd. at the time of the offload unless credit privileges have been established in advance of the offload with Archipelago Marine Research Ltd..

d) Changes to Designated Offloading Sites

At the request of HAB, Namu has been taken off of the list of designated offloading locations as it has not been used as a landing port for several years.

e) New Halibut Validation Record Log

A new "Halibut Validation Record" log has been created for use in 1997 as a result of some of the changes to the management plan. Archipelago observers will provide logs at first offload.

3. ABORIGINAL FISHING PLAN

The Department of Fisheries and Oceans recognizes the importance of fish to the aboriginal peoples of British Columbia. Through the Aboriginal Fisheries Strategy, the Department seeks to negotiate, with aboriginal organizations, allocations for food, social and ceremonial purposes. Subject to conservation, these allocations will have priority over allocations for commercial and recreational user groups.

The Department will consult with aboriginal organizations to determine what these allocations should be. Communal fishing licences will be issued to the aboriginal organizations for food, social and ceremonial purposes.

4. APPLICATION

This management plan applies to all fishing vessels licensed to fish commercially for Pacific halibut in 1997. Fishing for halibut is permitted only by hook and line gear.

5. SEASON LENGTH AND FISHING AREAS

The 1997 halibut fishery will open at 12:00 hours local time on March 15, 1997, and will close at 12:00 hours local time on November 15, 1997. Following closure of the fishery, all halibut must be validated by a DFO-certified Observer no later than 24:00 hours local time on November 22, 1997.

Fishing is permitted coast wide, with the exception of area 28 and those portions of Subareas 121-1 and 121-2 outside a line connecting the following latitude and longitude co-ordinates: 48°34'N, 125°06'W thence to 48°34'N, 124°54.20'W thence to 48°29.62'N, 124°43.40'W thence following the international boundary to 48°29.30'N, 124°58'W thence in a straight line to the point of commencement.

6. ANNUAL TOTAL ALLOWABLE CATCH (TAC)

The 1997 TAC for the Canadian commercial Pacific halibut fishery is 5,669.96 tonnes (12,500,000 lb.) of fresh, dressed, head-off halibut.

7. HALIBUT SIZE LIMIT

No person shall take or possess any halibut that:

- (a) with the head on, is less than 32 inches (81.3 cm), measured in a straight line, passing over the pectoral fin, from the tip of the lower jaw with the mouth closed to the extreme end of the middle of the tail; or
- (b) with the head removed, is less than 24 inches (61.0 cm), measured in a straight line from the base of the pectoral fin at its most anterior point to the extreme end of the middle of the tail.

8. QUOTA TRANSFERABILITY

The following guidelines for the transfer of halibut IVQ will be implemented for the 1997 halibut fishery.

- (a) Each initial individual vessel licence quota will be split into two equal shares. A total of 870 IVQ shares will be available among 435 vessel licences. Each share will be expressed as a percentage of the halibut TAC, and shares will vary in size according to the revised quota allocation formula.

- (b) Quota shares can be transferred among vessels licensed to fish commercially for Pacific halibut only, without regard to vessel size. Quota shares can be transferred without transferring the commercial fishing licence. It is possible for a commercial Pacific halibut fishing licence to exist without quota shares attached to it.
- (c) No vessel licensed to fish commercially for Pacific halibut shall hold or fish more than four (4) quota shares at any time during 1997.
- (d) Application must be made to DFO to effect all quota share transfers. Application can be made through any of DFO's Licensing Units located in Prince Rupert, Nanaimo or Vancouver. If any of the commercial fishing licences involved in a quota share transfer request have been issued previously in 1997, then all such licences and the application must be returned to DFO for updating and re-issuance to reflect new quota levels.
- (e) Once a quota share has had landings validated against it, that quota share cannot be transferred.

Halibut vessel owners are advised that the above transferability plan will be reviewed at the end of the 1997 fishery and changes may be made following consultation with the Halibut Advisory Board.

9. LICENCE REQUIREMENTS

Any vessel fishing for halibut must have on board a valid 1997 commercial Pacific halibut fishing licence issued by the Department of Fisheries and Oceans. In addition, all persons sixteen years of age or older who are aboard a vessel which is, or shall be, participating in commercial fishing shall have in their possession a valid Fisher's Registration Card (FRC). It is the responsibility of the vessel owner to ensure that all required licences are on board the vessel prior to and during fishing. **Vessel Owners and Masters should thoroughly familiarize themselves with the Conditions of the 1997 Halibut Licence prior to fishing and ensure that vessel crew-members are aware of the fishing and reporting requirements.** No person carrying out any activity under the authority of a commercial fishing licence shall contravene or fail to comply with any conditions of the licence.

10. LICENCE COMBINATIONS

For 1997, a commercial Pacific halibut fishing licence may be separated and transferred from any combination of married licences, as long as length restrictions are adhered to and the commercial Pacific halibut fishing licence is placed on another commercially licensed fishing vessel. In cases where the commercial Pacific halibut fishing licence is transferred permanently to a vessel which only holds a "C" licence, then the "C" licence privilege must be permanently retired. In cases where a vessel owner applies under DFO's existing temporary transfer policy to transfer the commercial Pacific halibut fishing licence temporarily to a vessel that holds only a "C" licence, then the "C" licence privilege will be held by DFO for the time the commercial Pacific halibut fishing licence is temporarily transferred to that vessel.

Vessel Owners wishing to make permanent or temporary commercial Pacific halibut fishing licence transfers must apply to a DFO Commercial Licensing Unit. Approval of temporary or permanent transfers is the responsibility of the DFO Licensing Manager.

11. LICENCE TRANSFERABILITY

Commercial Pacific halibut fishing licences can be transferred to another vessel of a shorter length or a vessel up to 10 feet longer. Vessel owners must apply to the DFO Licensing Unit when wishing to make a temporary transfer under DFO's existing temporary transfer policy, or when the vessel owners wish to make a permanent licence transfer. Approval of temporary or permanent transfers will be made through DFO's Licensing Manager.

12. PORT MONITORING AND VALIDATION

Halibut offloadings will be monitored at designated offloading locations using a dockside weight verification system. Archipelago Marine Research Ltd. will provide DFO-certified Observers to monitor all halibut offloadings in order to verify individual vessel quota status. Specific requirements are included in the Conditions of the 1997 Halibut Licence attached to the halibut licence.

a) HAIL-OUT:

Prior to taking any halibut on board, Vessel Masters must report their intention to fish halibut and certain other details to a 24-hour toll-free telephone number, maintained by Archipelago Marine Research Ltd. (the contracted monitoring company). Vessel Masters must report: their name; the vessel name and CFV number; halibut trip number; the Management Sub-Area where fishing is expected to occur; date of commencement of fishing for halibut; and the anticipated offloading date, port, and buyer. The Hail-Out Report is to be telephoned to 1-800-663-7152, a 24-hour toll-free telephone number available throughout B.C. and operated by Archipelago Marine Research Ltd.

b) HAIL-IN:

Not less than 24 hours prior to offloading halibut or any other fish, Vessel Masters must report their intention to offload and other details to a 24-hour toll-free telephone number (same as the Hail-Out number). Vessel Masters must report: their name; the vessel name and CFV number; trip number; the offloading date, time, and port; the estimated weight of halibut, rockfish, and other species on board; the name of the company purchasing the fish; and the location where public sales will occur. To confirm receipt of the Hail-In Report, a Hail-In Confirmation Number will be provided by Archipelago Marine Research Ltd. Please retain this number for subsequent communications and information with respect to the associated Hail-In Report.

Each Hail-Out Report must be followed by a Hail-In Report. If, after providing a Hail-Out Report, the vessel does not catch and retain halibut, a Hail-In Report shall still be provided no less than 24 hours prior to the anticipated landing date.

c) DESIGNATED OFFLOADING LOCATIONS:

There will be 100% monitoring, by DFO-certified Observers, of all halibut offloadings. Halibut can be offloaded only at one (1) of the following thirty-three (33) designated offloading locations:

Designated Offloading Locations

Bella Bella	Pender Harbour
Bella Coola	Port Alberni
Bellingham, Washington, U.S.A.	Port Edward
Blaine, Washington, U.S.A.	Port Hardy
Campbell River	Prince Rupert
Coal Harbour	Richmond
Comox	Shearwater
Courtenay	Sidney
Cowichan Bay	Skidegate
Delta	Sointula
French Creek	Sooke Harbour
Ketchikan, Alaska, U.S.A.	Tofino
Lund	Ucluelet
Masset	Vancouver
Nanaimo Harbour	Victoria Inner Harbour
North Vancouver	Winter Harbour
	Zeballos

d) OFFLOADING:

No offloading is to occur at sea. At-sea fishhold inspections may be conducted at any time by a Fishery Officer or Fishery Guardian.

No offloading of any fish is to commence until the DFO-certified Observer is on-site and approves offloading.

The DFO-certified Observer or Fisheries Officer will inspect fishholds, lazarettes, baitholds, and other areas where fish might be stored. After offloading is completed, the DFO-certified Observer or Fisheries Officer will inspect the fishholds, and the above-mentioned areas, to ensure that all fish on board have been offloaded. It is the responsibility of the Vessel Owner or Master to provide safe access to the vessel's holds for inspection and to ensure that the vessel does not leave the offloading site prior to completion of the fishhold inspection by the DFO-certified Observer.

Once offloading commences, all product on board is to be offloaded, and all halibut and rockfish must be weighed on a scale approved by Industry Canada, by State of Washington Weights and Measures, or, in the case of Alaska, by the Department of Commerce and Economic Development.

The DFO-certified Observer will verify halibut and rockfish weights, and will enter those weights in the Halibut Validation Record that has been supplied to each licensed vessel. In the Halibut Validation Record, the DFO-certified Observer will also convert weights of offloaded halibut to a net weight of dressed, head-off halibut and rockfish to a round weight, using conversion factors indicated within the Conditions of 1997 Halibut Licence. The amount of halibut quota overage or remaining halibut quota will be calculated and recorded in the Halibut Validation Record, as will the amount, if any, of rockfish overage.

The white copy of the completed pages from the Halibut Validation Record will remain with the DFO-certified Observer, and the yellow copy of the pages is to be delivered to the buyer. If fish are to be trucked to a buyer, the yellow copy must accompany the load and be delivered to the buyer.

If the fish are to be transported from the location of offloading, the DFO-certified Observer will issue one Transit Slip for each vehicle or vessel transporting halibut offloaded from the vessel, after the validation process is completed.

If fish are to be sold by public sale, they must first be offloaded and validated by a DFO-certified Observer. All fishermen selling fish to the public are required to have obtained and have in their possession a Fish Vending Licence, which is available from a Provincial Government Agent.

Vessels with validated halibut onboard shall not engage in commercial fishing for halibut before all validated halibut has been offloaded. All halibut offloaded during the validation process will be deducted from the vessel's remaining IVQ.

13. CARRYOVER OF QUOTA OVERAGES AND UNDERAGES

The Halibut Advisory Board has worked closely with DFO and the International Pacific Halibut Commission (IPHC) to develop procedures that allow for a small carryover of annual IVQ underages or overages.

Vessel owners and Masters are reminded that, without exception, each vessel licence that has an underage or overage in 1997, will have its 1998 IVQ increased or reduced as indicated below.

The rules for carryover of IVQ underages are:

1. Licensed halibut vessels that are 10% or less under the vessel's total IVQ at the end of 1997 will have the equivalent poundage of the underage added to the vessel's licence IVQ in 1998.
2. Licensed halibut vessels that are more than 10% under the vessel's total IVQ at the end of 1997 will have the equivalent poundage for 10% of the 1997 vessel's licence IVQ added to the 1998 vessel's licence IVQ, and the 1998 licence will forego the remainder of the underage.

The rules for carryover of IVQ overages are:

3. A licensed vessel with unfished halibut quota may land and keep the proceeds from an overage that does not exceed 10 per cent of the unfished quota, or 400 pounds, whichever is the greater. All halibut landed in excess of such an overage must be relinquished to the Crown. The equivalent poundage of the overage and any excess halibut landed will be subtracted from the vessel licence's 1998 IVQ.

Landing excess halibut results in a penalty; not only is the excess relinquished, but also the vessel licence's 1998 IVQ is reduced by an amount equivalent to the excess that was relinquished.

All halibut weights are fresh, dressed, head-off weights as calculated by the DFO-certified Observers at the time of the validation.

In cases where an overage has already been recorded against a vessel's existing quota shares during the year, and the vessel's halibut licence holder applies to transfer additional quota shares onto the vessel, then the full amount of the overage, including the total amount of any relinquishments, will be automatically subtracted from any subsequent quota transferred onto that licensed vessel. Fish, or funds, relinquished will not be reimbursed. The carryover of underages or overages expires at the end of the year following the underage or overage by the licensed halibut vessel (i.e. IVQ underages and overages cannot be carried over more than one year).

Relinquishment of Claim cheques for halibut and rockfish overages shall be addressed to the Receiver General for Canada and mailed to:

Halibut Coordinator,
Department of Fisheries and Oceans
Station 418, 555 West Hastings Street
Vancouver, B.C., V6B 5G3

14. INCIDENTAL ROCKFISH CATCH

Licensed halibut vessels will be permitted to retain rockfish when retaining halibut, within certain limits. Vessels are permitted to retain a maximum weight of fresh round rockfish (all species) equal to ten (10%) of the total net (i.e., fresh, dressed, head-off) weight of halibut onboard (i.e., equivalent to approximately 7.5% of the fresh round weight of halibut). Within the 10% total rockfish allowance, vessels are permitted to retain a maximum weight of fresh round quillback, copper, tiger and china rockfish species equal to one (1%) of the total net weight of halibut on board. The total weight of all rockfish offloaded will be monitored and recorded in the Halibut Validation Record by the DFO-certified Observer. Using conversion factors indicated in the Conditions of 1997 Halibut Licence, all rockfish weights will be converted to total round weights.

Any overage associated with the ten (10%) percent total rockfish allowance or the one (1%) percent quillback, copper, tiger and china allowance must be relinquished to the Crown through a Rockfish Relinquishment of Claim form. For offloadings where the vessel's remaining IVQ is landed, the incidental rockfish trip limits shall be calculated using a landed halibut weight that does not exceed the vessel's remaining IVQ by more than 10% or 400 pounds, whichever is greater.

Halibut fishermen are reminded that the rockfish retention levels have been set as an incidental catch limit. The intent of allowing retention of incidentally caught rockfish is to reduce wastage by eliminating dumping of dead rockfish normally encountered when fishing for halibut. It was not the intent to create a targeted rockfish fishery by halibut fishermen. **Halibut fishers are reminded that the incidental rockfish catch will be monitored throughout the year and evaluated at the end of the fishery to determine if further measures are necessary in the future to reduce rockfish bycatch.**

15. COMBINED HALIBUT AND ROCKFISH FISHING

For 1997, DFO will not allow the combination of the fishing privileges of the commercial Pacific halibut and rockfish "ZN" licences.

Owners and masters of vessels which hold both a commercial Pacific halibut and a rockfish "ZN" fishing licence are reminded that, in 1997, all halibut and incidental rockfish taken under the authority of the commercial halibut licence must be offloaded prior to commencement of any fishing activity under a "ZN" licence. This is an extension of the policy first employed in the 1994 halibut fishery.

16. U.S. OFFLOADINGS

Halibut fishermen may deliver to either Ketchikan or to Bellingham/Blaine, where DFO-certified Observers will be available to monitor offloadings. **Hail requirements, rockfish restrictions, and all other licence conditions apply to such deliveries.** U.S. Customs, National Marine Fisheries Service, and International Pacific Halibut Commission authorities will be working closely with DFO enforcement staff to ensure that all U.S. deliveries by Canadian halibut vessels are properly reported and validated.

Vessel Masters must obtain copies of all Fish Slips and keep available copies of all Fish Slips when required by DFO. **Vessel Masters are obliged to mail Fish Slip records directly to DFO within seven days of the sale.**

Fish Slips should be mailed to:

Department of Fisheries and Oceans
Catch and Effort Unit
Station 416, 555 West Hastings Street
Vancouver, B.C., V6B 5G3

17. BRITISH COLUMBIA HALIBUT FISHERY LOGBOOK

It is the responsibility of the Vessel Owner or Master to ensure that a British Columbia Halibut Fishery Logbook be completed in full at the end of each day fished. This logbook requires detailed catch and effort information that is essential to stock assessment conducted by the IPHC. Additional information required includes: weight of halibut discards; type and amount of bait; offloaded weights of halibut, rockfish, and other species sold in round weight; the offloading date; and the name of the dealer purchasing the fish.

Additional logbooks can be obtained from DFO Licensing Offices in Vancouver, Nanaimo or Prince Rupert, or by contacting the Halibut Coordinator at 666-3991. Within seven (7) days of offloading, the pink copy of the completed pages from the British Columbia Halibut Fishery Logbook must be mailed to:

Department of Fisheries and Oceans
Halibut Coordinator
Station 418, 555 West Hastings Street
Vancouver, B.C., V6B 5G3

The white copy of the completed pages from the British Columbia Halibut Fishery Logbook must be mailed to:

International Pacific Halibut Commission
P.O. Box 95009
Seattle, Washington, U.S.A.
98145 - 2009

DFO-certified Observers will provide Vessel Masters with return address postage-paid envelopes.

18. HALIBUT TAGGING

For 1997, DFO will continue with the tagging of all halibut landed in Canada. Under this program all halibut are tagged by the DFO-certified observer at the point of initial offloading with a unique serial number that will tie each fish to a particular offload. These numbers are recorded by the Observer in the Halibut Offload Record completed for each landing.

This program was developed and is being continued in 1997 at the request of the HAB and the halibut industry. The objectives of the program are twofold: to act as an enforcement tool to decrease the amount of illegally caught halibut entering into the market; and to assist in marketing Canadian halibut as a distinct and high quality product.

19. HALIBUT ENFORCEMENT

Key to the success of any IVQ system is an effective enforcement presence. The Halibut fishing industry has recognized this and provides, through licence fees, funding to ensure that an effective enforcement presence exists in the British Columbia halibut fishery. Dedicated enforcement officers, located in strategic locations throughout B.C., will be conducting spot checks on fishing vessels, processors, offloading locations, restaurants, and other fish buyers. Their duties also include co-ordinating assistance from other Fishery Officers, Federal and Provincial enforcement agencies, U.S. authorities, fishermen, and the general public, all of whom may have information regarding unlawful fishing, offloading, purchasing, or selling of halibut. The names, telephone numbers, and locations of the following Fishery Officers are provided for your assistance.

24 Hour Radio Dispatch to contact a Fishery Officer : 1-800-465-4336

North Coast :	Dave Knapton (Prince Rupert)	627-3429
	Stefano Maestrello (Prince Rupert)	627-3406
	Ross Jones (Queen Charlotte City)	559-4413
	Henry Ragetli (Bella Coola)	799-5345
North Vancouver Island:	Tom Hlavac	949-9609
South Vancouver Island/Sunshine Coast:	Bruce McDonald	754-0233
West Coast Vancouver Island :	Mike Spence	725-3468
Lower Mainland/Sunshine Coast :	Carl Kennedy	666-8230
Lower Mainland :	Hans Segelken	666-6260
Regional Coordinator- Groundfish	Sue Hahn	666-6464

Every user of the halibut resource has a responsibility to report violations. Information about any suspected or actual violations can be quickly and discreetly passed on to the appropriate Enforcement Officers by telephoning the year-round 24-hour toll-free Observe, Record, and Report (ORR) number for reporting fisheries, wildlife, and pollution violations. Confidentiality is assured.

OBSERVE, RECORD, REPORT 1-800 465-4DFO (1-800-465-4336)

Confidential information can also be relayed directly to a Fishery Officer in your area, to one of the Fishery Officers listed above, or to the Regional Halibut Coordinator. In addition, you can also contact your Halibut Advisory Board representative for assistance.

20. HALIBUT ADVISORY BOARD (HAB)

Since the inception of the Halibut IVQ program, DFO has maintained an advisory body known as the Halibut Advisory Board (HAB). HAB's purpose is to provide direct involvement of the halibut industry in the ongoing review and evolution of the IVQ program and to advise on all aspects of management of the halibut fishery.

HAB members are elected by licenced halibut fishers and sit for a two year term. In addition, representatives of other groups, including native, union and processing interests, the Province of B.C., and the International Pacific Halibut Commission, participate in this process. The Board meets on average five times per year in various locations. For further information on the Halibut Advisory Board either contact the members directly at the numbers indicated at the back of this plan or contact the DFO Halibut Coordinator at the address below. (Note that re-election of halibut fisher representatives underway at time of printing)

21. ENQUIRIES

Please direct all enquiries to:

Halibut Coordinator
Department of Fisheries and Oceans
Station 418, 555 West Hastings Street
Vancouver, B.C., V6B 5G3
Tel: (604) 666-0912
Fax: (604) 666-8525

HALIBUT ADVISORY BOARD MEMBERS

(as of March 1, 1997)

A. Elected Licence Holder Representatives :

(re-election process initiated Feb.14, 1997 to select advisors for a new 2 year term)

<u>Representative</u>	<u>Alternate(s)</u>
1. Mr. Terry Henshaw Annieville Halibut Association 9155 Hardy Road Delta, B.C. V4C 7V8 Phone # 581-1248 FAX # 591-3655	1a. Mr. Ed Pedersen Annieville Halibut Association 530 109th Street Delta, B.C. V3X 2P8 Phone # 597-4025 FAX # 818-1427
2. Mr. John Wilks North Pacific Halibut Fishermen's Association 6376 West Island Highway Qualicum Beach, B.C. V9K 1Z3 Phone # 757-9785 FAX #757-9785	
3. Mr. Gregg Best Pacific Longline Fishermen's Assoc. R.R.#1, Site 175, C-9 Evergreen Drive, Comox, B.C. V9N 5N1 Phone # 339-0986 FAX # 339-6092	3a. Mr. Doug Mavin 935 Ambrose Ave. Prince Rupert, B.C. V8J 2C5 Phone # (250) 624-8060
4. Mr. Ken Erickson Pacific Coast Fishing Vessel Owners Guild R.R.#2 Site C-6, Courtenay, B.C V9N 5M9 Phone # 338-6360 FAX # 338-2392	4a. Mr. Dave Ronlund C.F.V.O.G. R.R. #3 Asher Road, Port Alberni, B.C. V9Y 7L7 Phone/Fax # 724-3784
5. Mr. Lorne Iverson B.C. Halibut Longliners Assoc. 7950 Hunter Street, Burnaby, B.C. V5A 2B9 Phone # 444-4461 FAX # 324-8022	5a. Mr. Bob Carpenter 2510 Lynburn Crescent Nanaimo, B.C. V9S 3T4 Phone # 758-7531
6. Mr. Kim Mauriks Pacific Trollers Association Box 87, R.R. #1 Nanoose Bay, B.C. V0R 2R0 Phone # 468-7144 FAX # 468-7144	6a. Mr. Dave Boyes Pacific Trollers Association R.R.# 3 Site 322 - Compartment 11 Courtney, B.C. V9N 5M8 Phone / FAX # 338-2188
7. Mr. Chris Acheson Pacific Blackcod Fishermen's Assoc. Box 663 Ganges, B.C. V8K 2W3 Phone #328-1507 FAX # 537-9649	7a. Mr. Eric Wickham Pacific Blackcod Fishermen's Assoc. 4210 Blenheim Street, Vancouver, B.C. V6L 2Z4 Phone # 734-0632 FAX # 734-0623
8. Mr. Gary Robinson Northern Halibut Producers Assoc. 212 5th Avenue East Prince Rupert, B.C. V8J 1R7 Phone # 627-7281 FAX # 627-7281	8a. Mr. Rodney Pierce (independent) 3044 Kensington Crescent Courtenay, B.C. V9N 3Z8 Phone # 334-0656 FAX # 329-7032

B. HAB - Invited participants :

- | | |
|---|--|
| 1. Peter Toften -
Fisheries Council of B.C.
c/o B.C. Packers, 4300 Moncton St.
Richmond, B.C. V7E 3A9
Phone # 277-2212 FAX # 275-8153 | 2. Mr. Jim White
Native Brotherhood of B.C.
415B West Esplanade,
North Vancouver, B.C. V7M 1A6
Phone # 987-9115 FAX # 987-4419 |
| 3. Mr. Jacob Nyce
Northern Native Fishing Corporation
Box 43,
Gitwinksihlkw, B.C. V0J 3T0
Phone # 633-2660 FAX # 633-3925 | 4. Mr. Ralph Shaw (sportfisher rep)
Sportfish Advisory Board
R.R.#3, Site 310, C-22, 2560 Mabley Rd.
Courtney, B.C. V9N 5M8
Phone # 338-0839 FAX # 338-0839 |
| 5. Mr. Ken Jenkins
Sportfish Advisory Board (charterboat rep)
C/O Godfather Charters
P.O. Box 2389,
Port Hardy, B.C.
Phone # 949-6696 FAX # 949-6696 | 6. Ms. Corrie Campbell
Ministry of Agriculture, Fisheries & Food
Province of British Columbia
Windsor Court, 808 Douglas St
Victoria, B.C. V8W 2Z7
Phone # 387-6491 FAX# 356-7280 |
| 7. Mr. John Radosevic
UFAWU
160-111 Victoria Dr
Vancouver, B.C. V5L 4C4
Phone # 255-1336 FAX # 255-3162 | 7a. Mr. Ken Johnson (alternate)
UFAWU
6434 - 127A Street
Surrey, B.C V3W 4B4
Phone # 596-1317 FAX # 324-8022 |
| 8. Mr. John Secord
Fishing Vessel Owners Association
#301 - 3680 West 7th Avenue
Vancouver, B.C. V6R 1W4
Phone # 734-1019 FAX# 734-6962 | 8a. Mr. Brent Melon
Fishing Vessels Owners Association
6108 Carson Street
Burnaby, B.C. V5J 2Z9
Phone # 439-9459 FAX# 277-2550 |

C. INTERNATIONAL PACIFIC HALIBUT COMMISSIONERS (CANADIAN):

Dr. Dick Beamish DFO - Pacific Biological Station Hammond Bay Road Nanaimo, B.C. V9R 5K6 Phone 756-7029 Fax 756-7053	Mr. Gregg Best R.R.#1, Site 175, C-9 Evergreen Drive Comox, B.C. V9N 5N1 Phone 339-0986 Fax 339-6092	Mr. Rodney Pierce 3044 Kensington Crescent Courtney, B.C. V9N 3Z8 Phone 334-0656 Fax 329-7032
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D. INTERNATIONAL PACIFIC HALIBUT COMMISSION REPRESENTATIVE(S):

Dr. Donald McCaughran Director, Int'l Pacific Halibut Commission P.O. Box 95009, Seattle, Washington 98145-2009 Phone (206) 634-1838 Fax (206) 632-2983	Ms. Tracee Geernaert Biologist, IPHC P.O. Box 95009, Seattle, Washington 98145-2009 Phone (206) 634-1838 Fax (206) 632-2983
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E. DFO's PACIFIC REGION HALIBUT COORDINATOR & HAB CHAIRMAN:

Mr. Ken Smith
Pacific Region - Halibut Coordinator
#418 - 555 West Hastings Street, Vancouver, B.C. V6B 5G3
Phone (604) 666-0912 FAX (604) 666-8525

4th contract
 PWGSC - Public Works and Government Services Canada

TPSGC - Travaux Publics et Services Gouvernementaux Canada

Part - Partie 1 of - de 2
 See Part 2 for Clauses and Conditions
 Voir Partie 2 pour Clauses et Conditions

Return Bids To - Retourner les soumissions à:
 Bid Receiving Public Works and Government Services Canada/Réception des soumissions Travaux publics et Services gouvernementaux Canada
 Pacific Region
 1131 Melville St. 8th Floor
 1131, rue Melville, 8e étage
 Vancouver, B. C.
 V6J 4E5
 Bid Fax: (604) 775-7526

REQUEST FOR PROPOSAL DEMANDE DE PROPOSITION

Proposal To: Supply and Services Canada
 We hereby offer to sell to Her Majesty the Queen in right of Canada, in accordance with the terms and conditions set out herein, referred to herein or attached hereto, the supplies and/or services listed herein and on any attached sheets at the price(s) set out therefor.

Proposition aux: Approvisionnement et Services Canada
 Nous offrons par la présente de vendre à Sa Majesté la Reine du chef du Canada, aux conditions énoncées ou incluses par référence dans la présente et aux annexes ci-jointes, les articles et/ou les services énumérés ici sur toute feuille ci-annexée, au(x) prix indiqué(s).

Comments - Commentaires

Vendor Name and Address
 Raison sociale et adresse du fournisseur

Issuing Office - Bureau de distribution
 Public Works and Government Services Canada - Pacific Region
 1133 Melville St., 8th Floor
 1133, rue Melville, 8e étage
 Vancouver, BC V6E 4E5

Title - Sujet Pacific Halibut Verification Progra		Date 13-Dec-96
Solicitation No. - N° de l'invitation F1523-6-0019/A		Buyer Id - Id de l'acheteur xsb015
Client Reference No. - N° de référence du client F1523-6-0019		
OBS Reference No. - N° de référence de SIOS PW-SXSB-015-266		
Regional File No. - N° de référence régional XSB-6-00583	Cust. Order No. - N° com. client	
Solicitation Closes - L'invitation prend fin at - à 14:00:00 on - le 20-Jan-97	Time Zone - Fuseau horaire Pacific Standard Time PS	
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/>		Type - Genre SD
Address Enquiries to: - Adresser toutes questions à: Morrisey, Tom		
Telephone No. - N° de téléphone (604) 775-7672 ()	FAX/Telex No. - N° de FAX/Télex (604) 775-7692	
Destination DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES CANADA 8TH FL. 1133 MELVILLE ST VANCOUVER BRITISH COLUMBIA V6E4E5 CANADA		

Instructions:

Municipal taxes are not applicable.
 Unless otherwise specified herein by the Crown, all prices quoted are to be net prices in Canadian funds including Canadian customs duties, excise taxes, and are to be F.O.B., including all delivery charges to destination(s) as indicated. The amount of the Goods and Services tax is to be shown as a separate item.

Instructions:

Les taxes municipales ne s'appliquent pas.
 Sauf indication contraire, énoncée par la Couronne, dans les présentes, tous les prix indiqués sont des prix nets, en dollars canadiens, comprenant les droits de douane canadiens, la taxe d'accise et doivent être F.A.B. y compris tous frais de livraison à la (aux) destination(s) indiquée(s). La somme de la taxe sur les produits et services devra être un article particulier.

Delivery Required - Livraison exigée 31-Dec-97	Delivery Offered - Livraison proposée
Vendor Name and Address - Raison sociale et adresse du fournisseur	
Facsimile No. - N° de télécopieur Telephone No. - N° de téléphone	
Name and title of person authorized to sign on behalf of vendor (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur (caractère d'impression)	
Signature	Date

Canada

PWGSC - Public Works and Government
 Services Canada

TPSGC - Travaux Publics et Services
 GOUVERNEMENT DU CANADA

Document No. F1523-S-0018/A

Part - Partie 1 of - de 2
 See Part 2 for Clauses and Conditions
 Voir Partie 2 pour Clauses et Conditions

Item Article	Description	Dest. Code Dest.	Inv. Code Fact.	Qty Qté	U. of L. U. de D.	Unit Price/Prix unitaire FOB/FAM		Delivery Req. Livraison Req.	Del. Offered Liv. offerte
						Destination	Plant/Usine		
1	GSIN - NIBS: F030A Pacific Halibut Verification Program	EZ165	F1523	1	Lot	\$	\$	31-Dec-97	
		Total		1	Lot	\$	\$		

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	Client Ref. No. - N° de réf. du client F1523-6-0019	Régnl. File No. - N° du dossier rég. XSB-6-00583	Cust. Ord. No. - N° comm. client

TITLE: DOCKSIDE OBSERVERS FOR THE CANADIAN PACIFIC HALIBUT INDIVIDUAL QUOTA PROGRAM

STATEMENT OF WORK:

The Contractor shall perform the Work as outlined below, and in accordance with its technical proposal.

1. General Information

Consultations between the Department of Fisheries and Oceans and industry representatives has resulted in the implementation and ongoing management of an Individual Quota program for the commercial halibut fishery in Canada since 1991. Shares of the Total Allowable Catch (TAC), established annually by the International Pacific Halibut Commission (IPHC), are allocated amongst owners of a fishing vessels holding a halibut license based on a formula using historic halibut catch and vessel length. Since 1993 quotas shares have been transferable amongst license holders on an annual basis. It is expected that halibut license holders will be permitted to catch their IVQ at any time during an eight month period commencing March 15th, and ending November 15th. Actual opening dates are determined annually by the IPHC in late January.

An essential element of the success of such a quota system is that there be a system of verification of the poundage of halibut caught, retained and landed by all 'L' license vessels.

100% coverage of all halibut off-loadings is mandatory and landings will be restricted to designated ports/areas. Halibut and rockfish shall be weighed and tallied upon offloading. This is required to update the status of the individual vessel's IVQ. Where landings of halibut in excess of the remaining IVQ or allowed incidental catch limits are encountered such poundage will be verified, documented and if in excess of permitted overage levels relinquished through the completion of a relinquishment of claim form provided by the observer.

2. Scope of Work

The Contractor shall provide and maintain a core of Certified Fisheries Observers (CFO's) to cover 34 locations, and capable of responding on a 24 hour basis to validation requests from 'L' license holders planning to land halibut. CFOs services may be requested by the Project Authority for investigation/court mode, attending court procedures or for participation in special projects. Fishery Officers will be dedicated to law enforcement in the fishery. The Contractor will perform all the work necessary to verify the weight of halibut, rockfish and other species caught and retained by the participants, including the hiring (if applicable), training and deployment of CFOs to a standard satisfactory to the Department.

The master or operator of any vessel in respect of which a halibut 'L' license has been issued shall keep daily and accurate records, in a fishing logbook (sample available upon request) of all halibut fishing operations in which the vessel is engaged, including date, locality, amount of gear used and quantity of halibut taken in each locality. CFOs are required to provide envelopes for the mailing of the logs to D.F.O./IPHC.

The Contractor shall at all times during the term of the contract be responsible for certification of the poundage of all halibut, rockfish and other species caught and retained by the 'L' licensed

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vessels and to that end, shall, to the satisfaction of the Department, perform the work and services hereinafter set forth.

The contractor shall during the 1997 fishing year conduct a tagging program of all halibut offloaded. This requires either a CFOs or a member of the management team at each offload to individually tag each halibut offloaded (estimated 540,000 tags). Tagging need not occur prior to verification of the offload weight, but must be completed prior to the removal of any fish to the plants freezer, processing line or transport to another location.

3. Management

The Contractor will provide an efficient management team consisting of a minimum of a Project Manager, a Data Quality Coordinator, and Port Supervisors, to ensure proper operational function of the halibut verification program.

4. Training

The Contractor shall train and provide as required the services of a sufficient number of CFOs to provide observations of all offloading of halibut at specific sites within the Province of B.C. as well as Blaine/Bellingham and Ketchikan, USA and to perform other associated functions as may be requested.

5. Communications

Prior to any licensed halibut vessel taking halibut onboard during a trip in which halibut may be landed, the halibut license holder shall notify via a 24 hour (7 days a week) toll free telephone number (provided and maintained by the Contractor), advising of the vessel name and CFV number, halibut trip number, vessel's estimated landing time, fishing location (by management sub-area), date of commencement of fishing for halibut, estimated landing date, probable buyer and port of landing. The Contractor shall maintain this 24 hour toll free telephone system whereby 'L' license holders will be able to register their plans and to request the Contractor's services; the time of each call (notification and request) will be recorded by the Contractor and the contractor will issue a verification number to the vessel owner at the time of each call. The Contractor shall ensure that each 'L' license holder is advised of any change to the 24 hour toll free telephone number or communications system, that the system shall be personally attended between the hours of 07:30 and 17:30, and that the system is connected to a telephone answering service during all remaining hours.

The Contractor shall maintain and update the halibut activity information line. This halibut activity line shall be updated daily and include the following information: the number of vessels hailed out as of that day, the total number of hail-outs over the last 24 hours, 48 hours and 7 days; the total estimated landed weight to date, and average weight per landing, total landed weight in the last 24 hours, 48 hours and 7 days, the total number of off-loads scheduled for the next 24 hours and estimated weights, along with any special announcements of information required by DFO.

6. Offloading halibut - Verification

Not less than 24 hours prior to landing (offloading halibut), the master or operator of the vessel shall call the 24 hour toll free number and indicate the vessel name and CFV number, halibut trip number, planned time and date of landing, landing port, estimated landed weight on board by species, what company the fish will be sold to or if the fish will be sold to the public (or both), and

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where public sales, if any, will occur. A hail in confirmation number will be provided by the contractor.

Each and every halibut landing shall be validated by a CFO and the landed weight and IVQ status information will be recorded in a validation logbook. The DFO certified observer will inspect fish holds; lazarettes, baitholds, and other areas where fish might be stored. After offloading is completed, the CFO will inspect the fishholds, and the above mentioned areas, to ensure that all fish on board have been offloaded.

No offloading of halibut shall be allowed unless a DFO representative or its designate (CFO) is present and permission is granted to proceed. In addition, all offloaded halibut (including halibut for public sales) shall be weighed on a Government certified scale, and the weight verified by the CFO at the point of landing.

Any IPHC halibut tags encountered in the course of observing offloading must be returned to the IPHC with detail(s) of acquisition, but no special sampling efforts will be made to acquire them.

7. Landing locations

Halibut shall only be landed at sites designated as halibut landing ports. There will be one hundred percent (100%) CFO coverage of all halibut landings. The following 17 general landing site locations must be covered: the estimated minimum number of available CFO not including management or backup personnel, is also listed for respective sites:

<u>Location</u>	<u># of Observers</u>
<u>Greater Vancouver</u> (includes North Vancouver/Delta/Richmond/Vancouver)	4
<u>Prince Rupert/Port Edward</u>	4
<u>Masset/Skidegate</u>	1
<u>Tofino/Ucluelet</u>	2
<u>Coal Harbour/Port Hardy</u>	4
<u>Sointula</u>	1
<u>Campbell River/Courtenay/Comox</u>	2
<u>Bella Bella /Shearwater</u>	1
<u>Pender Harbour/Lund</u>	1
<u>French Creek/Nanaimo/Port Alberni</u>	2
<u>Victoria/Sooke/Sidney</u>	1
<u>Bellingham/Blaine</u>	2
<u>Ketchikan</u>	1
<u>Winter Harbour</u>	1
<u>Bella Coola</u>	1
<u>Zeballos</u>	1
<u>Cowichan Bay</u>	1
Total	30

One of the Vancouver CFOs, (and in other areas if necessary) will be required to verify that all offloaded halibut received by processing plants have been verified by a CFO.

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Following a landing, no vessel shall leave for a halibut trip or fish for halibut prior to providing their landed weight to and having it confirmed by DFO or its designate (CFO) and having the validation logbook updated by the same CFO as to the status of their individual quota. Quotas will be updated on a 24-hour basis.

8. Coordination with Enforcement

While CFOs are not enforcement officers and possess no enforcement authority, they can be effective monitoring agents, provide a perceived enforcement presence and are valuable eyes and ears for the DFO.

There is a need for the CFOs to interact with the enforcement component of the halibut IVQ program in order to ensure that the fishery proceeds legitimately under the TAC set by the IPHC. A plan will be developed with DFO enforcement personnel prior to initiation of the halibut fishery. This arrangement will ensure that the fishery proceeds under the terms set out in the program and that potential illegal catch and retention of halibut or rockfish by Canadian fishermen is minimized or eliminated, duly recorded and reported to DFO by the Contractor.

9. Disclosure of information

It is understood and agreed that the Contractor shall, during and after the effective period of the contract, treat as confidential and not divulge, unless otherwise authorized in writing by the Project Authority, any information obtained in the course of the performance of any resulting contract.

10. Code of Conduct

No Contractor personnel, including management, shall accept a gratuity in any form, including but not limited to alcoholic beverages or any other object of consideration that would place the CFO/contractor in a compromising position. In addition, all contractor personnel are required to conduct themselves with prudence and probity.

11. Publication

The Department of Fisheries and Oceans shall have the sole right to publish data and analysis connected with and resulting from this project. Publication of results or any part thereof by the Contractor shall not be made without prior consent of the Project Authority.

12. Replacement Policy

If the performance of a CFO is deemed unsatisfactory by the Project Authority at any time during the contract, and the Contractor is notified, that person will be replaced within forty-eight (48) hours at no additional cost to the Crown. The Project Authority will not be held liable by the Contractor for payments in respect to services of a CFO deemed to be unsatisfactory.

13. Training and Qualifications for CFO's

As specified under Section 39(1) of the Fishery (General) Regulations, the Regional Director-General may designate as an observer any person who:

- a) does not hold a license for the purpose of commercial fishing under the Act or any of the regulations made thereunder;

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- b) does not purchase fish for the purpose of resale; and
- c) is not an owner, operator or manager of an enterprise that catches, cultures, processes or transports fish.

In addition to the regulatory requirements set out above, before a person is designated as a certified observer, he/she must meet the following requirements:

- a) has a basic knowledge and understanding of the west coast halibut industry;
- b) has completed grade 12 or has equivalent knowledge and experience;
- c) has the ability to write and tally fish species and amounts using a calculator;
- d) has the ability to satisfactorily check, review and complete logbook and offloading documentation associated with this program;
- e) has satisfactory health and has the ability to board vessels dockside and climb in the out of fish holds;
- f) is a Canadian citizen or landed immigrant (not applicable for landings in the U.S.);
- g) has a valid drivers license;
- h) can pass an Enhanced Reliability Security check and DFO violation check;
- i) has personal suitability in working with fishers, buyers and processors and in adverse weather conditions and times, including night shifts and weekends.
- j) can not be in a position of conflict of interest (ie not an employee of a company offloading or processing the fish).

The observer candidate must successfully demonstrate understanding and proficiency with respect to the duties and responsibility of dockside monitoring by passing a standard observer test.

Successful completion of the observer test qualifies the candidate for certification as a Certified Observer under the Fishery (General) Regulations, Part V, Section 39, Designation and Duties and Section 40 Certificate of Designation.

Individuals shall be aware that an Enhanced Reliability Security Check and DFO violation check may be carried out by the Department. Failure of the security check shall be considered grounds for non-certification.

All CFO's will be issued with an identification card that certifies their designation. These identification cards can only be used in the performance of the specific, formally assigned CFO duties. Any other use of the card may result in de-certification of the observer. DFO reserves the right to remove certification at any time.

The certification of an observer by DFO shall not constitute an acceptance by the Crown of the competency of the Company's employees in as much as the Company shall not thereby be relieved from any of its obligations to produce a quality product as defined by the specifications of the Halibut verification program.

The Contractor may be required to submit to the Contracting Officer, within fifteen (15) working days of contract award, signed statement for a minimum of 30 persons accepting employment; the persons accepted as Pacific Region certified trained observers must be on staff within 26 working days after the contract is awarded.

14. Responsibility of CFO's

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- a) Each CFO will, upon attending at designated locations for the offloading of halibut and all other fish including rockfish retained, obtain, record and report data pertaining to:
- * the processing and offloading of halibut and other fish by 'L' licensed vessels and halibut buyers/processors.
 - * the adherence of 'L' licensed fishing vessels to the Fisheries Act, RSC and its ancillary Acts and Regulations with regard to hail in and out requirements, catch composition, catch verification, offloaded product weight, offloading location, landing of prohibited species, logbook recordings and reporting requirements of catch and effort information, if any.
 - * the weight of offloaded halibut and other fish caught by species by product type and size class/grade.
 - * the technological nature of fishing, offloading and processing equipment and methods used.
 - * any other matter essential to the success of the Halibut Verification Program as may from time to time be decided upon by the Department and communicated to the Contractor.
 - * check the vessel holds upon completion of the offloading to ensure all fish have been removed from the vessel and verified.
- b) immediately upon completion of each offloading of halibut and other species the CFO present will assign the active weight of the offloaded halibut to the offloading 'L' licensed fishing vessel, complete an offloading Halibut Validation Record (available upon request) for each quota, procure the vessel captain's signature on the form and distribute copies as directed by the Department. The remaining quota is preliminary until verified by the Contractor and entered into the DFO mainframe database. Information on all species off-loaded will also be recorded in the offload record described above.
- c) Upon determining that a vessel has attained its IVQ, the CFO present at the final offloading of halibut for each vessel will complete a Relinquishment of claim form for all halibut (dress H/O weight) over allowed preliminary remaining quota and or rockfish in excess of its set incidental limit and procure a signature on the form. The Contractor shall forthwith forward the form to the appropriate Department personnel. Provided always that nothing herein, nor the signing of the Relinquishment form, shall in any matter constitute a consent to the overage or a waiver of any term or condition of any 'L' license.

15. Responsibilities of Management Team

- a) provide periodic monitoring and port supervision of CFO performance to ensure that catch verification, reporting and other requirements are fulfilled accurately and consistently each landing.
- b) take action to analyze, report and correct deficiencies in the delivered product as evaluated by the Project Authority.
- c) provide training of CFO's to a standard sufficient to achieve DFO certification.

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- d) conduct a continuing education (training) process with CFO to alert them to any changes in the data collection or data recording procedures, regulations and policies, and to maintain a high level of expertise within the observer corps.
- e) analyze/enter observer data into DFO Digital/Vax computer within 24 hours of any halibut off-loading.
- f) deliver at regular intervals, as outlined by DFO, fully completed and documented report and data packages in the manner and form requested by the Department. eg: Digital/VAX computer within 24 hours of any halibut offloading.
- g) maintain and update DFO's daily Halibut Activity Line.
- h) prepare special reports as required by DFO.
- i) co-ordinate, assist, and advise regarding field projects which require special scientific or surveillance related information and monitoring, or special deployment situations.
- j) participate with the Department of Fisheries and Oceans in special scientific or surveillance projects. The contractor will also be required to summarize observations in report form, retrieve documentation or information as required by DFO.
- k) participate in, and provide reports and updates to, the Halibut Advisory Board and the halibut working group.
- l) ensure that reports are complete, ready and verified for input and review. Hard copy data will be forwarded to DFO by December 31 of each year of the contract.
- m) ensure that all required photocopies of data forms and reports are made and properly collated for later delivery to the Department.
- n) ensure that all data forms are complete and arranged in proper order.
- o) permit the Department to interview CFO and review their field notes, if any, throughout the term of the contract whenever requested by the Department.
- p) provide the Department with a year end narrative report critiquing the Halibut Verification Program.
- q) ensure that all information pertaining to landed weight, areas fished, fishing activity, and other relevant fishing management information will be forwarded by the individual CFOs via facsimile on a toll free telephone line to the head office of the Contractor. The data will then be checked for accuracy before being enter by the Contractor into the Department's Halibut IVQ Program.
- r) Attend all meetings between the Department of Fisheries and Oceans and the Halibut Advisory Board, and at all such meetings maintain written notes and prepare minutes of all meetings within three weeks of the end of such meetings.
- s) Make available for any licensed halibut license fishermen copies of all minutes of all meetings at a cost not to exceed actual cost plus reasonable markup.

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16. Project Manager

- a) It will be the responsibility of the Project Manager to participate with the Data Quality CO-ordinator in the actual briefing/debriefing of CFOs and assist in the monitoring of CFOs performance.
- b) The Project Manager will be responsible for the Data quality Co-ordinator's and the CFOs administrative duties (e.g. payroll, deductions, benefits, typing, roster list, deployment of observers, scheduling of de-briefings and day-to-day operations of the program). He/She will also be responsible for staff relations within their organization and will liaise between the CFOs, the Project Authority and the Contracting Officer.
- c) The Project Manager is responsible for screening and hiring of any potential CFOs recruited due to attrition or expansion of the program in co-operation with the Department of Fisheries and Oceans. The Project Manager is to participate in the training of new CFOs. The training method and content is to be approved by DFO using the expertise available through the Department. Training expense incurred as a result of attrition will be at the expense of the Contractor.
- d) The Project Manager will be expected to deliver a verifiable quality product to the Project Authority through the use of the CFOs, his/her Data Quality Coordinator and other staff, and their own knowledge, training and experience.
- e) The Project Manager should possess:
 - proven and accepted methods of teaching/training
 - correct procedure for preparation of unloading reports
 - knowledge of fishing gear, fish species and vessel types used by the halibut and groundfish fleets in Pacific Canada
 - knowledge of Canadian Acts, Regulation and Policies governing the domestic fisheries.
 - adequate supervisory, teaching/training, experience
 - understanding of the problems inherent in the collection of field data.
 - an ability to interact and communicate effectively with people.
 - an ability to produce and critically analyze written reports.
 - an ability to prepare/present clear and concise reports.
 - an ability to organize spatial and temporal interaction (schedule).
 - university graduation, or a minimum of (3) years managerial experience with at least two years in administration of a similar program, or related fisheries activities.

17. Responsibility of Data Quality Co-ordinator

- a) Under the supervision of the Project Manager, monitors and assists in enforcement related activities of the CFO and scientific data collection procedures and ensures that levels of accuracy for data are maintained on CFOs reports and data packages.
- b) In association with DFO staff, briefs and de-briefs CFOs on unloading requirements on a regular basis.

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- c) Assists in the solution of problems identified by CFOs and/or the Department of Fisheries and Oceans.
- d) Monitors validation and data collection performance of CFOs.
- e) Assist those CFOs who require guidance in performance of required tasks.
- f) When necessary, organizes and conducts a project to streamline problem areas in management or scientific data collection.
- g) Assists in the training of new CFOs.
- h) Interacts in consultation with the Project Authority on data quality specifically related to the performance of a CFO.

The Data Quality Co-ordinator should possess:

- knowledge of data collection, procedures and the proper format used for scientific recording.
- knowledge of the correct procedure for preparation of reports.
- knowledge of Canadian Acts, Regulation and Policies governing the halibut fishery.
- knowledge of fishing gear, fish species and vessel types used by the halibut and groundfish fleets in Pacific Canada.
- the ability to assume a supervisory role.
- the ability to understand and evaluate the problems inherent in the collection of field data.
- the ability to interact and communicate effectively with people
- the ability to give a critical analysis of written reports.
- the ability to present clear and concise technical reports.
- the ability to organize spatial and temporal interacting (schedule).
- the ability to have unbiased and impartial opinions in the evaluation and performance of CFOs'
- successful completion of secondary education
- minimum of two years of managerial experience with at least one year in administration of a similar program or related Fisheries Activities or two years as an active certified observer

18. The Contractor shall:

- Check all Rockfish and Halibut relinquishment of Claim calculations.
- Provide reporting of vessel landing information (including fishing activity, ports of landing, pounds and species landing) to the Project Authority and other DFO personnel as may be advised.
- Design and produce worksheets for calculating halibut overages.
- On a daily basis, field questions from fishermen, processors and other industry members about the halibut validation program.
- Participate in Halibut Advisory Board meetings
- Field questions from B.C. Ministry of Agriculture and Fisheries staff.
- Participate in bi-weekly conference calls with DFO staff.
- Conferencing with DFO VAX Programmers and database maintenance personnel to constantly improve the Halibut VAX program
- Access DFO's VAX for a period of 11 months for the purpose of data entry.

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- Provide a foreign exchange line to help reduce cost of data and VAX line.
- Provide printing of forms fishing information logbooks, validation log books and documents, laminating materials for distribution to the 'L' licensed fleet.

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EVALUATION CRITERIA:

The following criteria will be used in evaluating proposals:

Criteria	Maximum Points
Work Plan:	
Briefing/debriefing procedures	05 points
Deployment logistics	10 points
Procedures for facilitating special projects	05 points
Procedures for set up and maintenance of the halibut hail system	10 points
Development and maintenance of an activities information line	10 points
Inventory control and maintenance for data	10 points
Verification procedures for data quality control	10 points
Routine procedures for data quality control	10 points
Evaluation procedures for data quality control	10 points
Recruitment procedures for CFOs	10 points
Recruitment training procedures for CFOs	10 points
Remedial training procedures for CFOs	05 points
Continual training procedures for CFOs	05 points
Validation procedures	25 points
Communication plan for CFOs/Management; DFO/Management/CFO Contractor/Industry	<u>10 points</u>
Total	145 points
Training and Experience:	
Qualifications and experience of Project Manager	40 points
Qualifications and experience of Data Quality Coordinator	25 points
Qualification and experience of Port Supervisors and other Management Team Members	20 points
Appropriateness of Management Team Size and Functions	20 points
Dedicated time of Management Team Members	20 points
Qualification and experience of CFOs or hiring and training plan to staff CFOs	15 points
Company experience in similar work and/or related work in fisheries activities	<u>35 points</u>
Total	175 points

In order to be considered for contract award, the technical proposal must score a minimum of 109 points in the Work Plan and 131 points in Training and Experience area.
Proposals which fail to score these minimums will be declared non-responsive and not considered further.

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PRICE PROPOSAL:

(CONTRACT PERIOD)

In order to be considered for contract award you must submit your Price Proposal in the following format. Failure to submit it in this format will result in your proposal being considered non-responsive and will not be evaluated further.

1.) Firm Hourly Rate for Certified Fisheries Observers (CFOs)

A single firm hourly rate for all CFOs covering all associated costs, except as stated below.

\$ _____ /hr X est. 4,600 hours = \$ _____

2.) A Firm Price for the provision of Management Team.

The Management Team must consist of a minimum of a Project Manager, Data Quality Co-ordinator, and Port Supervisors. Bidders must provide a breakdown of the names, category, dedicated time and daily rate. An Example is as follows:

Name	Category	Dedicated Days	Daily Rate
J. Holmes	Project Manager	160 days	\$300.00
P. Peters	Data Quality Coord.	200 days	\$275.00
R. David/B. Jones	Data Entry	200 days	\$200.00
R. Roe/B. Gray	Port Supervisors	150 days	\$265.00

The above is only an example and **DOES NOT REPRESENT AN ESTIMATE OF THE COSTS ASSOCIATED WITH THIS PARTICULAR CATEGORY.**

Also included must be the travel costs associated with the Management Team.

Management Travel \$ _____

Total Firm Price \$ _____

3.) A Firm Price for Training of CFOs

Whether a Bidder proposes to provide already existing CFOs or plans to hire and train, it is recognized that there will be a cost associated with training, either recruitment, remedial or continual training. Training expense incurred as a result of attrition will be at the expense of the Contractor.

Note: All recruitment training must be of at least 5 day duration.

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Total Firm Price \$ _____

4.) Firm Price Per Landing for Travel of CFOs

Should the Bidder decide to staff the CFO category out of a single or multiple locations where travel costs will be incurred in sending the CFOs to the appropriate location to perform the work required, the Bidder must present a Firm Price Per Landing for Travel for each possible location. This Price must include all associated salary costs (i.e. hourly rate) for the CFO while in travel. The below estimated number of trips will be used to determine the estimated travel costs for price evaluation purposes.

Location	# of Landings	Price Per Landing
*Greater Vancouver	219	\$ _____
Pr. Rupert/Port Edward	565	\$ _____
Masset/Skidegate/Q.C. City	17	\$ _____
Tofino/Ucluelet	56	\$ _____
Coal Harbour/Port Hardy	426	\$ _____
Sointula	58	\$ _____
Campbell River/		
Courtenay/Comox	5	\$ _____
Bella Bella /Shearwater	2	\$ _____
Pender Harbour/Lund	2	\$ _____
French Creek/Nanaimo Harbour		
/Port Alberni	42	\$ _____
Victoria/Sooke/Sidney	2	\$ _____
Bellingham/Blaine	3	\$ _____
Ketchikan	1	\$ _____
Winter Harbour	13	\$ _____
Bella Coola	1	\$ _____
Zeballos	2	\$ _____
Cowichan Bay	1	\$ _____

* (includes North Vancouver/Delta/Richmond/Vancouver)

Total (Sum of # landings X Price Per Landing)

Total \$ _____

5.) A Firm Price for Communication & Equipment/Other Material etc.

Total Firm Price \$ _____

6.) A Firm Hourly Rate for tagging (includes travel and all other associated costs).

\$ _____/hr X est. 1,900 hours =
Est. 540,000.00 tags at Firm Price of \$ _____

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Total \$ _____

Any other applicable costs must be covered in the preceding 6 areas of the Price Proposal.

Total (Contract Period) \$ _____

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(OPTION YEAR #1)

1.) Firm Hourly Rate for Certified Fisheries Observers (CFOs)

A single firm hourly rate for all CFOs covering all associated costs, except as stated below.

\$ _____/hr X est. 4,600 hours = \$ _____

2.) A Firm Price for the provision of Management Team.

The Management Team must consist of a minimum of a Project Manager, Data Quality Co-ordinator, and Port Supervisors. Bidders must provide a breakdown of the names, category, dedicated time and daily rate. An Example is as follows:

Name	Category	Dedicated Days	Daily Rate
J. Holmes	Project Manager	160 days	\$300.00
P. Peters	Data Quality Coor.	200 days	\$275.00
R. David/B. Jones	Data Entry	200 days	\$200.00
R. Roe/B. Gray	Port Supervisors	150 days	\$265.00

The above is only an example and **DOES NOT REPRESENT AN ESTIMATE OF THE COSTS ASSOCIATED WITH THIS PARTICULAR CATEGORY.**

Also included must be the travel costs associated with the Management Team.

Management Travel \$ _____

Total Firm Price \$ _____

3.) A Firm Price for Training of CFOs

Whether a Bidder proposes to provide already existing CFOs or plans to hire and train, it is recognized that there will be a cost associated with training, either recruitment, remedial or continual training. Training expense incurred as a result of attrition will be at the expense of the Contractor.

Note: All recruitment training must be of at least 5 day duration.

Total Firm Price \$ _____

4.) Firm Price Per Landing for Travel of CFOs

Should the Bidder decide to staff the CFO category out of a single or multiple locations where travel costs will be incurred in sending the CFOs

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to the appropriate location to perform the work required, the Bidder must present a Firm Price Per Landing for Travel for each possible location. This Price must include all associated salary costs (i.e. hourly rate) for the CFO while in travel. The below estimated number of trips will be used to determine the estimated travel costs for price evaluation purposes.

Location	# of Landings	Price Per Landing
*Greater Vancouver	219	\$ _____
Pr. Rupert/Port Edward	565	\$ _____
Masset/Skidegate/Q.C. City	17	\$ _____
Tofino/Ucluelet	56	\$ _____
Coal Harbour/Port Hardy	426	\$ _____
Sointula	58	\$ _____
Campbell River/		
Courtenay/Comox	5	\$ _____
Bella Bella /Shearwater	2	\$ _____
Pender Harbour/Lund	2	\$ _____
French Creek/Nanaimo Harbour		
/Port Alberni	42	\$ _____
Victoria/Sooke/Sidney	2	\$ _____
Bellingham/Blaine	3	\$ _____
Ketchikan	1	\$ _____
Winter Harbour	13	\$ _____
Bella Coola	1	\$ _____
Zeballos	2	\$ _____
Cowichan Bay	1	\$ _____

* (includes North Vancouver/Delta/Richmond/Vancouver)

Total (Sum of # landings X Price Per Landing)

Total \$ _____

5.) A Firm Price for Communication & Equipment/Other Material etc.

Total Firm Price \$ _____

6.) A Firm Hourly Rate for tagging (includes travel and all other associated costs).

\$ _____/hr X est. 1,900 hours =
Est. 540,000.00 tags at Firm Price of \$ _____

Total \$ _____

Any other applicable costs must be covered in the preceding 6 areas of the Price Proposal.

Total (Option Year #1) \$ _____

Canada

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(OPTION YEAR #2)

1.) Firm Hourly Rate for Certified Fisheries Observers (CFOs)

A single firm hourly rate for all CFOs covering all associated costs, except as stated below.

\$ _____/hr X est. 4,600 hours = \$ _____

2.) A Firm Price for the provision of Management Team.

The Management Team must consist of a minimum of a Project Manager, Data Quality Co-ordinator, and Port Supervisors. Bidders must provide a breakdown of the names, category, dedicated time and daily rate. An Example is as follows:

Name	Category	Dedicated Days	Daily Rate
J. Holmes	Project Manager	160 days	\$300.00
P. Peters	Data Quality Coor.	200 days	\$275.00
R. David/B. Jones	Data Entry	200 days	\$200.00
R. Roe/B. Gray	Port Supervisors	150 days	\$265.00

The above is only an example and **DOES NOT REPRESENT AN ESTIMATE OF THE COSTS ASSOCIATED WITH THIS PARTICULAR CATEGORY.**

Also included must be the travel costs associated with the Management Team.

Management Travel \$ _____

Total Firm Price \$ _____

3.) A Firm Price for Training of CFOs

Whether a Bidder proposes to provide already existing CFOs or plans to hire and train, it is recognized that there will be a cost associated with training, either recruitment, remedial or continual training. Training expense incurred as a result of attrition will be at the expense of the Contractor.

Note: All recruitment training must be of at least 5 day duration.

Total Firm Price \$ _____

4.) Firm Price Per Landing for Travel of CFOs

Should the Bidder decide to staff the CFO category out of a single or multiple locations where travel costs will be incurred in sending the CFOs to the appropriate location to perform the work required, the Bidder must

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present a Firm Price Per Landing for Travel for each possible location. This Price must include all associated salary costs (i.e. hourly rate) for the CFO while in travel. The below estimated number of trips will be used to determine the estimated travel costs for price evaluation purposes.

Location	# of Landings	Price Per Landing
*Greater Vancouver	219	\$ _____
Pr. Rupert/Port Edward	565	\$ _____
Masset/Skidegate/Q.C. City	17	\$ _____
Tofino/Ucluelet	56	\$ _____
Coal Harbour/Port Hardy	426	\$ _____
Sointula	58	\$ _____
Campbell River/		
Courtenay/Comox	5	\$ _____
Bella Bella /Shearwater	2	\$ _____
Pender Harbour/Lund	2	\$ _____
French Creek/Nanaimo Harbour		
/Port Alberni	42	\$ _____
Victoria/Sooke/Sidney	2	\$ _____
Bellingham/Blaine	3	\$ _____
Ketchikan	1	\$ _____
Winter Harbour	13	\$ _____
Bella Coola	1	\$ _____
Zeballos	2	\$ _____
Cowichan Bay	1	\$ _____

* (includes North Vancouver/Delta/Richmond/Vancouver)

Total (Sum of # landings X Price Per Landing) Total \$ _____

5.) A Firm Price for Communication & Equipment/Other Material etc.

Total Firm Price \$ _____

6.) A Firm Hourly Rate for tagging (includes travel and all other associated costs).

\$ _____/hr X est. 1,900 hours =
Est. 540,000.00 tags at Firm Price of \$ _____

Total \$ _____

Any other applicable costs must be covered in the preceding 6 areas of the Price Proposal.

Total (Option Year #2) \$ _____

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PERIOD OF CONTRACT:

Any resulting contract will contain the following:

The Service(s) will be provided during the period February 1, 1997 to December 31, 1997 inclusive.

OPTION TO EXTEND CONTRACT:

Any resulting contract will contain the following:

The Contractor shall grant to Canada an irrevocable option to extend this Contract for up to an additional 2 consecutive periods of one (1) year each, under the same terms and conditions.

The price for each option will be negotiated with the contractor using the estimated scope of each years fishery and the figures submitted in its Option Years Price Proposal.

Should Canada decide to exercise the option, it will do so by notifying the Contractor, in writing, no later than 15 days prior to the expiry of this Contract or any extension thereof.

SUBMISSION OF PROPOSALS:

The Bidder is invited to submit a proposal, in three (3) copies, to fulfill all the requirements of this RFP. When responding, the proposal is to be submitted to:

Bid Receiving Section
Dept. Public Works & Government Services Canada (PWGSC)
Pacific Region
8th Fl., 1133 Melville Street
Vancouver, B.C.
V6E 4E5
Fax: (604) 775-7526

FACSIMILE BIDS:

Proposals submitted electronically are acceptable provided they are received by the identified Bid Receiving Section prior to the date and time stated in the Request for Proposal document. Such proposals must be comprehensive and include the entire proposal. The fax must identify the Request for Proposal reference number and closing date and time.

PROPOSAL STRUCTURE:

The proposal should be submitted under two separately bound covers entitled Technical Proposal and Price Proposal.

Technical Proposal:

Bidders should provide a "Cross Reference" index, identifying paragraphs and page numbers corresponding to each of the Evaluation Criteria.

The Technical Proposal should contain at a minimum the following information:

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- a) State your approach and proposed methodology to meet the requirements, the degree of success expected, and any major difficulties that are anticipated. Provide sufficient detail to demonstrate your comprehension of the project and your competence to fulfill it.
- b) State your request for any changes to the Statement of Work. Such changes shall be clearly identified and shall be priced separately as an option. However, your technical proposal must meet the requirements of the Statement of Work as specified.
- c) Provide your organizations' background and experience in similar and/or relevant work particularly, as it relates to this program. Demonstrate that your organization possesses sufficient personnel and financial resources, and management capabilities to perform the work.
- d) Identify any proprietary information which you propose to use in the program.
- e) Specify how you propose to control the management of the program. Identify the system(s) you will use to control costs and labour.
- f) Provide a logical plan for carrying out the outlined tasks, including deployment & briefing and de-briefing procedures, response time, conducting special projects, preparing, presenting and analyzing reports, inventory control and maintenance and program performance evaluation.
- g) A detailed work plan for the data quality control procedure including specifics of procedures to be used to verify data, monitor performance as reflected in the results of the quality control procedure, maintain a performance database and produce reports, interactions with DFO and industry a procedure for handling large amounts of trip data arriving at the same time.
- h) Indicate the plan for coding, verifying and entering data collected, and providing quality control and security of data, including routine and detailed evaluation procedures.
- i) Provide a detailed plan of the selection of candidates, training of potential CFOs, and remedial and continual training.
- j) Identify the personnel who will be assigned to this program outlining their education, experience, abilities and qualifications. Identify their positions and the time that each member will dedicate to this project. Provide a comprehensive plan of how you propose to organize the management team and plan to control the work.
- k) You may be required to assist DFO in special projects. You should address how you will facilitate these special projects.
- l) Identify the communication procedures to be used between CFOs/management; DFO/management; contractor/industry.
- m) Bidders are encouraged to present innovative approaches that are realistic and will minimize costs to the industry, and the Crown in their technical proposal.
- n) Should a Bidder not currently have on staff Certified Fisheries Observers (CFOs), but is willing to hire and train candidates, or if a Bidder presently has CFOs but requires to train new/additional CFOs for this requirement; then a hiring plan to staff these positions must be included.

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While the forgoing provides detailed information on what should be included in the bidder's Technical Proposal, it is up to the bidder as to what information they wish to include, and the particular format to be used. The information should however be detailed enough so as to allow a complete evaluation.

The information must clearly address the criteria by which it will be evaluated. It would assist in the evaluation if each section clearly indicates the specific criteria it is addressing.

Price Proposal:

The Bidder **must** submit its Price Proposal in accordance with the Price Proposal format indicated herein. If the Bidder fails to submit its Price Proposal in this manner their proposal will be considered non-responsive and will not be considered for contract award.

BUDGET:

Estimated Annual Budget for the Program is \$400,000.00 (GST Extra).

SELECTION:

In order to be considered for award the proposal must score the minimum technical scores in each areas in the Evaluation Criteria (Work Plan and Training and Experience).

The selection of the contractor will be based on the lowest cost (including the 2 Option Years) per technical point. This will be derived by dividing the total price (including Option Years) by the technical score.

ESTIMATED LEVEL OF EFFORT:

The estimates given in the Price Proposal are given in good faith. In any resulting contract Her Majesty will only be responsible for the actual level of effort required and provided.

At the present time the catch quotas have not been determined. Since the quotas will have a direct impact on the estimated scope of the services, Her Majesty reserves the right to negotiate the price proposal with the successful bidder once the quotas are known. Her Majesty also reserves the right to negotiate the price for the Option Years upon setting of the quotas for each year.

Additional historic fishery information on halibut fishery is available from Mr. Ken Smith at DFO at (604) 666-0912.

ENQUIRIES/TIME EXTENSION TO THE RFP CLOSING DATE:

All enquiries and other communications related to this RFP throughout the solicitation period and until contract award, SHALL be directed in writing ONLY to the Public Works and Government Services Canada (PWGSC) Contracting Officer.

To ensure the equality of information among bidders, answers to enquiries which are relevant to the quality of proposals will be forwarded by OBS simultaneously to every bidder. Such enquiries must be received at least seven (7) working days before the closing date.

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A request for a time extension to the bid closing date will be considered provided it is received in writing by the PWGSC Contracting Officer at least seven (7) working days before the closing date shown on page 1 of this RFP document. The request, if granted, will be communicated by OBS at least three (3) working days before the closing, showing the revised closing date. The request, if rejected, will be directed to the originator at least three (3) working days before the closing by the PWGSC Contracting Officer.

CONTRACTING OFFICER:

Mr. Tom Morrissey
Contracting Officer
Public Works and Government Services Canada
8th Fl., 1133 Melville Street
Vancouver, B.C.
Tel: (604) 775-7672
Fax: (604) 775-7692 (Do Not Fax Proposals to this number! - See 1st page for Bid Receiving Fax No.)

The Contracting Officer identified above is responsible for the management of any resulting contract. Any changes to the contract must be authorized in writing by the Contracting Officer. The contractor is not to perform work in excess of or outside the scope of the contract based on verbal or written requests or instructions from any government personnel other than the aforementioned officer.

RIGHTS OF CANADA:

Canada reserves the right to:

- (a) reject any or all proposals received in response to this RFP;
- (b) enter into negotiations with one or more bidders on any or all aspects of its proposal;
- (c) accept any proposal in whole or in part;
- (d) cancel and/or re-issue this requirement at any time;
- (e) award one or more contracts;
- (f) verify any or all information provided with respect to this requirement.
- (g) award contracts without competition for follow-on Work, if any, to the successful bidder for this requirement.

PROPOSAL COSTS:

No payment shall be made for costs incurred in the preparation and submission of a proposal in response to this Request for Proposal.

APPLICABLE LAWS:

The Contract shall be interpreted and governed, and the relations between the Parties, determined by the laws in force in British Columbia, Canada.

VALIDITY OF BID:

It is requested that proposals submitted in response to this Request for Proposal (RFP) be:

- (a) valid in all aspects, including price, for not less than one hundred and twenty (120) days from the closing date of this RFP; and,

Canada

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- (b) signed by an authorized representative of the Bidder in the space provided on the RFP; and,
(c) provide the name and telephone number of a representative who may be contacted for clarification or other matters relating to the Bidder's proposal.

PROGRESS REPORT:

Any resulting contract will contain the following:

The Contractor shall prepare and submit a progress report with each claim for payment. The report is to show the status and results to date and prepared to the satisfaction of and in a format acceptable to the Project Authority. A copy shall be sent to the Project Authority and the Contracting Officer.

FINAL REPORT:

Any resulting contract will contain the following:

A final report and accompanying documentation analyzing and summarizing the results of the project is to be prepared to the satisfaction of and in a format acceptable to the Project Authority, and delivered on or before December, 1997.

METHOD OF PAYMENT:

Any resulting contract will contain the following:

Monthly payments shall be made to the Contractor in accordance with the Basis of Payment (with a 10% holdback on labour) and shall be made upon the following terms and conditions:

1. Invoices shall be completed in full and sent to the department identified on the 1st page under "Invoices".
2. Release of holdback (10% of labour charges) will be made upon receipt and acceptance of the final report and satisfactory completion of all other obligations under the Contract.

If Canada has any objection to the form of the invoice or the substantiating documentation, within fifteen (15) days of its receipt, Canada shall notify the Contractor of the nature of the objection. "Form of the invoice" means an invoice which contains or is accompanied by such substantiating documentation as Canada requires. Failure by Canada to act within fifteen (15) days will only result in the date specified in paragraph 1 of the clause to apply for the sole purpose of calculating interest on overdue accounts.

Interest on Overdue Accounts:

- (1) Where applicable, the General Conditions are amended by deleting the section entitled "Interest on Overdue Accounts" or "Payment", whichever forms part of the contract.
- (2) For the purposes of this clause:
 - (a) "Average Rate" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Standard Time each day during the calendar month which immediately precedes the calendar month in which payment is made, where the "Bank Rate" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association.
 - (b) "date of payment" means the date of the negotiable instrument drawn by the Receiver General for Canada and given for payment of an amount due and payable;
 - (c) an amount is "due and payable" when it is due and payable by Canada to the Contractor in accordance with the terms of the Contract; and

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(d) an amount becomes "overdue" when it is unpaid on the first day following the day upon which it is due and payable.

(3) Canada shall be liable to pay to the Contractor simple interest at the Average Rate plus 3 percent per annum on any amount that is overdue, from the date such amount becomes overdue until the day prior to the date of payment, inclusive. Interest shall be paid without notice from the Contractor except in respect of payment which is less than 15 days overdue. No interest will be payable or paid in respect of payment made within such 15 days unless the Contractor so requests after payment has become due.

(4) Canada shall not be liable to pay interest in accordance with this clause if Canada is not responsible for the delay in paying the Contractor.

(5) Canada shall not be liable to pay interest on overdue advance payments.

REPLACEMENT OF PERSONNEL:

Any resulting contract will contain the following:

The Contractor shall provide the services of those person(s) identified in its proposal, and any additional employees necessary to perform the Work and provide the services required under this Contract, unless the Contractor is unable to do so for reasons beyond the control of the Contractor..

Should the Contractor, at any time, be unable to provide the employees named above, the Contractor shall be responsible for providing replacements who shall be of similar ability and attainment and who shall be acceptable to the Project Authority and the Contracting Officer. In such cases, the Contractor shall notify in writing both the Project Authority and the Contracting Officer and provide:

- (a) the reason for the removal of the named employee(s) from the Work;
- (b) the name of the proposed replacement(s);
- (c) an outline of the qualifications and experience of the candidate(s); and
- (d) accepted security clearance certification(s), as applicable.

Such notice shall be sent at least thirty (30) days in advance of the date on which any replacement is to commence work. Any change to the terms and conditions of this Contract which results from a replacement of personnel shall be effected by a contract amendment.

Notwithstanding the foregoing, the Contractor is required to perform the Work and provide the services in accordance with the terms of this Contract.

PRIORITY OF DOCUMENTS:

Any resulting contract will contain the following:

The documents listed below form part of and are incorporated into this Contract. If there is a discrepancy between the wording of one document and the wording of any other document which appears on the list, the wording of the document which first appears on the list shall prevail over the wording of any document which subsequently appears on the list:

- 1) these articles of agreement
- 2) General Conditions (for Services), DSSMAS 9676 (dated 01/05/96)
- 3) The Contractor's technical proposal

WORK FORCE REDUCTION PROGRAMS:

Solicitation - Invitation	Solicitation No. - N° de l'invitation F1523-6-0019/A	Amd. No. - N° de la modif.	Buyer ID - Id de l'acheteur xsb015
	Client Ref. No. - N° de réf. du client F1523-6-0019	Rgnl. File No. - N° du dossier rég. XSB-6-00583	Cust. Ord. No. - N° comm. client

As a result of the recent implementation of various programs to reduce the public service, Bidders must provide information regarding their status as former public servants in receipt of either a lump sum payment or a pension, or both, pursuant to the terms of the Early Departure Incentive (EDI) Program, the Early Retirement Incentive (ERI) Program, the Forces Reduction Program, the Executive Employment Transition Program and any other current and future similar programs implemented by Treasury Board. Therefore, Bidders must make available the following details:

- (a) date and amount of lump sum payment incentive;
- (b) terms and conditions of the lump sum payment incentive (including termination date);
- (c) rate of pay on which the lump sum payment was based;
- (d) whether or not the \$5,000 exemption has been reached.

In the event that a Contract is awarded to a former public servant during the period covered by the lump sum payment, the contract fee must be abated (reduced) by an amount corresponding to the number of weeks remaining in the Contractor's lump sum payment period after the beginning of the Contract.

This reduction is subject to an exemption of a maximum of \$5,000 (including GST) applicable to one or more contracts during the period covered by the lump sum payment.

For the purposes of this solicitation, former public servants is defined as:

- (a) an individual;
- (b) an individual who has incorporated;
- (c) a partnership made up of former public servants; or
- (d) a sole proprietorship or entity where the affected individual has a major interest in the entity.

The information specified must be provided with, and be attached to the Bid, and must be provided on, or before, bid closing. Failure to meet this condition of bidding will render the Bid non-responsive.

VENDOR PERFORMANCE:

1. Canada may reject a bid where any of the following circumstances is present:
 - (a) the Bidder, or any employee or subcontractor included as part of the bid, has been convicted under section 121 ("Frauds on the government" & "Contractor subscribing to election fund"), 124 ("Selling or purchasing office"), or 418 ("Selling defective stores to Her Majesty") of the *Criminal Code*; or
 - (b) the Bidder is subject to a Vendor Performance Corrective Measure, under the Vendor Performance Policy, which renders the Bidder ineligible to bid on the Work;
 - (c) an employee or subcontractor included as part of the bid, is subject to a Vendor Performance Corrective Measure, under the Vendor Performance Policy, which would render that employee or subcontractor ineligible to bid on the Work, or the portion of the Work the employee or subcontractor is to perform;
 - (d) with respect to current or prior transactions with the Government of Canada
 - (1) the Bidder is bankrupt or where, for whatever reason, its activities are rendered inoperable for an extended period;

Solicitation - Invitation	Solicitation No. - N° de l'invitation F1523-6-0019/A	Amd. No. - N° de la modif.	Buyer ID - Id de l'acheteur xsb015
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- (2) evidence, satisfactory to Canada, of fraud, bribery, fraudulent misrepresentation or failure to comply with any law protecting individuals against any manner of discrimination, has been received with respect to the Bidder, any of its employees or any subcontractor included as part of its bid;
 - (3) Canada has exercised its contractual remedies of suspension or termination for default with respect to a Contract with the Bidder, any of its employees or any subcontractor included as part of its bid; or
 - (4) Canada determines that the Bidder's performance on other contracts, including the efficiency and workmanship as well as the extent to which the Bidder executed the work in accordance with contractual terms and conditions, is sufficiently poor to jeopardize the successful completion of the requirement being bid on.
2. Where Canada intends to reject a bid pursuant to a provision of paragraph 1, other than 1(b), the Contracting Authority will so inform the Bidder and provide the Bidder ten (10) days within which to make representations, prior to making a final decision on the bid rejection.

STANDARD ACQUISITION CLAUSES AND CONDITIONS MANUAL:

Standard Instructions and Conditions

REVISION OF DEPARTMENTAL NAME

Reference to the Minister of Supply and Services or to the Department of Supply and Services contained in any term, condition or clause of this solicitation shall be interpreted as a reference to the Minister of Public Works and Government Services or to the Department of Public Works and Government Services, as the case may be.

STANDARD ACQUISITION CLAUSES AND CONDITIONS MANUAL

All instructions, general terms, conditions and clauses identified herein by title, number and date are set out in the Standard Acquisition Clauses and Conditions (SACC) Manual, issued by the Department of Public Works and Government Services (DPWGS), bearing Catalogue No. P60-4/1-1991E and revised as of October 30, 1996.

The SACC Manual may be obtained from the Public Relations and Print Contract Services Sector - Publishing, telephone (819) 956-4802, and may also be viewed on the Open Bidding Service (OBS), telephone (613) 737-3374 and 1-800-361-4637, and at all DPWGS procurement offices.

STANDARD INSTRUCTIONS AND CONDITIONS

Standard Instructions and Conditions in DSS-MAS 9403-5 (10/96) set out in the SACC Manual are hereby incorporated by reference into and form part of this solicitation. Submission of a bid constitutes acknowledgment that the Bidder has read and agrees to be bound by such instructions.

TERMS AND CONDITIONS OF SOLICITATION AND RESULTING CONTRACT

Solicitation - Invitation	Solicitation No. - N° de l'invitation F1523-6-0019/A	Amd. No. - N° de la modif.	Buyer ID - Id de l'acheteur xsb015
	Client Ref. No. - N° de réf. du client F1523-6-0019	Rgnl. File No. - N° du dossier rég. XSB-6-00583	Cust. Ord. No. - N° comm. client

Pursuant to the Department of Public Works and Government Services Act, S.C. 1996, c.16, the general terms, conditions and clauses identified herein by title, number and date, are hereby incorporated by reference into and form part of this solicitation, bid and any resulting contract, as though expressly set out herein, subject to any other express terms and conditions herein contained.

Conditions

Standard Instructions and Conditions

DSS-MAS 9403-5 (10/96), Request for Proposal and Contract for Professional and Research and Development Services - B. Conditions

General Conditions

DSS-MAS 9676 (30/10/96), General Conditions - Services

SAFETY REGULATIONS AND LABOUR CODES:

Any resulting contract will contain the following:

The Contractor must adhere to all safety rules, regulations and labour codes in force in all jurisdictions where the Work is to be performed.

INTERNATIONAL SANCTIONS:

1. Persons and companies in Canada are bound by economic sanctions imposed by Canada by regulations passed pursuant to the United Nations Act, R.S.C. 1985, c. U-2, the Special Economic Measures Act, S.C. 1992, c. 17, or the Export and Import Permits Act, R.S.C. 1985, c. E-19. As a result, the Government of Canada cannot accept delivery of goods or services that originate, either directly or indirectly, from the countries subject to economic sanctions. At the time of contract award, the following regulations implement economic sanctions:

- (a) United Nations Iraq Regulations;
- (b) United Nations Libya Regulations;
- (c) United Nations Federal Republic of Yugoslavia (Serbia and Montenegro) Regulations.

2. It is a condition of this Contract that the Contractor not supply to the Government of Canada any goods or services which are subject to economic sanctions as described in paragraph 1. above.

3. During the performance of the Contract should the addition of a country to the list of sanctioned countries or the additions of a good or service to the list of sanctioned goods or services cause an impossibility of performance for the Contractor, the situation will be treated by the Parties as a force majeure. The Contractor shall forthwith inform Canada of the situation; the procedures applicable to force majeure shall then apply.

SITE REGULATIONS:

Any resulting contract will contain the following:

The Contractor undertakes and agrees to comply with all standing orders or other regulations, in force on the site where the work is to be performed, relating to the safety of persons on the site or the protection of property against loss or damage from any and all causes including fire.

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GOVERNMENT SMOKING POLICY:

Any resulting contract will contain the following:

Where the performance of work requires the presence of the Contractor's personnel on government premises, the Contractor shall ensure that its personnel shall comply with the policy of the Government of Canada which prohibits smoking on any government premises.

TIME VERIFICATION:

Any resulting contract will contain the following:

Time charged and the accuracy of the Contractor's time recording system may be verified by Canada's representatives before or after payment is made to the Contractor under the terms and conditions of the Contract. If verification is done after payment, the Contractor agrees to repay any overpayment immediately upon demand by Canada.

LIENS UNDER SECTION 427 OF THE BANK ACT:

Any resulting contract will contain the following:

If any lien under section 427 of the Bank Act exists in respect to any materials, parts, work in process, or finished work for which the Contractor intends to claim payment, the Contractor agrees to inform the Minister without delay and agrees, unless otherwise instructed by the Minister, either

1. to cause the bank to remove such lien and to furnish the Minister with written confirmation from the bank; or,
2. to furnish or cause to be furnished to the Minister an undertaking from the bank to the Minister that the bank will not make any claim under section 427 of the Bank Act on materials, parts, work in process, or finished work in respect of which payment is made to the Contractor under this Contract.

Failure to inform the Minister of such lien or failure to implement paragraph 1. or 2. above shall constitute default under the clause entitled "Default by Contractor" in the General Conditions of the Contract and shall entitle the Minister to terminate the Contract.

OWNERSHIP OF PRODUCT:

Any resulting contract will contain the following:

All products and materials provided to perform the work and any modifications made by the selected Contractor shall be the property of the Crown.

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	Client Ref. No. - N° de réf. du client F1523-6-0019	Régl. File No. - N° du dossier rég. XSB-6-00583	Cust. Ord. No. - N° comm. client

The Bidder must submit the following certification to be considered for award.

Bidders may wish to remove this page(s) and sign and submit with your bid.

CERTIFICATION:

DEPARTMENT OF FISHERIES AND OCEANS CONFLICT POLICY:

It is the Department of Fisheries and Oceans (DFO) policy that any firm, organization or principals involved in the harvesting, processing and/or marketing sectors of the fishing industry (foreign or domestic) or represents or works on behalf of members of the harvesting, processing, and/or marketing sectors of the fishing industry is unacceptable to perform, for DFO, contract work of the nature described in this Request for Proposal.

During the contract period your firm and it's principals cannot be involved in providing expert or professional advice or services to the harvesting, processing and/or the marketing sectors of the domestic or foreign fishing industries.

The following certification is therefore required:

We hereby certify that in accordance with DFO policy that our firm, its affiliates and all its principals will not be involved in fisheries consulting, servicing, managing and/or operating domestic and/or foreign fishing vessels during the term of the proposed contract.

Failure to include this certification with the Bid by executing the signature block immediately following this paragraph shall render the bid non-responsive.

Signature

Date

EDUCATION/EXPERIENCE CERTIFICATION:

We certify that all statements made with regard to the education and the experience of individuals proposed for completing the subject Work are accurate and factual, and we are aware that the Minister reserves the right to verify any information provided in this regard and that untrue statements may result in the proposal being declared non-responsive.

Should a verification by the Minister disclose untrue statements, the Minister shall have the right to treat any contract resulting from this Bid as being in default and to terminate it accordingly.

Failure to include this representation and warranty with the Bid by executing the signature block immediately following this paragraph shall render the bid non-responsive.

Sollicitation - Invitation	Sollicitation No. - N° de l'invitation F1523-6-0019/A	Amd. No. - N° de la modif.	Buyer ID - Id de l'acheteur xsb015
	Client Ref. No. - N° de réf. du client F1523-6-0019	Rgnl. File No. - N° du dossier rég. XSB-6-00583	Cust. Ord. No. - N° comm. client

Signature

Date

CANADIAN CONTENT CERTIFICATION:

The Bidder represents and warrants that, of the goods and services being offered to Canada, no less than 80 percent of the bid price consists of Canadian goods and Canadian services as defined in clause K4000D - Canadian Content Definition.

The Bidder acknowledges that the Minister relies upon such representation and warranty to evaluate bids and to enter into any contract resulting from this bid. Such representation and warranty of Canadian Content may be verified in such manner as the Minister may reasonably require.

Should a verification by the Minister disclose a breach of such covenant, the Minister shall have the right to treat any contract resulting from this bid as being in default.

Failure to execute this representation and warranty on the signature block immediately following this paragraph or to include it with the bid will render the bid non-responsive.

Signature

Date

EMPLOYMENT EQUITY CERTIFICATION:

The Federal Contractors Program for Employment Equity requires that some organizations bidding for federal government contracts make a formal commitment to implement employment equity, as a pre-condition to the validation of their bids. All bidders must check the applicable box(es) below. Failure to do so may render the bid non-responsive.

Program requirements do not apply for the following reason(s):

bid is less than \$200,000;

this organization has fewer than 100 permanent part-time and/or full time employees across Canada;

this organization is a federally regulated employer;

or, program requirements do apply:

copy of signed Certificate of Commitment is enclosed; or

Certificate number is _____.

Sollicitation - Invitation	Sollicitation No. - N° de l'invitation F1523-6-0019/A	Amd. No. - N° de la modif.	Buyer ID - Id de l'acheteur xsb015
	Client Ref. No. - N° de réf. du client F1523-6-0019	Rgnl. File No. - N° du dossier rég. XSB-6-00583	Cust. Ord. No. - N° comm. client

NOTE: The Certificate of Commitment, criteria and other information about the Federal Contractors Program for Employment Equity, are available in the Standard Acquisition Clauses and Conditions (SACC) Manual, Section 2, and on the Open Bidding Service (OBS) electronic bulletin board.

Signature

Date

Solicitation - Invitation	Solicitation No. - N° de l'invitation F1523-6-0019/A	Amd. No. - N° de la modif.	Buyer ID - Id de l'acheteur xsb015
	Client Ref. No. - N° de réf. du client F1523-6-0019	Rgnl. File No. - N° du dossier rég. XSB-6-00583	Cust. Ord. No. - N° comm. client

NOTE TO BIDDERS: Please use the mailing label below and affix it securely to the outside of the envelope or package containing your bid submitted by mail or courier. For bids submitted by facsimile (Bid receiving fax #: 604-775-7526), use this sheet as the cover sheet. Always ensure your company name, return address, open bidding solicitation number and closing date appear legibly on the outside of your bid submission.

BID RECEIVING
Public Works and Government Services Canada
1133 Melville Street, 8th Floor
Vancouver, BC V6E 4E5

Solicitation No.: _____

Closing Date: 1400 PT, _____

National Marine Fisheries Service
P.O. 21668
Juneau Ak 99802-1668

Prepared: 10-JAN-97 08:14
Restricted Access Mgmt Division
(800) 304-4846

1996 Individual Fishing Quota (IFQ) Allocations and Landings

From 01-MAR-1996 through 31-DEC-1996

Area	Species	Vessel Landings	Total Catch Pounds	<----- Tac ----->		
				Allocation Pounds	Remaining Pounds	Percent Remaining
2C	halibut	3,325	8,533,743	9,000,000	466,257	5
3A	halibut	2,952	19,365,600	20,000,000	634,400	3
3B	halibut	498	3,502,377	3,700,000	197,623	5
4A	halibut	243	1,735,509	1,950,000	214,491	11
4B	halibut	82	1,646,879	1,848,000	201,121	11
4C	halibut	137	296,439	385,000	88,561	23
4D	halibut	37	487,140	539,000	51,860	10
4E	halibut	0	0	0	0	0
Total		7,274	35,567,687	37,422,000	1,854,313	5
SE	sablefish	913	9,823,345	10,346,188	522,843	5
WY	sablefish	344	6,096,858	6,366,885	270,027	4
CG	sablefish	746	11,818,813	12,169,392	350,579	3
WG	sablefish	164	3,585,286	3,880,096	294,810	8
AI	sablefish	84	1,168,272	1,587,312	419,040	26
BS	sablefish	116	703,905	970,024	266,119	27
Total		2,367	33,196,479	35,319,897	2,123,418	6

Notes:

1. This report summarizes fixed gear IFQ landings reported by Registered Buyers. At sea discards are not included.
2. Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds. Parentheses indicate negative numbers.
3. "Vessel Landings" include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one IFQ Permit Holder.
4. Due to rounding, percentages may not total to 100%.
5. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.

National Marine Fisheries Service
P.O. 21668
Juneau Ak 99802-1668

Updated: 12-MAY-98 02:24
Restricted Access Mgmt Division
(800) 304-4846

1996 Community Development Quota (CDQ) Allocations and Landings

From 01-MAR-1996 through 31-DEC-1996

Area	Species	Vessel Landings	Total Catch Pounds	<----- Tac ----->		
				Allocation Pounds	Remaining Pounds	Percent Remaining
4B	halibut	370	425,318	462,000	36,682	8
4C	halibut	294	384,584	385,000	416	0
4D	halibut	248	229,426	231,000	1,574	1
4E	halibut	526	121,241	120,000	(1,241)	0
Total		1,438	1,160,569	1,198,000	37,431	3
AI	sablefish	11	309,207	396,828	87,621	22

BS	sablefish	11	107,479	242,506	135,027	56
Total		22	416,686	639,334	222,648	35

Notes:

1. This report summarizes fixed gear CDQ landings reported by Registered Buyers. At sea discards are not included.
2. Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds. Parentheses indicate negative numbers.
3. "Vessel Landings" include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one CDQ Permit Holder.
4. Due to rounding, percentages may not total to 100%.
5. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.

□

National Marine Fisheries Service
P.O. 21668
Juneau Ak 99802-1668

Prepared: 10-Jan-97 09:29
Restricted Access Mgmt Division
(800) 304-4846

1996 Individual Fishing Quota (IFQ) Halibut Harvest by Port of Landing
From 01-MAR-1996 To 31-DEC-1996

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
2C	ALASKA			
	ANGOON	74	38,997	0.46
	BARANOF WARM SPRIN	5	12,300	0.14
	CRAIG	276	401,283	4.70
	EDNA BAY	25	10,625	0.12
	ELFIN COVE	25	38,538	0.45
	EXCURSION INLET	3	3,019	0.04
	GUSTAVUS	51	67,907	0.80
	HAINES	35	33,492	0.39
	HOLLIS	1	20	0.00
	HOMER	2	3,327	0.04
	HOONAH	359	805,144	9.43
	HYDER	12	1,830	0.02
	JUNEAU	236	653,481	7.66
	KAKE	159	361,956	4.24
	KETCHIKAN	141	422,355	4.95
	METLAKATLA	16	42,360	0.50
	PELICAN	136	280,344	3.29
	PETERSBURG	518	1,970,434	23.09
	PORT ALEXANDER	58	69,191	0.81
	PORTAGE BAY	1	221	0.00
	SEWARD	6	20,419	0.24
	SITKA	869	1,986,071	23.27
	SKAGWAY	2	3,238	0.04
	TENAKEE SPRINGS	7	1,512	0.02
	WRANGELL	240	737,124	8.64
	YAKUTAT	4	6,668	0.08
	CALIFORNIA			
	OREGON			
	ASTORIA	1	9,573	0.11
	WASHINGTON			
	ANACORTES	1	10,983	0.13
	BELLINGHAM	31	222,661	2.61
	LA CONNER	2	3,125	0.04
	PORT ORCHARD	2	1,697	0.02
	SEATTLE	9	41,957	0.49
	CANADA			
	PRINCE RUPERT	19	271,891	3.19
	Area Total	3,326	8,533,743	100.00

3A	ALASKA			
	ANCHORAGE	1	2,997	0.02

National Marine Fisheries Service
P.O. 21668
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Prepared: 10-Jan-97 09:29
Restricted Access Mgmt Division
(800) 304-4846

1996 Individual Fishing Quota (IFQ) Halibut Harvest by Port of Landing
From 01-MAR-1996 To 31-DEC-1996

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
3A	CORDOVA	163	891,838	4.61

CRAIG	7	40,772	0.21
DUTCH HBR/UNALASKA	4	24,168	0.12
ELFIN COVE	2	1,338	0.01
EXCURSION INLET	12	65,386	0.34
GUSTAVUS	4	2,066	0.01
HAINES	1	2,139	0.01
HOMER	679	3,397,679	17.54
HOONAH	95	426,904	2.20
JUNEAU	50	265,507	1.37
KAKE	5	48,454	0.25
KASILOF	3	2,822	0.01
KENAI	67	302,812	1.56
KETCHIKAN	6	39,127	0.20
KING COVE	2	85,646	0.44
KODIAK	674	5,543,822	28.63
NIKISKI	5	14,081	0.07
NINILCHIK	21	60,200	0.31
OLD HARBOR	2	881	0.00
PELICAN	94	416,717	2.15
PETERSBURG	49	658,990	3.40
SAND POINT	2	7,856	0.04
SELDOVIA	9	1,009	0.01
SEWARD	377	2,476,193	12.79
SITKA	156	807,495	4.17
VALDEZ	35	71,716	0.37
WHITTIER	74	221,869	1.15
WRANGELL	6	74,418	0.38
YAKUTAT	227	564,576	2.92
CALIFORNIA			
OREGON			
ASTORIA	3	44,184	0.23
NEWPORT	1	20,957	0.11
WARRENTON	2	97,787	0.50
WASHINGTON			
BELLINGHAM	57	1,481,266	7.65
LA CONNER	3	39,881	0.21
PORT ORCHARD	1	2,476	0.01
SEATTLE	26	791,214	4.09
CANADA			
PRINCE RUPERT	27	368,357	1.90

National Marine Fisheries Service
P.O. 21668
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Prepared: 10-Jan-97 09:29
Restricted Access Mgmt Division
(800) 304-4846

1996 Individual Fishing Quota (IFQ) Halibut Harvest by Port of Landing

From 01-MAR-1996 To 31-DEC-1996

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
3A	Area Total	2,952	19,365,600	100.00
3B	ALASKA			
	AKUTAN	1	2,256	0.06
	CHIGNIK	12	53,863	1.54
	CORDOVA	1	4,608	0.13
	DUTCH HBR/UNALASKA	24	118,621	3.39
	HOMER	72	411,537	11.75
	KENAI	4	61,464	1.75
	KING COVE	60	284,665	8.13
	KODIAK	173	1,270,330	36.27
	SAND POINT	92	347,873	9.93
	SEWARD	37	450,864	12.87
	SITKA	2	31,999	0.91
	VALDEZ	1	19,654	0.56
	YAKUTAT	1	1,540	0.04
	CALIFORNIA			
	OREGON			
	WARRENTON	4	47,755	1.36
	WASHINGTON			

BELLINGHAM	5	135,007	3.85
SEATTLE	7	212,801	6.08
CANADA			
PRINCE RUPERT	2	47,540	1.36
		-----	-----
Area Total	498	3,502,377	100.00

4A	ALASKA			
	AKUTAN	20	37,079	2.14
	DUTCH HBR/UNALASKA	171	993,288	57.23
	HOMER	8	124,945	7.20
	KING COVE	15	119,059	6.86
	KODIAK	14	236,770	13.64
	SAND POINT	3	48,107	2.77
	SEWARD	9	132,723	7.65
	ST PAUL	1	19,305	1.11
	CALIFORNIA			
	WASHINGTON			
	BELLINGHAM	1	8,852	0.51
	CANADA			
	PRINCE RUPERT	1	15,381	0.89

National Marine Fisheries Service
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Juneau Ak 99802-1668

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1996 Individual Fishing Quota (IFQ) Halibut Harvest by Port of Landing

From 01-MAR-1996 To 31-DEC-1996

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
-----	-----	-----	-----	-----
4A				
	Area Total	243	1,735,509	100.00
4B	ALASKA			
	DUTCH HBR/UNALASKA	74	1,441,942	87.56
	KING COVE	2	48,085	2.92
	KODIAK	2	93,051	5.65
	SEWARD	3	54,037	3.28
	ST PAUL	1	9,764	0.59
		-----	-----	-----
	Area Total	82	1,646,879	100.00
4C	ALASKA			
	DUTCH HBR/UNALASKA	8	70,205	23.68
	HOMER	1	250	0.08
	KING COVE	1	5,164	1.74
	SEWARD	1	17,774	6.00
	ST GEORGE	17	6,704	2.26
	ST PAUL	109	196,342	66.23
		-----	-----	-----
	Area Total	137	296,439	100.00
4D	ALASKA			
	DUTCH HBR/UNALASKA	20	248,946	51.10
	HOMER	1	5,913	1.21
	KING COVE	1	35,360	7.26
	KODIAK	2	26,968	5.54
	SEWARD	2	49,284	10.12
	ST PAUL	11	120,669	24.77
		-----	-----	-----
	Area Total	37	487,140	100.00

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1996 Individual Fishing Quota (IFQ) Halibut Harvest by Port of Landing
From 01-MAR-1996 To 31-DEC-1996

Halibut	Total	7,275	35,567,687
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Notes:

1. This report summarizes fixed gear IFQ landings reported by Registered Buyers. At sea discards are not included.
2. Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds.
3. "Vessel Landings" include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one IFQ Permit Holder.
4. Landings at different harbors in the same general location (e.g. "Juneau, Douglas, and Auke Bay") have been combined to report landings to the main port (e.g. "Juneau").
5. Due to rounding, percentages may not total to 100%.
6. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.

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1996 Individual Fishing Quota (IFQ) Sablefish Harvest by Port of Landing
From 01-MAR-1996 To 31-DEC-1996

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
AI	ALASKA			
	CHIGNIK	1	11,465	0.98
	DUTCH HBR/UNALASKA	70	1,080,993	92.53
	HOMER	1	3,833	0.33
	KING COVE	4	15,057	1.29
	KODIAK	2	10,663	0.91
	SAND POINT	1	16,492	1.41
	SEWARD	3	16,796	1.44
	ST PAUL	1	2,433	0.21
	WASHINGTON			
	SEATTLE	1	10,540	0.90
	Area Total	84	1,168,272	100.00
BS	ALASKA			
	CHIGNIK	1	693	0.10
	DUTCH HBR/UNALASKA	87	580,284	82.44
	HOMER	4	24,413	3.47
	KING COVE	9	35,008	4.97
	KODIAK	3	15,382	2.19
	PETERSBURG	1	1,343	0.19
	SEWARD	4	21,662	3.08
	ST PAUL	5	3,255	0.46
	WASHINGTON			
	SEATTLE	2	21,865	3.11
	Area Total	116	703,905	100.00
CG	ALASKA			
	CHIGNIK	1	169,438	1.43
	CORDOVA	42	842,129	7.13
	DUTCH HBR/UNALASKA	13	547,662	4.63
	EXCURSION INLET	2	15,065	0.13
	HOMER	124	897,328	7.59
	HOONAH	5	46,137	0.39

JUNEAU	1	10,506	0.09
KENAI	3	6,115	0.05
KETCHIKAN	4	66,938	0.57
KING COVE	3	28,007	0.24
KODIAK	228	3,166,892	26.80
PELICAN	4	51,986	0.44
PETERSBURG	10	182,168	1.54

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1996 Individual Fishing Quota (IFQ) Sablefish Harvest by Port of Landing

From 01-MAR-1996 To 31-DEC-1996

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
CG	SAND POINT	3	42,711	0.36
	SEWARD	244	4,696,512	39.74
	SITKA	16	209,268	1.77
	VALDEZ	1	6,948	0.06
	YAKUTAT	27	342,089	2.89
	CALIFORNIA			
	OREGON			
	ASTORIA	1	143	0.00
	WASHINGTON			
	BELLINGHAM	6	307,723	2.60
	SEATTLE	6	76,607	0.65
	CANADA			
	PRINCE RUPERT	2	106,441	0.90
	Area Total		746	11,818,813

SE	ALASKA			
	CORDOVA	2	43,230	0.44
	CRAIG	47	300,021	3.05
	DUTCH HBR/UNALASKA	4	75,372	0.77
	ELFIN COVE	2	1,411	0.01
	EXCURSION INLET	8	114,212	1.16
	HOMER	2	15,652	0.16
	HOONAH	113	1,010,460	10.29
	JUNEAU	51	392,738	4.00
	KAKE	11	248,222	2.53
	KETCHIKAN	30	317,301	3.23
	KODIAK	1	20,032	0.20
	PELICAN	88	743,621	7.57
	PETERSBURG	67	1,302,561	13.26
	PORT ALEXANDER	11	38,913	0.40
	SEWARD	12	167,429	1.70
	SITKA	401	4,204,473	42.80
	WRANGELL	6	18,293	0.19
	YAKUTAT	17	170,458	1.74
	CALIFORNIA			
	WASHINGTON			
	BELLINGHAM	21	282,940	2.88
	SEATTLE	6	250,160	2.55
	CANADA			
	PRINCE RUPERT	13	105,846	1.08

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1996 Individual Fishing Quota (IFQ) Sablefish Harvest by Port of Landing

From 01-MAR-1996 To 31-DEC-1996

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
SE	Area Total	913	9,823,345	100.00
WG	ALASKA			
	CHIGNIK	1	56,564	1.58
	CORDOVA	1	24,094	0.67
	DUTCH HBR/UNALASKA	54	1,295,510	36.13
	HOMER	8	165,245	4.61
	KING COVE	20	440,732	12.29
	KODIAK	30	256,589	7.16
	PELICAN	1	23,267	0.65
	PETERSBURG	3	84,020	2.34
	SAND POINT	25	553,180	15.43
	SEWARD	17	240,458	6.71
	WASHINGTON			
	BELLINGHAM	2	402,054	11.21
	SEATTLE	2	43,573	1.22
	Area Total	164	3,585,286	100.00
WY	ALASKA			
	CORDOVA	23	343,698	5.64
	DUTCH HBR/UNALASKA	5	133,303	2.19
	EXCURSION INLET	6	63,227	1.04
	HOMER	18	125,980	2.07
	HOONAH	15	65,313	1.07
	JUNEAU	3	83,009	1.36
	KAKE	4	17,841	0.29
	KETCHIKAN	1	930	0.02
	KODIAK	21	437,953	7.18
	NIKISKI	1	1,679	0.03
	PELICAN	13	79,327	1.30
	PETERSBURG	16	130,939	2.15
	SEWARD	104	2,738,786	44.92
	SITKA	36	474,707	7.79
	VALDEZ	3	25,434	0.42
	YAKUTAT	50	1,044,321	17.13
	CALIFORNIA			
	WASHINGTON			
	BELLINGHAM	14	220,869	3.62
	SEATTLE	6	68,994	1.13
	CANADA			

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1996 Individual Fishing Quota (IFQ) Sablefish Harvest by Port of Landing

From 01-MAR-1996 To 31-DEC-1996

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
WY	PRINCE RUPERT	6	40,548	0.67
	Area Total	345	6,096,858	100.00

Sablefish Total 2,368 33,196,479

Notes:

- This report summarizes fixed gear IFQ landings reported by Registered Buyers. At sea discards are not included.
- Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds.
- "Vessel Landings" include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may

- include harvests from more than one IFQ Permit Holder.
- 4. Landings at different harbors in the same general location (e.g. "Juneau, Douglas, and Auke Bay") have been combined to report landings to the main port (e.g. "Juneau").
- 5. Due to rounding, percentages may not total to 100%.
- 6. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.

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1996 Total IFQ Landings - Pounds and Percentages by Port

From 01-MAR-1996 To 31-DEC-1996

Port	Halibut			Sablefish		
	Vessel Landings	Pounds Landed	% of Total	Vessel Landings	Pounds Landed	% of Total
ALASKA						
AKUTAN	21	39,335	0.11			
ANCHORAGE	1	2,997	0.01			
ANGOON	74	38,997	0.11			
BARANOF WARM SPRIN	5	12,300	0.03			
CHIGNIK	12	53,863	0.15	4	238,160	0.72
CORDOVA	164	896,446	2.52	68	1,253,151	3.77
CRAIG	283	442,055	1.24	47	300,021	0.90
DUTCH HBR/UNALASKA	301	2,897,170	8.15	233	3,713,124	11.19
EDNA BAY	25	10,625	0.03			
ELFIN COVE	27	39,876	0.11	2	1,411	0.00
EXCURSION INLET	15	68,405	0.19	16	192,504	0.58
GUSTAVUS	55	69,973	0.20			
HAINES	36	35,631	0.10			
HOLLIS	1	20	0.00			
HOMER	763	3,943,651	11.09	157	1,232,451	3.71
HOONAH	454	1,232,048	3.46	133	1,121,910	3.38
HYDER	12	1,830	0.01			
JUNEAU	286	918,988	2.58	55	486,253	1.46
KAKE	164	410,410	1.15	15	266,063	0.80
KASILOF	3	2,822	0.01			
KENAI	71	364,276	1.02	3	6,115	0.02
KETCHIKAN	147	461,482	1.30	35	385,169	1.16
KING COVE	81	577,979	1.63	36	518,804	1.56
KODIAK	865	7,170,941	20.16	285	3,907,511	11.77
METLAKATLA	16	42,360	0.12			
NIKISKI	5	14,081	0.04	1	1,679	0.01
NINILCHIK	21	60,200	0.17			
OLD HARBOR	2	881	0.00			
PELICAN	230	697,061	1.96	106	898,201	2.71
PETERSBURG	567	2,629,424	7.39	97	1,701,031	5.12
PORT ALEXANDER	58	69,191	0.19	11	38,913	0.12
PORTAGE BAY	1	221	0.00			
SAND POINT	97	403,836	1.14	29	612,383	1.84
SELDOVIA	9	1,009	0.00			
SEWARD	435	3,201,294	9.00	384	7,881,643	23.74
SITKA	1,027	2,825,565	7.94	453	4,888,448	14.73
SKAGWAY	2	3,238	0.01			
ST GEORGE	17	6,704	0.02			
ST PAUL	122	346,080	0.97	6	5,688	0.02
TENAKEE SPRINGS	7	1,512	0.00			
VALDEZ	36	91,370	0.26	4	32,382	0.10
WHITTIER	74	221,869	0.62			

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1996 Total IFQ Landings - Pounds and Percentages by Port

From 01-MAR-1996 To 31-DEC-1996

Port	Halibut			Sablefish		
	Vessel Landings	Pounds Landed	% of Total	Vessel Landings	Pounds Landed	% of Total
WRANGELL	246	811,542	2.28	6	18,293	0.06
YAKUTAT	232	572,784	1.61	94	1,556,868	4.69
OREGON						
ASTORIA	4	53,757	0.15	1	143	0.00
NEWPORT	1	20,957	0.06			
WARRENTON	6	145,542	0.41			
WASHINGTON						
ANACORTES	1	10,983	0.03			
BELLINGHAM	94	1,847,786	5.20	43	1,213,586	3.66
LA CONNER	5	43,006	0.12			
PORT ORCHARD	3	4,173	0.01			
SEATTLE	42	1,045,972	2.94	23	471,739	1.42
CANADA						
PRINCE RUPERT	49	703,169	1.98	21	252,835	0.76
Total	7,275	35,567,687	99.98	2,368	33,196,479	100.00

Notes:

1. This report summarizes fixed gear IFQ landings reported by Registered Buyers. At sea discards are not included.
2. Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds.
3. "Vessel Landings" include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one IFQ Permit Holder.
4. Landings at different harbors in the same general location (e.g. "Juneau, Douglas, and Auke Bay") have been combined to report landings to the main port (e.g. "Juneau").
5. Due to rounding, percentages may not total to 100%.
6. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.

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Individual Fishing Quota (IFQ) Allocations and Landings

From 01-MAR-1998 through 28-SEP-1998

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Tac Remaining Pounds	Percent Landed
2C	halibut	2,607	8,453,439	10,500,000	2,046,561	81
3A	halibut	2,374	20,110,096	26,000,000	5,889,904	77
3B	halibut	568	8,937,592	11,000,000	2,062,408	81
4A	halibut	199	2,790,299	3,500,000	709,701	80
4B	halibut	62	1,897,534	2,800,000	902,466	68
4C	halibut	91	471,014	795,000	323,986	59
4D	halibut	22	778,065	1,113,000	334,935	70
4E	halibut	0	0	0	0	0
Total		5,923	43,438,039	55,708,000	12,269,961	78
SE	sablefish	694	6,575,958	7,687,440	1,111,482	86
WY	sablefish	259	4,297,199	4,795,005	497,806	90
CG	sablefish	548	9,528,470	11,146,458	1,617,988	85
WG	sablefish	118	2,751,475	3,245,171	493,696	85
AI	sablefish	54	779,857	1,825,409	1,045,552	43
BS	sablefish	67	466,548	1,146,392	679,844	41
Total		1,740	24,399,507	29,845,875	5,446,368	82

Notes:

1. This report summarizes fixed gear IFQ landings reported by Registered Buyers. At sea discards are not included.
2. Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds. Parentheses indicate negative amounts.
3. "Vessel Landings" include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one IFQ Permit Holder.
4. Due to rounding, percentages may not total to 100%.
5. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.

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Community Development Quota (CDQ) Allocations and Landings

From 01-MAR-1998 through 28-SEP-1998

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Tac Remaining Pounds	Percent Landed
4B	halibut	208	655,299	700,000	44,701	94
4C	halibut	548	790,715	795,000	4,285	99
4D	halibut	78	386,224	477,000	90,776	81
4E	halibut	829	176,121	320,000	143,879	55
Total		1,663	2,008,359	2,292,000	283,641	88
AI	sablefish	11	204,948	456,352	251,404	45

BS	sablefish	6	58,709	286,598	227,889	20
Total		17	263,657	742,950	479,293	35

Notes:

1. This report summarizes fixed gear CDQ landings reported by Registered Buyers. At sea discards are not included.
2. Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds. Parentheses indicate negative amounts.
3. "Vessel Landings" include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one CDQ Permit Holder.
4. Due to rounding, percentages may not total to 100%.
5. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.

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Individual Fishing Quota (IFQ) Halibut Harvest by Port of Landing

From 01-MAR-1998 To 28-SEP-1998

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
2C	ALASKA			
	ANGOON	25	21,922	0.26
	CORDOVA	1	715	0.01
	CRAIG	185	423,417	5.01
	ELFIN COVE	7	6,634	0.08
	EXCURSION INLET	2	4,271	0.05
	GUSTAVUS	51	64,017	0.76
	HAINES	69	303,311	3.59
	HOMER	1	313	0.00
	HOONAH	269	647,728	7.66
	HYDER	5	1,824	0.02
	JUNEAU	276	841,868	9.96
	KAKE	79	118,637	1.40
	KETCHIKAN	119	395,103	4.67
	METLAKATLA	8	18,217	0.22
	PELICAN	1	39	0.00
	PETERSBURG	474	2,154,270	25.48
	PORT ALEXANDER	29	54,666	0.65
	SEWARD	4	21,767	0.26
	SITKA	732	2,055,315	24.31
	SKAGWAY	19	32,884	0.39
	TENAKEE SPRINGS	4	1,933	0.02
	WRANGELL	199	798,908	9.45
	YAKUTAT	10	29,918	0.35
	WASHINGTON			
	BELLINGHAM	24	214,719	2.54
	LA CONNER	1	9,732	0.12
	SEATTLE	2	27,987	0.33
	CANADA			
	PRINCE RUPERT	11	203,324	2.41
	UNKNOWN			
	Area Total	2,607	8,453,439	100.00

3A	ALASKA			
	ANCHOR POINT	1	902	0.00
	ANCHORAGE	10	37,562	0.19
	ANGOON	1	105	0.00
	CHIGNIK	1	3,937	0.02
	CORDOVA	150	1,178,133	5.86
	CRAIG	3	9,439	0.05
	DUTCH HBR/UNALASKA	2	26,255	0.13
	GUSTAVUS	7	11,394	0.06

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Individual Fishing Quota (IFQ) Halibut Harvest by Port of Landing

From 01-MAR-1998 To 28-SEP-1998

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
3A	HAINES	17	302,185	1.50

HOMER	592	4,716,703	23.45
HOONAH	114	623,256	3.10
JUNEAU	84	632,516	3.15
KASILOF	1	1,599	0.01
KENAI	46	233,963	1.16
KETCHIKAN	5	125,099	0.62
KODIAK	390	3,816,372	18.98
NIKISKI	1	101	0.00
NINILCHIK	36	224,526	1.12
OLD HARBOR	1	100	0.00
PELICAN	4	13,547	0.07
PETERSBURG	21	191,609	0.95
SAND POINT	1	8,000	0.04
SELDOVIA	12	2,374	0.01
SEWARD	320	3,357,514	16.70
SITKA	156	986,741	4.91
VALDEZ	27	93,127	0.46
WHITTIER	64	259,369	1.29
YAKUTAT	219	909,686	4.52
OREGON			
ASTORIA	1	29,090	0.14
WASHINGTON			
BELLINGHAM	59	1,834,341	9.12
LA CONNER	2	32,717	0.16
PORT ORCHARD	1	4,930	0.02
SEATTLE	13	236,431	1.18
CANADA			
PRINCE RUPERT	12	206,473	1.03
UNKNOWN			
Area Total	2,374	20,110,096	100.00

3B ALASKA			
CHIGNIK	55	325,195	3.64
CORDOVA	1	25,313	0.28
DUTCH HBR/UNALASKA	8	185,840	2.08
HOMER	128	2,868,517	32.09
KENAI	2	16,372	0.18
KING COVE	51	418,475	4.68
KODIAK	170	2,412,428	26.99
NINILCHIK	4	79,691	0.89
SAND POINT	91	553,469	6.19

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Individual Fishing Quota (IFQ) Halibut Harvest by Port of Landing

From 01-MAR-1998 To 28-SEP-1998

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
3B	SEWARD	27	950,885	10.64
	SITKA	2	56,145	0.63
	VALDEZ	2	47,302	0.53
	YAKUTAT	1	2,171	0.02
WASHINGTON				
	BELLINGHAM	20	832,178	9.31
	SEATTLE	6	163,611	1.83
Area Total		568	8,937,592	100.00

4A ALASKA				
AKUTAN	16	63,164	2.26	
CHIGNIK	3	49,731	1.78	
DUTCH HBR/UNALASKA	140	1,418,388	50.83	
HOMER	17	490,369	17.57	
KING COVE	6	73,245	2.62	
KODIAK	7	311,333	11.16	
SAND POINT	2	68,940	2.47	

	SEWARD	2	105,738	3.79
	SITKA	1	45,185	1.62
	WASHINGTON			
	BELLINGHAM	2	103,469	3.71
	SEATTLE	3	60,737	2.18
	-----		-----	-----
	Area Total	199	2,790,299	100.00
4B	ALASKA			
	ATKA	1	358	0.02
	DUTCH HBR/UNALASKA	52	1,401,796	73.87
	HOMER	3	81,290	4.28
	KODIAK	3	205,294	10.82
	SEWARD	3	208,796	11.00
	-----		-----	-----
	Area Total	62	1,897,534	100.00
4C	ALASKA			
	ANCHORAGE	2	1,689	0.36
	CHIGNIK	1	18,273	3.88
	DUTCH HBR/UNALASKA	8	120,293	25.54
	HOMER	3	90,262	19.16
	SEWARD	2	82,042	17.42

National Marine Fisheries Service
P.O. 21668
Juneau Ak 99802-1668

Prepared: 28-Sep-98 07:32
Restricted Access Mgmt Division
(800) 304-4846

Individual Fishing Quota (IFQ) Halibut Harvest by Port of Landing

From 01-MAR-1998 To 28-SEP-1998

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
4C	ST GEORGE	9	6,121	1.30
	ST PAUL	66	152,334	32.34
	-----	-----	-----	-----
	Area Total	91	471,014	100.00
4D	ALASKA			
	CHIGNIK	1	54,111	6.95
	DUTCH HBR/UNALASKA	12	368,785	47.40
	HOMER	3	71,603	9.20
	KING COVE	1	75,374	9.69
	KODIAK	2	52,999	6.81
	SEWARD	2	138,814	17.84
	ST PAUL	1	16,379	2.11
	-----	-----	-----	-----
	Area Total	22	778,065	100.00
	Halibut Total	5,923	43,438,039	

Notes:

1. This report summarizes fixed gear IFQ landings reported by Registered Buyers. At sea discards are not included.
2. Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds.
3. "Vessel Landings" include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one IFQ Permit Holder.
4. Landings at different harbors in the same general location (e.g. "Juneau, Douglas, and Auke Bay") have been combined to report landings to the main port (e.g. "Juneau").
5. Due to rounding, percentages may not total to 100%.
6. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.

National Marine Fisheries Service
P.O. 21668
Juneau Ak 99802-1668

Prepared: 28-Sep-98 07:33
Restricted Access Mgmt Division
(800) 304-4846

Individual Fishing Quota (IFQ) Sablefish Harvest by Port of Landing

From 01-MAR-1998 To 28-SEP-1998

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area	
AI	ALASKA				
	DUTCH HBR/UNALASKA	45	727,071	93.23	
	HOMER	3	22,597	2.90	
	KODIAK	1	238	0.03	
	SAND POINT	1	8,646	1.11	
	SEWARD	1	7,065	0.91	
	WASHINGTON				
	BELLINGHAM	1	2,122	0.27	
	SEATTLE	2	12,118	1.55	
	Area Total		54	779,857	100.00
	BS	ALASKA			
CHIGNIK		1	2,648	0.57	
DUTCH HBR/UNALASKA		55	359,178	76.99	
HOMER		3	8,221	1.76	
KING COVE		1	1,392	0.30	
KODIAK		2	39,440	8.45	
PETERSBURG		1	16,430	3.52	
SAND POINT		1	15,238	3.27	
SEWARD		1	4,233	0.91	
WASHINGTON					
BELLINGHAM		1	15,918	3.41	
SEATTLE	1	3,850	0.83		
Area Total		67	466,548	100.00	
CG	ALASKA				
	AKUTAN	1	30,357	0.32	
	ANCHORAGE	1	450	0.00	
	CORDOVA	29	434,725	4.56	
	DUTCH HBR/UNALASKA	4	148,341	1.56	
	HOMER	113	875,610	9.19	
	HOONAH	4	30,390	0.32	
	JUNEAU	1	7,880	0.08	
	KENAI	1	29,026	0.30	
	KING COVE	4	59,746	0.63	
	KODIAK	115	1,738,727	18.25	
	NINILCHIK	4	12,945	0.14	
	PETERSBURG	1	6,620	0.07	
	SAND POINT	1	1,733	0.02	
	SEWARD	217	4,536,368	47.61	

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Individual Fishing Quota (IFQ) Sablefish Harvest by Port of Landing

From 01-MAR-1998 To 28-SEP-1998

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
CG	SITKA	14	258,521	2.71
	WHITTIER	1	2,442	0.03
	YAKUTAT	20	267,134	2.80

WASHINGTON			
BELLINGHAM	7	433,733	4.55
SEATTLE	9	638,324	6.70
CANADA			
PRINCE RUPERT	1	15,398	0.16
UNKNOWN			
Area Total	548	9,528,470	100.00

SE	ALASKA			
	CHIGNIK	1	3,428	0.05
	CORDOVA	3	47,264	0.72
	CRAIG	25	220,762	3.36
	DUTCH HBR/UNALASKA	2	31,765	0.48
	EXCURSION INLET	2	35,332	0.54
	GUSTAVUS	1	157	0.00
	HAINES	1	2,457	0.04
	HOMER	1	11,337	0.17
	HOONAH	114	728,864	11.08
	JUNEAU	68	740,263	11.26
	KAKE	3	20,645	0.31
	KETCHIKAN	23	219,927	3.34
	PETERSBURG	37	633,264	9.63
	PORT ALEXANDER	2	9,577	0.15
	SEWARD	9	134,238	2.04
	SITKA	358	3,180,575	48.37
	WRANGELL	7	9,110	0.14
	YAKUTAT	14	92,879	1.41
	WASHINGTON			
	BELLINGHAM	14	131,192	2.00
	SEATTLE	3	207,229	3.15
	CANADA			
	PRINCE RUPERT	6	115,693	1.76
	UNKNOWN			
Area Total		694	6,575,958	100.00

WG	ALASKA			
	CORDOVA	1	16,831	0.61

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Individual Fishing Quota (IFQ) Sablefish Harvest by Port of Landing

From 01-MAR-1998 To 28-SEP-1998

Harvest Area	Port of Landing	Vessel Landings	Total Catch Pounds	% of Area
WG	DUTCH HBR/UNALASKA	32	530,621	19.28
	HOMER	9	182,788	6.64
	KING COVE	19	420,325	15.28
	KODIAK	12	169,080	6.15
	NINILCHIK	1	2,222	0.08
	SAND POINT	21	431,996	15.70
	SEWARD	11	141,643	5.15
	VALDEZ	1	8,730	0.32
	YAKUTAT	2	5,564	0.20
	WASHINGTON			
	BELLINGHAM	4	307,354	11.17
	SEATTLE	5	534,321	19.42
	UNKNOWN			
Area Total		118	2,751,475	100.00
WY	ALASKA			
	CORDOVA	26	409,047	9.52
	DUTCH HBR/UNALASKA	2	16,473	0.38

EXCURSION INLET	1	16,192	0.38
HAINES	1	690	0.02
HOMER	6	56,555	1.32
HOONAH	17	107,989	2.51
JUNEAU	11	226,011	5.26
KODIAK	10	145,081	3.38
NINILCHIK	1	842	0.02
PETERSBURG	8	74,773	1.74
SEWARD	78	1,867,729	43.46
SITKA	23	283,032	6.59
VALDEZ	1	18,824	0.44
YAKUTAT	63	916,035	21.32
WASHINGTON			
BELLINGHAM	8	92,202	2.15
SEATTLE	2	65,383	1.52
CANADA			
PRINCE RUPERT	1	341	0.01
UNKNOWN			
Area Total	259	4,297,199	100.00

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Prepared: 28-Sep-98 07:33
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(800) 304-4846

Individual Fishing Quota (IFQ) Sablefish Harvest by Port of Landing

From 01-MAR-1998 To 28-SEP-1998

Sablefish Total 1,740 24,399,507

Notes:

1. This report summarizes fixed gear IFQ landings reported by Registered Buyers. At sea discards are not included.
2. Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds.
3. "Vessel Landings" include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one IFQ Permit Holder.
4. Landings at different harbors in the same general location (e.g. "Juneau, Douglas, and Auke Bay") have been combined to report landings to the main port (e.g. "Juneau").
5. Due to rounding, percentages may not total to 100%.
6. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.

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National Marine Fisheries Service
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Restricted Access Mgmt Division
(800) 304-4846

Total IFQ Landings - Pounds and Percentages by Port

From 01-MAR-1998 To 28-SEP-1998

Port	Halibut			Sablefish		
	Vessel Landings	Pounds Landed	% of Total	Vessel Landings	Pounds Landed	% of Total
ALASKA						
AKUTAN	16	63,164	0.15	1	30,357	0.12
ANCHOR POINT	1	902	0.00			
ANCHORAGE	12	39,251	0.09	1	450	0.00
ANGOON	26	22,027	0.05			
ATKA	1	358	0.00			
CHIGNIK	61	451,247	1.04	2	6,076	0.02
CORDOVA	152	1,204,161	2.77	59	907,867	3.72
CRAIG	188	432,856	1.00	25	220,762	0.90
DUTCH HBR/UNALASKA	222	3,521,357	8.11	140	1,813,449	7.43
ELFIN COVE	7	6,634	0.02			
EXCURSION INLET	2	4,271	0.01	3	51,524	0.21

Port	Vessel Landings	Pounds Landed	% of Total	Vessel Landings	Pounds Landed	% of Total
GUSTAVUS	58	75,411	0.17	1	157	0.00
HAINES	86	605,496	1.39	2	3,147	0.01
HOMER	747	8,319,057	19.15	135	1,157,108	4.74
HOONAH	383	1,270,984	2.93	135	867,243	3.55
HYDER	5	1,824	0.00			
JUNEAU	360	1,474,384	3.39	80	974,154	3.99
KAKE	79	118,637	0.27	3	20,645	0.08
KASILOF	1	1,599	0.00			
KENAI	48	250,335	0.58	1	29,026	0.12
KETCHIKAN	124	520,202	1.20	23	219,927	0.90
KING COVE	58	567,094	1.31	24	481,463	1.97
KODIAK	572	6,798,426	15.65	140	2,092,566	8.58
METLAKATLA	8	18,217	0.04			
NIKISKI	1	101	0.00			
NINILCHIK	40	304,217	0.70	6	16,009	0.07
OLD HARBOR	1	100	0.00			
PELICAN	5	13,586	0.03			
PETERSBURG	495	2,345,879	5.40	47	731,087	3.00
PORT ALEXANDER	29	54,666	0.13	2	9,577	0.04
SAND POINT	94	630,409	1.45	24	457,613	1.88
SELDOVIA	12	2,374	0.01			
SEWARD	360	4,865,556	11.20	317	6,691,276	27.42
SITKA	891	3,143,386	7.24	395	3,722,128	15.25
SKAGWAY	19	32,884	0.08			
ST GEORGE	9	6,121	0.01			
ST PAUL	67	168,713	0.39			
TENAKEE SPRINGS	4	1,933	0.00			
VALDEZ	29	140,429	0.32	2	27,554	0.11
WHITTIER	64	259,369	0.60	1	2,442	0.01
WRANGELL	199	798,908	1.84	7	9,110	0.04
YAKUTAT	230	941,775	2.17	99	1,281,612	5.25

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 Restricted Access Mgmt Division
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Total IFQ Landings - Pounds and Percentages by Port
 From 01-MAR-1998 To 28-SEP-1998

Port	Halibut			Sablefish		
	Vessel Landings	Pounds Landed	% of Total	Vessel Landings	Pounds Landed	% of Total
OREGON						
ASTORIA	1	29,090	0.07			
WASHINGTON						
BELLINGHAM	105	2,984,707	6.87	35	982,521	4.03
LA CONNER	3	42,449	0.10			
PORT ORCHARD	1	4,930	0.01			
SEATTLE	24	488,766	1.13	22	1,461,225	5.99
CANADA						
PRINCE RUPERT	23	409,797	0.94	8	131,432	0.54
UNKNOWN						
Total	5,923	43,438,039	100.01	1,740	24,399,507	99.97

Notes:

1. This report summarizes fixed gear IFQ landings reported by Registered Buyers. At sea discards are not included.
2. Halibut weights are reported in net (headed and gutted) pounds. Sablefish weights are reported in round pounds.
3. "Vessel Landings" include the number of landings by participating vessels reported by IFQ regulatory area. Each such landing may include harvests from more than one IFQ Permit Holder.
4. Landings at different harbors in the same general location (e.g. "Juneau, Douglas, and Auke Bay") have been combined to report landings to the main port (e.g. "Juneau").
5. Due to rounding, percentages may not total to 100%.
6. Data are derived from initial data entry procedures and are preliminary. Future review and editing may result in minor changes.

Alaska Custom Seafood
Box 996
Homer, AK 99603
Tel) 907-235-7512 Fax 907-235-7518
Seafood@xyz.net

To: North Pacific Fisheries Management Council Members

From: Brad Faulkner
President
Alaska Custom Seafood

Date: October 12, 1998

Subject: Halibut and Sablefish IFQ Enforcement

Chairman Lauber; Council Members.

I am a halibut buyer from Homer. I have personally processed @ 1000 IFQ transactions. I am not here today to ask for more fish, or less boats. Those battles were fought years ago. What I am here asking for, is rational, sane enforcement, that doesn't treat every fisher delivering fish, and every buyer buying fish, like an inmate in an LA correctional facility. As my time is limited and I am going to be rather critical of Mr. Meyer, I will offer here in public, what I have offered Mr. Meyer in private; to debate him on the his handling of the Alaska Enforcement Division, in relation to IFQ management; any time, anywhere; any rules; at my expense. All I would ask, is equal time and that he be required to remove his weapon prior to the debate.

There are a number of problems at AED. Currently eighteen Special Agents are authorized with only nine positions filled. Mr. Meyer explained his difficulties in keeping enforcement personnel to the AP. His excuse was that Alaska is a training ground for the lower 48. This is not true. Two of the most talented officers that have left the service, were formerly Kodiak fisherman, who entered the service with high morals and high ideals. They left the service completely demoralized, as are many of the remaining officers. There is a huge moral problem within the AED. The turnover of both agents and data operators is astounding. In my opinion, this is a problem of Mr. Meyer's making, and, until he changes his management techniques, will remain a problem.

The Weighmaster Proposal

- 1) I would like to protest that this proposal was not made available to industry prior to the start of these meetings. There should be a requirement that a proposal of this magnitude, to be financed by industry, should be made available to industry, with sufficient time to respond. A simple posting on the NMFS web page, fourteen days prior to the deadline for written comment, would be sufficient.
- 2) Who pays? No mention is made of who pays. Will this be funded out of the three percent tax mandated by the reauthorization of the Magnuson Act. If it is, then there really are no financial repercussions for the industry.
- 3) Mr. Meyer's entire proposal is based on false statistics. I was the last person to testify to the AP and I was amazed that no other person brought this up. Dockside boardings, as listed by the Coastguard, mean one boat coming to the dock. Landings, as listed by Mr. Meyer, mean an entirely different thing. One boat coming to the dock with both halibut and sablefish generates two landings as listed by NMFS. If that boat had fished halibut in two areas, as is often the case, it would generate three landings, as listed by NMFS. If the Coastguard attended that boat and observed every weight, it would generate a boarding rate of 33% for the day when 100% of the fish were actually observed. I challenge Mr. Meyer to tell the Council how many boats carrying IFQ fish, actually came to the dock in 1998. I have been told that the data is not tracked that way and it is impossible to pull it off of their computer. I repeat, the entire report is based on false statistics.
- 4) Mr. Meyer stated to the AP that his officers were tied up on the dock and had little time for actual enforcement. I agree they do little proactive enforcement, but his assertion that their time is spent at the dock is completely false. They are tied up in the office doing paperwork. On page 5 of his proposal he lists 431 boardings by NMFS personnel. Simply dividing the number of officer days, by boardings tells us a NMFS officer attends a boat less than once every four days. In Homer, one IPHC person attended 80% of the landings.
- 5) Mr. Meyer lists on page 2, as a major industry concern, the high slime and ice deductions used by some members of the industry. I agree. A bag of fish hanging in the air did not have an IFQ weight attached to it for the first three years of the program. This was a problem that I wrote several letters about. My main concern was that every person in the industry should be held to a uniform standard. Two new codes, 54 for halibut and 58 for sablefish, were written into law which codified ice and slime. In Homer, we are required by the local NMFS officer to report our landings in these codes, which means we have to report brailer weight. Unfortunately, the uniform standard, I had hoped for, is still not in existence. In many ports, fish are headed and washed prior to being weighed. The real trouble, is that it varies by port and officer. If Homer has to report brailer weight, so should everyone else.

Solutions

I could give one hundred examples of what I consider very poor management by the Alaska Enforcement Division. Instead I offer some solutions:

- 1) Currently 99.9% of the enforcement effort is directed at the 99.9% of the people doing everything 100% legally. Get the enforcement officers out of the office and actively look for cheaters.
- 2) Spot check both the Anchorage and Seattle airports against shipping reports. This is not currently being done. Any person could land fish on a beach, box them and put any company's label on them, write out a shipping report that doesn't get faxed, and ship those fish anywhere, with no threat of being caught.
- 3) Spot check trucks shipping down the highway. I have shipped 300 semi's, loaded with fish, down the Alcan. Every one of those trucks is weighed in upon arrival. Not once has an officer appeared to observe the weigh in and cross check the shipping report.
- 4) Put an officer at the data number in Juneau. This would get rid of a ton of the paperwork that the local officers have to do.
- 5) Require an audit trail from the dock. I require my crane operator to sign and date the dock sheet. I also require a representative from the boat to observe the scale and cross check my crane operator. The original is a legal document and is retained in the fisher's file. Any person under-reporting fish would have to enter in to a felony conspiracy with the person operating the crane if an audit trail was required.
- 6) Put some teeth in the law for people intentionally stealing fish. The Cameron case, reported to NMFS by a disgruntled crewmember, required forfeiture of quota. Given loss of quota, the penalty for cheating is huge. Faced with loss of quota, the risk benefit analysis for a potential cheater does not equate.
- 7) Get rid of the six-hour notice in selected ports where an officer is present. On page two of his report, Mr. Meyer lists this as a "major industry concern". This requirement is onerous. Originally, the data number was staffed 24 hours per day. Any buyer wishing to offload fish had to be available 24 hours a day to take a call-in. A 3 AM call-in could generate a 9AM landing time. Since the data office started to close at midnight, the six-hour notice has actually subverted its original intent. A boat coming in the middle of the night can not be offloaded till noon the next day. A boat shopping prices, that makes a deal by 10 AM, can not be offloaded till 4 PM. One hundred days, my crew has worked till midnight on boats that were in the harbor early. This requirement makes it much more difficult for NMFS to attend because most of the offloading occurs in the afternoon. I explained this to the Council at your last meeting in Anchorage, generating a letter from the Executive Director to Mr. Meyer on this issue.

Recently, Mr. Meyer instituted a policy of disallowing any time waivers by his local officers. Recently, faced with eleven boats called in by 10 AM, I was specifically not allowed to start offloading till after 1:15 PM. When I reminded Mr. Meyer, that the Council had specifically told him to lighten up on this issue, his response was, "I don't work for the Council." To me, more than anything, this typifies his attitude toward the industry. If an officer had planned to attend, that is one thing. But, forcing us to work till midnight again and again is absolutely ludicrous. I urge you all to read the fax exchange between Mr. Meyer and myself on this issue. The simple fact is, I have never mis-reported a landing. He should be working with industry to make this program work. Particularly, he should be working with buyers like me, who have a reputation with each of his officers, of complete honesty. Instead, he is doing just the opposite.

Attachments:

- 1) Audit trail: original dock work sheet.
- 2) Audit trail: computer generated crane tally.
- 3) Audit trail: fish ticket.
- 4) Audit trail: shipping report.
- 5) 10/3 Alaska Custom fax memo to Steve Meyer regarding waivers.
- 6) 10/3 NMFS fax memo to Brad Faulkner from Steve Meyer regarding waivers.
- 7) 10/4 Alaska Custom fax memo to Steve Meyer responding.

Alaska Custom Seafoods
Crane Tally

Date: 9/22/98
Boat: Inlet Quest
Ice used: 2
Crane On:
Crane Off:

Tally Person Mike Saner

Sign:

		WT	IFQ WT	10-20's	20-40's	40-100's	100+	Other
1	28	989	870.32		870.32			
2	17	406	357.28	357.28				
2	1	152	133.76					133.76
3	28	1023	900.24		900.24			
4	8	608	535.04			535.04		
5	60	1104	971.52	971.52				
6	32	1114	980.32		980.32			
7	54	1013	891.44	891.44				
8	27	858	755.04		755.04			
8	1	183	161.04					161.04
9	61	994	874.72	874.72				
10	91	1587	1396.56	1396.56				
11	45	1342	1180.96		1180.96			
12	10	551	484.88			484.88		
12	1	112	98.56					98.56
464	12036	10591.68	4491.52	4686.88	1019.92	393.36		
			42.41%	44.25%	9.63%	3.71%		

Average Wt 22.83 IFQ Weight = 10591.68

32	1	1	1	1	1

Fibre Totes Used 12 Insul Totes Used _____

Rock Fish 79

Retained Halibut 503 [443]
Retained Ling Cod 66
Retained Yellow Eye 15
Retained P Cod 12

IFQ/CDQ SHIPPING REPORT

National Marine Fisheries Service
 Office of Law Enforcement
 P.O. Box 21767 Juneau, Alaska 99802
 PHONE: (907) 586-7225
 IFQ DATA CLERK: (800) 304-4848 or (907) 586-7163
 FAX: (907) 586-7313

OMB Control No. 0648-0272 Expiration Date 9/27/98

[] Original [] Revision

DATE: 9/22/98

REGISTERED BUYER: Alaska Custom Seafoods
 Address: Box 996
 Homer, Alaska 99603
 Tel 907-235-7512; Fax 235-7518; Cell 3991871

FAX Number:

RECEIVER: New West Fisheries
 Address: 601 West Chest Nut
 Bellingham, WA
 Tel 360-734-9050 Fax 734-9059

MODE OF TRANSPORTATION AND INTENDED ROUTE:

Fairbanks Anchorage Express
 907-337-8002

Alcan Highway

Species Code	Product Code	No. of Units	Unit Wt. (mt/lbs)	TOTAL Wt. (mt/lbs)
200	54	12	13	12036
Halibut IFQ Weight =				12036
710	58			
Sable Fish Ticket Weight				

PUBLIC REPORTING BURDEN STATEMENT: Public reporting burden for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing the instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send Comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Ronald J. Berg, Chief, Fisheries Management Division, Alaska Region, National Marine Fisheries Service, P.O. Box 21688, Juneau, AK 99802 (After Last Card).

ADDITIONAL INFORMATION

Before completing this form please note the following: (1) The National Marine Fisheries Service (NMFS) may not conduct or sponsor this information request, and you are not required to respond to this information request, unless the form displays a currently valid OMB control number; (2) This information is being used to manage the Individual Fishing Quota Program; (3) Federal laws and regulations require and authorize NMFS to manage commercial fishing efforts; (4) The data provided creates NMFS the movements of IFQ/CDQ harvests; (5) Responses to this information request are confidential.

Alaska Custom Seafood Inc.

4174 Homer Spit Road
Box 996; Homer, Alaska
Across from the Seafarers Memorial
Tel 907-235-7512 Fax 235-7518 Cell 399-1871

October 3, 1998


National Marine Fisheries Service
Office of Law Enforcement
P.O. Box 21767 Juneau, Alaska 99802

Re: Waivers

To Whom It May Concern

We are currently waiting to offload 10 fishing vessels, all of which are in the harbor waiting to be offloaded. Our crew has been standing by since 9 a.m. The last five of these are Boats with Russian Orthodox Operators and quota holders. Russian Orthodox "Old Believers" will not work on Sunday for religious reasons. If we do not receive waivers to offload these vessels prior to the 4 p.m. hail they are currently scheduled for, we will not be able to get the product offloaded until Monday morning. This will age the fish by 48 hours. We have contacted the local NMFS officer, Jim Wisher three times to request waivers so that we can get this product headed to market before Monday. Officer Wisher has informed us that he can not issue any waivers today. We are hereby requesting waivers so that we may offload these boats as soon as possible. Please reply in writing to the FAX # listed above. We are also confirming the denial to previous requests for waivers by both Jim Wisher and Steve Meyers. We would like this confirmation in writing as well.

Thank you,


Bradford W. Faulkner
Alaska Custom Seafood s

Faxed

11: 73 am

10/3/98

[Handwritten initials]



UNITED STATES DEPARTMENT OF COMMERCE
NOAA / National Marine Fisheries Service
Alaska Enforcement Division
P.O. Box 21767
Juneau, Alaska 99802-1767

October 3, 1998

Mr. Brad Faulkner
Alaska Custom Seafoods Inc.
Homer, Alaska

Dear Mr. Faulkner:

Thank you for your letter of 11:13 am Saturday, October 3, 1998. As you know it is the Alaska Enforcement Division (AED) policy that no waivers will be issued from personnel outside the port of landing. Your letter indicates that you contacted the local Fishery Patrol Officer, Jim Wisler, who has advised you that he cannot issue any waivers today. This office will not issue a waiver contrary to our long standing policy.

Brad, in your letter you say, "Our crew has been standing by since 9 a.m." Why are they standing by? Haven't the fishermen given adequate prior notice of landing to allow timely off loading? When did they arrive in port? Why is it that there is a crisis to offload?

In your letter you have also stated, "Russian Orthodox 'Old Believers' will not work on Sunday for religious reasons". With fishing now available for 8 months a year, why don't they plan their trips so that Sunday is not a problem? You go on to say, "This will age the fish by 48 hours". I have had numerous discussions with staff at the International Pacific Halibut Commission and had personal experience over my 18 year career with the National Marine Fisheries Service that Pacific halibut, with proper icing, has routinely remained fresh and marketable for one week and longer. This sounds like a buying crisis not an emergency.

With more personnel in Homer, the waivers you seek may well have been possible. As I tried to explain to you before you hung up on me, that I am seeking a weighmaster program that may well solve these type issues in the future. With 6 to 10 weighmasters on call in Homer, I could easily see very wide flexibility in waivers to the 6 hour prior notice to landing and the 6 am to 6 pm hours of operation.

I and my staff regret getting your angry and threatening phone calls but we must strive to maintain our policies in an effort to be consistent with everyone in the fishery.

Sincerely,

Stephen A. Meyer
Special Agent-in-Charge



Alaska Custom Seafoods
Box 996
Homer, AK 99603
907-235-7512 Fax 907-235-7518

5 October, 1998

National Marine Fisheries Service
Juneau Office
Fax Transmittal 907-586-7313

Att: Steve Meyer
Re: Denial of Waivers

Dear Mr. Meyer,

This letter is in response to your fax transmittal of 10/3/98.

As you are well aware, your office has recently told the local NMFS officer that no more waivers are to be allowed unless he can physically attend the landing. That is why I appealed to you, to use just a little common sense in the situation we were encountering on October third. By 10:10 am we had eleven boats called in and were not allowed to start the first boat till 1:15 PM. Common sense would dictate allowing us to move the fish. Officer Wisner would have been happy to allow us to go to work if he had not been under direct orders to do otherwise. To put the NMFS policy coming from your office, off as the local officer's policy, is incorrect, and you know it.

Two answer your question in paragraph two; most of these boats arrived in port shortly before a fifty knot blow in the middle of the night. As usual, they contact different buyers and decide who to sell their fish to. I arranged to purchase my first boat at 7 AM and had arranged to purchase 10 more boats and had them all called in by 10 AM.

The reasoning in paragraph three of your letter typifies your whole outlook to management under the IFQ program. Unfortunately, fishing happens when wind and tides dictate. The weather has been atrocious for several weeks. When a small hole in the weather developed, a number of our smaller boats went fishing. Wind weather and tides do not follow a government dictated schedule. Why add 48 hours to the fish if you don't have to. My company did @60,000 pounds on 10/3; 55,000 pounds on 10/4; and I think we are doing @30,000 pounds today. I was not there today, however, none of the 14 landings, generating over twenty transactions, in the last two days, were attended by a NMFS officer.

As I pointed out in our telephone conversation, we had more people standing by waiting for an offload time than you have officers working on IFQ enforcement. Since your office banned waivers, my people have routinely worked to midnight and beyond, only to

start the next morning early. The Sunday after the no waiver policy was the first Sunday my crew has offloaded a fish this year. Thank you Steve. All the wives and kids appreciate that. Many days, we work 18 hours to get eight hours worth of work done. Your officers on the dock have seen the insanity of this, and routinely grant waivers. It saves everybody time and trouble. It is unfortunate for everyone in the industry that your office has hindered their efforts toward common sense in the moving of legal fish by disallowing any waivers from the six hour rule. My employees have wives and kids and like to eat dinner at home and have real lives. The no waiver rule makes a normal life for anyone moving these fish, almost impossible.

As to paragraph four concerning how wonderful it will be with another 100 NMFS employees; my question is, who pays? It took your office over three years to put a weight on a bag of fish hanging in the air. To date, no audit trail from the dock to the shipping report is required. In my estimation, 99.9% of the enforcement budget currently goes to the 99.9% of the people moving fish 100% legally. Personally, I think you should require an audit trail and spend your money catching cheaters.

As to paragraph five; faced with the insanity of trying to move fish administrated out of Juneau instead of by the local NMFS officer I was angry, but, I never raised my voice even once. For four years, I have observed you mismanage the whole enforcement program. Coming from you Steve, it was exactly what I expected. As to threats, the only threat you got out of me was a pledge to show up in Seattle at the NPFMC meeting and explain my views as to how you administrate the program. It is my opinion, a phrase you are fond of using, that mismanagement is most of what I have seen coming out of your office. A number of your best officers have agreed with me on this in private with a several of them leaving the service. Did you ever stop and ask yourself why?

I would like to say, "Get with the program."

Respectfully,



Brad Faulkner

Council Discussion
C-8 - Halibut and Sablefish IFQs
October 11, 1998

Tape 78

Behnken: I will move the AP recommendations relative to Actions, as they have numbered them, 2, 3, 4 and 5. And, just to make sure the record is clear, . . .

Pautzke: Do you want me to explain that, or you have it connected, Linda, in the actions. . .if I could, Mr. Chairman. Actions 2, 3, 4 and 5 in the RIR, those are in the Action Memo; we got mixed up on the leasing thing, that's been gone since April, sorry about that. The RIR, Action 1, is Action 2, Action 2 in the RIR is Action 3, right here for the AP. Action 3 in the RIR is Action 4, and then that smaller RIR has Action 5.

Behnken: If I could, with regard to Action 3, I'd like to read the Alternative 2 that I am proposing that the Council adopt, and that is, and I'm taking this from the analysis, Page 6:

Revise the definition of "a change in the corporation or partnership" to include the dissolution of an estate by the legal determination of an heir to the estate. Estates so dissolved would be required to transfer any estate -held QS to a qualified individual.

Mace: That's on the overhead.

[Change to Tape 79; obviously lost discussion in the changeover]

Lauber: Any further discussion?

Fluharty: Just a clarification. On this alternative 2 on here, do we need an amount of time in which the transfer must be effectuated, or is that taken care of in the actual. . .

?: It's implicit. . .

Behnken: It's taken care of.

Lauber: Any further discussion? Any objection to the motion? Hearing none, it passes.

Behnken: I'll take a crack at addressing this issue and maybe other Council members can help, but it's been raised by Mr. Winther. I'll just re-state, and this time as an expression of the intent of the Council, but, "The Council understands that at the time the IFQ program was written that a change in the corporation or partnership was defined to include the addition of any new shareholder and that relative to the catcher boat class the Council is anxious to see over time that fleet revert to an owner-operated fleet. But, with regard to the freezer vessel class, since the regs are silent on the definition of dissolution, that it would be our understanding that in the event of existing partners buying out another existing partner, that that would not result in dissolution of the partnership."

?: Second.

Lauber: It's been moved and seconded. We've had our discussion, but, . . .

Jon Pollard: I just want to advise the Council that I'm not sure what the Secretary would do with an expression today of intent of a former Council when it developed the standard and did not include a more explicit definition at that time. Secondly, I'm also not sure what the Secretary would do with any advice by the Council that today that the rule that's been applying consistently in a particular way with a particular meaning doesn't mean that. So, I just want to let you know, I'm not sure what the effect will be if this motion carries.

Lauber: Well, we have a number of times been requested by NMFS to clarify action we have taken after the fact, anywhere from months to a long time, whatever, and it's my understanding that's what we are doing here. I haven't tracked that to know how that was handled, but we have been asked by NMFS personnel for clarification and in particular, in my recollection, we've been asked for clarification several times on the IFQ program as to what did we mean by something. I can't tell you that I can remember whether it was exactly the same Council, the same people or not. . .again, I don't know whether the Secretary then followed through and did that or not, but we have at least been asked before. And this time I guess we haven't been asked, but we're offering it without being asked.

Behnken: Just briefly, I understand that with that part of my expression of intent that speaks to dissolution of partnerships it is the Council trying to interpret what was done previously since that is not specifically stated in the regulations. However, I think that Council intent is clearly expressed on the record and in the regulations that there is a substantial difference in the way the Council perceived vessels in the catcher boat class and the freezer class and that we drew that distinction a number of ways that play out in how they are treated in the regulations. And while it's not explicitly stated, I think it should be clear from the record that the Council intended this kind of a difference be drawn.

Kyle: I just want to state, I'm not one of the six people that voted on this back in '91 or . . . I remember it very vividly, I don't remember the year, because I was sitting in Capt. O'Shea's seat at the time and it was very clear to me at the time that the Council was treating freezer class vessels in a very different manner and ice boats. And I would just also note on the record that even though this is a different Council today, I remember the activities very well from having sat up here in a non-voting capacity and I think Earl Krygier was very involved; Ms. Behnken was involved, Rick Lauber was involved, Wally Pereyra was involved, and Bob Mace was involved. So, even though this is a different Council, there are at least six or seven of us here that were very involved at the time the Council was deliberating the IFQ program.

Krygier: I just wanted to put on the record that my memory is very clear on this issue, as I was very involved whether I was sitting at the table or acting as a staffer for the State seat at that time, we really. . .the issue of the freezer boat share and the catcher boat share were very definitely excised as two different issues and I know that when they talked specifically about changes, it was always about adding people, giving new life to the corporation, which was the real concern because they did want to slowly move on back to owner-operator. But in fact the freezer boat share was a very significantly different approach when they dealt with it.

Pereyra: I also want to make the same statement that Mr. Krygier made, and that is that I was on the Council at the time and clearly my understanding, if it's helpful to the Secretary, that there was a very distinct difference between freezer shares and owner-operator shares. And, this was in the areas of ownership. And, also, from my perspective, it was in the areas of substance and form and when we get to that I want to have some further discussions if I may with the maker of the motion as to whether my understanding is consistent with what she's proposing here.

Austin: I'm going to have to abstain from this. I think the discussion we've been having is very persuasive but I, for one, wasn't here and I have no opinion on what the intent of the Council was before I was present. So, I'm going to abstain. By abstaining in as about as neutral way as you can abstain; I literally have no opinion relative to this discussion.

Pereyra: As I mentioned before, we're talking about partners not taking on a new partner, but thinking about this, if one of the three partners, using the three-partner case, if one of them leaves and is replaced and the partnership stays identical in terms of its substance, its form, the partnership itself, I'm talking about the direct (?) instrument that creates the partnership, doesn't change. I don't think you have a change of partnership in terms of a dissolution, in my mind. So, my interpretation would be a little broader than in your case. Now, if in fact that resulted in the three partners having to change the form of their partnership for some reason because there was some difference when this happened, or the partnership itself said that if one of the partners leaves, then the partnership changes, and that happens in partnerships, then I would say that that does represent a dissolution, so my interpretation would certainly encompass everything that Ms. Behnken raised but would be even broader.

Behnken: Mr. Pereyra, the regulations speak very clearly to the issue of adding new partners and very clearly states that that constitutes a change and that that change ends that initial recipient's status. So, to me that's a very different issue of three existing partners buying out one partner that is exiting. And I am not in any way trying to change the regulations or the intent of the Council as expressed in the regulations that we have, only to address the issue where the regulations are silent.

Pereyra: It wouldn't be the first time I've disagreed with the regulations, though.

Behnken: Or me.

Lauber: I don't think the motion with the sense of the Council addresses the issue that Dr. Pereyra raised and we can take that up at a different time. My recollection is that we did not intend to continue a partnership situation under IFQs either freezer boat or ice boat by addition by partners. But the thing is that with freezer boats we did not intend to dissolve the partnership if there was a buying out of a partner.

Samuelson: I wasn't there in 1991 but today I've heard compelling testimony from the public that were there, members of the Council that were there, reiterated the position that the public had taken, and if I had been there in 1991 I would have been voting along with the six. I think that's the only logical thing to do at the time, it is now, and I support the previous Council's action. I'll call for the question.

Lauber: Is there any further discussion? Is there any objection. . .

Pautzke: I was just going to ask Mr. Pollard. . . your statement was that you. . . I think you're not assuring us that you can comply with this intention right here and I don't know if it's because you can't go back from this time, or you just need to go from here forward. I was wondering, is there a different way this should be phrased so it kind of goes back and picks up people in the past that maybe have been. . . is there a different way to phrase it, or does this go back sufficiently that it would allow you to say, well, yeah, we should probably look at cases that came in before this Council meeting and address them? Or is there nothing we can do on that. . .

Pollard: What I said on my second point was I wasn't sure what the Secretary would do with an expression of Council intent that the regulation that it had been applying consistently in a particular way suddenly means something quite different. Under normal circumstances we don't say that regulations are white today and black tomorrow, so we'll have to evaluate that and see what we do with that.

Lauber: Is there any objection to the motion, with the abstention by Mr. Austin? No objection, one abstention.

Kyle: I was just curious, I thought maybe the Acting Regional Director may want to abstain, I don't know if it was noted.

[Miscellaneous comments]

Mace: This is probably all we can do because it's a question of litigation now and they'll take the record of the Council and go forward with it. I think we've done all we can.

Lauber: Yes, and if for some reason it doesn't pass, whatever, get resolved, then we come back with a plan amendment, we just change the damned rules and go through the procedure again, right Counselor?

Balsiger: Mr. Chairman, my attorney advises me I should have abstained, so I prefer to change my vote. Thank you.

[Miscellaneous comments]

End of this discussion item.