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Kodiak Island Borough

710 MILL BAY ROAD
KODIAK, ALASKA 99615-6340
PHONE (907) 486-5736

December 8, 1987

Senator Fred Zharoff
PO Box 405
Kodiak, AK 99615

RE: Kodiak Island Borough Resolution No. 87-73

At its regular meeting of November 19, 1987, the Kodiak Island Borough Assembly unanimously adopted Resolution No. 87-73 Opposing Federal Limited Entry in Halibut, Sablefish, Groundfish or Any Other Fisheries.

As this resolution indicates, the Kodiak Island Borough Assembly is concerned about the economic impact federal limited entry would have on Alaska coastal communities and the entire fishing fleet.

Please give this matter serious consideration for your support.

A handwritten signature in cursive script, appearing to read "Lorne E. White".

Lorne E. White, Presiding Officer
Kodiak Island Borough Assembly

/gv

Enc.

KODIAK ISLAND BOROUGH
RESOLUTION NO. 87-73-R

A RESOLUTION OF THE KODIAK ISLAND BOROUGH ASSEMBLY OPPOSING FEDERAL LIMITED ENTRY IN HALIBUT, SABLEFISH, GROUND FISH OR ANY OTHER FISHERIES.

WHEREAS, the Kodiak Island Borough has an approved Coastal Management Plan which provides a system for State and Federal agencies to consider input from the Kodiak Island Borough on matters of Coastal Zone Management; and

WHEREAS, the North Pacific Management Council, NPFMC, seems to be determined to manage the halibut, sablefish and other fisheries through federal limited entry in the form of license limitation or quota shares; and

WHEREAS, the intent of a license limitation program would be to eliminate a large percentage of the participants beginning with the most recent entrants, which would affect many Kodiak fishermen; and

WHEREAS, a limited access system would concentrate the increasing wealth of our fisheries into fewer and fewer hands, creating great inequities of opportunity in our fishing community and virtually eliminating the possibility for young people from the Kodiak community from entering the fishery; and

WHEREAS, coastal communities, specifically Kodiak and the villages on Kodiak Island, need open access to and competition in the fisheries, leading to the fairest allocation; and

WHEREAS, the restriction, retardation or exclusion of fishermen to develop resources that abound in the vicinity would have an adverse economic effect on this community which has seen a substantial reduction in fisheries from time to time; and

WHEREAS, a limited access system greatly hinders diversification, which is an economic necessity for survival of independent fishermen; and

WHEREAS, the decline of crab stocks and rise of the importance of other fisheries in our community demonstrates the need for diversification and open access to fisheries; and

WHEREAS, more processors also benefit from open access to fisheries for the local fleet because they are able to buy a bigger share of the fish; and

WHEREAS, the trend of federal management as evidenced by federal government policy statements is moving away from supporting small independent business; and

WHEREAS, federal government intervention in farming, timber and mining has led to the demise of the small independent operator and the removal of industry from small communities; and

WHEREAS, federal limited entry will change capitalization in fishing from buying real assets, usable in other fisheries to artificial investments such as shares or permits, which will greatly inhibit the ability of the small-business fisherman to compete; and

WHEREAS, the results of the North Pacific Fishery Coalition Survey conducted in September 1987 which received input from 333 fishermen indicated that most did not think there was sufficient time to study the direct and indirect socio-economic impacts of limited entry before the 1988 season and two-thirds of the respondents thought in-depth studies that analyze limited entry should be completed before making any decision; and

WHEREAS, the Alaska fisheries industry is one of the two largest private sector employers in the State, and as such, too vital to the people and the economy to risk all the inherent dangers and inequities of such an irreversible, unnecessary management plan as a limited entry; and

WHEREAS, the entire economy of Alaskan coastal communities such as Kodiak is small businesses dependently interfacing with the fisheries industry and providing economic and logistic support to the independent fishermen; and

WHEREAS, the Kodiak Island Borough considers the rich abundant fisheries resources in the waters surrounding Kodiak and Alaska to be a renewable PUBLIC resource which serves a primary purpose, along with providing food for the people of the world, of sustaining the livelihoods and economy of the people and communities of our island and State; and

WHEREAS, the idea of permanently turning over the ownership of our public resource to a few private hands totally contradicts the principle of free enterprise and is contrary to the fundamentals upon which our country is founded.

WHEREAS, the halibut, sablefish, and groundfish resources are currently in a healthy and stable condition, and are therefore capable of providing significant economic benefit to Alaska coastal communities; and

WHEREAS, in the halibut, sablefish, groundfish fisheries traditional conservation methods have proven effective in protecting the fisheries resource, without the need for limited access; and

WHEREAS, the implementation of federal limited entry will remove the influence of the State of Alaska, coastal communities, and local fishermen in decisions regarding the management of halibut, sablefish, and groundfish resources.

NOW, THEREFORE, BE IT RESOLVED that the Kodiak Island Borough Assembly is opposed to any form of federal limited entry in the halibut, sablefish, groundfish or any other fisheries without careful in-depth study of of the direct and indirect economic impacts on Alaskan coastal communities to determine the scope of this type of legislation on the entire fishing fleet; and

BE IT FURTHER RESOLVED, the Kodiak Island Borough Assembly supports study of other management options before any final decision is made to implement limited entry.

This resolution shall be communicated to the following people:

President Ronald Reagan

James C. Miller III, Director OMB

Senator Ted Stevens

Senator Frank H. Murkowski

Representative Donald E. Young

Governor Steve Cowper

North Pacific Fisheries Management Council Chairman J. Campbell

Alaska Legislature

Secretary of Commerce C. William Verity

Kodiak United Fishermen's Marketing Association

City of Kodiak

Kodiak Halibut Fisherman's Association.

All Alaskan Coastal Communities.

PASSED AND APPROVED this 19 day of November, 1987.

KODIAK ISLAND BOROUGH

By [Signature]
Acting Borough Mayor

By [Signature]
Presiding Officer

ATTEST:

By [Signature]
Borough Clerk

November 29, 1987

North Pacific Fishery Management Council
PO Box 103136
Anchorage, Alaska 99510

~~Handwritten scribbles~~

Dear Council Members,

I am very concerned about the direction you are taking regarding the management and allocation of several Alaskan fishery resources.

Specifically, I am aware that it is the Council's intention to implement a limited access plan for the Alaskan sablefish fishery, and that there is also consideration being given to access limitation for the halibut, groundfish, and crab fisheries.

I very strongly support the current open-access management approach for all fisheries for the following reasons:

Open access fisheries provide jobs and economic benefit to the maximum number of vessels, fishermen, and fishing communities dependent on the fishing industry.

Open access management provides individual fishing vessels the opportunity to explore various fishery options to maintain a stable overall fishing business, as resource and market conditions fluctuate. This has been clearly demonstrated by the Kodiak fishing fleet, easily the most diverse and economically stable fleet in Alaska, which has been able to maintain general economic success through high and low conditions in several major fisheries.

Open access management provides individual vessels the flexibility and economic support necessary to develop new fisheries. Markets for developing fisheries may be especially weak during early formative periods, and fishermen need the economic support available from a wide spectrum of productive fisheries to maintain viability and interest in the newer, marginal fishery (as the established king crab fishery ushered in the tanner crab fishery).

Open access management provides for effective resource conservation. Fishery resource abundance fluctuates naturally regardless of fishing pressure, and conservation measures must be employed under ANY allocation regime. The resources in the fisheries under consideration for limited access by the Council are all currently enjoying high and/or increasing abundance levels. There is no incidence of a fishery resource failure which occurred as a result of management's inability to react to fishing effort levels in an open access fishery.

Limiting access to fisheries will have dramatic negative impacts throughout the fishing industry and fishing communities. I am opposed to any limited access system for any Alaskan fishery for the following reasons, to list a very few:

Access limitation is an allocative measure and does not facilitate or enhance fishery resource conservation efforts. The need for, and the effectiveness of, conservation measures does not vary with different allocation regimes.

Any limited access plan will require the establishment of an "optimum fishing effort level" for that fishery. Under open access management fishing effort levels are free to vary in concert with natural fluctuations in resource abundance and market con-

ditions among fisheries. Once a limited access plan is established, the-"optimum" effort level becomes, in effect, the "guaranteed minimum effort level", regardless of any change in conditions in the fishery, while leaving individual vessels free to increase their own fishing efficiency---resulting in NO cap on maximum fleet effort.

Limiting access in some fisheries will artificially increase fishing effort in the remaining open-access fisheries, as displaced fishermen seek to maintain their livelihoods. To isolate one fishery with a limited access plan without recognizing this problem of "displaced effort" is ridiculous management.

Limited access systems provide for the concentration of the economic benefits from a fishery to a very small number of interests. As fishery conditions improve, economic benefits would, under open access, be realized by maximum numbers of fishermen and related businesses. Under limited access, increased benefits will be realized by only a privileged few.

Limited access systems are irreversible. Fishery rights will instantly acquire great values, and over time become ensnared in the financial quagmire of encumbrances, collateral, loans, leases, etc. that will make returning to open access impossible.

I have much more to say with regard to this issue, but I recognize my time and space limits. In general, I believe it's best to leave effort-control decisions to the individual fisherman as part of the natural conduct of his business. Management-level limited entry discussion will ALWAYS stimulate fishing effort in a fishery, regardless of established "cutoff dates", etc (they CAN be changed...).

This ceaseless, greedy, self-serving resource-grab exercise by limited entry proponents is tiring, to say the least, after all these years, and certainly can NOT be said to be in the interest of the fishing industry by any stretch of the imagination. The controversy that necessarily accompanies discussion of limited entry has proven to be divisive and counterproductive.

There exists in our current open-access management regime, equal opportunity for all fishermen to all fishery resources; there exists provision for the implementation of any resource conservation mechanisms that mankind can ever hope to effectively employ for the benefit of creatures that live in the ocean; and there currently exists mechanisms whereby the economic benefits derived from our fishery resources can be equitably distributed and realized by a maximum number of people. I respectfully urge the Council: DON'T mess it up!

Sincerely,
David Shrader

David Shrader
412 Willow Street
Kodiak, Alaska 99615

RESIDENT SABLEFISH PERMIT HOLDERS IN SELECTED ALASKAN COMMUNITIES

(Figures do not include permit holders for limited entry sablefishery in Southeast internal waters.)

Community	1983	1984	1985	1986	1987
Anchorage	20	25	43	44	70
Cordova	8	11	17	17	49
Craig	0	1	3	5	12
Eagle River	2	3	2	6	7
Haines	2	1	2	6	14
Homer	4	7	23	62	93
Hoonah	2	3	2	6	12
Juneau	28	30	33	35	55
Ketchikan	23	18	34	31	38
King Cove	0	1	3	16	20
Kodiak	21	41	84	124	127
Pelican	11	17	18	25	30
Petersburg	20	24	46	52	68
Port Alexander	5	5	8	9	9
Sand Point	2	4	13	12	26
Seward	16	14	18	28	34
Sitka	41	50	89	108	127
Unalaska	0	5	3	4	4
Valdez	3	4	5	8	11
Wrangell	7	5	9	6	8
Yakutat	0	0	1	4	5
Statewide Total	264	317	531	720	978

Source: Commercial Fisheries Entry Commission
October, 1987

GULF OF ALASKA LONGLINE SABLEFISH CATCH
(Does not include pot gear or trawls)

<u>Year</u>	<u>Catch</u>	<u>Number of Vessels</u>
1982	8,023 mt	*
1983	9,056 mt	*
1984	13,079 mt	*
1985	32,148 mt	*
1986	16,600 mt	550
1987	19,273 mt	800

* figure not available

Source: National Marine Fisheries Service
January, 1988

NPFMC ^{KDM 12/11/85} eyes options on cod limited entry

By CHRIS BLACKBURN
Special Correspondent

ANCHORAGE — The North Pacific Fishery Management Council Tuesday voted 7-4 to announce in the Federal Register that longliners entering the Alaska black cod fishery after Sept. 26, 1985, will not be assured future participation in the fishery should black cod ever become a limited entry fishery.

However, it appeared unlikely that National Marine Fishery Service or the council will be able to develop any limited entry plan unless they are given additional funding.

"The demands on staff time would be extreme," said Bob McVey, Alaska regional director of the NMFS.

"The federal government has to provide funds for a federal agency to develop a program. The council can't do it," said council Chairman Jim Campbell.

Voting against publishing a cut off date were Oscar Dyson, Bob Mace, Rudy Peterson and John Petersen.

"If there's anything in my area fishermen are pretty much united on, its opposition to limited entry," commented Dyson.

"It's impossible to consider limited entry in black cod without considering the effect on other species and other fisheries.

"Then we have to consider all the fisheries in the Gulf of Alaska and Bering Sea. We can't do it piecemeal," said Mace.

The majority of the council members felt that setting a cut off date increased the council's options for future management.

Between 1984 and 1985, effort in the black cod fishery increased from 176 to 248 vessels.

"My idea is to stop the gold

rush into the fishery," said council member John Harville.

Publishing the Sept. 26 data will not preclude the council from choosing a different date in the future or extending limited entry to the trawl or pot fisheries for black cod, according to Pat Travers, general council to the National Oceanic and At-

(Please turn to Page 12)

limited entry

(Continued from Page 1)
atmospheric Administration.

The council's advisory panel voted 109-9 to recommend that the council reject NMFS's offer to publish a cut off date.

"We suggest the council complete a long-term policy on incidental catch, development of groundfish, and allocations before giving any more consideration to limited entry," said

advisory panel chairman Larry Cotter.

Oliver Holm, president of the Kodiak Longliners Association, said he felt the Sept. 26 date was not equitable as fishermen in the Western and Central Gulf just started developing their fishery

two years ago. The Southeast Alaska longline fishery has been harvesting black cod for many years.

Holm noted that the council had failed to address the conditions set out in the Magnuson Fisheries Conservation and Management

Act for implementing any limited entry.

Bad weather in Kodiak, which has kept planes from landing, prevented a number of fishermen who hoped to testify before the council from reaching Anchorage, Holm said.

rain

North Pacific Fishery Management Council

James O. Campbell, Chairman
Jim H. Branson, Executive Director

411 West 4th Avenue
Anchorage, Alaska 99510



Mailing Address: P.O. Box 103136
Anchorage, Alaska 99510

Telephone: (907) 274-4563
FTS 271-4064

June 26, 1987

Dear Sablefish Fisherman:

At its May 20-22, 1987, meeting the North Pacific Fishery Management Council unanimously adopted an Advisory Panel proposal that the Council call for long-term sablefish management options from the public. Recommendations for management options (including the status quo) should be received at the Council office by July 30, 1987. After the July 30 deadline, the groundfish plan teams will develop the management options for review by the Council at its September 21-25 meeting. At that meeting, the Council will decide whether to release the options package for public review.

This call for sablefish management options is being made because a substantial percentage of the sablefish fishermen has expressed the opinion that something must be done to prevent the fishery from going the way of the halibut fishery: an expanding fleet and ever decreasing season length. To date, the Council has received one management proposal supported by sablefish fishermen from Southcentral and Southeast Alaska, and Washington State. That proposal would establish a longline sablefish limited entry permit system with the permit initially issued to the vessel.

It is important that the Council know of any management systems the industry may wish to propose. The more information submitted in support of a proposal, the better able the Council will be to assess its merits. If you wish to submit a sablefish management recommendation, please complete the attached form and mail it to:

N.P.F.M.C.-Sablefish Management Option
P.O. Box 103136
Anchorage, AK 99510

Instructions for completing the form follow:

Brief Statement of Proposal -- Provide a single brief paragraph concisely describing the action to be taken. Details should be specified on additional sheets as necessary.

Objectives of Proposal -- Begin with a concise statement of the problem as you see it. Attach sheets as necessary to fully describe the problem, and the implications to American fisheries if the problem is not resolved.

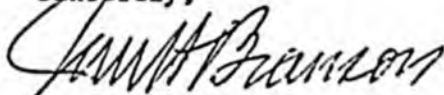
Justification for Council Action -- Briefly explain why action by the Council is necessary to address and solve the problem. Is there any other way the problem can be resolved?

Foreseeable Impacts of Proposal -- Briefly outline the effects you think the proposed amendment will have, not only in solving the problem, but also, to other sectors of the industry and the public at large.

Possible Alternative Solutions -- There is probably more than one solution to the problem you have identified. Please list any alternatives that you can identify to the proposed action that the Council could consider.

Supportive Data and Other Information -- Please provide any relevant data or other information available to you.

Sincerely,



Jim H. Branson
Executive Director

There is substantial controversy over whether management authority over crab in federal waters should be deferred to the State. The Council asked the Crab Management Committee to prepare another draft of the plan for review in January. The new draft should accommodate concerns about appropriate federal oversight and respond to Scientific and Statistical Committee concern about management strategies and the use of different exploitation rates at various population levels.

Pilot Domestic Observer Program Underway

Alaska Sea Grant is heading up the Council's pilot observer program on U.S. vessels fishing for groundfish off Alaska. The rapid Americanization of the groundfish resources of the Bering Sea and Gulf of Alaska and the commensurate decrease in the foreign fishing observer program have created a paucity in data needed to evaluate conditions of the fish stocks and impacts of management decisions.

The goal of the Council's voluntary program is to collect firsthand information on the catch and biological status of the groundfish resource as well as incidental harvest of other species. The pilot program is also serving as a trial run to resolve logistical problems of placing observers on domestic vessels. Only observers that are experienced and well trained in identifying and sampling various fish species are being used in the program. They are instructed to minimize any interruption of normal vessel operations. All data gathered will remain confidential and provide valuable insight for future management of the fisheries.

Four observers have been sent to Dutch Harbor and Kodiak to embark on vessels heading for the fishing grounds. Of main interest this fall will be the Pacific cod fishery in the Gulf of Alaska and Greenland turbot and pollock in the Bering Sea and Aleutians. Vessel operators and owners who desire to take an observer or would like more information about the program are encouraged to contact Ron Dearborn, Director of Alaska Sea Grant, (907) 474-7086.

Sablefish Management Options

The Council asked for proposals for management of the sablefish fishery last June in response to previous requests for limited access for sablefish longlining. Fifty-nine proposals were received, analyzed by the groundfish plan teams, and reviewed by the Council. The next step is to develop detailed options for license limitation and individual transferable quota systems. The Council set 1989 as the target date to implement a system, although such a fast-paced schedule may be optimistic.

Halibut Allocative Regulations for 1988

The Council asked for proposals for allocative regulations in August for the 1988 halibut fishery. Over 70 proposals were received. The Council's Halibut Management Team and Halibut Regulatory Amendment Advisory Group reviewed them and recommended no action on nine because there was no solution clearly identified, no remedy was possible, or the request was simply the status quo. Twenty-one proposals were determined to be more appropriately considered by the International Pacific Halibut Commission. Twenty-seven requested some form of limited access and were integrated with the Council's longer term

consideration of sablefish and groundfish limited access. Two proposals to control the bycatch of halibut in other fisheries were forwarded to the Council's Bycatch Committee. Proposals to limit the number of skates per vessel were deferred until after the Halibut Commission considers similar measures for conservation purposes next year. Proposals advocating vessel size limits were deemed impracticable and would adversely impact the existing fleet.

The remaining proposals advocated exclusive registration areas. The Council voted only to consider the allocative aspects of the 1987 IPHC regulatory regime as applied to Areas 4C (Pribilof Islands) and 4E (Nelson Island) for possible adoption in 1988. The Halibut Management Team is analyzing those regulations and a notice of availability for public review of their analysis will be published October 15 in the Federal Register. In December the Council will review public comments and team analysis and decide whether to adopt the regulations.

Council Adopts Halibut Policy Statement and Management Goals

The Council approved a policy to guide review of allocative proposals for the halibut fishery. Proposals must intend to allocate the resource among users and must not conflict with conservation regulations adopted by the International Pacific Halibut Commission.

Although not required by the Northern Pacific Halibut Act of 1982, the Council will ensure that its halibut regulations are consistent with the Magnuson Fishery Conservation and Management Act's National Standards and the Council's Comprehensive Fishery Management Goals adopted December 7, 1984. They must be implemented by the Secretary of Commerce, can not discriminate between residents of different states, and shall be consistent with the limited entry criteria of the Magnuson Act.

The Council adopted the following halibut management goals:

1. Promote conservation while providing for rational and optimal socioeconomic use of the resource.
2. Base management actions upon the best scientific data available.
3. Promote economic stability, growth, and self-sufficiency in maritime communities.
4. In accordance with goals 1 and 3, promote efficient use of fishery resources with due consideration for existing social and economic structures.
5. Assure that any resource allocation is fair and equitable to the fishermen concerned without assigning an excessive share of the privileges to any one fisherman or other entity.
6. Adopt allocative measures that are flexible enough to account for unpredictable variations in resource and industry and are based upon the rights and obligations in existing federal law.

The new policy and goals will be used to guide the Council's consideration in December of allocative regulations proposed to protect emerging halibut fisheries near the Pribilofs and Nelson Island.

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Limited Entry Ahead For Groundfish?

In brief comments following the September North Pacific Fishery Management Council Meeting in Anchorage, Council executive director Jim Branson noted growing industry support for proposals that would limit access to groundfish within the 200-mile FCZ off Alaska.

The Council has received the formal go-ahead to pursue a limited-access plan for blackcod longlining, Branson said, and it will "take a look" at including halibut on the same schedule.

In addition, a Council work group is being formed to investigate alternative methods for managing other groundfish fisheries, he said. A particular emphasis of the work group, said Branson, would be to consider a "cut-off date" for entrance to certain groundfish fisheries. The workgroup will report its findings to the Council in June of 1988. □

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for other marine groups such as operators of uninspected towing vessels.

Hall conceded that major steps have been taken recently to improve fishing vessel safety, including the safety manual and training courses prepared by the Vessel Safety Program of the North Pacific Fishing Vessel Owners Association.

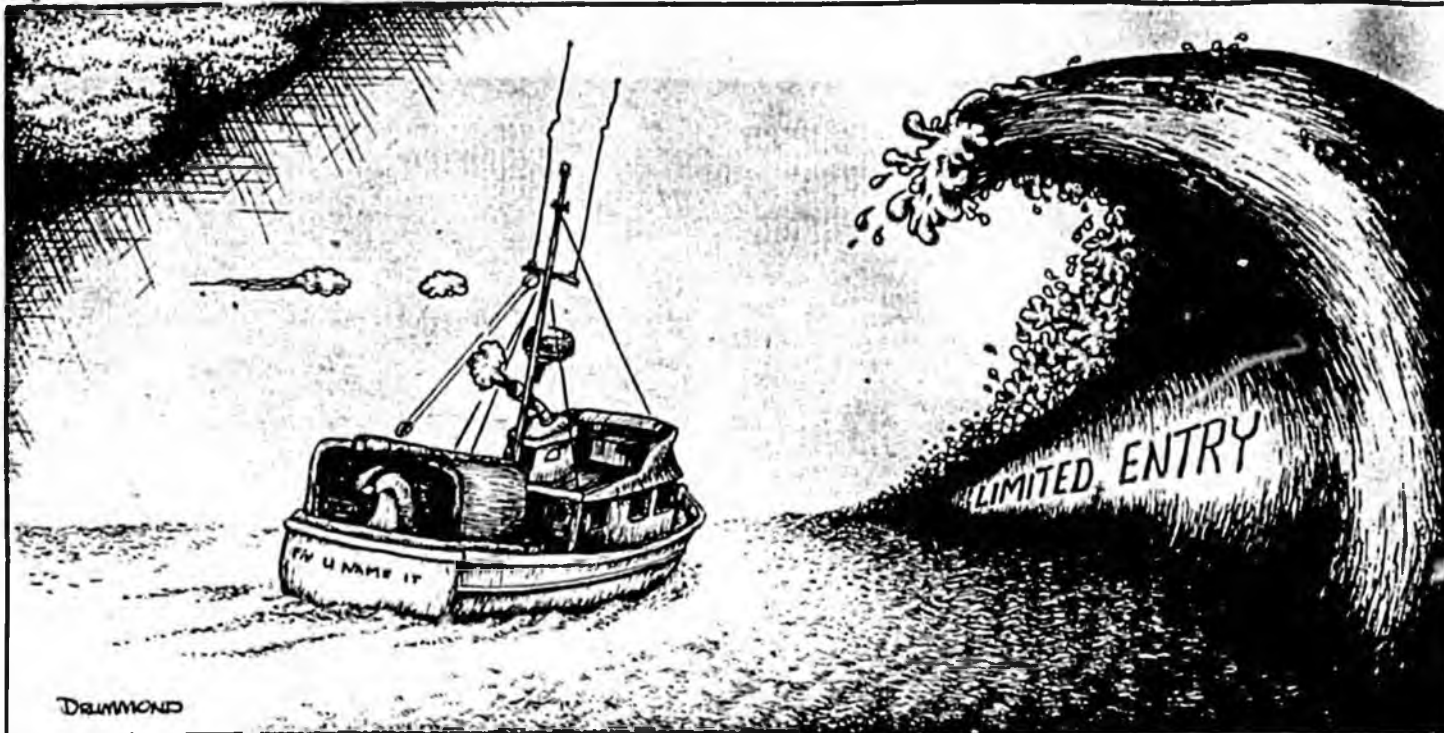
"However, these courses are voluntary," Hall said. "During two years, about 420 captains and crewmembers have attended the courses... This is gratifying but there are approximately 16,500 active fishermen to train in Washington State alone."

"Mandating training for captains and crewmembers would accelerate attendance at such courses and would no doubt spark development of new private/public training centers," Hall said.

As for additional lifesaving equipment, the Safety Board would require exposure suits, blige and fire alarms, inflatable liferafts, operable emergency radio, and emer-

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Groundfish 1990: Limited Access for Everything?

by John van Amerongen

As the size and efficiency of the American groundfish fleet continue to expand, something—a physicist might argue—has got to contract. Longliners have already experienced serious compression of halibut and sablefish seasons and joint-venture trawlers have this year begun to feel the bite as well.

Has the North Pacific groundfish fleet already reached or exceeded its optimum size? Are managers in danger of losing control of derby-like pulse fisheries? Can the resource support further increases in fleet capitalization and efficiency? Are profits doomed to compress, too? Or are greedy fishermen just looking to corral a sure thing by closing off the range?

These are just a few of the questions to be contemplated by the North Pacific Fishery Management

Council's newly-appointed Future of the Groundfish Fisheries Workgroup.

Chaired by Nancy Munro of Saltwater Productions in Anchorage, the membership includes: Victor Horgan, Jr. of Ocean Beauty Seafoods; Mel Morris of All Alaskan Seafoods; Brian Kelly of Arctic Alaska Seafoods; Wally Pereyra of ProFish International; Joseph Blum of the Washington Department of Fisheries; Dave Harville of Kodiak Westward Trawlers; Mark Lundsten, skipper of the longliner *Mason*; Gordon Jensen, veteran Petersburg fisherman; Bart Eaton of Trident Seafoods; Kris Poulson of the Alaska Crab Coalition; and Dave Fraser, from Pt. Townsend.

As defined by Council director Jim Branson in a letter to workgroup members, the task of the group is "to prepare a recommendation for the Council by their June

1988 meeting on how the groundfish fisheries should be managed in the long term."

"The Council," Branson noted, "has made a commitment to implement an improved system by 1990 and to consider establishing a cut-off date for eligibility in the groundfish fisheries at the June 1988 meeting."

In a "Statement of Commitment" to the plan issued September 25, the Council noted its intent to develop strategies for either license limitation or the use of individual transferable quotas (ITQs) in the black-cod longline fishery by 1989. The Council is considering adding halibut to the same timetable.

As for other groundfish species, and perhaps crab as well, the Council has identified three alternate cut-off dates "beyond which new entry into the groundfish fisheries may not accrue credit should access limitation be implemented in the

future."

While not exclusive of others, the proposed cut-off dates for North Pacific groundfish include December 31, 1987; December 31, 1988; and whatever date final Council action might take place. The Council will consider the merits of the 1987 cut-off at the December Council meeting in Anchorage.

In order to prepare the fishing community for the inevitable debate on limited access to all groundfish, the Council has prepared a pamphlet that briefly identifies some possible scenarios and lists the major pros and cons of each.

Open Access

An open access fishery is one anybody can enter. According to the pamphlet, to maintain what is now the status quo "almost always results in excess effort, shortened seasons, lowered profits, poorer

More power. More speed.
Greater capacity.



SEATEX
COMMERCIAL PRODUCTS DIVISION OF SETZ MARINE ELECTRONICS



quality, and wasted fish."

Limited Access

Limiting access is accomplished by erecting "barriers to entry." The methods to be considered include license limits; individual transferrable quotas (ITQs) or share quotas; and fees.

License limitation involves the now-familiar "limited entry" as it currently applies to the Alaska salmon fisheries. The pamphlet cautions, however, that "effort may still be increased by fishermen using bigger boats, more gear and/or improved technology."

Under ITQs, "the overall quota is divided among individual users. The shares can be a fixed amount or a percentage of the quota," the pamphlet notes.

As for fees, the pamphlet calls them "a good idea in theory, but not used." Under this system a license or poundage fee is charged to participants, reducing the incentive to fish and paying the government for resource access.

After defining its terms, the Council pamphlet expands a bit on the options of license limitation and ITQs:

License Limits

The maximum number of participants is established by the government and licenses are issued based on such criteria as history of participation in the fishery. Licenses are usually transferrable, though they need not be. Licenses can be sold or given away and, in some systems, leased. Most systems provide for government buy-back of licenses and/or boats to reduce the number of participants. This is usually critical to the success of a program since it is almost impossible to reduce the number of fishermen to the optimum number when a system is first established. Buy-back programs can be funded with general revenues or with fees on fishermen.

In support of license limitation, the pamphlet notes that it can stabilize or reduce the number of vessels in a fishery; licenses can be used as collateral for loans; and the system can provide "a temporary slowdown in overcapitalization."

On the downside, the pamphlet notes that seasons are still required, and the efficiency of the fleet will continue to increase, requiring further regulation, such as gear restrictions, to control effort. And the buy-back "is necessary to make the system work."

ITQs

Individual transferable quota systems have almost always been preceded by unsuccessful license limit systems. The initial allocation of shares is based upon criteria such as historical participation. The shares are usually transferrable and, in many systems, leasable. They can be small enough units that they can be bought for part of a trip. A buy-back program is usual with fixed amount systems but is not necessary if the shares are a percentage of the quota. There is usually a limit on the number of shares an individual or company can own.

Speaking for ITQs the pamphlet notes that seasons would no longer be used to limit effort, but solely for conservation purposes. Reduced pressure would improve safety; trips could be scheduled around other fisheries or to optimize market conditions. "Most current regulations, such as hold inspections, bait up periods, etc., can be eliminated," the pamphlet notes. Costs of production are lower; shares can be

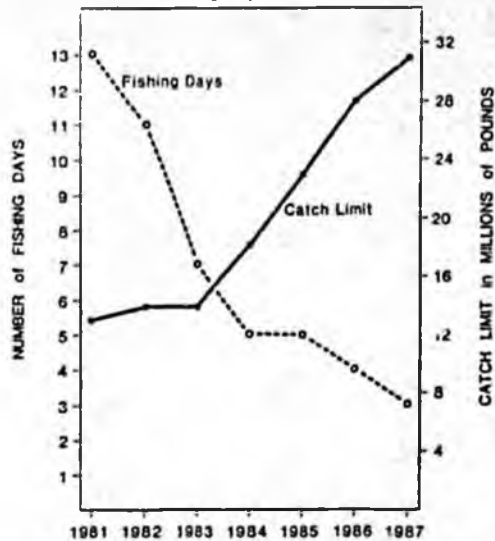
used as collateral; "communities can ensure adequate supplies by residents holding shares; and prohibited species could be retained if shares were held for them."

Still, the Council noted a few problems with ITQs. It could be difficult to "track and enforce" ownership of shares; it could be difficult to control black marketing of illegal fish and at-sea "high-grading" of the most marketable product. The pamphlet also noted "a general fear that communities will suffer when residents sell their shares outside the local group."

While individual fishermen will obviously choose their favorite scenario, no system put forth is without identifiable drawbacks. What seems clear is the Council's commitment to alter the status quo and make a run at limiting access to all the groundfish fisheries, even crab.

The first meeting of the Future of the Groundfish Fisheries Workgroup will be held in Seattle, November 19 and 20. □

Changes in Halibut Catch Limits and Fishing Days in Area 3A



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LUGGER

Longliners Debate Limited Entry

Will the cure be worse than the disease?

by Clark Miller

A limited entry debate can be as fascinating as a champion chess match. Every move, or proposal, sets off a chain of possibilities, dangers and opportunities. And if the complexity seems to defy the powers of rational thought, it may be because *reason* can only go so far—some fishermen simply hate limited entry by instinct.

When longliners sat down at the recent Fish Expo to ponder strategies for limiting access to their fisheries, the first speaker set the stage beautifully. Abby Gorham, a fisheries economist at the University of Alaska, laid down a few stark but subtle axioms to keep in mind:

1) No single limited-entry strategy can satisfy all fisheries.

This became clear when a later speaker, fisherman John Coyne,

warned that limiting access to blackcod and halibut could stunt the development of true cod and other up and coming species.

2) Gorham's next point was crucial. Historically, limited entry is preceded by a crisis composed of two parts, gear conflicts (including small boat-large boat conflicts) and too many vessels. If limited entry is instituted as a solution to both parts of the crisis, it is doomed to partial failure.

Yes, it can freeze, or even reduce, the growth of the number of vessels. But it can't solve gear-conflict, or equity, problems. Rather, it can often make them worse.

For example, Gorham said Alaska's limited-entry laws were meant to protect the rural villages, but the licenses, while remaining in the state for the most part, have tended to drift from rural to urban areas.

3) Which brings up the third point. Equity is more important than economic efficiency, because a fishery riddled by a sense of unfairness among gear groups tends to become

paralyzed by disharmony.

4) Gorham's last point was that industry involvement is essential to achieve all the desired benefits: equity, diversification potential, and changes in the income distribution.

Asked what the North Pacific Fisheries Management Council is doing about limited entry for longliners, executive director Jim Branson said the Council still has no perspective on the problem. Although the Council hopes to have a system for limiting access to blackcod by the 1989 season, Branson said it was an optimistic goal.

In the meantime, Branson said, the Council must do more of what the state does in the salmon industry—place limits on efficiency through regulations, counterbalancing the ongoing efforts of the longline fleet to increase efficiency. Such measures tend to help the small vessels, he said.

John Coyne, a Bering Sea longliner with two catcher-processors in operation and two more on line, questioned whether limited entry would benefit the longline fleet. He recommended making halibut and blackcod bycatch for true cod, which is still so far below quota that the Japanese get a directed fishery.

"It shocks me to go to meetings where limited entry is a priority issue and see only 15 fishermen," Coyne said. "The government will use limited entry if we don't speak up."

Mark Lundsten, skipper of the halibut schooner *Masonic*, said, "I'm not a rabid proponent of limited entry, but we must consider it and make it the best possible."

Lundsten reasoned that unless fishermen get involved in choosing an acceptable form of limitation, something unacceptable will emerge.

"Exclusive area registrations would be a disaster for the (longline) fleet... You see it in the crab fleet," he said.

"Trip limits would be the most unfair limitation of effort imaginable... Wasteful, capping efficiency."

Lundsten is worried about the halibut fishery. "It's wasteful, a crying shame," he said. "It's not a fishery of the future."

He pointed out that trade publications are badmouthing the halibut fishery, both the management and the quality.

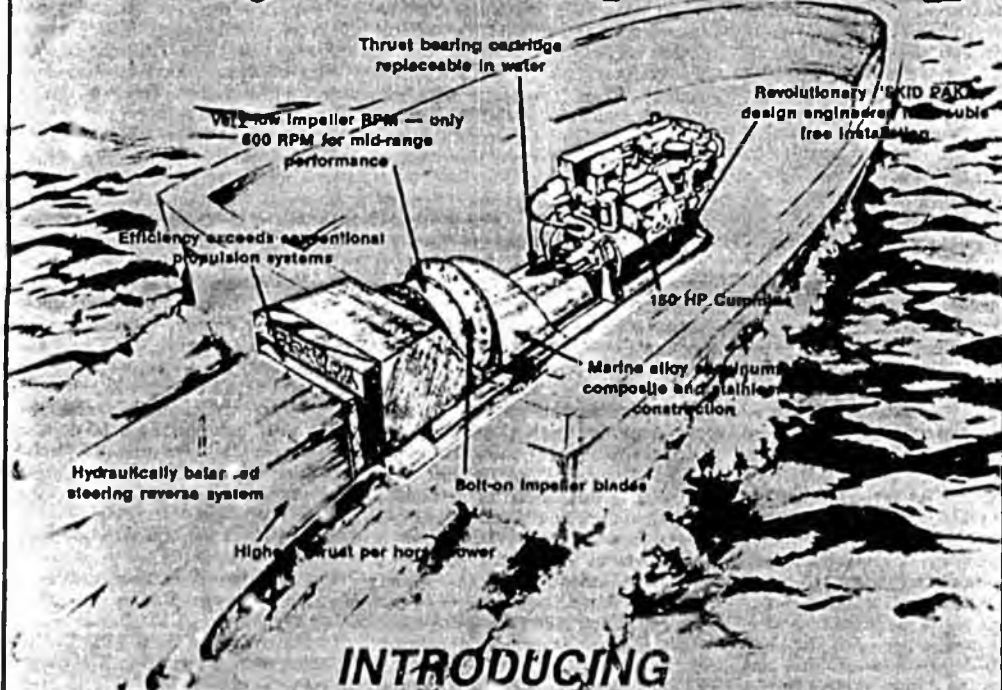
The fishery is less efficient now, he said, especially in Southeast Alaska, where fishermen are "laying gear on top of everybody."

Like Coyne, Lundsten is interested in a bycatch system for halibut that encourages undeveloped species, and would also like to explore a share system. "The political blood-bath wouldn't be any worse than now," he said. "A share system would be a radical break with what we're doing now. The status quo will be worse than trying some of these ideas."

The seminar also provided a forum for several small-boat operators to voice their opinion that they lack political representation in the system. A halibut fisherman from Seward said just about any change posed a threat to him. "Leave it alone, let competition decide," he said.

Mike Martin of Kodiak, another small boat owner, said he was against limited entry. "The permits go up in value, making it hard for a person to get into (the fishery)," he said.

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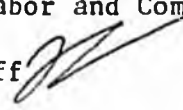
DURING SESSION:

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DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

TO: Senator Tim Kelly
Chairman
Senate Committee on Labor and Commerce

FROM: Senator Fred F. Zharoff 

DATE: January 14, 1987

RE: Senate Joint Resolution No. 46 -- "Opposing implementation of a limited entry system in the North Pacific sablefish longline fishery."

SJR 46 requests the North Pacific Fishery Management Council to abandon its efforts to study or recommend the implementation of limited entry in the North Pacific sablefish (also known as black cod) longline fishery.

The many reasons why limited entry should be dropped are listed in the resolution. Probably the most important reason, however, is its potential effect on Alaska's employment. The sablefish fishery was taken over from the Japanese ("Americanized") in the early 1980's. In recent years, more and more Alaskans have started longlining for black cod. The implementation of limited entry would cut off this growing Alaskan participation just at a time when Alaska needs as many employment opportunities as possible.

Attached is the following backup information:

1. Resolution from the Kodiak Island Borough, dated Nov. 19, 1987.
2. Letter from Kodiak fisherman Dave Shrader to the North Pacific Fishery Management Council, dated Nov. 29, 1987.
3. Table showing number of resident sablefish permit holders in selected Alaskan communities.
4. Table showing Gulf of Alaska longline sablefish catch figures.
5. Article from the Kodiak Daily Mirror, dated Dec. 11, 1985.
6. Letter from the North Pacific Fishery Management Council to sablefish fishermen giving status of sablefish planning process, dated June 26, 1987.
7. Pages 6 and 7 of the Oct. 5, 1987 North Pacific Fishery Management Council newsletter outlining the current status of the sablefish limited entry proposals.

8. Article from the Alaska Fisherman's Journal, dated October, 1987.
9. Article from the Alaska Fisherman's Journal, November, 1987, describing the limited entry techniques now being considered.
10. Article from the Alaska Fisherman's Journal, November, 1987, summarizing a Fish Expo panel discussion on longline limited entry.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: RESOURCES

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

5/17/87

DATE TURNED INTO OFFICE _____

Mr. President:

LABOR & COMMERCE

Committee considered

SJR 46

Opposing implementation of a limited entry system in the North Pacific
sablefish longline fishery.

and recommended:

replace with

CS

SJR 46 (L.E.C)

same title

attached amendment(s) and

new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS

Tim Kelly Do Pass
John... Do Pass

Mike... No Rec.

John... Do Not Pass

Tim Kelly - Do Pass

Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: 1/15/88

REQUEST

Bill/Resolution No.: SJR 46
 Title: Opposing limited entry
in the North Pacific Sablefish
longline fisheries.
 Sponsor: Sen. Zharoff
 Requestor: _____
 Date of Request: 1/15/88

FISCAL DETAIL

Agency Affected: n/a
 BRII: _____

 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES			0	0	0	0	0
TRAVEL			0	0	0	0	0
CONTRACTUAL			0	0	0	0	0
SUPPLIES			0	0	0	0	0
EQUIPMENT			0	0	0	0	0
LAND & STRUCTURES			0	0	0	0	0
GRANTS, CLAIMS			0	0	0	0	0
MISCELLANEOUS			0	0	0	0	0
TOTAL OPERATING			0	0	0	0	0
CAPITAL			0	0	0	0	0
REVENUE			0	0	0	0	0

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: *John Quastal* Phone: 465-3822
 Division: Senate Labor & Commerce Date: 1/15/88
 Approved by Commissioner: *John Quastal* Date: 1/15/88
 Agency: Senate Labor & Commerce Committee

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Original sponsor: Zharoff

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 46 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Opposing implementation of a limited
6 entry system in the North Pacific sable-
7 fish longline fishery.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 WHEREAS the North Pacific Fishery Management Council is developing
10 detailed options, including license limitation and individual transferable
11 quota systems, for limited entry in the North Pacific sablefish longline
12 fishery, with 1989 set as the target date for implementation; and

13 WHEREAS the National Marine Fisheries Service has published in the
14 Federal Register a notice that anyone entering the sablefish longline
15 fishery after September 26, 1985, will not be assured of future participa-
16 tion if the council develops, and the Secretary of Commerce implements, a
17 limited entry regime for the fishery; and

18 WHEREAS the Gulf of Alaska sablefish longline fishery was Americanized
19 in the early 1980's, opening the door to participation by the resident
20 Alaska fleet for only a short period of time; and

21 WHEREAS the support for imposing limited entry in the sablefish long-
22 line fishery is coming primarily from the longline fleet based in the State
23 of Washington, and has little support in Alaska; and

24 WHEREAS, because relatively few Alaska fishermen participated in the
25 sablefish longline fishery, Alaska fishermen would be the group most likely
26 to be excluded from the fishery by the imposition of limited entry; and

27 WHEREAS sablefish limited entry would exclude disproportionate numbers
28 of Alaska fishermen and preclude participation by the growing Alaska long-
29 line fishing fleet; and

1 WHEREAS the local economies of the coastal communities of Alaska
2 depend on the income generated by resident Alaska fishermen; and

3 WHEREAS success and prosperity in the Alaska fishing industry depends
4 on the participants' ability to diversify and to adapt to changing resource
5 and economic conditions; and

6 WHEREAS the ability to participate in multiple fisheries and adapt to
7 changing economic and resource conditions are vital characteristics of the
8 western Alaska fishing fleet; and

9 WHEREAS limited entry artificially restricts a number of participants
10 to a particular fishery regardless of the fluctuating economics and re-
11 source conditions of that fishery; and

12 WHEREAS limited entry on one species restricts the ability of the
13 fleet to shift from species to species as economic and resource conditions
14 allow and increases the pressure on the fisheries that are not subject to
15 limited entry; and

16 WHEREAS consideration of limited entry for a fishery tends to cause
17 more people to enter the fishery than would otherwise consider doing so in
18 order to establish a history of participation and become eligible for a
19 limited entry permit; and

20 WHEREAS limited entry in the sablefish longline fishery would perpetu-
21 ate a tragic misconception that each individual commercial fishery can be
22 managed independently of other commercial fisheries, and ignores the inter-
23 relationship between all commercial fisheries; and

24 WHEREAS limited entry represents a quick-and-easy, but ineffective,
25 solution to more fundamental management problems; and

26 WHEREAS each attempt worldwide to implement a perfect limited entry
27 system has resulted in unforeseen consequences that often leave a fishery
28 in worse economic condition than the one the limited entry system was
29 designed to correct; and

1 WHEREAS the fishery management is characterized by such complexity and
2 so many variables that the best method to control entry into a fishery is
3 free enterprise, allowing individuals a free choice whether to participate
4 in the fishery;

5 BE IT RESOLVED by the Alaska State Legislature that the Governor is
6 respectfully requested to take whatever action is necessary to protect the
7 rights of Alaska fishermen and to vigorously oppose any effort to implement
8 limited entry in the North Pacific sablefish longline fishery; and be it

9 FURTHER RESOLVED that the North Pacific Fishery Management Council is
10 respectfully requested to abandon all efforts to study, plan, encourage, or
11 recommend implementation of limited entry in the North Pacific sablefish
12 longline fishery; and be it

13 FURTHER RESOLVED that if the council recommends the adoption of limit-
14 ed entry for the North Pacific sablefish longline fishery, then the Secre-
15 tary of Commerce is respectfully requested to reject this recommendation.

16 COPIES of this resolution shall be sent to the Honorable William
17 Verity, United States Secretary of Commerce; Mr. James Campbell, chairman
18 of the North Pacific Fishery Management Council; and to the Honorable Ted
19 Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable
20 Don Young, U.S. Representative, members of the Alaska delegation in Con-
21 gress.
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