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HOUSE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY

Introduced:
Referred:

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning Senate Bill No. 347, relating to moratoria on entry into**
3 **commercial fisheries and into the Gulf of Alaska groundfish fisheries.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
6 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
7 changes to the title of a bill, are suspended in consideration of Senate Bill No. 347, relating to
8 moratoria on entry into commercial fisheries and into the Gulf of Alaska groundfish fisheries.



Alaska State Legislature

Please enter into the record by testimony to the House Fisheries Committee
COMMITTEE NAME
committee on SB 347, dated 5 April 2004
BILL / SUBJECT TODAY'S DATE

Honourable Paul Seaton, chair

I support a moratorium on new entrants in The state water groundfish fishery in order to protect coastal fishermen from the changes made by the Federal groundfish rationalization.

However, any award of permanent fishing rights should go to fishermen and not vessels. We must stop the trend ~~to~~ of moving fish ownership out of state.

Signed: Mako Haggerty MAKO HAGGERTY
TESTIFIER

REPRESENTING

PO Box 2001 Homer AK 99603
ADDRESS

907 235-9055
PHONE NO.

Subject: [Fwd: SB347]

Date: Mon, 19 Apr 2004 18:19:59 -0800

From: Paul Seaton <Representative_Paul_Seaton@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Cameron Yourkowski <Cameron_Yourkowski@legis.state.ak.us>

Subject: Re: SB347

Date: Mon, 19 Apr 2004 08:07:09 -0800

From: "Mako Haggerty" <mako@xyz.net>

To: "Paul Seaton" <Representative_Paul_Seaton@Legis.state.ak.us>

Dear Mr. Seaton

Re: SB347

I oppose any award of fishing rights to the vessel. Fishing privileges must be awarded to the **Fisherman**, the person actually doing the fishing. This may not be as expedient for the bureaucrats in CFEC, but it maintains the integrity and reduces the impact on coastal fishing communities.

Please do not create an absentee-owner fishery like HB206 did for the hair crab fishery.

Respectfully,

Mako Haggerty

Homer

Subject: yes

Date: Sun, 18 Apr 2004 17:38:07 -0800

From: Paul Seaton <Representative_Paul_Seaton@Legis.state.ak.us>

Organization: Alaska State Legislature

To: 1 <Lauren_Radcliffe@legis.state.ak.us>

The legislature, and more specifically the House Fisheries Committee, has been struggling with a request for a moratorium on new entrants into any state water groundfish fishery. This includes all saltwater species other than shellfish, salmon, herring, and halibut. The request for this moratorium came from the Board of Fisheries' concern with conforming to a potential GOA federal "rationalization". SB 347 was based on vessel ownership instead of fishery permit holders as has been the state policy since limited entry was created in 1972. Although this is a 'temporary' plan, it would set the train on tracks that most Alaskans fought two years ago in the HB206 process that allowed corporate ownership of fishing privileges for the first time. HB 206 limited consideration of a vessel owner based system to only the Korean Hair Crab and Scallop fisheries and mandated that vessels could only be used if the traditional fishing permit based system could not work. This policy change sunsets in five years. However, CFEC adopted both as vessel based systems because they argued it was more "efficient", "a vessel-based permit program ... is similar to the federal license limitation program..." and finally, "...is least disruptive..." (CFEC March 25, 2004 page 4). Since CFEC developed these type of criteria, I expect all future entry permit programs will be vessel based if we allow CFEC the option of determining state policy. The bill also has a life of 4 years with an extension of 2 years and splits up the Gulf of Alaska into 20 specific fisheries in which the vessel would have needed to participate at least once since 1998 to be able to fish during the moratorium. Unfortunately, CFEC and the ADF&G maintain that we would have to allow participation during these years to count towards future allocation because of "recent participation" and "dependence on the fishery" issues. A big problem is that there were only 467 total participants in 2003 and there would be 1017 qualified vessels. This could create a 'race for the fish' from 550 non participating moratorium vessels if there is expectation that there could be some type of quota share program. The moratorium is intended to be protecting the state waters from a 'race for the fish' from 467 federally licensed vessels who do not currently participate in State waters. So in reality, we could be creating a bigger race for fish among the moratorium vessels which obviously have gear and experience in the areas, than we protect from federal vessels. Another problem which the proposal creates is conflict with the Alaska Supreme Court opinion that limited entry is only allowed when necessary and in a way that least impinges

on 'open access' to the commonly held resource. Article VIII Section 15 allows a special privilege of fishery for resource conservation and to prevent economic distress among fishermen. However, many of the fisheries which SB 347 would close to new

entrants are not fully utilized. Even the State water Pacific cod fishery guideline harvest has not been met in

Prince William Sound and many miscellaneous finfish species in each area go under harvested. How do we

justify closing entry into fisheries for possibly 6 years, which we are trying to develop?

The Fisheries Committee has been working on compromises.

One proposal was an entry permit area and gear endorsement which would have

functioned the same way as the vessel system but based on current limited entry interim use permits. Another

proposal was for requiring a combination of both types of permits to be on board. However, the fishery area and

gear were assigned to the vessel while the fishermen could go anywhere and operate any gear. This policy would

therefore tend to assign the production to the area and gear - i.e. vessel - and again would give CFEC the policy

flexibility to design the vessel based program. I am now proposing a entry permit based system for only a single

year with an extension available for only one additional year. I think this gets us past the problem of letting CFEC

determine the state policy and gets us past the necessity to use any moratorium production or participation for

future program as we have with an extended moratorium.

It is late in a very full and contentious session to establish a whole new policy direction for the State's fisheries.

We are still just getting responses to our data requests.

We have another hearing on Monday starting at 9 am, so please send an email, fax or go to your LIO for the teleconference.

Subject: SB 347**Date:** Fri, 26 Mar 2004 10:52:08 -0900**From:** "Gerry Merrigan" <gmerrigan@aptalaska.net>**To:** <Representative_Paul_Seaton@legis.state.ak.us>

CC: "Peggy Wilson" <Representative_Peggy_Wilson@legis.state.ak.us>,
 <Representative_Cheryll_Heinze@legis.state.ak.us>,
 <Representative_David_Guttenberg@legis.state.ak.us>,
 <Representative_Les_Gara@legis.state.ak.us>,
 "" <Representative_Dan_Ogg@legis.state.ak.us>:
 <Representative_Ralph_Samuels@legis.state.ak.us>,
 "Sue Aspelund" <sue_aspelund@fishgame.state.ak.us>

Mr. Chairman and members of the House Special Committee on Fisheries,

I am writing you in support of SB 347 which would establish a vessel moratorium in GOA statewater groundfish fisheries. I support this bill for the following reasons:

- 1.) As you are probably aware, the groundfish seasons in the GOA are becoming progressively shorter and shorter and are down to weeks and days respectively in the p-cod and pollock fisheries (despite a recent increase in TAC). This is primarily due to increased effort. Federal fisheries management is looking to end the race for fish in federal waters in order to reduce bycatch, improve product quality, promote safety at sea, and in general, make the fisheries more "rational." All of these factors have been further complicated by the Steller sea lion mitigation measures under the Endangered Species Act. However, the federal effort towards a "rational" fishery will be pointless without some complementary action in statewaters.
- 2.) The statewaters fisheries include the parallel and the state-managed fisheries.
- 3.) The participants in the federal and state fisheries are the same vessels. Over half the participants are Alaskans (50%-62% depending on area and gear type). It is not an "us vs. them" scenario because we are talking about the same people, i.e. "us" is "them". Alaskans with historical participation in federal and state fisheries in GOA groundfish are looking for relief in rationalization. Alaskans with historical participation and significant investments are not looking to greatly expand these fisheries. These fisheries are fully utilized and expanding the number of entrants would be a "de-rationalization" program.
- 4.) A vessel moratorium will serve as a time-out on an increase in capacity (number of boats). If for example, you were to consider a moratorium on participants (people) instead of vessels, what will happen is a large expansion of the capacity of the fleet. The reason being that one vessel may have many skippers, particularly in the larger vessels. With a vessel moratorium, that is one permit. With a moratorium on operators, that would result in multiple permits be issued which would increase the number of potential eligible vessels.
- 5.) The vessel moratorium will allow ADF&G and CFEC time to gather the data on individual fisheries. When that data is gathered, there will be a public process to determine if that fishery should be limited and if so, which method would best preserve the historic composition - vessel or operator. By choosing a vessel moratorium now, it does not mean that every fishery will end up as a vessel limited entry license. Choosing a vessel moratorium now makes the most sense in terms of fleet capacity and provides CFEC the flexibility to determine the most appropriate method for each fishery.

Thank you for your consideration. Please excuse for not testifying in person but the NPFMC is meeting in March 29-April 6.

Gerry Merrigan

Prowler Fisheries

Box 1364

Petersburg, AK 99833

Member of the BOF GOA Rationalization Committee



Alaska State Legislature

Please enter into the record by testimony to the House Fisheries Committee
COMMITTEE NAME
committee on SB 347, dated 5 April 2004
BILL / SUBJECT TODAY'S DATE

Honourable Paul Sexton, chair

I support a moratorium on new entrants in The state water ground-fish fishery in order to protect coastal fishermen from the changes made by the Federal groundfish rationalization.

However, any award of permanent fishing rights should go to fishermen and not vessels. We must stop the trend ~~to~~ of moving fish ownership out of state.

Signed: Mako Haggerty MAKO HAGGERTY
TESTIFIER
REPRESENTING
PO Box 2001 Homer AK 99603
ADDRESS
907 235-9055
PHONE NO.

Jason Tandler
P.O. Box 4471
Kodiak, Alaska 99615
(907) 486-0205

I'm Jason Tandler of Kodiak, Alaska; a full time, year round, life-long fisherman. I own my own home in Kodiak and three rental units. I also hold a Kodiak Salmon Seine permit. Unlike the present regime involved in scalloping, I'm an Alaskan here to stay.

From scratch, I rigged the F/V Captain Joe here in Alaska for scalloping back in either 1994 or 1995. (Please understand I'm writing this on the boat in the Bering Sea with no access to my records or a dictionary.) I was the permit holder and Captain. We fished Kodiak waters and Area M. We landed trips in Kodiak, Dutch Harbor, Sand Point and Seward. Additionally, I scalloped here in Alaska on the F/V Carolina Girl II, F/V Tradewinds, F/V Provider, F/V Ocean Hunter (crabbed also) and I fished on the F/V Forum Star. I made pretty much every trip in some capacity from 1993 until 1999, when the "co-ops" were formed and pounds per vessel assigned. At that time I was the engineer on the Provider where there was about a five year span that I was associated with that boat or the F/V Legacy, one of the company's bottom factory trawlers. Predictably, as soon as the co-op became binding, our crew settlement was lowered by approximately 18%. The F/V Pursuit, (owned by Mark and Theresa Kandianus partner) left for the more profitable east coast and was sold. (New Bedford, a scallop town, is the #1 dollar port over even Dutch Harbor.) The Carolina Girl II went east and was sold. The Carolina Boy and the Arctic Lady ** went back east to their homes. Their Alaskan quotas were consolidated. Many of us here were left without jobs. Not only did Mark and Theresa lower our settlement, but they charged one dollar per pound to fish the Pursuits quota that belonged to us all as citizens up until then. The Provider, it's owners, it's new Captain and their families moved their homes their offices and their local business revenue, (fuel, groceries, repairs, welding, gear, crew pay, ect....) to Bellingham, Washington where they still remain. They told us long-time crewmembers, mostly State of Alaska residents, that if we were dissatisfied with our significantly lower pay that they had plenty of low pay foreign workers on their factory bottom trawlers who would gladly replace us. Needless to say, we all quit or got fired.

How would you feel if the Federal Government walked into the Entry Commission office and told you they were taking over control of, say the salmon industry. Your pay was cut and the difference was going to their pay. You could and probably would be replaced by an unskilled foreigner and P.S. - forget any ambitions for advancement ever. (My analogy assumes advancement to owner/operator, which has always been my goal since I started at age 16 - I'm 43 now.)

There exists a tremendous opportunity for the very hard hit coastal communities in whose backyard the resource exists to gain from scalloping. The basic infrastructure is in place now for smaller salmon sized boats to fish and profit from our state waters if allowed. I will, or could have, depending on you. The two big freezer/factory boats (Provider and Ocean Hunter) would still prevail; as for sure they will always control the offshore federal grounds, especially the Bering Sea. They will always have the advantage in being large, high-powered freezer boats with room for 12 processors capable of working in all

weather. The Provider is often meeting a tramper and anchoring in our bays to unload Alaskan scallops that never touch Alaska. They buy their fuel and get re-supplied and refueled directly from Washington or beyond. No lost fishing time and nothing for Alaska. That brings up another point: I don't have access to actual figures but I'll bet a steak dinner that over 80-90% of all scallops harvested in Alaska, (both state & federal) are landed by only two boats, both based in Washington. In an area as vast as Alaska, how can that be? Granted that makes for an easily managed fishery but it also raises some ethical if not legal issues. (Anti-trust, monopoly of a public resource.) Continuing the status quo enables a system that was not installed with Alaska's, Alaskans or the resources best interest at heart, but was created through professional lobbying, contributions and general political courtship to provide a very few already wealthy, out of state boat owners complete power over a very lucrative and large public resource. This windfall was at the expense of us whose careers were already in scalloping. The potential for us Alaskans to have access to our backyard is in your hands and I urge you to act morally, do the right thing and allow scalloping to be accessed by a larger and local user group.

Being a former scallop permit holder, I would be less than truthful if I were not to admit that I would love to see you do what has always been done in Alaska. Grant the actual users (fisherman - not necessarily the boat owner) specifically former and present permit holders (with landings) limited entry rights. Better yet announce starting at a fair time in the future (2 years?) the fishery will temporarily be open access with a several year qualifying period transforming into limited entry. No matter what, just like salmon and other limited entry fisheries including halibut / black cod the permit holder should have to be on the boat except for emergency medical transfers. If nothing else please really deep down consider the value of this request. This keeps the fishery in the hands of the people actually doing it, not absent out of state boat owners. The crew you have to work, eat, sleep and live with is much more likely to be treated responsibly and professionally. It would put a stop to having only two boats also. If this rule is not implemented then let me be the first of many to lobby for the ability to hire a skipper to fish my state salmon permit without me being there since you will be setting the precedent. The present system of scallop management embraces a co-op. I thought state policy was not presently endorsing new co-ops with the on going Chignik controversy. Is this the signal for all salmon permit holders to start looking at forming co-ops? Is the state reversing its position? No one person, boat, partner, corporation or any combination there of should control more than 20% of the total allowable catch unless the scallop fishery is open access. Maybe a system of allowing a maximum of 500 pounds per day open access from the total allowable catch limited to small boats would create a fair compromise. There could be mandatory daily reporting via radio/satellite to ease management. All scallops must be landed in Alaska. The two golden boats will still dominate federal waters and if they qualify, [fish] state waters. Present A.D.F. & G. management in Kodiak seems very pleased with the status quo and I sure hope that is because of the ease in managing so few boats. If expanding the number of participants is too difficult for one manager then maybe an addition in personnel is in order. That could help eliminate the future possibilities of any improprieties from occurring. This and all the rest of the fisheries should be managed with a careful balance of conservation versus the best financial interests of our state and it's residents. That is not what is happening here.

This may not be the correct forum for my next point but I know, as do the biologists, that there is a vast, untapped resource in large areas that are closed predominately in state waters. There is no reason to not responsibly fish these areas. Almost every bay deeper than forty fathoms in Kodiak, almost every bay on the Mainland from Augustine to at least Unimak and probably beyond; the whole south end of Kodiak, especially Chirikof Island is loaded with giant scallops dying of old age in protected waters. (Small boats can fish when rough.) I will no doubt misspell his name and my apologies if so - Bill Nepes was the Western regional director of Fish and Game shellfish (Jeff Barnhart's job now) when I ran the Captain Joe. We talked far beyond the actual debriefings. He was of the opinion that there were vast areas that should be opened to the benefit of a more diverse scallop fishery. Maybe we can open new grounds to new local participants. The two golden boats can own the rest of our state.

This is an extremely emotional issue to me after being kicked out the scallop club mid-career because I was not willing to work longer and harder for less pay with unskilled workers with no advancement, ever. I could care less about Kandianus, but to the rest of the sore toes I stepped on, sorry, especially to the Ocean Hunter group whom I greatly admire and who I hope might still consider me their friend. I know there are a lot of different perspectives to consider here but the governments responsibility should be to the whole - not a select few based on their previous wealth.

Really complicating the whole issue is the state management of the federal fishery and how far it is willing to go compromising its residents best interests to keep that control. Maybe someone would have the Justice Department look into this? A two boat closed federal fishery is a failed system, obviously.

I wish to thank you in advance for your time and consideration. You have the unique chance of righting something very wrong. Please take advantage of this opportunity, especially with Gulf of Alaska Rationalization looming. Think about it.....is this the forecast of the Gulf after rationalization, after several years of consolidation? Two Factory Boats?

Howard Torsen
P.O. Box 89
Ouzinkie, AK 99644

April 23, 2004

House Fisheries Committee
Representatives Ogg & Scaton
State Capital
Juneau, AK 99801

Re: State Waters Moratorium

Dear Committee Members,

I grew up in Ouzinkie and serve on the Ouzinkie Corporation Board. I've fished all of my life. I oppose a moratorium on the State of Alaska ground fish fisheries. I especially oppose including the State Waters codfish fishery in the moratorium. I advocated for the creation of this fishery and don't see any reason to shut it down.

I've been active in the Council process on the rationalization of the Gulf of Alaska Federally managed groundfish fisheries. I've seen efforts by large vessels -- especially trawl vessels -- to close fisheries, obtain their vessel permits and ensure their market share. I've also seen what happens when licenses are issued to vessels and how owners tend to move South -- how many of the 40 plus vessels in Kodiak are owned by residents in Kodiak, probably less than 10.. It appears that the folks that work for these large vessel owners at the Council have now crossed over and are influencing the State in its decision making. Otherwise, why would the State even consider qualifying folks for a moratorium based on vessel participation. This is a bad idea.

In my role as a Ouzinkie board member, I have worked hard to bring fisheries related opportunities back to Ouzinkie. We funded much of the effort to establish eligibility for rural communities to purchase and hold halibut and sablefish IFQs -- Amendment 66. This will enable Ouzinkie to create a "endowment" in quota share for fishermen in perpetuity. Your moratorium is a step in the other direction. Rather than providing opportunity, it will shut out Ouzinkie fishermen from the State's groundfish fisheries -- the very fisheries the State of Alaska, as trustee for Alaskan residents, should be encouraging rural residents to participate in.

I could go on and on about problems with the Legislature's involvement in this moratorium and the inequities it will cause --- especially if you only use recent years. Just let me conclude by encouraging you not to move SB 347 out of committee.

If you have additional questions regarding my comments, please do not hesitate to contact me.

Sincerely yours,



Howard Torsen

Subject: Re: SB347

Date: Mon, 19 Apr 2004 08:07:09 -0800

From: "Mako Haggerty" <mako@xyz.net>

To: "Paul Seaton" <Representative_Paul_Seaton@Legis.state.ak.us>

Dear Mr. Seaton

Re: SB347

I oppose any award of fishing rights to the vessel. Fishing privileges must be awarded to the **Fisherman**, the person actually doing the fishing. This may not be as expedient for the bureaucrats in CFEC, but it maintains the integrity and reduces the impact on coastal fishing communities.

Please do not create an absentee-owner fishery like HB206 did for the hair crab fishery.

Respectfully,

Mako Haggerty

Homer

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

APRIL 20, 2004
KODIAK, AK 99615

REPRESENTATIVE PAUL SEATON
HOUSE SPECIAL COMMITTEE ON FISHERIES
ALASKA HOUSE OF REPRESENTATIVES

SIR,

I OWN MY OWN BOAT. I PAY FOR THE
FUEL, INSURANCE, FISHING GEAR, BAIT, PERMITS
AND LICENSES, REPAIRS, AND CREW SHARES.

I WAS BORN IN KODIAK AND FISHED
FOR OVER 50 YEARS. I HAVE SEEN ALL
OF OUR FISHERIES BECOME VERY CROWDED
AND OUR SEASONS ARE GETTING VERY
SHORT. TOO MANY BOATS!

I FISH FOR COD WITH POTS ON THE
MAINLAND SIDE OF SELKIE STRAITS. THE
CONTING LINES WHERE I HAVE TO FISH IS
INSIDE THREE MILES DURING THE FEDERAL
SEASON AND STATE SEASON. FISHING
OUTSIDE OF THREE MILES IS TOO DEEP,
OVER 100 FATHOMS, AND IS TOO

DANGEROUS FOR THE SIZE OF MY BOAT.

I WOULD LIKE MY FEDERAL SEASON
HISTORY CREDITED TO ME OR THE BOAT.

A CONSIDERATION SHOULD BE GIVEN
TO ALL THE FISHERMEN WHO HAVE

FISHED SHELLKOF STRAIT. THE ONLY
AREA TO FISH IS INSIDE THREE MILES.

A FEW TIMES I HAVE HAD A
DELIFT SKIPPER TO GET A BREAK FROM
THE LONG SEASONS. I WOULD SET THE
GROSS PAY FOR FUEL, GROCERIES, CREW
SHARES, PERMITS AND LICENSES, INSURANCE,
ETC. THE DELIFT WOULD GET A CREW
SHARE AND A SKIPPER SHARE.

I WOULD NEED FULL CREDIT FOR
ALL THE GROUND FISH DELIVERIES.

ALL THE RISK IS MINE AND THE
FISHING CREDIT SHOULD BE GIVEN TO THE
BOAT.

THANK YOU FOR YOUR CONSIDERATION.

SINCERELY,

S. J. Samuel Olsen
INTERVALD OLSEN

Box 322

KODIAK, ALASKA 99615

FV VIKING STAR

Don Fax 465 4956
Paul Seaton 465 3472

Nick Katelnikoff
General Delivery
Ouzinkie, AK 99644

April 25, 2004

Paul Seaton, Chairman
Dan Ogg
House Fisheries Committee
State Capital
Juneau, AK 99801

Re: Codfish Moratorium

Dear Representatives Ogg & Seaton.

I'm a full time lifetime fishermen from Ouzinkie. Why are you making it increasingly difficult for a rural fishermen like me to make a living fishing? First it was limited entry, then it was IFQ's and next the LLP's. All these programs hurt fishermen from a village. These permits go to the people that have the money -- almost always to larger boat fishermen in cities or living down below.

Now, you want to limit participation in State Waters groundfish fisheries. How is a young person from Ouzinkie suppose to get started? Sure, we have the cod jig fishery. This is a good fishery but, after jigging in a small vessel for a few years, what's the next step? The state waters codfish fishery permitted a jig fishermen to move up to a 38-50 ft. vessel -- its hard to support this type of vessel jigging. Once a young person moves to the larger vessel than the salmon, herring and tanner crab fisheries become possible. You seem to want to shut these young people out with your moratorium. Don't do it! They need to see a future in fishing.

I know I will qualify under any moratorium. But I just want to help out the young people in our community.

Sincerely yours,



Nick Katelnikoff

James Skonberg Sr.

P.O. Box 70
Ouzinkie, Alaska 99644

April 27, 2004

Paul Seaton, Chairman
House Fisheries Committee
State Capital
Juneau, Alaska 99801

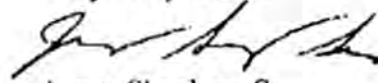
Re: SB 347

Dear Committee Members,

I oppose a moratorium on the ground fish fisheries in State Waters. Why should the State limit participation to the large vessels that can also fish in the Federal Waters? If you put in a moratorium, you will insure that large trawl and pot vessels will catch most of the fish available in State Waters. I think you should wait to see what the North Pacific Fisheries Management Council does to limit the Federal Fishery. Once the State knows what vessels qualify for the Federal fishery, you can see clearly what needs to happen in State Waters. I think the State Waters should be available to smaller vessels and that it should be managed with gear limitations, trip limits and other conventional management tools - not with moratoriums and limited entry.

Please work to stop SB 347 and revisit this issue in the next legislature.

Very Truly Yours,



James Skonberg Sr.

Cc: Dan Ogg

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 25526
JUNEAU, AK 99802-5526
PHONE: (907) 465-4100
FAX: (907) 465-2332

File
w/ Gulf Rational

April 7, 2004

The Honorable Paul Seaton
House of Representatives
Alaska State Capitol, Room 428
Juneau, AK 99801 - 1182

Dear Representative Seaton:

Thank you for your recent letter on the regionalization alternatives in the proposed Gulf of Alaska federal groundfish rationalization program. You have asked that the State of Alaska take the lead on initiating a phase-out of any delivery requirements, or at least exempting fixed gear harvesters from consideration of those requirements.

Rationalization of Alaska's fish resources have been a discussion topic before the North Pacific Fishery Management Council for more than 15 years. In that period, we have seen the rationalization of the Bering Sea pollock resources under the American Fisheries Act, a License Limitation Program for Alaska's crab and groundfish, the implementation of a halibut/sablefish Individual Fishing Quota (IFQ) program, and most recently, the rationalization of the Bering Sea crab fisheries. The topic of discussion now centers on rationalization of Gulf groundfish.

Rationalization of any fishery is designed to help bring about substantial improvements and benefits to the fishing industry, fishing communities, and the resources they are dependent upon. These include a protracted fishing season to eliminate the race for fish (allowing fishermen to pick their own fishing weather windows, greatly reducing the loss of life at sea), reduced bycatch, prohibited species catches, and improved retention and utilization, to name a few. However, as we have seen in some of these programs, it also leads to potential redistribution of wealth between Alaska's coastal communities. The halibut/sablefish program certainly resulted in fewer lives lost at sea and it also increased revenues to fishermen. At the same time, however, it resulted in substantial changes in the processing sector delivery patterns and redistribution of revenue to coastal communities where processors were located.

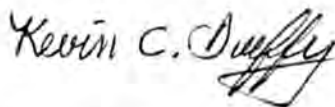
The Alaska Department of Fish and Game (ADF&G) partially funded the most extensive study undertaken to examine distributional issues arising from the IFQ program implemented in 1995. Those broad investigations concluded that more than 82% of the halibut processing sector and 97% of the sablefish processing sector lost revenues in excess of variable costs relative to the pre-IFQ period. For halibut, this occurred despite the 96% increase in total revenues to the entire industry (the halibut wholesale price rose roughly 66% and total poundage rose just under 19%). The dominant product form shifted from frozen to fresh and remote firms were less able to take

advantage of the fresh market than those located near road systems. This fact was accentuated by season elongation that allowed vessels to travel to fresh buyers, redistributing landings toward ports that could support the fresh market. Lost revenues to remote firms meant lost tax dollars to remote communities. In the department's view, rationalization programs should result in positive gains, a win-win situation to all participants, whenever possible. When dealing with a limited resource, economic gains to your borough may mean economic losses to other Alaskan communities like Kodiak, Sand Point, and Chignik.

Regionalization requirements have been discussed at great length by industry and the public during examination of crab rationalization alternatives. Consensus was reached after thorough analysis. It is our belief that similar requirements for groundfish in the Gulf of Alaska will provide for more equitable distribution of benefits under this proposed program as well.

I will keep in mind your suggestions as the council moves forward on rationalization of Gulf of Alaska groundfish fisheries.

Sincerely,

A handwritten signature in cursive script that reads "Kevin C. Duffy". The signature is written in dark ink and is positioned above the printed name.

Kevin C. Duffy
Commissioner

**OUZINKIE NATIVE CORPORATION**

P.O. BOX 69
OUZINKIE, ALASKA 99644
PHONE: (907) 680-2208
FAX: (907) 680-2268
1-800-680-2208

April 23, 2004

Rep. Dan Ogg
Rep. Paul Seaton
Alaska State Legislature
State Capital
Juneau, AK 99801

RE: Groundfish Moratorium-SB 318

Dear Representatives Ogg, Seaton and Committee Members

Ouzinkie Native Corporation has a number of shareholders that participate in State of Alaska groundfish fisheries-both in the "parallel fishery" and in the State Waters fishery. Some of our fishermen pioneered pot fishing for codfish and were active in encouraging the Alaska Board of Fisheries to establish the State Waters codfish fishery. In addition, a number of small vessels from Ouzinkie participate in the State's jig fisheries-both codfish and rockfish.

Our fishermen generally oppose the proposed moratorium (SB 318) that would limit participation in 20 State fisheries. We think you should stop this legislation.

We are especially opposed to the inclusion of the State Waters codfish fishery in the moratorium package. A moratorium is imposed when there is an immediate threat to a fishery. Proponents of SB 318 claim that the current fishery threat is displaced Bering Sea crab vessels or other "rationalized" vessels may come into Gulf of Alaska state waters fisheries. Perhaps this could be true for the "parallel" state fisheries that occur when the Federal groundfish fishery. In most of the State Waters codfish fisheries, vessels are limited by vessel size and number of pots fished. In addition, in Kodiak where there isn't a vessel size limit the catch of the larger vessels is limited to 25% of the Kodiak area State Waters codfish quota. In other words, where are the vessels that pose a threat that would justify a moratorium for the State Waters codfish fishery---they don't exist! At a minimum, the committee should revise the moratorium so that it applies only the

HB 347 Comments
April 23, 2004
Page 2

State's parallel fisheries.

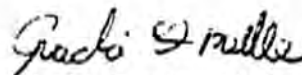
Our shareholders are also concerned about the proposed use of "vessel" licenses as the basis for the moratorium. This is a clear departure from State of Alaska public policy decisions made more than 30 years ago when designing the limited entry system for salmon. We've seen how the IFQ fishermen in Kodiak, once they obtained their quota shares, left town. This will happen with State of Alaska groundfish fisheries if licenses are issued based on vessel participation. In addition, some of our shareholders work as hired skippers. The vessel license approach will cut them out of the fishery—just like many of them were cut out of the halibut IFQ program. It isn't right for the State of Alaska to be advocating a vessel based license program that will harm skippers and residents from rural communities like Ouzinkie.

Finally, it has come to my attention that the legislature may be considering a set of years that is different from the current bill. We also oppose this. If you are unable to kill the bill in committee, you should use the widest possible qualifying years—probably from 1997-2004—work best. Just using recent years will cut even more fishermen from Ouzinkie out of the fisheries!

Let me recap. Ouzinkie Native Corporation requests that SB 318 be held in committee and not passed this legislature session. We further request that the State Waters codfish fishery be exempted from any moratorium package. Any moratorium should be based on individual participation in the fishery—not vessel participation and the qualifying years should go back as far as possible.

Thank you for your consideration of my comments.

Very truly yours,



Jackie Muller, Chairman
Ouzinkie Native Corporation

Steve Branson
Crewmen's Association
Box 451
Kodiak, AK.
99615

I write to you today on behalf of the 278 members of the Crewmen's Association. SB 347 threatens our livelihoods and futures. Passage of this bill would block the upward movement of skippers and crew in the fishing industry and put at risk our pay scale. Once again boat owners, most of whom are no longer active fishermen, would be graced with exclusive rights to a public resource. The majority of the people involved in the fishery would be barred from entering the affected fisheries independently.

A moratorium for individuals, rather than vessels would be much more fair for the fishermen involved. This would prevent non-active vessel owners from using their vessel's moratorium strictly as a financial asset while skippers and crew do all the actual harvesting.

Open access is good for the actual harvesters who, when able, desire to start their own operation. There are over 10,000 AK resident crewmen; a vessel moratorium would effectively bar them from ever working their own boats. Please consider the struggling many before awarding our public resources to the prosperous few...

Thank you for your consideration

Steve Branson
Crewmen's Association representative

Subject: FW: 347

Date: Wed, 14 Apr 2004 19:52:45 -0800

From: Oliver Holm <chicken@gci.net>

To: Cameron Yourkowski <Cameron_Yourkowski@legis.state.ak.us>

Cameron,

I recieved a response from Mary McDowell sent to Eric Jordan about my SB 347 comments. I don't feel free to forward Mary's comments to you without her permission. I expect that they are similar to what she or CFEC may have sent to the fisheries committee. Perhaps my response might be helpful for Representative Seaton.

Oliver

From: "Oliver Holm" <chicken@gci.net>

To: Eric Jordan <ericsarahjordan@gci.net> , Mary McDowell <MaryMcDowell@cfec.state.ak.us>

Subject: 347

Date: Wed, Apr 14, 2004, 7:45 PM

Eric and Mary,

A little time has passed since I recieved the comments of both of you on 347. I am scrambling to get ready for the Kodiak herring fishery which starts tomorrow.

I understand that SB 347 is just a moratorium bill and doesn't necessarily predetermine the nature of any subsequent LE program. I would suggest though that the politics are such that a vessel based moratorium in Gulf groundfish will probably lead to a vessel based LE system. Processors and or their fishermen surrogates will be working throughout the moratorium period to go down that policy road. Senator Ben Stevens is of course on the processor's payroll ("consultant"). Certain Seattle fishermen's groups are spending a lot of time testifying for a vessel based moratorium and will no doubt continue advocating a vessel based permanent system.

I question the Department's position that a vessel based moratorium is significantly superior to a person based moratorium. There is an interplay with the federal groundfisheries and the state waters fisheries. The federal vessel based system was singularly ineffective at limiting harvesting capacity in the federal groundfisheries. One only has to walk the Kodiak waterfront to see the doublewide trawlers and large pot boats to understand this. It is unclear to me what the NPFMC will do with the already in force LLP vessel program once further "rationalization" is adopted. I expect it to be repealed.

As a policy call, If there were more persons fishing under a person moratorium than under a vessel moratorium, and the additional persons were mostly Alaska residents, I would not think that it would be undesirable. The cost is only that the length of the season would be slightly shorter. For pot, longline and jig, almost without exception, groundfish is just one component of the fishing year for most persons and vessels. The laws and policies surrounding limited entry of any kind are almost laughably silent on concrete guidelines regarding the economics of fleets or individuals with regard to LE goals. Some participants always say they are damaged by any newcomers even if they gross a million dollars while others are grateful if they can go out and make a few hundred dollars. I am not sure about the desirability of having government even attempt defining these goals, but the very lack of goals should be remembered when evaluating vessel versus person moratoriums. If there aren't any definable goals, how can one be better as a temporary measure. I think that the policy issues of any final program need to remain at the forefront of the discussion even for a moratorium.

In the gulf groundfisheries, if a vessel moratorium is adopted, 312 persons who were valid groundfish harvesters, responsible for following the rules and actually harvesting the fish, will not have vessels to fish during the moratorium. At least it is certain that they can't all fish at the same time. I would say that the state would be sending a strong signal by this action that vessel owners would be protected but not the persons actually doing the harvesting.

Unfortunately, I will be completely occupied harvesting fish for the next two or three weeks and therefore not able to participate further in the legislative discussions on this issue. We have seen in the past that nonfishing owners have been able to spend much more time lobbying the legislature than actual fishermen.

Oliver

Michael MARTIN
P.O. Box 889
KODIAK, AK 99615
907-486-8187
486-32156
654-32166

Mr. Chairman,

(3 minutes 4-14-04)

My name is Michael Martin. I was born here in Kodiak and have been a commercial fisherman for 37 years. I am here representing our Alaska family corporation that was started in 1956. We own the 91' Elizabeth F. and the 98' Walter N. The Walter N. originally was the 72' Jaguar that sank in the 1964 tidal wave. It was a dream of my Uncle Walt Nestell to raise and rebuild the Jaguar. After Uncle Walt's death in 1969 My Grand Parents fulfilled the dream and metamorphosed F/V Walter N. to its current size. I am also here representing my own vessel the 56' Captain Kidd.

Why the need for a Moratorium?

1. Currently NMFS is in the process of rationalizing the Gulf of Alaska from 3 miles to two hundred. To do nothing from 0 to 3 miles, would allow anyone access to the State's open entry fisheries.
2. Currently, every year has brought shorter state fishery seasons, and in the last two years the cod pot fishery exceeded the gear specific allocation, directly reallocated away from the jig fisheries. **This is a direct result from a fishery that is already overcapitalized.**

What is the purpose of a Moratorium?

To stop the growth of a fishery to allow time for managers to research and implement a pro-active management for the maximum benefit to the State of Alaska. All rationalizations, weigh heavily to the historical entities. These entities have invested capital and effort to show dependency on these fisheries of concern.

For a multitude of reasons, I am here asking you to support giving the moratorium for vessels and not captains.

Why?

1. It would be consistent with how the state dealt with Bering Sea hair crab, and State-wide scallop fisheries. Like those fisheries the purpose should be to create a status quo for current entities, and not to allow for an expansion.
2. This would also be consistent with the intent of NPFMC moratoriums.
3. To give the moratorium to Captains would expand the current fleet to at least 26% higher than the current participation. (page 1 of 1, Kodiak Pot preliminary data).

Real Example: F/V Captain Kidd, pot cod fished 1998 to 2003. Under your Moratorium for Captains concept, my vessel would qualify four captains: Rob Derich, Butch Gagne, Larry Reeser and myself. I have had numerous conversations with other boat owners and found my example to be consistent with them. I strongly believe that the number of unique permit holders is under estimated.

Red Herrings:

1. Owner on board provisions. Our family owned vessels that have never had an owner on board as a Captain. Please let me know which one of you are going to call my 87 year old Grandmother who is currently CEO of our company, that she now needs to go fishing, and by the way, Grandma still has her six-shooter!
2. Owners living out of State. That may be the case for some vessels and some Captains, as it is in many of our Alaskan fisheries, but the majority of owners still live here in Alaska. I would contend that a moratorium isn't going to increase anymore outside ownership.

In conclusion,

I believe it is important to allow the historical current vessel owners the ability to maintain fishing operations as they have, and not to reallocate and expand already over capitalized fisheries.

Thank you,

Michael Martin

Duncan Fields
Testimony on SB 347
April 13, 2004

Mr. Chairman, Madam Chairman, members of the House Fisheries Committee:

I represent small vessel groundfish fishermen from rural communities around Kodiak Island. I had the privilege of serving on the Board of Fisheries' groundfish steering committee. Kodiak's rural fishermen have several concerns about SB 347 and would encourage substantial revisions to the bill.

Issue 1: Does the Legislature want to become the forum of choice for all moratorium initiatives?

The first part of the bill revising the moratorium statute and providing more effective tools for CFEC to impose a moratorium is important and necessary legislation. However, the second part of the bill legislatively imposing a moratorium on an array of fisheries, may ensure that the CFEC's moratorium tools will never be used. In other words, its much quicker for a fishery, or individual in that fishery, to seek a moratorium through legislative action and avoid the CFEC public hearing process. If the legislature adopts the proposed moratorium for these 20 fisheries, why would any subsequent fishery consider the CFEC route?

Issue 2: The "State Waters" codfish fisheries should be exempted from moratorium consideration.

The State waters codfish fisheries should be taken out of the set of fisheries considered for the moratorium. Although the remaining fisheries proposed for the moratorium are significantly different in area and gear type they are similarly characterized by being "parallel" to federal fisheries and managed with the State adopting the same regulations used in the Federal fisheries. In contrast, the State Waters codfish fisheries were created by the Alaska Board of Fisheries in 1997 to provide additional fishing opportunities for smaller vessels in State waters. They are managed independent of the Federal fisheries with unique, State imposed, gear limitations and management goals. The State cod fisheries have, in fact, provided additional fishing opportunities for smaller vessels and a moratorium will preclude new entrants in a fishery designed to provide entry level opportunities.

The committee will hear that the State Waters codfish fisheries are "threatened" because the seasons are getting shorter. Although the State Waters codfish fisheries have, the past two years been shorter fisheries, nature and the availability of near shore codfish have much more to do with shorter seasons than do vessel participation. As recently as 2002, many of the fisheries did not catch their State Waters quota. In fact, it was only last year that the fisheries in Chignik and Cook inlet caught enough codfish to increase their quota and Cook Inlet is still not at the full increment. These are developing fisheries, not fisheries needing a moratorium. The legislature shouldn't impose a moratorium because of short term biological changes in a fishery. State fishery managers have indicated that it is improbable the near shore abundance of codfish will continue.

Duncan Fields' Testimony - SB 347

April 1, 2004

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In addition, there are multiple management tools, short of a moratorium, that could be adopted by the Board of Fish to prolong the "State Waters" codfish fishery. Gear limitations, trip limits and limitations on area registration (super exclusive area registration), are all tools effectively used by the Board to limit and prolong other fisheries.

I appreciate that most fishermen currently involved in the State Waters fishery support the moratorium. Moratoriums close the class of participants and provide competitive advantages. However, this should not be the basis for the Legislature to impose a moratorium. The moratorium decision should be a seldom used crisis management tool based on biological concerns, a clear and immediate threat of significant increases in the fishery and/or public policy considerations – such as impacts on Alaska resident fishermen. Thus far, there are no biological concerns in the State Waters fishery, changes in effort could easily be controlled with the Board's existing management tools and there is little or no information regarding how many resident fishermen would be included under the moratorium. What is known is that Alaska resident fishermen, not included in the moratorium, will be excluded from the very fishery the Board of Fisheries created, just 7 years ago, to give them fishing opportunities.

Issue 3: Should a moratorium be based on "vessels" rather than individuals?

I believe the committee has heard assurances that a moratorium based on the "vessel's" participation in the State's fisheries will not necessarily predetermine who will ultimately receive the licenses. While this may be technically correct, it is naive to think that moratoriums based on vessel participation do not foreshadow how licenses will be issued. For example, hired skippers who have historically participated in the fishery, without a qualifying vessels, no longer have access to the fishery. Eventual licenses, based on recent participation, may not capture hired skipper's participation prior to moratorium's exclusion from the fishery.

Moratorium qualifications are a significant Alaska resident and Alaska community issue. It is also the primary concern in the rural Alaskan communities I represent. Hired skippers tend to be Alaskan residents and live in Alaskan communities. Vessel owners using hired skippers tend to be non-residents. If other "rationalized" fisheries are an indication, once the "owner" doesn't need to be aboard the vessel, they tend to move out of state. "Vessel" licenses provide opportunities for absentee ownership of the fishery resource – folks that own the vessel licenses don't need to live in Alaska, step foot on their vessel or actually harvest the fish. Consequently, a moratorium based on vessel participation benefits non-residents at the expense of Alaska residents. Vessel based licenses must also be paired with "Owner on Board" requirements.

I understand that the committee may be giving some consideration to an "either vessel or license proposal" that would qualify both vessel owners and licensees under the moratorium. I understand that this type of compromise may allow the legislature to facilitate a contentious issue but it is not in keeping with the State's approach to limiting fisheries. Most fishermen have understood that the State's system of limitation was license based, I see no reason to change this method for establishing a set of participants in a fishery.

Duncan Fields' Testimony - SB 347

April 1, 2004

Page 3

Issue 4: Don't count fishing history during the moratorium.

Without clear legislative language, there may be increased effort after any moratorium to try to establish "history" during the moratorium period. It's important at the outside of any moratorium program to clarify that fishing history after the imposition of the moratorium won't count toward future allocations.

- Summary:**
1. Don't impose moratoriums in Alaska ground fisheries at this time.
 2. If moratoriums are imposed, exempt the State Waters codfish fishery. This fishery is substantively different than the other groundfish fisheries considered for the moratorium.
 3. If moratoriums are imposed, use gear cards that punched fish tickets – that is individual licenses, as the basis for the moratorium.
 4. If given a choice between a vessel based moratorium or one that would allow both vessel and individual to qualify, choose the program that includes the individual licensee.
 5. Don't allow catch history during the moratorium to be considered for any future allocations.

Mr. Chairman, thank you for your consideration of my comments. In general, the committee should be skeptical about the "emergency" the proposed moratoriums are intended to address. I would suggest that the moratorium issue be set aside until the Legislature has resident/non-resident information. At a minimum, the committee should take the State Waters codfish fishery out of the bill.



Gulf of Alaska Rationalization

Presentation to Legislative Fishery Caucus – February 26, 2004

Background Information

History of Rationalization

Over the past 12 years, some members of the Gulf of Alaska (GOA) groundfish fishing industry have sought to "rationalize" the groundfish fishery. They want to create incentives that slow the competitive race for fish, resulting in a more economically stable fishery that can better respond to changing economic and environmental concerns. This could be done through the allocation of harvest privileges such as individual fishing quotas (IFQs), cooperatives, or other measures that allocate shares and provide some guarantee of stability for fishing participants.

The North Pacific Fishery Management Council (Council) has taken several steps toward rationalization over the past 12 years. The Council adopted a vessel moratorium in 1992, a license limitation program (LLP) in 1995, and IFQs for halibut and sablefish in 1995. The Council formed the first of three committees to address GOA rationalization in the groundfish fishery in 2000.

In April 2002, the Council and National Marine Fisheries Service (NMFS) started the process of formally analyzing alternatives to the current management program through a supplemental environmental impact statement (SEIS).

Current Council Actions

The Council is developing several alternative approaches for new management policies to rationalize GOA groundfish fisheries resulting from four years of

Council meetings and input from eight public hearings held throughout Alaska and Seattle during the summer and fall of 2002. The alternatives apply in the Central and Western GOA, and for specific rockfish species in Southeast Alaska.

The alternatives under consideration would differ depending on the type of gear used with different possible approaches for trawl, fixed gear (pot and longline), and catcher/processors (*See Matrix*). All of the alternatives would incorporate some form of cooperative management, and most would establish some measure to address processor concerns about the possible adverse effects of quota-based management through license limitations, linkages to specific processors, or allocation of some harvest shares to processors.

Future Actions

Given the complexity of the issue, analysis, and the various views among the industry and other public participants, the alternatives will continue to be revised. The SEIS is likely to take at least a year to complete. Final implementation of any new management program is several years off.

GOA Rationalization and State Management

Rationalizing federal fisheries in the GOA could affect State of Alaska fishery management. The main concern is in the "parallel fishery." The "parallel fishery" is different than the State-managed Pacific cod fishery which occurs exclusively in State waters managed by the Board of Fisheries.

Gulf of Alaska Rationalization

Presentation to Legislative Fishery Caucus – February 26, 2004

Briefly, the problem is:

- Federal management occurs 3-200 miles offshore.
- The State manages fisheries from the shore to 3 miles offshore.
- During the federal fishery, the State traditionally opens state waters to allow access to vessels to fish off of the federal quota inside state waters – the “parallel fishery.”
- Opening state waters allows the effective harvesting of fishery resources. Closing state waters during the federal fishery would severely limit fishing opportunities for State and Non-State residents
- Based on current State legal opinion, the State cannot require vessels fishing inside state waters to hold a federal permit or adhere to Federal regulations, unless those regulations are approved by the Board of Fisheries and meet State statute.
- The State does not have statutory authority to adopt IFQs and the use of some types of quota programs may conflict with State Law.
- Currently, vessels are able to fish inside state waters during the parallel fishery without federal licenses.
- If a rationalization program is adopted, the State would either have to establish an allocation mechanism in the parallel fishery that is legally enforceable under State statutes in coordination with NMFS, or consider closing access to state waters during the federal season.
- If access to the parallel fishery is not controlled, State and Non-State vessels could fish in the parallel fishery without the same restrictions

in federal waters. This undermines the goals of GOA rationalization to provide economic stability while responding to environmental issues.

In October 2003, the Board convened a committee of stakeholders with State, NMFS, Board of Fisheries, Department of Law, and Council staff – the GOA Groundfish Rationalization Task Force – to pursue approaches to provide harvest opportunities under GOA rationalization in State waters that does not conflict with State Law.

In February 2004, the Board voted 7-0: (1) to recommend pursuing Legislative authority for a moratorium on all new entrants in to the groundfish fisheries, excluding jig gear; (2) to recommend maintaining current State groundfish management, or alternatively, allocate a range of harvests for State management based on historic harvest patterns in State waters; and (3) direct the GOA Task Force to continue to explore ways to control harvests within State waters that meets the goals of GOA rationalization and restrictions under State Law.

Contact Information

Additional information is available online or from the following staff.

- North Pacific Fishery Management Council

Staff: Mark Fina

Website: www.fakr.noaa.gov/npfmc

Phone: (907) 271-2809

- National Marine Fisheries Service

Staff: Glenn Merrill

Website: www.fakr.noaa.gov

Phone: (907) 586-7228

Modified GOA Groundfish Rationalization Alternatives Catcher Processors

Because of the number, diversity, and complexity of the fisheries in the GOA, no single alternative below will be appropriate for all fisheries. Mixing and matching should be expected by sector upon further analysis.

Alternative 1	Alternative 2	Alternative 3
No Action	Harvester IFQ-cooperative	Sector Allocations
	Shares allocated to individuals by gear type	Harvest histories allocated to individuals in cooperatives and annual harvest allocations to cooperatives
	All Catcher Processors	Sectors: CP Trawl, CP Longline, CP Pot
	Cooperative	Cooperative
	CP Provisions	CP Provisions
	No Processor Provisions	No Processor Provisions
	those that do not join cooperatives fish IFQs with option for PSC reduction	those that do not join co-ops fish open access with option for PSC reduction

Modified GOA Groundfish Rationalization Alternatives

Fixed gear catcher vessels

Because of the number, diversity, and complexity of the fisheries in the GOA, no single alternative below will be appropriate for all fisheries. Mixing and matching should be expected by sector upon further analysis.

Alternative 1	Alternative 2 Low	Alternative 2 High A	Alternative 2 High B	Alternative 2C	Alternative 3
No Action	Harvester IFQ	Harvester IFQ-cooperative with license limitation for processors	Harvester IFQ-cooperative with license limitation for processors and processor linkage	Harvester IFQ cooperative with processor allocation	Sector allocations with processor linkage
	Shares allocated to individuals	Shares allocated to individuals	Shares allocated to individuals	Shares allocated to individuals	Harvest histories allocated to individuals in cooperatives and annual harvest allocations to cooperatives
	low producing fixed gear CV	high producing fixed gear CV	high producing fixed gear CV	fixed gear CV	Longline CV, Pot CV
	Cooperative	Cooperative	Cooperative	Cooperative	Cooperative
	no processor delivery obligation	license limitation for processors with X% delivery obligation	license limitation for processors with specific processor linkages with X% delivery obligation and share reduction penalty to move between cooperatives (see section 3.1.1.3 Option 4)	allocation of 10, 20, or 30% of harvest shares to qualified processors	specific processor linkages
	those that do not join co-ops fish IFQs	those that do not join co-ops fish IFQs subject to closed class delivery requirement with option for PSC reduction	those that do not join co-ops fish IFQs subject to processor linkage delivery requirement with option for PSC reduction	those that do not join co-ops fish IFQs	those that do not join co-ops fish open access with option for PSC reduction

Modified GOA Groundfish Rationalization Alternatives

Trawl catcher vessels

Because of the number, diversity, and complexity of the fisheries in the GOA, no single alternative below will be appropriate for all fisheries.

Mixing and matching should be expected by sector upon further analysis.

Alternative 1	Alternative 2A	Alternative 2B	Alternative 2C	Alternative 3
No Action	Harvester IFQ cooperative with license limitation for processors	Harvester IFQ cooperative with license limitation for processors and processor linkage	Harvester IFQ cooperative with processor allocation	Sector allocations with processor linkage
	Shares allocated to individuals	Shares allocated to individuals	Shares allocated to individuals	Harvest histories allocated to individuals in cooperatives and annual harvest allocations to cooperatives
	Trawl CV	Trawl CV	Trawl CV	Trawl CV
	Cooperative	Cooperative	Cooperative	Cooperative
	license limitation for processors with X% delivery obligation	license limitation for processors with specific processor linkages with X% delivery obligation and share reduction penalty to move between cooperatives (see section 3.1.1.3 Option 4)	allocation of 10, 20, or 30% of harvest shares to qualified processors	specific processor linkages
	those that do not join co-ops fish IFQs subject to closed class delivery requirement with option for PSC reduction	those that do not join co-ops fish IFQs subject to processor linkage delivery requirement with option for PSC reduction	those that do not join co-ops fish IFQs	those that do not join co-ops fish open access with option for PSC reductions

Gulf of Alaska Groundfish Fisheries Rationalization
DRAFT ADF&G Discussion Points

February, 2004

- In coastal fisheries of the nation—including Alaska—open access fisheries have resulted in excessive capitalization, a race for fish, safety concerns, and allocation conflicts. Returns on investments are not optimized by a race for fish of a strictly limited harvest quota.
- A rationalized Gulf groundfish fishery could result in the following benefits to harvesters, processors, communities and the State:
 - Increased efficiencies, resulting in economic benefits and stability
 - Improved safety
 - Improved stock conservation
 - Reduced bycatch
 - Reduced gear conflicts
- The North Pacific Fisheries Management Council (NPFMC) has worked on Gulf Rationalization for a few years and is making progress toward identification of options and elements for analysis.
- The Gulf groundfish fisheries are extremely complex and involve a multitude of gears, species, locations, and harvesters. A one-size-fits-all solution is inappropriate and unlikely.
- A final decision point in the Federal process is unlikely before the fall of 2005, with the Alaska Board of Fisheries process occurring in a similar timeframe.
- The Board of Fisheries is evaluating Gulf groundfish rationalization for many of the same reasons that the NPFMC is (listed above). In addition, rationalization in state waters will be necessary in order to protect the interests of resident harvesters, coastal communities, and the State.
- A timely moratorium on effort in the state water groundfish fisheries is likely beneficial to control growth during development of a Gulf groundfish rationalization program in the parallel and state water fisheries.
- Development of a state rationalization program that would complement—not confound—the rationalized federal groundfish fishery is preferable, if possible.

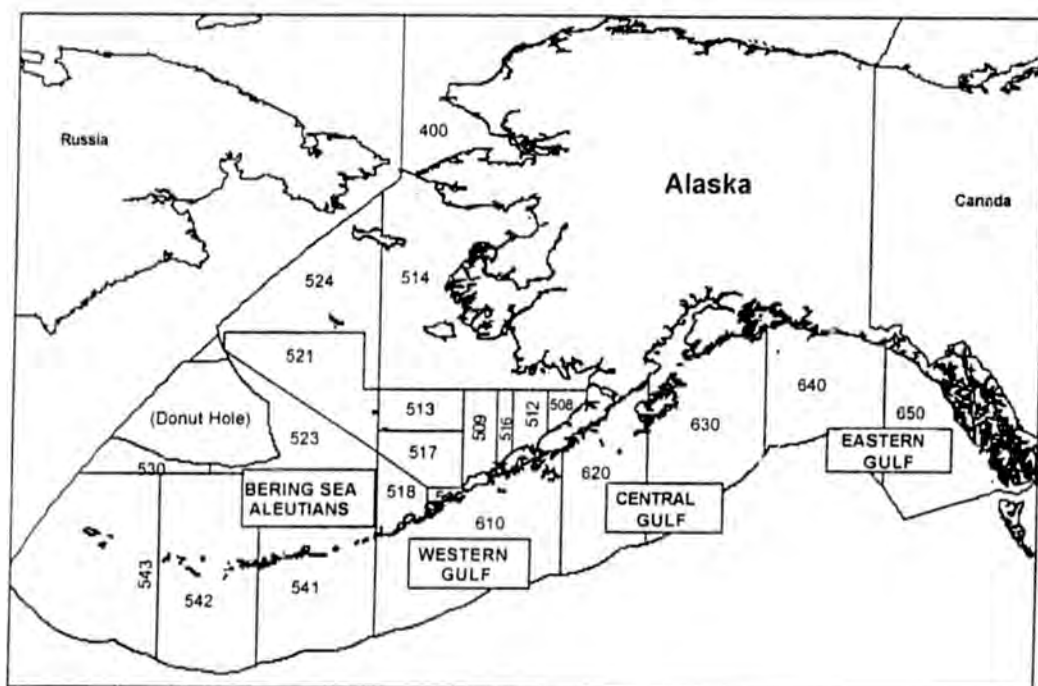


Figure 1. National Marine Fisheries Service statistical and reporting areas.

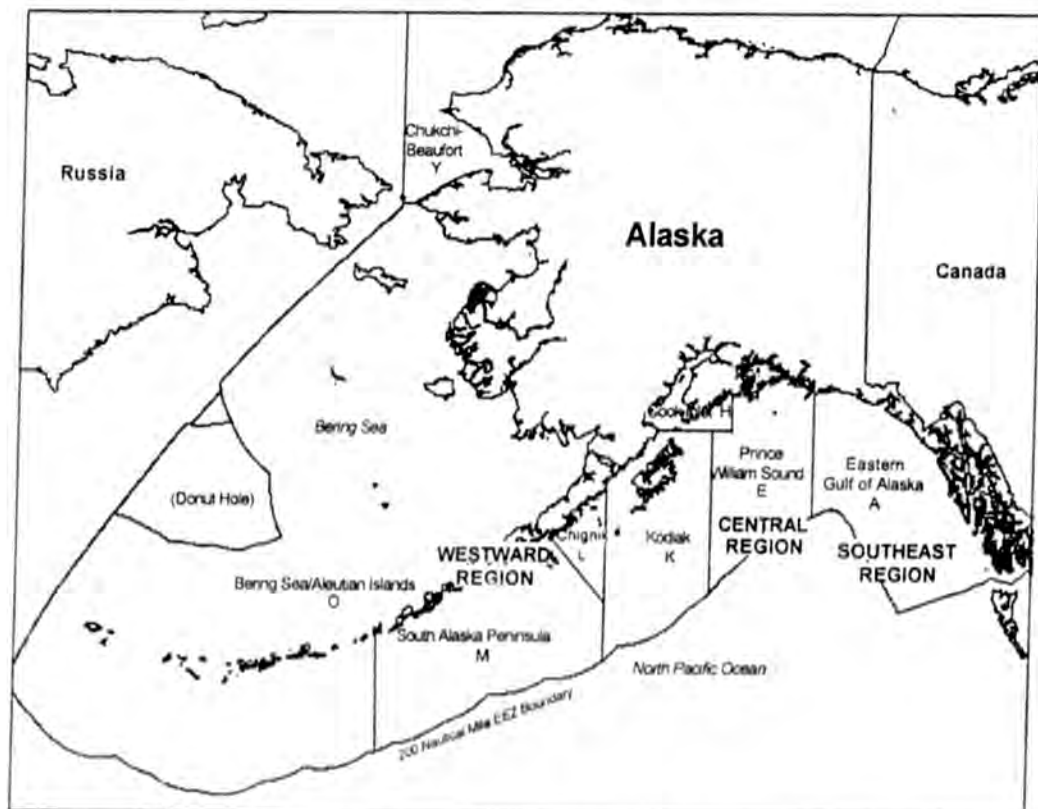
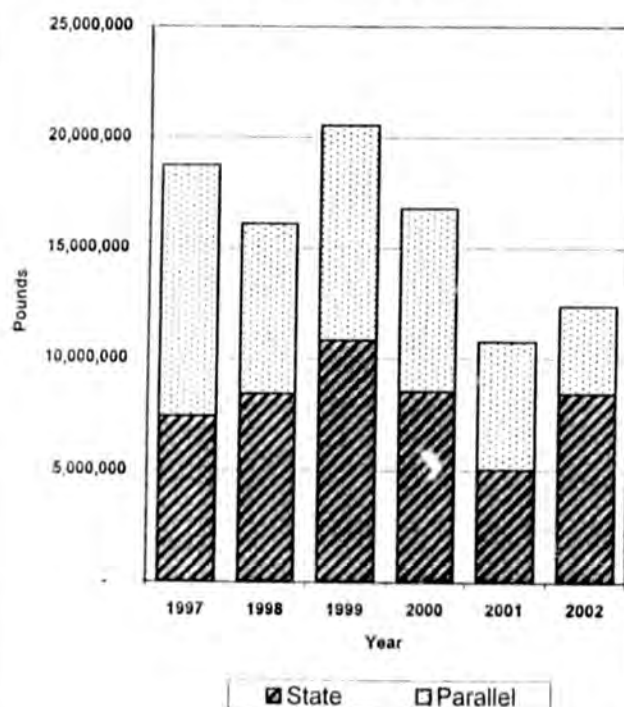


Figure 2. Alaska Department of Fish and Game groundfish registration areas and regions.

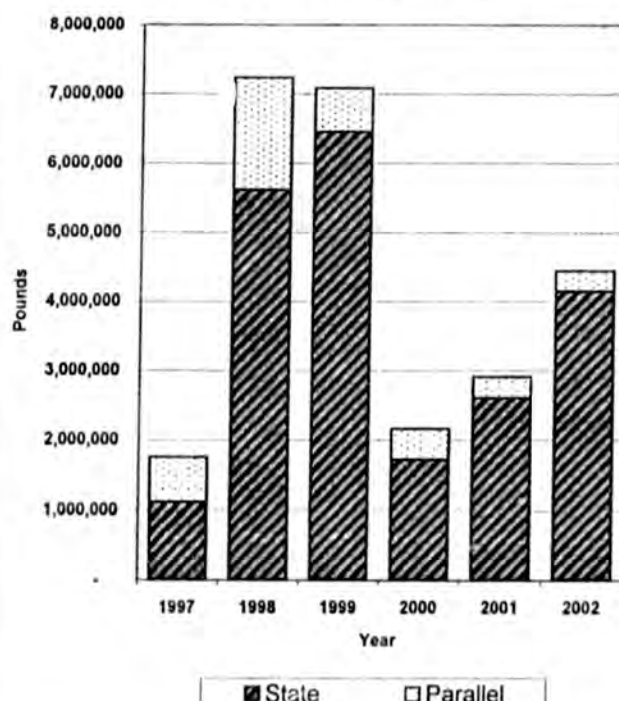
PACIFIC COD HARVESTS, 0-3 MILES

	Kodiak			Chignik			S.AK.Pen			STATE TOTAL	PARALLEL TOTAL	0-3 TOTAL
	State	Parallel	State/Parallel	State	Parallel	State/Parallel	State	Parallel	State/Parallel			
1997	7,420,336	11,295,516	66%	1,116,195	644,824	173%	9,469,848	9,611,484	99%	18,006,379	21,551,824	39,558,203
1998	8,421,630	7,673,196	110%	5,609,498	1,626,491	345%	8,699,764	8,677,029	100%	22,730,892	17,976,716	40,707,608
1999	10,816,152	9,721,996	111%	6,454,215	630,441	1024%	12,180,102	8,427,648	145%	29,450,469	18,780,085	48,230,554
2000	8,538,062	8,238,885	104%	1,731,522	434,814	398%	15,044,104	12,218,437	123%	25,313,688	20,892,136	46,205,824
2001	5,033,781	5,727,174	88%	2,613,624	302,099	865%	13,511,988	6,039,449	224%	21,159,393	12,068,722	33,228,115
2002	8,434,180	3,938,015	214%	4,145,593	297,021	1396%	12,713,370	7,224,671	176%	25,293,143	11,459,707	36,752,850

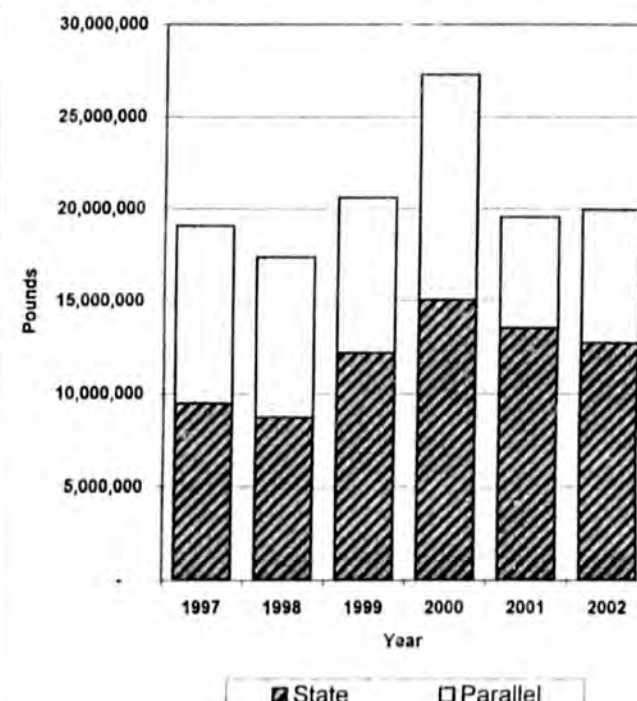
Kodiak 0-3 Mile Pcod Fisheries



Chignik 0-3 Mile Pcod Fisheries



S.AK.Pen 0-3 Mile Pcod Fisheries



Attachment 1: Percentage of Total Retained Catch Harvested Within the Parallel Fishery

Arrowtooth Flounder				Pelagic Shelf Rockfish			
	610	Area 620	630		610	Area 620	630
1995	23%	18%	8%	1995(*)	59%		7%
1996	7%	9%	4%	1996(*)	74%	45%	9%
1997	8%	47%	4%	1997(*)		4%	
1998	1%	22%	8%	1998(*)		7%	
1999	1%	4%	4%	1999			
2000	3%	2%	1%	2000		12%	
2001	7%	20%	9%	2001		1%	
Deep Water Flatfish				Pollock			
	610	Area 620	630		610	Area 620	630
1995	1%	1%	1%	1995	36%	22%	25%
1996		1%	1%	1996	61%	43%	36%
1997		2%		1997	35%	44%	23%
1998		3%		1998	61%	51%	16%
1999	6%			1999	55%	25%	15%
2000				2000	7%	7%	8%
2001				2001	72%	18%	9%
Flathead Sole				Pacific Ocean Perch			
	610	Area 620	630		610	Area 620	630
1995	2%	11%	11%	1995			
1996	1%	20%	6%	1996			
1997	2%	27%	7%	1997			
1998	1%	45%	8%	1998			
1999	5%	10%	3%	1999			
2000	31%	5%		2000			
2001	20%	13%	3%	2001			
Northern Rockfish				Rex Sole			
	610	Area 620	630		610	Area 620	630
1995				1995			
1996				1996			
1997		1%		1997			1%
1998				1998		1%	
1999				1999			
2000				2000			
2001				2001			
Pacific Cod							
	610	Area 620	630				
1995	19%	22%	17%				
1996	31%	13%	14%				
1997	16%	18%	11%				
1998	20%	18%	6%				
1999	17%	24%	9%				
2000	26%	20%	11%				
2001	18%	17%	8%				

Attachment 1: (Con't)

Shallow Water Flatfish				Slope Rockfish			
	610	Area 620	630		610	Area 620	630
1995	6%	50%	13%	1995	14%	2%	46%
1996	1%	51%	5%	1996		40%	25%
1997		68%	5%	1997	1%	1%	1%
1998	5%	31%	8%	1998	2%		9%
1999		4%	1%	1999	6%		2%
2000	6%	7%	1%	2000	14%	3%	2%
2001	6%	5%		2001	24%	2%	2%

Note: Percentages are based on parallel harvest data compiled by ADF&G compared to total retained catch provided by NMFS, Alaska Region. Some discrepancies may exist between these data sources. These data are intended to provide an indication of the likely range of harvests within the parallel fishery.

Black cells indicate that less than 1% of the retained catch came from the parallel fishery in that year within that management area.

(*) Blue and Black Rockfish were managed as part of the Pelagic Shelf Rockfish complex until 1998 and harvest data prior to 1999 do not reflect the species currently managed in this complex. The percentage of harvest within the parallel fishery would include blue and black rockfish prior to 1999.

**1. These fisheries do not seem to currently qualify for limited entry -
Why would the CFEC consider limiting them now? (addresses possibility of
influx)**

- SB 357 does NOT limit any of the fisheries. CFEC is not considering **LIMITING** these fisheries at this time. The bill is only a moratorium -- it is simply a temporary, "preventive" measure to avoid the potential negative impacts of the significant influx of new participants that could very well result from the federal actions in the EEZ and/or an increase in other new entrants -- particularly "permit speculators" (spurred by the talks of rationalization). It provides a "time out" on growth while CFEC/ADF&G tries to determine IF limitation is needed in some or all of the 20 fisheries under moratorium, and if so, whether they need to seek legislation to authorize use of some approach other than the current limited entry program.
- In addition to these issues, grave concerns exist over impacts to open access groundfish fisheries in 0-3 resulting from federal gulf groundfish rationalization. Federal rationalization will most likely result in a harvest-rights based system that would enable federal participants to access state waters without concern for impacts to their federally protected harvests. Changes in Bering Sea groundfish harvests and available capital from crab rationalization also pose additional risks to 0-3 groundfish fisheries.

2. How were the qualifying years chosen?

- 1998-2003 was chosen to reflect the time period during which the state has prosecuted state-managed gulf groundfish fisheries in an attempt to best reflect Alaskan's dependence upon these fisheries. Excluding years prior to 2000 would not capture the interests of long-time groundfish participants that may have been so substantially impacted by Steller sea lion protection measures that they felt they couldn't fish for economic reasons, yet have legitimate long-term dependence upon Gulf groundfish.
- Also, this time period -- and the fact that even a single landing of any species qualifies -- is extremely "inclusive" so virtually no one with any fishing history in these fisheries is left out. This is a "time out on growth" rather than a limitation that kicks anyone out who has participated at any time in recent years.

3. Will the moratorium years be counted towards a permanent program?

- Section 9 (e) states that landings during the moratorium years will not apply to the permanent program. Section (f) states that CFEC may, by regulation, count moratorium participation if authorized to do so by subsequent legislation.

4. Why does the state have to limit entry just because the feds are? (addresses parallel fisheries) Why not get rid of parallel fisheries?

- The bill does NOT limit these fisheries, nor does it determine whether they will be limited. This bill just temporarily contains excessive additional growth while the state determines if limitation is needed -- and if, so, what approach to limitation would be most effective.
- The state is not limiting entry just because the feds are. In addition to the management reasons that are attached, as well as the reasons stated in #1 above, the state believes it would be irresponsible not to take action to protect its interests (increased efficiencies, resulting in economic benefits and stability; improved safety; improve stock conservation; reduced bycatch; reduced gear conflicts; and entry level access to Gulf groundfish) from the impacts of federal action.
- By simply "getting rid" of the parallel fisheries, the state would likely lose its access to federally managed allocations of "bycatch" species necessary to prosecute its 0-3 fisheries, like halibut and sablefish. However, the NPFMC is looking at that option.

5. Why was a vessel-based moratorium chosen rather than a person-based?

- Vessel-based was chosen as the most effective moratorium (not limitation) tool. ADF&G believes that even the 1/3 increase represented by a person-based limitation represents unacceptable threats to the fisheries. A vessel-based moratorium is simply a temporary timeout that does not impact in any way what the permanent limitation--if any--will look like.

-
- Under the current laws for CFEC to consider a moratorium, it is true, the groundfish fisheries of the Gulf of Alaska do not meet those criteria (have not experienced increase in fishing effort beyond a low, sporadic level, have not achieved a level of harvest approaching or exceeding the maximum sustainable level for the fishery, and we don't have insufficient biological and resource management information necessary to promote conservation and sustained yield of the fishery) AT THIS TIME. If the Federal Government rationalizes 3-200 mile fisheries in the Gulf of Alaska, as planned, there could be a significant number of boats and crew displaced into state waters fisheries. Since some of the state waters fisheries are relatively small (15 boats fish for Pacific cod in Cook Inlet state waters in 2004), even a moderate increase in effort would economically harm current participants.
 - Past fisheries placed under a limited entry system after a moratorium was enacted by CFEC have apparently allowed too much effort into those fisheries for them to be economically successful given today's fishery markets. CFEC must consider the highest number of permits ever fished in the fishery when considering any limitation. This is why CFEC has undertaken optimum numbers analysis in some fisheries, and the state has considered permit buy-back options. Salmon is a prime example of a limited entry fishery (12,000 permits) that did not produce the desired outcome even before competition from farmed product arrived.
 - The qualifying years were selected based upon recent participation in state waters groundfish fisheries. While the Federal Government is looking as far back as effort numbers in 1992, the State Pacific cod fisheries only began in 1997. Policy makers opted to start with 1998 because it took time for eligible participants to gear up and produce results in those fisheries.
 - Paragraph (e) under Section 9 clearly states that "participation of a person or vessel in a Gulf of Alaska groundfish fishery during the moratorium established under (d) of this section MAY NOT be used to establish eligibility for a use privilege for a groundfish fishery that may be issued after the termination of the moratorium authorized under this section."
 - The state does not have to limit entry into the 0-3 mile groundfish fisheries simply because the Federal Government is rationalizing their 3-200 mile fisheries. But, as indicated above, federal fishermen who are included or excluded from that program are free to purchase Interim Use Permits and ADF&G Vessel Licenses and pursue fishing in state waters. While the Alaska Board of Fisheries has limited state waters Pacific cod fisheries gear use to pot and jig, there could still be a substantial number of 3-200 mile participants desiring to reconfigure their gear and participate in Kodiak waters (no vessel size limit). There are also approximately 251 vessels under 60' in length that could come into Chignik and the South Alaska Peninsula fisheries for Pacific cod (3-200 mile current LLP holders with no prior recorded harvest in state waters). Under consideration by

the Board of Fisheries GOA groundfish committee is the elimination of the parallel fishery. The parallel fishery allows the use of trawl and longline gear. The use of these gears in a state managed fishery would require the allocation by the International Pacific Halibut Commission of some prohibited species cap halibut (trawl and longline gear result in increased bycatch and mortality of halibut). This reallocation of halibut to state waters groundfish fisheries would have to be done at the expense of existing allocations, and could prove very difficult.

- A vessel-based moratorium was selected over a person-based moratorium because that choice limits effort by more than 300 potential qualifiers. Increased effort of that magnitude could be devastating to several state fisheries.

- The Alaska Board of Fisheries approved a State waters Pacific cod fishery for the Prince William Sound, Cook Inlet, Kodiak, Chignik and South Alaska Peninsula areas in 1997.
- Since that time, various areas have had further restrictions (Chignik became superexclusive, allocations were changed for pot vs jig, vessel size allocations and/or restrictions, etc) put in place by subsequent BOF actions in order to slow the pace of the fisheries.
- Interest in these fisheries started out at moderate levels, grew in the late 1990s with an increasing biomass and prices, and fell to lower levels as prices and biomass fluctuated in the early 2000s. In addition, Federal protection of Steller sea lions in 2000 led to area closures in some state waters. These buffer zones became prohibitive to some smaller vessels, who for safety and economic reasons, chose not to fish farther from nearshore, sheltered waters that they traditionally fished.
- In the late 1990s the Pacific cod fishery for the state waters season typically started in mid-to-late March. This fisheries ran through the end of the year for both pot and jig fishermen in all areas. As rollover dates were reached (October) restrictions on the fleet (for gear and vessel movement) were relaxed in order to more fully take the fish allocated from the federal fisheries to the state fisheries. In other words we allowed more gear in the water, and vessels to move between management areas to where greater numbers of fish still existed.
- As these fisheries began to reach their allocated harvests by the end of the year, allocations were "ratcheted up" as outlined in regulation. For instance Chignik's allocation increased from 5.75% of the Acceptable Biological Catch for the Central Gulf of Alaska to 8.75% (their regulatory ceiling), Kodiak increased from 10% of the ABC for the CGOA to 12.5% (their regulatory ceiling), the Alaska Peninsula increased from 20% of the ABC for the Western GOA to 25% (their regulatory ceiling), and finally Cook Inlet increased from 2.25% of the ABC for the CGOA to 3.75 % (their regulatory ceiling). In other words, they received more fish to harvest.
- Despite actions by the BOF to decrease efficiency (gear restrictions, area restrictions, etc) while at the same time increasing the state's allocation (through regulatory allocation increases) of more fish, the fisheries themselves went from 8 month fisheries to as short as 2 weeks. This is because fishermen became more efficient at finding, targeting, and harvesting those fish, and fish populations remained near shore and in more dense spawning aggregations (making them easier to target). In the past two years, pot and jig catches in the state waters fishery have come in at increasing shorter, record times.
- As seasons grow shorter, the ability of processing plants to move to better product recovery rates and more value-added products decreases. The end result is lower revenues for the same volume of fish harvested, and lowers raw fish taxes shared back to Alaska's coastal communities. This is why the Federal Government is moving to a more rationalized approach to their fisheries, and why the BOF has pushed for a moratorium as they themselves considers options to rationalize state waters.
- If federal rationalization occurs prior to a state moratorium, displaced effort will relocate into state waters. Additional effort will have impacts. Some areas now only support fewer than two dozen vessels (Cook Inlet and Prince William Sound). If a moratorium doesn't occur quickly, speculation will also greatly increase as fishermen assume some form of a right's based fishery looms on the horizon. We have already seen some speculative growth in 2003 and 2004. More effort means shorter fishery durations. Eventually, fishery managers have little confidence in their ability to prohibit nearshore stock depletions, and this could result in fishery closures in state waters. These fisheries have collectively been worth about \$8 - 12 million annually, a significant contribution in light of failing salmon and herring markets.

Can anyone seriously claim that facilitating absentee ownership of Alaskan fish resources is good policy for Alaska?

Vessel based rights by vessel length don't fit in with the other fisheries that most fixed gear groundfish vessels participate in. Very few new vessels are likely to be built just to fish groundfish in state waters. New Coast Guard rules and stability requirements are likely to require larger vessels to carry the same amount of fish as existing boats. In the future, a vessel based system will create nightmares when trying to replace vessels engaged in several fisheries, as is the case with most.

A vessel based system, if adopted, will facilitate vertical integration in fisheries. Processing corporations will be able to buy and own fishery rights directly. By owning a modest portion of the rights through vessels, they will be further enabled to dictate lower fish prices to everyone. A large percentage of harvester income circulates in the Alaskan economy. Any reduction of the harvester share created by changing the limited entry system will just flow directly outside the state as few shareholders of these corporates live here.

I have heard the argument coming out of the Department of Fish and Game that a vessel based system will better control effort for the state waters groundfisheries. I doubt that this is actually the case in any significant way. Legislators should remember in evaluating this that none of the state waters groundfisheries meet the current requirements for instituting limited entry.

I am a resident of Kodiak and have fished as a permit holder-skipper-vessel owner in many fisheries here for the last thirty plus years. I currently harvest tanner crab, pacific cod, roe herring, salmon, halibut and sablefish. I urge you to maintain the permit system we have now for state managed fisheries that maximizes the return to local economies. Please strike the vessel permit provisions from SB 347.

Oliver N. Holm

April 4, 2004

PO Box 3865
Kodiak, Alaska 99615

phone:907-486-6957
email<chicken@gci.net>

Subject: FW: SB 347

Date: Sun, 04 Apr 2004 22:56:15 -0800

From: Oliver Holm <chicken@gci.net>

To: Cameron Yourkowski <Cameron_Yourkowski@legis.state.ak.us>

Cameron,

I won't be able to attend the fisheries committee teleconference tomorrow morning. Could you provide this as my written testimony to the committee on SB 347?

Oliver

From: "Oliver Holm" <chicken@gci.net>

To: Representative Paul Seaton <Rep_Paul_Seaton@legis.state.ak.us>

Subject: SB 347

Date: Sun, Apr 4, 2004, 10:37 PM

Honourable Representative Paul Seaton,
chair, House Fisheries Committee

I would like to comment on SB 347, the commercial fishing moratoria bill, including gulf of Alaska groundfish. I won't be able to attend the teleconference tomorrow due to a scheduling conflict.

I am quite concerned about the recent trend of the legislature and the Commercial Fisheries Entry Commission to switch Alaska limited entry programs over to vessels instead of individuals. I believe that this is a very poor policy position for the State of Alaska to take. The current system that vests the permit in the individual instead of the vessel requires direct participation by the rights holder in the fishery. This promotes responsibility for fishing practices and requires the holder of the fishing privileges to actually come to Alaska to reap the benefits of the fishery rights granted. These fishing privileges command a significant share of the value of the fish harvested. If the person receiving this income must participate in Alaska, they are much more likely to live in Alaska. More of the value of the resource will come ashore in Alaska if the current system of vesting the permit in the person rather than the vessel is maintained.

In switching to vessel licensing, the person receiving the rights, the vessel owner, no longer has to even come to Alaska to fish. The skipper and crew still have to come to Alaska but they won't share in the portion of the catch that goes to the harvesting rights. This will diminish income flowing to Alaskan communities.

Skipper's who don't own the vessels that they run were not treated fairly in the federal limited entry systems for halibut and sablefish. The IFQ rights were not portioned out in proportion to the share of the catch. Owners got everything. Skipper's who actually caught the fish got nothing. This has generally led to lower shares for skipper's and crews. This is likely to be repeated in all subsequent federal rationalizations. A small portion of Bering Sea crab rights may go to skipper's but it is still much less than actual catch shares. The professional fishermen who run these vessels often have families in Alaska as they spend a lot of their time here. Many are residents. These professionals need some recognition and rights if they are to feed their families and get a fair share of the harvest. Sticking to person based permits for state waters fisheries would provide some relief and long term professional standing for these people.

Person based permits prevent excessive concentration of fisheries wealth. A vessel based system rewards overcapitalization. It would take a major expansion of the Entry Commission staff to police vessel ownership to try to curb excessive ownership. It would also take extensive new rule making.

Can anyone seriously claim that facilitating absentee ownership of Alaskan fish resources is good policy for Alaska?

Vessel based rights by vessel length don't fit in with the other fisheries that most fixed gear groundfish vessels participate in. Very few new vessels are likely to be built just to fish groundfish in state waters. New Coast Guard rules and stability requirements are likely to require larger vessels to carry the same amount of fish as existing boats. In the future, a vessel based system will create nightmares when trying to replace vessels engaged in several fisheries, as is the case with most.

A vessel based system, if adopted, will facilitate vertical integration in fisheries. Processing corporations will be able to buy and own fishery rights directly. By owning a modest portion of the rights through vessels, they will be further enabled to dictate lower fish prices to everyone. A large percentage of harvester income circulates in the Alaskan economy. Any reduction of the harvester share created by changing the limited entry system will just flow directly outside the state as few shareholders of these corporates live here.

I have heard the argument coming out of the Department of Fish and Game that a vessel based system will better control effort for the state waters groundfisheries. I doubt that this is actually the case in any significant way. Legislators should remember in evaluating this that non of the state waters groundfisheries meet the current requirements for instituting limited entry.

I am a resident of Kodiak and have fished as a permit holder-skipper-vessel owner in many fisheries here for the last thirty plus years. I currently harvest tanner crab, pacific cod, roe herring, salmon, halibut and sablefish. I urge you to maintain the permit system we have now for state managed fisheries that maximizes the return to local economies. Please strike the vessel permit provisions from SB 347.

Oliver N. Holm

April 4, 2004

PO Box 3865
Kodiak, Alaska 99615

phone:907-436-6957
email<chicken@gci.net>

bycatch and sells or retains any species of shark, must sell or utilize the shark. All harvested sharks must have fins, head, and tail attached at the time of sale. In this subsection, "utilize" means use of the flesh of the shark for human consumption, for reduction to meal for production of food for animals or fish, for bait, or for scientific, display, or educational purposes. (Eff. 5/31/98, Register 146; am 7/5/2000, Register 155)

Authority: AS 16.05.251

5 AAC 28.085. Application of regulations. The regulations in this chapter regarding lingcod fishing also apply in the adjoining waters of the exclusive economic zone. (Eff. 7/25/95, Register 135)

Authority: AS 16.05.251 AS 16.10.190

Editor's note: 5 AAC 28.085 took effect 7/25/95, Register 135, as an emergency regulation. In reviewing the "permanent" regulation, the regulations attorney made technical corrections to the wording of the regulation. The section's history note does not reflect the changes made by the regulations attorney.

5 AAC 28.087. Management plan for parallel groundfish fisheries. (a) Notwithstanding the provisions of 5 AAC 28.001 — 5 AAC 28.732, in managing the parallel groundfish fisheries, the commissioner may open and close, by emergency order, fishing seasons during which area closures, gear restrictions, vessel size limits, and monitoring and enforcement requirements may be imposed to match federal fishery management measures for protecting Steller sea lions.

(b) Notwithstanding (a) of this section, during a parallel season for Pacific cod

(1) in the Kodiak Area, the waters within three nautical miles of the Steller sea lion haul out at Cape Barnabas (57° 10.20' N. lat., 152° 53.05' W. long.) shall be open to pot and mechanical jigging machine gear; and

(2) in the South Alaska Peninsula Area, the waters within three nautical miles of the Steller sea lion haul out at Caton Island (54° 22.70' N. lat., 162° 21.30' W. long.) shall be open to pot and mechanical jigging machine gear.

(c) In state waters west of 144° W. long., a vessel participating in a parallel groundfish fishery must have on board the vessel an activated vessel monitoring system (VMS) approved by the National Marine Fisheries Service. A vessel using only jig gear (mechanical jigging machines or hand troll gear) is not required to have a VMS on board the vessel.

(d) For the purposes of this section, "parallel groundfish fisheries" means the Pacific cod, walleye pollock, and Atka mackerel fisheries in state waters opened by the commissioner, under emergency order

(Eff. 1/3/2002, Register 161; am 8/18/2002, Register 163; am 12/29/2002, Register 164)

Authority: AS 16.05.060 AS 16.05.251

5 AAC 28.089. Guiding principles for groundfish fishery regulations. With state groundfish management expanding to cover the groundfish resources in the waters of Alaska, the Board of Fisheries (board) will be receiving regulatory proposals for these fisheries. The board will, to the extent practicable, consider the following guiding principles when taking actions associated with the adoption, amendment, or repeal of regulations regarding groundfish fisheries:

(1) conservation of the groundfish resource to ensure sustained yield, which requires that the allowable catch in any fishery be based upon the biological abundance of the stock;

(2) minimization of bycatch of other associated fish and shellfish and prevention of the localized depletion of stocks;

(3) protection of the habitat and other associated fish and shellfish species from nonsustainable fishing practices;

(4) maintenance of slower harvest rates by methods and means and time and area restrictions to ensure the adequate reporting and analysis necessary for management of the fishery;

(5) extension of the length of fishing seasons by methods and means and time and area restrictions to provide for the maximum benefit to the state and to regions and local areas of the state;

(6) harvest of the resource in a manner that emphasizes the quality and value of the fishery product;

(7) use of the best available information presented to the board; and

(8) cooperation with the North Pacific Fisheries Management Council (NPFMC) and other federal agencies associated with groundfish fisheries. (Eff. 9/3/97, Register 143)

Authority: AS 16.05.251

Article 3

Prohibitions.

Section

90. Limitations while fishing for shellfish
92. Limitations for halibut

5 AAC 28.090. Limitations while fishing for shellfish. (a) A validly registered king crab fishing vessel may not be used to take groundfish with pots in an area closed to the taking of king crab.

①

House Special Committee on Fisheries

testimony on S.B. 347
April 14, 2004

Crewmen's Association

Representative

Steve BRANSOM

Box 451

Kodiak AK 99615

486-1098 message

654-8910 cell

I represent the 278 actively fishing Deckhands presently in the crewmen's Association. This is only around 1.5% of crew in Alaska's commercial fisheries. I expect to increase our membership exponentially. We are the fishermen; the people who actually put the product on the boats.

Any Moratorium which applies only to owners and skippers unfairly discriminates against crewmen, forever removing our ability to ascend through the ranks of the fisheries hierarchy. In 2002 there were over 10,000 AK Resident crew licenses sold, another 9,000 to non-residents.. Non-inclusion of these licensed fishers will permanently drain these people to the bottom of the financial food chain. Therefore we cannot support such a discriminatory Act.

If this moratorium must be passed, creating a closed class of permit holders; Crew should be issued exclusive rights to the deck participation in said fisheries. The ability to transfer skipper permits to crew wishing to move up the ladder should be allowed.

APR-14-04 WED 04:30 PM KODIAK LIO

FAX NO. 4865264

P. 02

Stan. Branson
Cape Cod Association

18 (2)

907-271-
2817

the boat owners and skippers being
considered for exclusive fishing rights under this
proposed moratorium more than likely got to the
places they are now starting out as crewmen.
It is wrong to deny the rest of us the
possibility to move upward because we weren't
born on the right date.

I beg that in the rush to protect
the privileged few the restless many are not
crushed under foot...

thank you



RC99

ALASKA BOARD OF FISHERIES

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 Gulf of Alaska 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.
- (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 North Pacific Fishery Management Council 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% P. 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 4 yr 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.

Rick Berns
P.O. Box
Old Harbor, AK 99643

April 13, 2004

Fax & Mail

Representatives Paul Seaton & Dan Ogg
House Fisheries Committee
State Capital
Juneau, AK 99801

Rc: SB 347

Dear Paul and Dan,

I oppose a moratorium for State of Alaska groundfish fisheries. I don't think a moratorium is needed and I don't believe all of these fisheries should be treated the same -- they differ by history, gear type, size of vessel and geography. I especially oppose a moratorium for the State Waters codfish fishery. I worked to have the Board create this fishery and it was intended to provide entry level opportunities.

I have been a commercial fisherman for more than 30 years and I started fishing codfish in the Gulf of Alaska about 1990. Back then, a lot of folks said we couldn't catch codfish with pots -- but we've shown that pot fishing works very well. In fact, much of the pressure for a moratorium is so the trawl fleet can keep their market share without competing with the pot fleet. Each year the variables change. Recently, codfish have been available near shore and the quota caught quickly. However, just three seasons ago it was very difficult to find codfish inside of 3 miles and the State Waters fishery quota wasn't caught at all. The point is, the legislature shouldn't be considering a moratorium on these fisheries when it's the variables in the fishery that are impacting catches -- not increased effort.

I support the State of Alaska keeping with its traditional way of limiting fisheries -- by the license holder. I do not support a moratorium based on vessel ownership. The legislature must protect Alaskans and Alaska communities. If the moratorium is based on vessel ownership, you'll just encourage absentee vessel ownership with the owners living outside Alaska and "clipping coupons" from the fishery. It's absolutely essential that you establish any moratorium based on whose name was on the fish ticket.

Another issue concerns me. If a moratorium is established, you should make it clear that fishing catch during the moratorium will not count toward any future allocation. If fishermen have some idea that their moratorium history will help them later, there will be an all out war for the fish. This will substantially disadvantage those of us with small vessels that have consistently fished.

Although I will qualify for a vessel license as both a vessel owner and a skipper and I could be advantaged by a moratorium, I don't support the legislative initiative. I especially oppose closing the State Waters fishery. I believe that moratorium qualifications should be based on individual licenses. If you have any additional questions regarding my position on this legislation, please contact me.

Very truly yours,

Rick Berns

Rick Berns

Harold Christiansen
P.O. Box 71
Old Harbor, AK 99643

April 13, 2004

Via Fax

Representative Dan Ogg
Representative Paul Seaton
House Fisheries Committee

Dear Rep. Ogg and Committee Members:

I have been a fisherman all of my life. I currently fish a 50 ft. fiberglass vessel and have fished for codfish in the gulf of Alaska since 1990. I live in Old Harbor.

I oppose a moratorium on the codfish fisheries — especially the State Waters fishery. Here in Old Harbor we're trying to keep our community alive and encourage our young people to go into fishing. All a moratorium will do is limit our ability to keep a fleet in Old Harbor. Just like with IFQ's, the moratorium will advantage larger, non-Alaska vessels.

I've heard that you are trying to do the moratorium by vessel and not by permit holder. I oppose this. The State system has always been by the permit holder. Some of the guys in Old Harbor have run vessels for others. If you do the moratorium by vessel, they will be left out. This will further reduce the fishing income to Old Harbor and other smaller rural Alaskan communities.

If you do decide to do a moratorium I strongly believe that it shouldn't cover the State Waters codfish fishery. This was started to provide fishing opportunities. I remember when the Board of Fisheries started the fishery. We thought it was a great thing for smaller vessels and guys starting in the fishery. It doesn't need to be limited. If you want to slow down the fishery use gear restrictions or trip limits, not shutting the door.

Also, if you impose some type of moratorium, don't allow history during the moratorium count toward individual allocations. Make this clear right up front. Otherwise, there will be allot of participants in the fishery just for history. This will hurt me and our small boat fleet here in Old Harbor.

In summary, don't do a moratorium! If you do a moratorium, don't include the State Waters codfish fishery. Regardless of your other decisions, don't allow fishermen to fish for history during the moratorium.

Thank you for your consideration of my comments.

Sincerely yours,

Harold Christiansen

Harold Christiansen

Regarding House - Senate Bill #347

Dear Rep. Dan,

I am currently pursuing cod in the state jig cod fishery and have been pretty consistently out of town and unable to participate in the meetings and teleconferences regarding Bill # 347. I'm sure most other jig fishermen are in the same situation. although I hope you have gotten some input from some of them regarding this issue.

The glaring omission of jig gear in the #347 moratoria language is very distressing to me and I have heard the same concerns from every other jig fisherman with whom I have spoken to regarding this issue.

The state waters jig cod fishery is now a viable endeavor for a large number of vessels but it will not remain so for very long if it becomes the dumping ground for all new effort into the state waters ground fisheries.

Although I am uncertain ~~for~~ ^{of} the reasons for omitting jig gear from the moratorium I have heard some talk that jigging was intentionally omitted

with the concept that it would be an entry level opportunity for future aspiring fishermen. While I am sympathetic to this idea I feel that you should be aware of what is going on in the jig fishery at the present time. For the last two years (2003-2004), the pot boats have grossly overharvested their state waters allocation which has had the immediate and direct effect of reducing the jig allocation and has taken hundreds of thousands of dollars out of jig fishermen's pockets. Now it seems that the trend is for many of the pot boats to subsequently put on jig gear and share in the harvest of the jig allocation. Whether this is right or wrong is debatable and I certainly understand that they want to maximize their opportunity also, but the illustrative point is that as Bill # 347 is written trawl, long line and pot boats will be granted moratorium protections but will be free to participate in the jig fishery. As I see more and more 50'-90' vessels out on the jig grounds I feel that the

jigging as an entry level fishery, while possibly viable in concept, is specious in light of what is transpiring on the fishing grounds right now.

As you know, jigging is a relatively recently evolved vocation. I and many other established Kodiak fishermen started out with very small, inexpensive operations working pot and long line gear. I don't understand why they should not be included as viable entry level pursuits today and why the jig fishery should be scapegoated as the new entry level fishery for the future.

The one thing that is clear is that if jigging is the only designated open (entry level) fishery it will not remain viable for any participants for very long.

In conclusion, while I realize that trying to integrate state ground fish management with the North Pacific Council's Federal "irrationalization" schemes is going to be challenging I am distressed to see that the state may be ~~even~~ following the Council's lead in trying to eliminate many small locally based owner-operator fishing businesses.

As regards Bill #347, I sincerely hope
you can get jig vessels included or
leave the state waters open and
managed and/or limited via the
traditional Board of Fish - Entry Commission
venues.

Thanks for your time in reading
my concerns and best wishes for
the rest of the legislative session.
Also give my warmest regards to
~~Art~~ Melissa.

Sincerely,
Peter Allan,
owner-operator F/V Orion.

SB 347
LETTERS OF SUPPORT

Subject: [Fwd: Regarding SB 347]
Date: Mon, 29 Mar 2004 08:08:50 -0900
From: Paul Seaton <Representative_Paul_Seaton@Legis.state.ak.us>
Organization: Alaska State Legislature
To: Cameron Yourkowski <Cameron_Yourkowski@legis.state.ak.us>

Subject: Regarding SB 347

Date: Sat, 27 Mar 2004 16:11:02 -0800
From: Joe Childers <jmchilders@msn.com>
To: "representative_paul_seaton@legis.state.ak.us" <mailto:representative_paul_seaton@legis.state.ak.us>,
<representative_peggy_wilson@legis.state.ak.us>,
<representative_dan_ogg@legis.state.ak.us>,
<representative_cheryll_heinze@legis.state.ak.us>,
<representative_ralph_samuels@legis.state.ak.us>,
<representative_les_gara@legis.state.ak.us>,
<representative_david_guttenberg@legis.state.ak.us>
CC: Sue Aspelund <sue_aspelund@fishgame.state.us.ak>

House Fisheries Committee members:

I write to you today to express support for SB 347 which is a bill that will give expanded authority to CFEC to impose fishing entry moratoriums as it determines them to be justified, and it is also a bill that moves to establish a moratorium on GOA groundfish fisheries.

I have been involved with fisheries in the Gulf of Alaska for more than 30 years. Since 1998, I have represented GOA groundfish fishermen home ported out of Sand Point and King Cove, as Executive Director of an association called Western Gulf of Alaska Fishermen (WGOAF).

There are presently 22 vessels in WGOAF. These vessels are mostly 58' loa. They are combination vessels, meaning that they fish with multiple gear types and prosecute many fisheries throughout Alaska. All of the members use trawl gear to harvest p-cod and/or pollock in the GOA. Most also use pot gear for p-cod, and some use long line gear for p-cod, blackcod, and halibut. A few boats in the group also use jig gear. All of the members in the group have very long participation in these fisheries.

The GOA groundfish fisheries are absolutely critical to the economic survival of all of the WGOAF member businesses. The fisheries today are fully subscribed and over crowded. Fishing pressure continues to increase every year, for many reasons. We see no indication that fishing pressure will not continue to grow until the industry collapses. There are no other fisheries left to expand into!

In order to manage the fishery resources in the GOA in a sound biologically sustainable and economically viable manner, entry into these fisheries must be controlled or curtailed, in order to allow time for the Board of Fish and the NPFMC to figure out an appropriate system for future management of these fisheries.

I plan to testify before your committee hearing on March 29, 2004 and hope to be able to answer any specific questions that you may have specific WGOAF support for SB 347.

Please pass this bill out of your committee, the Gulf of Alaska fishing industry needs this moratorium.

Best regards,
Joe Childers
Exec. Director
Western Gulf of Alaska Fishermen
222 Seward St, Ste 201
Juneau, Ak 99801
907.723.5257

Subject: [Fwd: FW: vessel moratorium]

Date: Mon, 29 Mar 2004 08:09:11 -0900

From: Paul Seaton <Representative_Paul_Seaton@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Cameron Yourkowski <Cameron_Yourkowski@legis.state.ak.us>

Subject: FW: vessel moratorium

Date: Sun, 28 Mar 2004 11:21:19 -0800

From: "Donna Parker" <dparker@arcticstorm.com>

To: <representative_paul_seaton@legis.state.ak.us>

Dear Mr. Seaton,

My husband and I began fishing when we lived in Kodiak several years ago. We still own a 38-foot fishing vessel in SE Alaska. Additionally, I represent the owners of the fishing vessels, Sea Storm and Neahkahnie that fish pollock and cod in the WGOA. We are all very pleased to see the legislature take up this issue. Unless a vessel moratorium is passed, the federal plan to rationalize the GOA fisheries will not have much meaning for participants in the Gulf fisheries. And unless the moratorium is on vessels rather than permits, capacity will increase rather than decrease.

Thank you for considering our views.

Sincerely,

Donna Parker

Subject: [Fwd: SB 347]

Date: Mon, 29 Mar 2004 08:09:25 -0900

From: Paul Seaton <Representative_Paul_Seaton@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Cameron Yourkowski <Cameron_Yourkowski@legis.state.ak.us>

Subject: SB 347

Date: Sun, 28 Mar 2004 19:56:37 -0900

From: Julie Bonney <jbonney@gci.net>

To: "Gara, Les" <representative_les_gara@legis.state.ak.us>,
"Guttenberg, David" <representative_david_guttenberg@legis.state.ak.us>,
"Heinze, Cheryl" <representative_cheryll_heinze@legis.state.ak.us>,
"Ogg, Dan" <representative_dan_ogg@legis.state.ak.us>,
"Samuels, Ralph" <representative_ralph_samuels@legis.state.ak.us>,
"Wilson, Peggy" <representative_peggy_wilson@legis.state.ak.us>,
representative_paul_seaton@legis.state.ak.us

House Fisheries Committee members:

I write to you today to express support for SB 347 which is a bill that will give expanded authority to CFEC to impose fishing entry moratoriums on the GOA groundfish fishery as it determines them to be justified, and it is also a bill that moves to establish a moratorium on GOA groundfish fisheries.

I have represented GOA groundfish fishermen home ported out of Kodiak, as Director of Alaska Groundfish Data Bank. I represent approximately 25 trawl vessels. Most of my members use trawl gear to harvest pacific cod, pollock, flatfish and rockfish in the CGOA federal regulatory area. All of my members have very long participation in these fisheries.

The GOA groundfish fisheries are absolutely critical to the economic survival of all of the AGDB member businesses. The fisheries today are fully subscribed and over crowded. Fishing pressure continues to increase every year, for many reasons. We see no indication that fishing pressure will not continue to grow until the industry collapses.

In order to manage the fishery resources in the GOA in a sound biologically sustainable and economically viable manner, entry into these fisheries must be controlled or curtailed, in order to allow time for the Board of Fish and the NPFMC to figure out an appropriate system for future management of these fisheries.

I plan to testify before your committee hearing on March 29, 2004 and hope to be able to answer any specific questions regarding my members support for SB 347.

Please pass this bill out of your committee, the Gulf of Alaska fishing industry needs this moratorium.

Best regards,
Julie Bonney
Director
Alaska Groundfish Data Bank
P.O. Box 788
Kodiak, Ak 99615

907-486-3033

Subject: SB 347

Date: Fri, 26 Mar 2004 10:52:08 -0900

From: "Gerry Merrigan" <gmerrigan@aptalaska.net>

To: <Representative_Paul_Seaton@legis.state.ak.us>

CC: "Peggy Wilson" <Representative_Peggy_Wilson@legis.state.ak.us>,
<Representative_Cheryll_Heinze@legis.state.ak.us>,
<Representative_David_Guttenberg@legis.state.ak.us>,
<Representative_Les_Gara@legis.state.ak.us>,
"" <Representative_Dan_Ogg@legis.state.ak.us>:,
<Representative_Ralph_Samuels@legis.state.ak.us>,
""Sue Aspelund"" <sue_aspelund@fishgame.state.ak.us>

Mr. Chairman and members of the House Special Committee on Fisheries,

I am writing you in support of SB 347 which would establish a vessel moratorium in GOA statewater groundfish fisheries. I support this bill for the following reasons:

- 1.) As you are probably aware, the groundfish seasons in the GOA are becoming progressively shorter and shorter and are down to weeks and days respectively in the p-cod and pollock fisheries (despite a recent increase in TAC). This is primarily due to increased effort. Federal fisheries management is looking to end the race for fish in federal waters in order to reduce bycatch, improve product quality, promote safety at sea, and in general, make the fisheries more "rational." All of these factors have been further complicated by the Steller sea lion mitigation measures under the Endangered Species Act. However, the federal effort towards a "rational" fishery will be pointless without some complementary action in statewaters.
- 2.) The statewaters fisheries include the parallel and the state-managed fisheries.
- 3.) The participants in the federal and state fisheries are the same vessels. Over half the participants are Alaskans (50%-62% depending on area and gear type). It is not an "us vs. them" scenario because we are talking about the same people, i.e. "us" is "them". Alaskans with historical participation in federal and state fisheries in GOA groundfish are looking for relief in rationalization. Alaskans with historical participation and significant investments are not looking to greatly expand these fisheries. These fisheries are fully utilized and expanding the number of entrants would be a "de-rationalization" program.
- 4.) A vessel moratorium will serve as a time-out on an increase in capacity (number of boats). If for example, you were to consider a moratorium on participants (people) instead of vessels, what will happen is a large expansion of the capacity of the fleet. The reason being that one vessel may have many skippers, particularly in the larger vessels. With a vessel moratorium, that is one permit. With a moratorium on operators, that would result in multiple permits be issued which would increase the number of potential eligible vessels.
- 5.) The vessel moratorium will allow ADF&G and CFEC time to gather the data on individual fisheries. When that data is gathered, there will be a public process to determine if that fishery should be limited and if so, which method would best preserve the historic composition - vessel or operator. By choosing a vessel moratorium now, it does not mean that every fishery will end up as a vessel limited entry license. Choosing a vessel moratorium now makes the most sense in terms of fleet capacity and provides CFEC the flexibility to determine the most appropriate method for each fishery.

Thank you for your consideration. Please excuse for not testifying in person but the NPFMC is meeting in March 29-April 6.

Gerry Merrigan

Prowler Fisheries

Box 1364

Petersburg, AK 99833

Member of the BOF GOA Rationalization Committee

Subject: SB 347**Date:** Sun, 28 Mar 2004 19:56:07 -0900**From:** Julie Bonney <jbonney@gci.net>**To:** "Ogg, Dan" <representative_dan_ogg@legis.state.ak.us>

Hi Dan,

Here are my comments regarding our discussion on SB 347. My main concern is getting SB 347 passed.

1. The Vessel vs License holder debate

We are trying to close the door to wide open expansion. Allocating licenses to skippers rather than vessels is contrary to that goal. Even a simple look at this issue demonstrates that such a skipper license program will create more eligible entrants than the maximum number of participants that ever fished! What is rationale about that? The need for Vessel licenses rather than skipper licenses in groundfish today speaks largely to the transformation of our industry. In 1959 it was mostly outside owned and controlled. Today we have a very diversified fish harvesting companies established throughout the groundfish industry. Some but by no means all, are outside owned, and some are owned by processors. The original intent of the law which was to encourage transition of the ownership of capital to independent Alaska fishermen has been successful. But today, the needs of the many small companies to respond effectively to today's fishery challenges requires that we no longer focus on spreading the fishery thinner and thinner, but instead allow today's companies to operate like the businesses that they are. Certainly, it is now and will always be the purview of the Alaska legislature to review the ownership of usage rights to its resources, but restricting harvesting rights to skippers instead of vessel owners is clearly does not have the same efficacy today as it did in 1959. GOA Groundfish is a mature and fully exploited industry. The federal program will put vertical integration cap on vessel ownership which will prevent an increase in ownership by processors and also put caps on ownership by individual vessels so that it will be spread amongst the appropriate number of vessels and make the fishery economical.

Obviously a vessel based moratorium is a lot more specific than a individual permit based moratorium. As we know fishing gear and vessels keep becoming more efficient and the seasons get shorter and shorter. If we do a permit based program we have not created any limitation on effort, and fishing inside three miles will become the last great race. For the trawl fleet it would be fair to assume that doing a individual based program there will be 3 times the number of permits when compared to the vessel based program (189 LLP for the CGOA vs. approximately 600). Also many vessels owners do not operate the vessel so these owners who have no record of deliver (Al Burch for one), will not receive a permit under a individual based program. Finally the way the moratorium is set up you can chose to do either a vessel or individual limitation - so the appropriate limitation by gear type, vessel class could be incorporated.

2. Why do you need special legislation to do the moratorium? Can't CFEC do the moratorium without involving the legislature?

As federal rationalization of the GOA continues to move forward we are going to need a solution to prevent increased effort inside 3 sooner than later. The CFEC does not have the authority to do anything quickly. In fact they have never done a moratorium in any fishery in the state of Alaska. Finally the data needed to do a moratorium, limitation through CFEC is not available since over the history of the fishery it has been managed as a federal fishery even though vessels

have fished inside 3 miles state jurisdiction. It may take many years to create the data set needed to justify the moratorium. CFEC and the BoF have authority now to establish fishing moratoriums, but the criteria are so restrictive that they can't ever justify such a move. The criteria are very severe biological/ecological and/or economic stressors. Obviously, the need is to be able to prevent collapse of fisheries, which is why CFEC needs this authority so they can be proactive instead of reactive. It's kind of like reacting to overdrawing your checking account if you have large cash reserves in savings. It may be embarrassing, but it is survivable. However, overdrawing your checking account when you have no other assets is a crime and punishable by law. CFEC wants to be able to react while they still have cash in the bank (a viable industry and resource). The moratorium language allows for a temporary moratorium. There is no requirement that any particular fishery be limited under the moratorium. This power simply allows CFEC to put on the brakes so that they can properly assess the resource usage situation. It might be argued that this has never been necessary before, and that may be true sort of, but today there are no other obvious fisheries out there beckoning new comers. The ability to over use and destroy our fishery resources is much more possible today, than ever before. CFEC clearly needs this authority if Alaska hopes to sustain meaningful state water ground fish fisheries in the future.

3. The two pieces in the legislation that I would want changed if possible.

Release of catch history to Vessel owners is big step for the state to take and it is the right thing to do for all the same reasons. The shallow confidentiality argument that has always prevailed preventing this is dated and obsolete. We are trying to get a handle on fishery management. To do that we need to control fishing pressure. This is of course a step in rationalizing the fisheries, which is intended to reduce fishing effort, not expand it. The ability for vessel owners to access their own vessel catch history is necessary and warranted and should be made the law of the land for all fisheries in Alaska. It would be cool if the the federal portion of a vessel history was also available to the owner. I have a big job ahead on me to collect all the vessels histories in the CGOA. For a vessel to get releases from every skipper from 1995 to 2002 is a huge task. Allowing the owner of the vessel to request the history would make things so much easier. This change will do a lot to speed up the whole process for everyone, not to mention cost us all less money and wasted time for our managers and analysts.

The fee structure for the moratorium permits are too high for the trawl fleet. Since we are looking a state management areas my guys are going to need a slug of permits to match the federal regulation areas. Presently my guys fish the CGOA regulatory area which equals the areas Kodiak, Chignik, PWS, CI, for both pelagic and non-pelagic gear. (8 times \$500 or \$4,000), net result is they may avoid certain permits and thus not harvest the fish appropriately in terms of where the biomass is.

There one approach that might to work to fix the problem. Instead of giving to licenses per area (non-pelagic trawl and pelagic trawl, just give a trawl licenses). This in not going to allow any more bottom trawling in any of the areas since the BOF sets what areas bottom trawling can occur. It would sure simply things.

Thanks - Julie Bonney

You can reach me on my cell phone 1-907-250-4706 if need be.