


MEMORANDUM

TO: Council, SSC and AP Members
FROM: Chris Oliver 
Executive Director
DATE: March 25, 2004
SUBJECT: Gulf of Alaska Groundfish Rationalization

ESTIMATED TIME 2 HOURS

ACTION REQUIRED

Review Board of Fisheries Report and Discuss State Water Management Issues.

BACKGROUND

The Alaska Board of Fisheries groundfish rationalization committee, or workgroup, has met several times to discuss options for addressing state waters fisheries issues relative to the Council's GOA rationalization initiative. The committee last met in February after the Council's February meeting. The committee submitted its recommendations from that meeting to the Board. The Board, in turn, discussed this issue at its February meeting. A report from the Board to the Council will be provided by Board Chairman Ed Dersham. Recommendations from the Board to the Council and management of State water fisheries will also be discussed at the joint meeting with the Board. Written materials for this agenda will be provided at the meeting.

Groundfish Forum

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Seattle, WA 98199
(206) 213-5270 Fax (206) 213-5272
www.groundfishforum.org

March 24, 2004

Ms. Stephanie Madsen, Chairman
North Pacific Fishery Management Council
605 West 4th Ave.
Anchorage, AK 99501
FAX: 907-271-2817

RECEIVED
MAR 24 2004
N.P.F.M.C.

Re: Agenda Item C-4: Gulf of Alaska Rationalization

Dear Madam Chair,

Groundfish Forum is an association representing 18 'head-and-gut' trawl catcher-processors operating in the Bering Sea/Aleutian Islands and Gulf of Alaska fisheries. We are writing you to comment on Alternative 3 in the Gulf of Alaska Rationalization motion from the February, 2004 Council meeting.

The trawl catcher-processor fleet has a long history of participation in Gulf of Alaska fisheries. Many of the markets for Gulf species were pioneered by this fleet, before the advent of shoreside processors. Even today, shoreside markets for many species are much more limited than markets developed by the catcher-processor fleet.

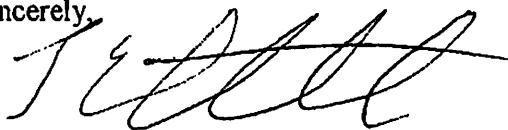
Alternative 3 contains numerous elements and options which selectively disadvantage the catcher-processor sector of the Gulf of Alaska. In particular, section 3.4.7 (Catcher/Processor Provisions) contains options which would force CP shares to be converted to CV shares under almost any conditions. For example, 3.4.7.2 would re-designate CP shares as CV shares upon transfer to any person who is not an initial issue. This means that a person holding CP shares could not transfer them to another CP or even to an heir without giving up the ability to process those shares on board his vessel. CPs could not even co-op because they could not lease shares back and forth. Section 3.4.7.3, option 2, makes this prohibition explicit ('No leasing of CP GQ allowed').

Most catcher-processors are owned by non-Alaska residents. If the Council approves elements to Gulf of Alaska rationalization which specifically disadvantage this fleet, it will be in direct contradiction of National Standard 4 of the Magnuson-Stevens Act (50 CFR Ch. VI §600.325 - Allocations) which states that "Conservation and management measures *shall not discriminate between residents of different states.*"

The legislation also states that "... an FMP objective to preserve the economic status quo cannot be achieved by excluding a group of long-time participants in the fishery" and "An allocation of fishing privileges should be rationally connected to the achievement of OY or with furtherance of a legitimate FMP objective." By forcing catcher-processors with long history in the GOA to convert their shares to CV shares, especially when there are not sufficient shoreside markets for the fish, the Council would be in violation of this section and of National Standard 1 (Optimum Yield).

We urge the Council to delete all of the elements and options in the Gulf of Alaska rationalization package which selectively disadvantage catcher-processors. It is both unfair and illegal to negate the value of our sector's participation in these fisheries.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Luttrell', written in a cursive style.

Ed Luttrell
Executive Director

My name is John Crosbie and am a commercial fisherman from Homer involved in the pot cod and jig fisheries in Cook Inlet and Kachemak Bay. I would like to address the GOA groundfish rationalization currently being discussed, specifically cod and rockfish and how it pertains to Cook Inlet and Kachemak Bay.

I agree with the council and industry advocates to implement a moratorium for groundfish, however, I request the council not use catch history and implement an IFQ program.

Groundfish is not an 'old' fishery with thirty or more years of history like halibut or crab, nor does it have the problems that have faced those fisheries. The dividing of such a recent fishery

using catch history allocates too much to few and

does not protect a diverse fleet.

I propose using today's date as the moratorium

date, further, vessels having deliveries within three

years of said date shall qualify for one specific

area.

The use of vessel classes could be used to

maintain a diverse fleet in which all segments

continue to exist and the social structures

associated with them are maintained.

Vessel classes could be given historical

percentages and equilly distributed each year to the

qualified vessels. Equal allocation is the most fair plan

and allows vessels to fish at different times

of the year to maintain diverse fresh markets,

Should allocations be sizable some consolidation

will occur and a allocation limit should be put on a

vessel.

Thankyou
G. M. Larkin

PO Box 1987
Homer AK

**Public Testimony Sign-Up Sheet
and
Other Handouts Received**

ITEM 2(a)

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

BOARD OF FISHERIES

FRANK H. MURKOWSKI, GOVERNOR

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March 29, 2004

Mr. Chris Oliver
North Pacific Fishery Management Council
605 W. Fourth Ave., #306
Anchorage, AK 99501-2252

Dear Chris:

Enclosed is the finding statement concerning groundfish rationalization developed by the Board of Fisheries at its February 2004 meeting. Please share this with council members.

At this point, the board is supporting a moratorium in state waters for entry into state-managed groundfish fisheries in the Gulf of Alaska in order to allow the process for rationalization to continue. SB 347 has passed the state Senate and is scheduled for hearings in the House.

The finding enclosed also states that the board intends to work further on its rationalization efforts, and describes three alternatives for a recommended TAC split between federal and state fisheries. The board's steering committee will continue to meet as described, and the board expects an update at its October 2004 work session. I will be sure to keep you and your staff informed of meeting schedules as the steering committee progresses.

Sincerely,



Diana Cote, Executive Director
Alaska Board of Fisheries

Enclosure

cc: Sue Aspelund, ADF&G

ALASKA BOARD OF FISHERIES

#2004 - FB - 228

FINDINGS AND PURPOSE IN REGARD TO A MORATORIUM ON ENTRY OF NEW VESSELS INTO STATE GROUND FISH FISHERIES IN THE GULF OF ALASKA, AND FURTHER WORK OF THE BOARD'S GOA GROUND FISH RATIONALIZATION STEERING COMMITTEE

- (a) (1) The goal of the state is to protect, maintain, and improve the fishery resources of the state, and manage their use and development in the best interest of the economy and the well-being of the people of the state, consistent with the sustained yield principle; and to promote the conservation and sustained yield management of Alaska's fishery resources and the economic health and stability of commercial fishing in Alaska by regulating and controlling entry of participants and vessels into commercial fisheries in the public interest and without unjust discrimination;
- (2) The North Pacific Fishery Management Council (NPFMC) has undertaken an analysis of the Gulf of Alaska (GOA) groundfish fisheries in the United States' exclusive economic zone off Alaska and has begun consideration of action that may result in significant reductions in the number of fishermen and vessels that may participate in those fisheries;
- (3) In order to adequately protect Alaska's GOA groundfish resources and to protect participants dependent upon those fisheries from economic distress, management measures must be considered that will mitigate impacts from the pressures that will result from rationalization of the federal-water groundfish fisheries adjacent to the state's groundfish fisheries;
- (4) A timely, temporary moratorium on effort in the state-managed groundfish fisheries will control growth during development of a long term plan for the management of GOA groundfish in the state-water fisheries.
- (b) The purposes of a moratorium on groundfish fisheries is to:
- (1) immediately impose a moratorium on entry of new vessels into the state groundfish fisheries in the Gulf of Alaska to temporarily protect Alaska fisheries, fishermen, and those dependent on them for a livelihood from potential adverse consequences of action the North Pacific Fishery Management Council is expected to take to reduce participation in the Gulf of Alaska groundfish fisheries in the United States exclusive economic zone off Alaska, while avoiding unnecessary restrictions on entry to Alaska's commercial fisheries;
- (2) require, during the GOA groundfish moratorium, study of whether permanent limitation on entry into these fisheries is necessary, and if so, whether statutory changes are necessary in order to implement an effective limited access program in the groundfish fisheries; and
- (3) provide time to pursue any statutory or regulatory changes found to be necessary to provide for the long-term management of Alaska's groundfish fisheries.

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- (c) It is the intent of the board to carry forward to the steering committee proposal 257 for further development of a plan of action. The steering committee will report back to the board at its October 2004 work session with recommendations for further action.

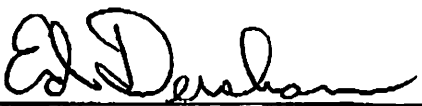
The board's GOA Committee (board members Dersham, Art Nelson, and Morris) will consult with the NPFMC while developing a recommended total allowable catch (TAC) split for consideration by the full board. The range for analysis will be by species by area as follows:

- 1.) An amount equivalent to the total annual catch (for each groundfish species/group) from state waters (inside of 3 nautical miles [e.g., parallel and 25% Pacific cod fishery]) by all vessels will be managed directly by the board as a TAC/GHL equivalent to:
 - Option a) Highest amount taken in state waters by area
 - Option b) Highest amount taken in state waters by area plus 15%
 - Option c) Most recent four-year average harvest from state waters
- 2.) All catch inside 3 nautical miles by non-federal permitted vessels fishing the parallel fishery plus all catch under the 25% state water cod fishery and the PWS pollock fishery remains under the authority of the board.
- 3.) Only the catch associated with the 25% state water cod fishery and the PWS pollock fishery remains under the authority of the board.

During development of a specific plan of action recommendation to the full board, the board GOA Committee will continue to consult with the NPFMC to keep the NPFMC apprised and coordinate the board timeline with NPFMC final action.

Adopted:

February 23, 2004
Anchorage, Alaska


Ed Dersham, Chair

Vote: 7 - 0