

HJR

61

HOUSE COMMITTEE REPORT

(9)
Date Referred: March 16, 1994

FURTHER REFERRALS:

Date of Committee Action: 3/25/94

The RESOURCES Committee considered:

HJR 61

HOUSE JOINT RESOLUTION NO. 61

COMMUNITY DEVELOPMENT FISHING QUOTAS

Relating to the Western Alaska Community Development Quota Program and the North Pacific Fishery Management Council Comprehensive Rationalization Program.

- RECOMMENDATIONS: the same title
 be replaced with _____ a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

- ATTACHES NEW FISCAL NOTE(S): (Dept)
 fiscal impact _____
 zero fiscal note _____

- APPROVES PREVIOUS: (Dept/Date)
 fiscal note(s) _____
 zero fiscal note(s) Fisheries Comm. / 3-16-94

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Bill Hudson</i> Hudson	✓				
<i>John Carney</i> Carney	✓				
<i>John Green</i> Green	✓				
<i>James James</i> James	✓				
<i>David Finkelstein</i> Finkelstein	✓				
<i>John Davies</i> Davies	✓				
<i>W. J. Williams</i>	✓				
<i>Carl Bledsoe</i>	✓				

W. J. Williams
CHAIRMAN'S SIGNATURE

Alaska State Legislature

Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL COMMITTEE FISHERIES

MEMBER FINANCE SUBCOMMITTEES ON
DEPT. OF FISH AND GAME
DEPT. OF PUBLIC SAFETY



SESSION:
CAPITAL BUILDING, ROOM 204
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
FAX: (907) 455-3445

INTERIM
716 W. 4TH AVE. #630
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8167
FAX: (907) 258-8468

SPONSOR STATEMENT

House Joint Resolution 61

Relating to the Western Alaska Community Development Quota Groups and the North Pacific Fisheries Management Council's Comprehensive Rationalization Plan

House Joint Resolution 61 asks the North Pacific Fisheries Management Council (NPFMC) to allocate groundfish and crab to the Western Alaska Community Development Quota Groups.

Currently, the NPFMC is developing a comprehensive rationalization plan which would involve a license limitation program for groundfish and crab. This action by the Council does not abandon the Individual Fishing Quota (IFQ) option as a potential management solution in the future.

Options under consideration by the NPFMC for groundfish include no allocation to the CDQ groups; CDQ set-asides of up to 15% of the total allowable catch (TAC) with no sunset provisions; and, CDQs in the form of **additional**, non-transferrable licenses. For Bering Sea and Aleutian Island king and tanner crab, the suggested options include no allocation to CDQs; an initial allocation of up to 15% of the guideline harvest level (GHL) by species with consideration of other criteria and with no sunset provisions; and, CDQs in the form of **additional**, non-transferrable licenses.

HJR 61 specifically asks the NPFMC to allocate fairly and equitably to the CDQ groups as a vital part of the fishing economy in western Alaska. The successes of the CDQ groups to date have set an example of economic development for others in western Alaska. Adding groundfish and crab to their economic activities should assist the coastal communities they represent in an even greater measure.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HJR 61

Revision Date: _____ Dept. Affected: Dept. of Fish & Game
 Title: Western Alaska Community Development BRU: Division of Commercial Fisheries
Quota Program Component: _____
 Sponsor: Rules by req. of House Econ. Task Force
 Requestor: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						0

CAPITAL EXPENDITURES						0
----------------------	--	--	--	--	--	---

CHANGE IN REVENUES ()						0
------------------------	--	--	--	--	--	---

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL						0

Estimate of any current year (FY94) cost: \$ 0

POSITIONS

FULL-TIME						0
PART-TIME						0
TEMPORARY						0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Karen Brand, Fisheries Committee Staff
 Division: House Special Committee on Fisheries
 Approved by Chairman: Representative Carl E. Moses, Chair
 Agency: House Special Committee on Fisheries

Phone: 465-6848
 Date: March 16, 1994
 Date: March 16, 1994

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

North Pacific Fishery Management Council

Richard B. Lauber, Chairman
Clarence G. Pautzke, Executive Director

605 West 4th Avenue
Anchorage, Alaska 99501



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

Telephone: (907) 271-2809
FAX (907) 271-2817

#1-94

NEWSLETTER

01/25/94

North Pacific Fishery Management Council Meeting Summary

Discussion of comprehensive rationalization of the groundfish and crab fisheries dominated the agenda for the Council's January meeting held in Anchorage. The Council directed staff to concentrate on a license limitation management system for those fisheries at this time. Analyses of individual fishing quotas have not been completely abandoned but will be pursued more slowly. The Council also approved a regulatory amendment which will establish an early season "set-aside," with trip limits for halibut Area 4B. Superexclusive registration was also approved for the Norton Sound red king crab fishery. In addition, the Council received recommendations from its Halibut Charter Working Group on management measures for the halibut sports charter industry, and initiated an analysis of measures to monitor the high bycatch of chum salmon in the Bering Sea/Aleutian Islands groundfish fisheries. Details of these and other actions are included in this newsletter.

The Council will meet next the week of April 18 at the Hilton Hotel in Anchorage, Alaska. A draft agenda for that meeting should be available by April 1st. It is expected that issues on the agenda will include: final action on proposed management measures for the scallop fisheries, final action on proposed trawl closures around the Pribilof Islands, final details on the Sablefish/Halibut IFQ program, further discussion of a potential moratorium on entry to the halibut charter boat fisheries, potential increases in observer requirements to monitor chum salmon bycatch, a report on total weight measurement in the groundfish fisheries, and, further discussion of progress on the comprehensive rationalization program.

SSC Elections Held

The Scientific and Statistical Committee elected Terry Quinn as Chairman and Keith Criddle as Vice Chairman for 1994. Dr. Quinn, Professor of Population Dynamics at the Juneau Center for Ocean Sciences, University of Alaska, has been a member of the SSC for seven years and served as vice chairman for three years. Dr. Criddle, a Professor of Economics with the University of Alaska-Fairbanks, was appointed to the SSC in December of 1992.

IN THE NEWSLETTER

<i>NPFMC MEETING SUMMARY</i>	1
<i>SSC ELECTIONS</i>	1
<i>SABLEFISH/HALIBUT IFQs</i>	2
<i>COMPREHENSIVE RATIONALIZATION</i>	
<i>PLAN</i>	2
<i>DOCUMENTS AVAILABLE FOR REVIEW</i>	2
<i>NORTON SOUND KING CRAB</i>	3
<i>HALIBUT CHARTER ISSUE</i>	3
<i>HALIBUT MANAGEMENT</i>	4
<i>CHUM SALMON BYCATCH</i>	4
<i>UPCOMING MEETINGS</i>	4

Sablefish/Halibut IFQ Program

The Council was scheduled to discuss details of the sablefish/halibut IFQ program at the January meeting, but postponed this agenda item until the April 1994 meeting due to lack of time. The unresolved details will not affect the application and appeals process currently underway, and will be addressed by the Council in April.

Comprehensive Rationalization Program (CRP)

The Council devoted considerable time at the January meeting to the CRP issue, spending nearly four days discussing the specific elements and options for both Individual Fishing Quota (IFQ) and License Limitation alternatives. The specific alternatives and subalternatives identified by the Council at this time are detailed in Attachment 1 to this newsletter. A major directional decision was made by the Council concerning the timing and priority of the potential alternative management systems. The Council adopted a recommendation of its Advisory Panel, which voted 17-2 to identify License Limitation as the priority management system for both groundfish and crab. This action does not abandon IFQs as a potential management solution in the future, but does, at a minimum, indicate a step-wise process whereby License Limitation would be a necessary first step. There were several reasons the AP advanced this recommendation to the Council. First, a license system would bound the fleet and would be more straightforward and faster to implement; second, any form of IFQ system would be very complex and require extensive analysis and implementation time; and, third, the sablefish/halibut IFQ system will not be up and running until 1995. The original timeline for comprehensive planning assumed that IFQs for sablefish and halibut would be implemented earlier than 1995 and allow for observation of changes brought about to the fisheries. Many industry members are wary of moving ahead too quickly with IFQs for all fisheries until IFQ-related changes in the sablefish and halibut fisheries are more closely studied.

Over the next several months the Council staff will devote the majority of their time toward an analysis of the various License Limitation alternatives identified by the Council in Attachment 1. Some of the groundwork for these analyses, such as data bases and economic models, will be similar to those which may be used in a detailed analysis of IFQs in the future. The current workplan developed by the Council does not include a formal analysis of IFQs against License Limitation. Again, the charge of the Council is to develop, as expeditiously as possible, a License Limitation program for the groundfish and crab fisheries. Such a system could be up for initial review in June 1994.

As part of the License Limitation analysis, the Council also directed staff to begin examining two proposals related to the Full Utilization issue. Full retention of all groundfish as well as a 'Harvest Priority' proposal will be looked at as possible management measures to be implemented in conjunction with a License Limitation program. The Harvest Priority proposal would grant harvesting priorities to those operators who demonstrate low bycatch rates.

Council Documents Available for Public Review

Draft Scallop Fishery Management Plan

Deadline for Comments: April 6, 1994

Council will consider final decision at their next meeting the week of April 18.

Analysis of Proposed Trawl Closure around Pribilof Islands

Deadline for Comments: April 8, 1994

Council will consider final decision at their next meeting the week of April 18.

Norton Sound King Crab

In September, the Council initiated an analysis of a proposal to establish the Norton Sound red king crab area as a superexclusive registration area, under Council authority as a Category 1 management measure in the crab fishery management plan (FMP). That fishery has the smallest biomass and quota of the Bering Sea/Aleutian Islands crab fisheries, and has proved difficult to manage. Three alternatives were examined: status quo, an FMP amendment to make the Norton Sound king crab area a superexclusive registration area, and recommending to the Board of Fisheries that Norton Sound be designated an exclusive king crab registration area. The Council initially reviewed the analysis in December and released it for public review.

At the January meeting, the Council recommended amending the plan to establish Norton Sound as superexclusive. Vessels that participate in that fishery cannot participate in other BSAI king crab fisheries, such as Adak, Bristol Bay, Dutch Harbor, Pribilof, St. Lawrence, or St. Matthew, during the same registration year. Norton Sound will be the only superexclusive registration area authorized and will remain so unless amended. Rulemaking should be complete by the July 1, 1994 opening date for the fishery.

Halibut Charter Issue

The Council will continue to evaluate options to manage the guided sport halibut fishery in Alaska. The original proposal to set a cap on charter catch specified that action was needed because recreational halibut catches were increasing, halibut abundance was declining, and less halibut would be available to the directed commercial fishery. The sport catch, along with mortality from waste, bycatch, and personal use, are taken off the top of the overall halibut annual quota, and the directed setline fishery is allocated the remainder.

Last September, the Council considered this issue and received public testimony. Information indicated that the charter industry has grown and may be fully capitalized and that some type of limited entry program might be appropriate. A control date of *September 23, 1993* was set to notice the industry that a moratorium on the guided sport fishery may be implemented. The Council also established the Halibut Charter Working Group comprised of three commercial fishery representatives, one non-guided sport fishing representative, and six charter vessel representatives to examine traditional management tools and identify potential alternatives for managing this fishery.

The Working Group reported in January and recommended that the Council evaluate regional management areas and a logbook program for charter vessels, expand the creel survey, and evaluate individual annual catch limits (4 to 12 halibut per fisherman per year) for all recreational halibut fishermen. The legality of restricting the amount of recreational caught halibut that can be exported out of state will also be examined. The Council requested the Working Group to provide additional detail on these recommendations for the April meeting. The Council also tasked the Working Group to provide a clear description of regional charter operations and to develop suitable elements and options for a regional or statewide moratorium on new entry of halibut charter vessels instead of further considering a cap on the charter boat catch. The Working Group will report back to the Council in April.

Halibut Management

The Council took final action on a proposal by the Atka Fishermen's Association to set an early season set-aside with a trip limit in Area 4B (western Aleutian Islands). The objective of the proposal is to establish fishing opportunities for small local vessels by allowing multiple openings of short duration. In 1993, 10% of the Area 4B quota was reserved for early season openings (with no trip limit), resulting in 21, 12-hour openings. For 1994, the Council recommended that 15% of the Area 4B quota be set aside (reserved) for 12-hour halibut periods prior to a general opening in August, and that a 10,000-pound trip limit apply to the early season openings. These openings will be set at the International Pacific Halibut Commission meeting January 24-27. In 1995, 20% of the annual halibut quota is scheduled to be available for the halibut community development quota (CDO) program to communities in Area 4B if the Council's halibut/sablefish IFQ program is implemented.

Chum Salmon Bycatch

As requested by the Council in December, a report on the status of Arctic-Yukon-Kuskokwim (AYK) chum salmon was presented by ADF&G. Commercial and subsistence harvests of chum salmon in the AYK region were reviewed relative to conservation concerns. A report on chum salmon bycatch in the Bering Sea and Aleutian Island groundfish fisheries was presented by NMFS. In 1993, the BSAI groundfish fisheries incidentally caught 245,000 chum salmon, a large increase over historical levels (4,000 to 72,000 chum salmon). Most of the 1993 bycatch occurred in the 'B' season pollock fishery that opened August 15. Both historical and recent data indicate that most chum salmon bycatch consists of age 3 fish and occurs northwest of Unimak Pass, in the Catcher Vessel Operational Area (CVOA) and Federal Reporting Area 517.

Although the high bycatch in 1993 may have had only a minimal impact on 1993 AYK escapement, the Council remains concerned about the health of AYK chum salmon populations and associated social and economic impacts on the region. Towards that end, the Council urged NMFS to move ahead quickly with analysis of a regulatory amendment that would (1) expand current observer coverage to improve data collection, and (2) evaluate use of hotspot authority as a measure to reduce bycatch. The following observer changes would be made for the "B" pollock season that starts August 15, 1994:

1. 100% observer coverage for all trawlers under 125' in the BSAI CVOA (south of 56°N latitude between 168° and 163°W longitude) and Area 517.
2. Two observers on all trawlers over 125' in Area 517.

The Council will take final action in April and may vary the observer requirements based on the analysis provided.

Upcoming Meetings

February 9, 1994, 9:00 a.m.
Pacific Northwest Crab Industry Advisory
Committee
Alaska Fisheries Science Center
7600 Sand Point Way N.E., Bldg 4, Room 2039
Seattle, Washington
Contact: Arni Thomson, 206-547-7560

February 18, 1994, 8:30 a.m.
NPFMC Crab Consultation Committee
Old Federal Building, Room G45
605 W. 4th Avenue
Anchorage, Alaska
Contact: Clarence Pautzke, 907-271-2809

LICENSE SYSTEM FOR GROUND FISH

NATURE OF LICENSES

A groundfish license system would not apply to longline sablefish, halibut, or demersal shelf rockfish.

Alternatives include:

- Option A:** A single groundfish license applying to all species/areas.
- Option B:** Licenses for each species.
- Option C:** General license with endorsements for each species/area.

Suboption A: separable endorsements

Suboption B: non-separable endorsements

In addition to the options above, the Council is considering the following suboptions:

Suboption A: Separate licenses for catcher and catcher/processor operations.

Suboption B: Licenses for three catcher vessel size categories <60', 60' to 125', and >125'.

Suboption C: Licenses would be designated inshore or offshore based on 1993 activity.

Additionally, the Council is considering the following option, which is related to the IFQ alternatives described separately:

Licenses for BSAI Pacific cod fixed gear fishery only; would apply to 45% (or historical split) of the TAC set aside for fixed gear.

WHO WILL RECEIVE LICENSES

Alternatives include:

- Option A:** Current vessel owner is defined as date of final Council action and must be a U.S. citizen pursuant to Title 46.

Suboption A: Vessel owners at the time of landings.

Suboption B: Permit holders.

These two suboptions are only relevant if license is not attached to vessel.

Additionally, the Council is considering the two-tier skipper license program. (Under this option, at least one skipper license holder must be onboard the vessel when fishing.)

LICENSE SYSTEM FOR GROUND FISH

CRITERIA FOR ELIGIBILITY

Alternatives include issuing a license to any vessel (or person) who made landings between:

- Option A:** January 1, 1978 and December 31, 1993.
- Option B:** January 1, 1990 and December 31, 1993.
- Option C:** Vessel must have fished in the three-year period before June 24, 1992 and/or the three-year period before the date of final Council action. If a vessel is lost during this period, owner at time of loss is still eligible.

In addition to the options above, the Council is considering the following:

- Suboption:** Must have made at least 2 landings (per area/species combination) or made total groundfish landings of 5,000, 10,000, or 20,000 pounds (3 options) in any one year. (In addition to #1 or #2 above).

TRANSFERABILITY AND OWNERSHIP

Alternatives include:

- Option A:** Licenses could be transferred (sold or leased) only to "Persons" (as defined by Title 46), i.e., U.S. citizens or U.S.-owned corporations.
- Option B:** Vessels must be transferred with license.
- Option C:** License may be transferred without vessel (can apply to "new" vessel).
 - Suboption A:** Non-transferable across size categories identified above (Nature of Licenses).
 - Suboption B:** Licenses may be combined in a manner similar to that described in the Pacific whiting fishery.

Methods for effective license caps will also be examined.

BUYBACK PROGRAM (OPTIONAL)

An industry funded buyback program, using funds collected through a fee assessment of exvessel of groundfish, run by NMFS/RAM, will be initiated to govern all transfers of licenses. This program will have first right of refusal on licenses to be sold. All licenses purchased by the program may be permanently retired to adjust participation levels.

LICENSE SYSTEM FOR GROUND FISH

COMMUNITY DEVELOPMENT QUOTAS

Option A: ~~No~~ ~~set-~~ allocations.

Option B: CDQ set-asides of up to 15% (range of 0% to 15%) of any or all groundfish TACs, but only for BSAI communities meeting current CDQ eligibility requirements, patterned after current pollock CDQ program, with no sunset provisions.

Option C: Would grant CDQs in the form of additional, non-transferable licenses (3%, 7.5%, 10% and 15% of initial licenses).

LICENSE SYSTEM FOR BSAI KING AND TANNER CRAB FISHERIES

NATURE OF LICENSES

Alternatives include:

- Option A:** A single crab license applying to all species/areas.
- Option B:** A separate license for each species.
- Option C:** Separate licenses (permits) for each species and each area.
- Option D:** A general license with endorsements.

The following two suboptions (to be applied to the above) are being considered:

- Suboption A:** Separate licenses for catcher and catcher/processor operations.
- Suboption B:** Licenses for three catcher vessel size categories <60', 60' to 125', and >125'.
(These can be matched with pot limits.)

WHO WILL RECEIVE LICENSES

Current vessel owners as of Council final action. ("Persons" are defined as in Title 46.)

- Suboption:** Permit holders: Each permit holder not receiving a permit, could receive a fractional share of a license. Only full shares may be fished, and these must be utilized on a "moratorium qualified vessel."

Additionally, the Council is considering the two-tier skipper license program. (Under this option, at least one skipper license holder must be onboard the vessel when fishing.)

CRITERIA FOR ELIGIBILITY

A vessel must have made landings between:

- Option A:** January 1, 1978 and December 31, 1993.
- Option B:** June 28, 1989 and June 27, 1992. (This corresponds to the existing fall/winter crab seasons in the BSAI, and includes the 1989/90, 1990/91 and 1991/92 registration years.) A vessel (person) must have made at least 1 landing in the red and blue king crab fisheries, (3 landings in each of the brown king crab, *C. opilio* (snow crab) and *C. bairdi* Tanner crab) fisheries during the qualifying period.

The qualifying period for the Dutch Harbor red king crab fishery would be June 28, 1980 and June 27, 1983.

The qualifying period for the Pribilof blue king crab fishery would be June 28, 1985 and June 27, 1988.

(NOTE: a fish ticket is considered a landing. During longer seasons, Tanner or brown king crab catcher processors fill out weekly fish tickets).

LICENSE SYSTEM FOR BSAI KING AND TANNER CRAB FISHERIES

TRANSFERABILITY AND OWNERSHIP

Alternatives include:

Option A: Licenses could be sold only to "Persons" (as defined by Title 46), i.e., U.S. citizens or U.S.-owned corporations.

Option B: Vessels must be transferred with license.

Suboption: Replacement/upgrades will be restricted as per the language in the moratorium regulations.

Option C: License may be transferred without vessel (can apply to "new" vessel).

- Suboptions:**
- (a) Non-transferable across size categories identified above.
 - (b) Transferable across size categories.
 - (c) Species/area licenses will be non-transferable.
 - (d) Transfers of vessel license may occur only within the classification of the vessel (Catcher vessel v. Catcher processors). Catcher vessel licenses may be traded to catcher vessels, catcher processor licenses to catcher-processors, catcher processor licenses to catcher vessels (as a catcher vessel only), but not catcher vessel licenses to catcher processors for catching and processing.
 - (e) Replacements/upgrades will be restricted as per the language in the moratorium regulations.

POT CAPS

Alternatives include:

Option A: No caps on the total number of pots.

Option B: Caps are established on the total number of pots.

An Individual Transferable Pot (ITP) quota is initiated, such that the number of pots equates to the existing pot limit relative to the number of vessels with licenses for each fishery. An ITP would allow stacking of pots to occur, where a person owning multiple vessels could combine pots and vessels as they wished. Effort reduction could occur in each fishery, if necessary, by reducing some percentage of the number of individual pots over time until an optimal fishery pot cap is obtained.

LICENSE SYSTEM FOR BSAI KING AND TANNER CRAB FISHERIES

BUYBACK PROGRAM (OPTIONAL)

An industry funded buyback program, using funds collected through a fee assessment of ex-vessel of crab, run by NMFS/RAM, will be initiated to govern all transfers of licenses. This program will have first right of refusal on licenses to be sold. All licenses purchased by the program may be permanently retired to adjust participation levels.

COMMUNITY DEVELOPMENT QUOTAS

- Option A:** No allocations to CDQs.
- Option B:** Initially allocate 3%, 7.5%, 10% or 15% of the GHL by species and CDQs may apply to any or all crab species, but only for BSAI communities meeting current CDQ eligibility requirements, patterned after current pollock CDQ program, with no sunset provisions.
- Option C:** Would grant CDQs in the form of additional, non-transferable licenses (3%, 7.5%, 10% and 15% of initial licenses).

IFQs - GROUND FISH AND CRAB

SPECIES FOR INCLUSION

- Option A:** All species under Council jurisdiction, including PSCs, excluding demersal shelf rockfish.
- Option B:** Under Option A, a percentage (either 45% or historical split) of BSAI Pacific cod would be set aside for a fixed gear License Limitation program.

AREAS

IFQs for all species and PSCs will be awarded based on current management areas.

CRITERIA FOR INITIAL QS QUALIFICATION

Initial QS will be awarded to vessel owners as of the date of final Council action, based on the catch history of their vessel(s). In addition, the Council is considering the following:

- Suboption:** For GOA fixed gear fisheries, allocate initial QS to owner at time of landing.

The Council also is considering the following recent participation requirement for QS qualification:

Vessel must have fished in three-year period before June 24, 1992 and/or 3-year period before date of final Council action. If vessel is lost during this period, owner at time of loss is still eligible.

COMMUNITY DEVELOPMENT QUOTA (CDQ) CONSIDERATIONS

In addition to allocating QS to current vessel owners, the Council may make initial allocations to CDQs as shown below:

- Option A:** No allocations to CDQs.
- Option B:** Initially allocate 3%, 7.5%, 10%, or 15% (options range up to 15%) as CDQs; may apply to any or all groundfish/crab species; but only for BSAI communities meeting current CDQ eligibility requirements, patterned after current pollock CDQ program, with no sunset provisions.

IFQs - GROUND FISH AND CRAB

SKIPPER CONSIDERATIONS

The Council is also considering the following options for including skippers in the IFQ program.

Option A: No allocations to skippers.

Option B: Initially allocate 3%, 5%, or 10% (options range up to 10%) to 'bona fide' skippers (based on landings attributable to each skipper, or based on time spent in a given fishery).

Suboption A: For the purposes of initial allocations, a 'bonafide skipper' is any skipper who ran a vessel and landed groundfish or crab in a relevant fishery.

Suboption B: QS allocated under Option B shall form a separate QS pool. Subsequent transfers of QS in this pool shall be restricted to 'bona fide skippers.' For the purposes of subsequent transfers, a 'bona fide skipper' is any individual who received an initial skipper pool QS allocation or any individual who meets an industry approved 'professionalization qualification scheme.' (The intent is to provide for an entry-level access mechanism and to promote safety through professionalization. The qualifications cannot be overly restricting so as to create a closed class.)

PROCESSOR CONSIDERATIONS

The following options are being considered relevant to processors:

Option A: Assign separate processor QS (2-pie system). See separate description for elements of this program.

Option B: Require a minimum percentage of harvest IFQs to be delivered shoreside (% will be based on last two years' average for each species for BSAI & GOA separately).

Option C: Direct allocation of harvesting QS to catcher boats, catcher-processors and shorebased processors (1-pie system).

Note: The analysis will include the impacts of providing no protection to onshore processors.

IFQs - GROUND FISH AND CRAB

INITIAL QS CALCULATION

The following primary options are being considered for calculating QS of qualified recipients (all options will be analyzed on the basis of retained (when available) and reported catch):

Option A: QS based on catch of vessel from 1976 to either June 24, 1992 or date of final Council action (pre-1984 JV catch assigned based on average by fishery, by year, for vessels which participated).

For Option A, the following suboptions are being considered for weighting factors:

Suboption A: No weighting by sector.

Suboption B: Weight DAP 3.5:1 JV.

Suboption C: Weight DAP 2:1 JV.

Suboption D: For JV before 1986 and for DAP before 1989, weight at 2:1.

Option B: QS based on catch of vessel from date of full DAP (by species) to either June 24, 1992 or date of final Council action.

Option C: QS based on catch of vessel from 1993 only.

Option D: Analyze QS based on catch for 1990-91-92.

Option E:

- (1) To qualify, vessel must have fished in 1991, 1992, or 1993.
- (2) Owner chooses best year from 1991, 1992, or 1993 as base for QS calculation (BSAI and GOA separately.)
- (3) QS credit then weighted based on length of involvement of vessel in each fishery since 1983. Base QS would be multiplied by length of involvement to determine total QS credit.

Suboption: The length of the involvement period multiplier may be further modified for the BSAI longline cod fishery to account for the relatively recent opening of that fishery. (Using 1983 as the base, each year in the fishery may be multiplied by 1.0, 1.5, or 2.0.)

In addition to the options shown above, the Council is considering the following possible alternatives which are specific to Pacific cod in the BSAI. If either of the options below is chosen, the calculation alternatives shown above would still apply for the remaining fisheries.

Option A: Allocate Pacific cod QS at 45% for fixed gear recipients/55% for trawl gear.

Option B: Allocate Pacific cod QS by gear types based on historical split. We will examine: (1) back to 1976, (2) back to date of full DAP for Pacific cod, and (3) 1993 only to determine historical split.

Unless otherwise directed, same initial QS calculation options apply to divide QS among participants in each sector.

IFQs - GROUND FISH AND CRAB

TARGET/BYCATCH CALCULATIONS

For the QS calculation alternatives described above, the following species will be considered target species:

BSAI

pollock
Pacific cod
Atka mackerel
yellowfin sole
other flatfish
rockfish
squid (fixed gear only)
rocksole
turbot

GOA

pollock
Pacific cod
deepwater flats
shallow water flats
Atka mackerel
rockfish

Whichever option is chosen, QS amounts for each species will be calculated based on catch, then adjusted based on average bycatch rates (or industry-derived bycatch rates) to achieve initial 'bundles' of target/bycatch species and PSC species. The Council has discussed the issue of basing QS calculations on retained, as opposed to reported, catch. As noted earlier, options will be analyzed on the basis of retained, when available, and reported catch.

TRANSFERABILITY PROVISIONS

Any or all of the following options may apply:

- Option A:** No restrictions.
- Option B:** Two year restriction on sales only (could lease).
- Option C:** For groundfish only, non-transferable between fixed and mobile gear categories.
- Option D:** For crab fisheries only, non-transferable across catcher vs. catcher/processor categories.
- Option E:** IFQs will not be tied to a particular gear type after initial issuance.
- NOTE: Normal legal gear regulations will still apply, i.e., unless the Council changes its regulations, trawl gear could not be used to harvest crab.*
- Option F:** Restriction on QS transfers between inshore and offshore sectors. Range (of duration) for analysis to include 5 years, 10 years, and no transfers. This applies to both groundfish and crab.

With regard to PSC QS/IFQ, 3 options are being considered:

- Option A:** PSC QS/IFQ are tied to initial bundles and are not transferable.
- Option B:** PSC QS/IFQ are tied to initial bundles and must be transferred with bundles.
- Option C:** PSC QS/IFQ are transferable separately from the initial bundles.

IFQs - GROUND FISH AND CRAB

USE/OWNERSHIP PROVISIONS

The following options are being considered relative to accounting under the IFQ program. These options will affect an operator's ability to match IFQs to catch, and also relate to the ability to manage the program effectively within the overall TACs.

Option A: Must control IFQs to cover expected catch before fishing.

Option B: Overage program as with sablefish and halibut program.

The following use/ownership provisions may also be considered by the Council:

Option A: Require a percentage of harvest IFQs to be delivered shoreside (% will be based on last 2 years' average for each species). This option was also included under 'PROCESSOR CONSIDERATIONS'.

Option B: Ownership caps would be set at .1%, 1%, 5%, 10%, or any number in that range and would apply to the BSAI and GOA separately. Same caps would apply to the skippers' quota share pool. Skippers' shares keep their identity after initial distribution. Initial allocants would be grandfathered.

GENERAL PROVISIONS

- * Allocations represent a use privilege; however, the Council could alter or rescind the program without compensation.
- * Council should pursue some level of administrative fee extraction to fund program, if Magnuson Act is amended.
- * The U.S. ownership definitions used in the Halibut/Sablefish IFQ regulations should be used in analyzing both the initial issuance and the subsequent transfer of QS/IFQs. Would examine the implications of foreign ownership including an analysis of the Pacific Council's foreign ownership provisions.
- * An analysis of the impact of various fee collection levels and mechanisms is required. This analysis will differentiate between administrative fees and rents.

PROCESSOR QUOTAS - GROUND FISH AND CRAB

SPECIES FOR INCLUSION

Option A: All species for which IFQs are issued, except longline sablefish, halibut, demersal shelf rockfish, and PSCs.

AREAS

Processor shares/individual processor quotas (PS/IPQs) are not area specific.

CRITERIA FOR INITIAL PS QUALIFICATION

Initial PS will be awarded to current processor (shorebased or at sea) owners as of the date of final Council action, based on the processing history of their processor(s). In addition the Council is requiring that a processor must have processed groundfish/crab in the three-year period before June 24, 1992 and/or the three-year period before the date of final Council action. If processor is lost during this period, owner at time of loss is still eligible.

Option A: PS designated by inshore and offshore sectors.

Option B: PS is not designated by inshore/offshore sectors.

In addition, the Council is considering the following suboption:

Suboption: For all GOA fixed gear fisheries, allocate to processors at the time of processing.

COMMUNITY DEVELOPMENT QUOTA (CDQ) CONSIDERATIONS

In addition to allocating PS to current processor owners, the Council may make initial allocations to CDQs as shown below:

Option A: No allocations to CDQs.

Option B: Initially allocate 3%, 7.5%, 10%, or 15% (options range up to 15%) as CDQs; may apply to any or all groundfish/crab species, but only for communities meeting CDQ eligibility requirements patterned after the current BSAI pollock CDQ program, with no sunset provision.

PROCESSOR QUOTAS - GROUNDFISH AND CRAB

INITIAL PS CALCULATION

The following primary options are being considered for calculating PS of qualified recipients. Whichever option is chosen, PS amounts for each species will be calculated based on fish tickets and weekly processor reports, then adjusted based on average bycatch rates to achieve initial 'bundles' of target/bycatch.

- Option A:** PS based on activity by processor from 1984 to either June 24, 1992 or date of final Council action.
- Option B:** PS based on activity by processor from date of full DAP (by species) to either June 24, 1992 or date of final Council action.
- Option C:** Based on retained catch rather than reported catch, where data available.

TRANSFERABILITY PROVISIONS

Any or all of the following options may apply:

- Option A:** No restrictions.
- Option B:** Two year restriction on sales only (could lease).
- Option C:** Non-transferable between fixed and mobile processors.
- Option D:** Transferability between inshore and offshore processors to be limited such that inshore processing is not less than the current inshore proportion of total processing ("current proportion" to be based on last two years' average processing activity by species, for BSAI and GOA separately).

PROCESSOR QUOTAS - GROUND FISH AND CRAB

USE/OWNERSHIP PROVISIONS

- Option A:** Must control IPQs to cover expected processing before activity.
- Option B:** Overage program as with sablefish and halibut program.

GENERAL PROVISIONS

- Allocations represent a use privilege; however, the Council could alter or rescind the program without compensation.
- Council should pursue some level of administrative fee extraction to fund program, if Magnuson Act is amended.
- The U.S. ownership definitions used in the Halibut/Sablefish IFQ regulations should be used in analyzing both the initial issuance and the subsequent transfer of PS/IPQs. Would examine the implications of foreign ownership including an analysis of the Pacific Council's foreign ownership provisions.
- An analysis of the impact of various fee collection levels and mechanisms is required. This analysis will differentiate between administrative fees and rents.

**NORTH PACIFIC FISHERY
MANAGEMENT COUNCIL
P.O. BOX 103136
ANCHORAGE, AK 99510**



U.S. OFFICIAL MAIL

PENALTY
FOR
PRIVATE
USE \$300
METER
2311027

U.S. POSTAGE

0.52

FIRST CLASS MAIL

MOSES, CARL - REP
STATE CAPITOL
POUCH V - MS 3100
JUNEAU, AK 99801-1182

RECEIVED
JAN 27 1994

Ans'd.....



* PLEASE PRINT AND INCLUDE *
 COMPLETE MAILING ADDRESS

HOUSE RESOURCES COMMITTEE

DATE: 3/25/94

PLACE: Capitol, Room 124

SUBJECT OF MEETING:
 HB 498 - MINERAL EXPLORATION INCENTIVE CREDITS
 HB 443 - FISH AND WILDLIFE CONFIDENTIAL RECORDS
 HJR 61 - COMMUNITY DEVELOPMENT FISHING QUOTAS

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Wayne Regelin	Fish & Game	PO Box 25526 Juneau	99801			<input checked="" type="radio"/> Y	<input type="radio"/> N	HB 443
Carl Meyer	REVENUE	PO Box 110420 Juneau	99801	465-2343		<input type="radio"/> Y	<input checked="" type="radio"/> N	HB 498
KAREN BRAND	Rep MOSES	Rm 204		3765	3765	<input checked="" type="radio"/> Y	<input type="radio"/> N	HJR 61
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	